

City of Indianapolis, Indiana

(Component Unit of the Consolidated City of Indianapolis-Marion County)

Joe Hogsett, Mayor

Fady Qaddoura, Controller



Comprehensive Annual Financial Report

Year Ended December 31, 2018

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

City of Indianapolis, Indiana

(A Component Unit of the Consolidated City of Indianapolis – Marion County)

Year Ended December 31, 2018

Office of Finance and Management

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Introductory Section

Introductory Section



June 28, 2019

To the Honorable Mayor Joe Hogsett, Members of the City-County Council, and Citizens of Indianapolis, Indiana:

I submit to you the Comprehensive Annual Financial Report (“CAFR”) of the City of Indianapolis (“City”) for the fiscal year ended December 31, 2018. The City is a component unit of the Consolidated City of Indianapolis – Marion County Reporting Entity. This report was prepared by the Office of Finance and Management (“OFM”). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Controller of the City of Indianapolis. The data, as presented, is accurate in all material respects. It is presented in a manner designed to set forth the financial position and results of operations of the City. Disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs are included.

The CAFR conforms to the standards for financial reporting of the Governmental Accounting Standards Board (“GASB”) and the Government Finance Officers Association of the United States and Canada (“GFOA”). There are three main sections to this report. The Introductory Section includes this letter, the Certificate of Achievement for Excellence in Financial Reporting, a description of the government and related taxing districts, a list of elected officials, and the City’s organizational charts. The Financial Section includes the independent auditor’s report, management’s discussion and analysis (“MD&A”), the basic financial statements for the City, and supplementary information. The Statistical Section includes selected financial and demographic information presented on a multiyear basis. The MD&A can be found starting on page 4.

The City is required to undergo an annual single audit in conformity with the provisions of the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor’s reports on internal control and compliance with applicable laws and regulations, is included in a separate report.

This report contains all funds of the City. The City operates under an elected Mayor and City-County Council (25 members) form of government. The City provides services in public safety, public works, health and welfare, cultural and recreation, urban redevelopment and housing, and economic development.

ECONOMIC CONDITION AND OUTLOOK

Regional Economy

Indianapolis has a growing and diversified economy with employment and per capita income rates that historically have outperformed both state and national averages. The Indianapolis Chamber of Commerce reported 74 successful relocation and expansion projects in 2018, leading to 13,320 jobs attracted or retained with \$558 million in capital investment. Four of Indiana's Fortune 500 companies are located in Indianapolis and the City is home to many of the State's largest public companies, including: Anthem, Inc., Eli Lilly and Co., Simon Property Group Inc., Calumet Specialty Products Partners LP, Allison Transmission Holdings Inc., and Duke Realty Corp. The City is also a logistics center that features the world's second-largest FedEx Corp hub, United Parcel Service Inc., Schneider National Inc. and others.

In transportation, the Indianapolis International Airport (IND) averages 145 daily flights to 51 nonstop destinations including a transatlantic flight to Paris, inaugurated May 2018. In 2018, more than 9.4 million passengers flew through IND, setting a new historical record. IND was voted Best Airport in North America by Airports Council International for the sixth consecutive year and Best Airport in the U.S. by readers of Condé Nast Traveler. Known as the Crossroads of America, Indianapolis is connected to the rest of the nation by four major interstate highways, making it a prime location for distribution and shipping.

The City is home to 20 universities and higher education institutions with over 92,000 students enrolled in 2018 as well as several technical and vocational education programs. These include Indiana University-Purdue University Indianapolis (IUPUI), Butler University, University of Indianapolis, Marian University, Ivy Tech Community College and others. The Indianapolis area is served by 341 K-12 schools, with a population of 132,000 students distributed among 11 public school districts.

Indianapolis' Healthcare sector has expanded in the past decade and continues to grow. Eskenazi Hospital, Indiana's largest public hospital, was completed in December 2013. The \$750 million state-of-the-art facility houses Level I Trauma and Burn Units, psychiatric, long-term, outpatient, and other care centers. Indiana University Health ("IU Health") continues to expand its three hospital campuses in the City; with IU Health Methodist investing \$1 billion for a new medical center, Riley Hospital completing a \$475 million expansion and IU Health adding a \$142 million maternity and child health center.

Indianapolis continues to be a major sports and convention destination. Indianapolis Motor Speedway is home to the Indy 500 race, Lucas Oil Stadium is home to the Indianapolis Colts, hosting Super Bowl XLVI and multiple NCAA Men's Final Four tournaments and Big Ten Football Championships. Bankers Life Fieldhouse is home to the Indiana Pacers and the Indiana Fever. Victory Field is home to the Indianapolis Indians, Pittsburgh's Triple-A affiliate. All three major sports facilities are within walking distance or connected by the skywalk system to the Indiana Convention Center. The 15th largest convention center in the U.S. is poised for another major expansion announced in 2018. Indianapolis drew 28.8 million visitors in 2017, with an estimated economic impact of \$5.4 billion dollars. The top annual conventions and events are: Gen Con (61k), National FFA Convention (58k), Big Ten Championship (70k), and the Indy 500 (up to 300k attending). In 2018, Visit Indy had its second-best year on record, securing 896,544 future room nights for conventions, trade shows, meetings and events.

Key cultural destinations include the Indianapolis Zoo, the Indiana State Museum, the NCAA Headquarters and Hall of Champions, the Eiteljorg Museum of American Indian and Western Art, the Children's Museum of Indianapolis, Newfields: A Place for Nature & The Arts (previously known as the Indianapolis Museum of Art) and seven war memorials.

Economic Development

In 2018, the primary economic development goals for the City were to assist existing businesses and attract new businesses within its targeted cluster industries to bring high-wage jobs to Indianapolis. In addition to these goals, the City, in partnership with the Indy Chamber, continued long term economic development planning by completing the Inclusive Growth study, done by HR&A advisors, and using recommendations to develop an Inclusive Incentives strategy, which will reorient and align economic development programs and resources to facilitate long-term investments in competitiveness while ensuring that more residents can connect to economic opportunity. This is a continuation of the work done in 2017 with the Global Cities Initiative, a joint project of The Brookings Institution and JPMorgan Chase as well as an Inclusive Growth Study and Economic Development Incentives Study, both projects of The Brookings Institution.

Develop Indy is engaged in business and community development efforts beyond traditional corporate attraction. 2018 saw more than 1,700 ‘contacts’ with employers through the Indy Chamber’s regulatory ombudsman, an expanded suite of online business services, and business retention outreach. As part of the Indy Chamber and a partner of the City, Develop Indy also continues to serve a customer service function to support the existing business community, while welcoming new businesses to the City.

Through an intense analysis of the Greater Indy Region’s industries, assets and more, the regional strategy revealed that five areas – life sciences, manufacturing, logistics, information technology, and sports – reflect the region’s core, clustered economic activities. As for the City, targeted industry clusters complement the natural progression of industry in Indianapolis: life sciences, advanced manufacturing, digital technology, motorsports, logistics, and clean energy.

Companies in our target industries accounted for nearly 54% of the new and retained job announcements in 2018. Information technology was the highest growth industry with nearly 5,800 new and retained job commitments, followed by professional services with more than 2,591 new and retained jobs. A Brookings Institute analysis placed Indianapolis as #7 among 50 major metros with the fastest five-year digital job growth. The average hourly wage for all new job commitments was \$30.18 in 2018.

2018 Job Commitments and Investments

In support of the primary economic development goals for the City, 13,320 job commitments (6,891 new jobs/6,429 current and retained jobs) and over \$558M in capital investment from 74 successful relocation and expansion projects were announced in 2018. The average wage for retained jobs was \$28.29 per hour and the average wage for new jobs was \$31.94 per hour. In total, Develop Indy successfully pursued 74 relocation and expansion projects during 2018. These successes were realized due to the partnership between the Mayor’s Office and the Indy Chamber.

The commitment from companies to add and retain over 13,320 jobs and invest more than \$558M in Indianapolis is a testament to the fact that the City continues to be a great place to live and do business. Companies benefit from Indianapolis’ stable, affordable and pro-growth economic environment, skilled workforce, central location, and overall low cost of doing business.

2018 Notable Projects

Dormakaba, one of the top three access control and security solutions companies in the global market is nearly doubling their manufacturing operations in Indianapolis and making their presence here their North American HQ. Dormakaba, based in Switzerland, committed to adding 165 new jobs and retaining 419 jobs. Dormakaba has opportunities for all skill levels.

InfoSys India-based InfoSys expanded earlier plans for an innovation hub in Indianapolis, adding a thousand jobs to a \$245 million redevelopment at the former Indianapolis Airport terminal to boost its planned workforce to 3,000 on a 132-acre campus.

Socio Labs, a B2B SaaS company that helps enterprises and small businesses optimize their events is adding 156 employees to their company in both of their offices. Socio Labs, born in Central Indiana, and headquartered in downtown Indianapolis has a second office in Istanbul, Turkey to service their clients in the European market.

LONG-TERM FINANCIAL PLANNING

The Office of Finance and Management (“OFM”) is responsible for financial planning for the City and Marion County. OFM is also responsible for the annual budgets of all agencies, both the development and the execution. OFM employs a sophisticated modeling system to estimate property tax revenues for both the current budget year and future years. With this tool, the City has more ability to model the effects of property tax caps and tax increment capture than any other municipality in the State of Indiana.

Property Tax

The City collected \$315 million in net property tax revenue in 2018, including TIF. The City expects to collect \$328 million in net property tax revenue in 2019. The Circuit breaker impact is estimated to be \$33 million in 2019, approximately 13% of certified property tax levies. This represents a slight increase from the \$30 million loss in property tax revenue experienced in 2018.

This revenue loss is due to House Enrolled Act 1001, enacted by the Indiana General Assembly in 2008, which limits the property tax liability of each parcel. The law set a three (3) tiered cap on property tax liability covering the five (5) property classes – homesteads, other residential, agricultural, commercial, and industrial. These tiers are structured as follows:

Maximum liability equals 1% of parcel GAV – homesteads;

Maximum liability equals 2% of parcel GAV – agricultural and other residential;

Maximum liability equals 3% of parcel GAV – commercial and industrial.

Local Income Tax (“LIT”)

LIT is an income tax based revenue stream with a flat rate structure, imposed on state adjusted gross income of County taxpayers. The tax rate is imposed based on the residency of the taxpayer, not the county of employment. The tax is authorized by statute and is applicable to all Indiana municipalities. The tax does not sunset. The LIT rate is established by the Marion County Income Tax Council.

In Indiana, the State Department of Revenue serves as the collection agent for all County income taxes. Thus, each county relies on annual distributions of county income tax revenues from the State. The State Budget Agency ("SBA"), in collaboration with the State Department of Revenue and the Department of Local Government Finance, administers these annual distributions. These annual distributions are shared among the county government, all townships, and the municipalities located within the county, including the City. For Marion County, OFM is responsible for calculating the allocation of county income tax revenues to all eligible entities pursuant to a Marion County specific formula found in State statute. OFM works very closely with the State Budget Agency to track and forecast income tax collections and annual certified distributions.

The certified distribution is a guaranteed amount of LIT revenue remitted by the State Auditor to the County Treasurer monthly in 1/12th increments based on total income tax returns processed from July-December of the prior fiscal year and January-June of the current fiscal year. For 2018, total local income tax revenue distributed to the City was \$237 million which includes the three components of the income taxes, the total rate in 2018 was 1.7218%: County Option Income Tax (“COIT”) (.9643%), Public Safety Income Tax (“PSIT”) (.5000%), and the Local Option Income Tax (“LOIT”) Levy Freeze (.2575%). In 2017, total City income taxes distributed were \$230 million. The \$7 million increase from 2017 is attributable to organic growth in income tax revenue. The certified 2019 City income tax amount is \$261 million, an increase of \$24 million from 2018. The effects of economic events on income tax collections are not revealed in annual distributions to counties until two years later, due to the fact that certified distribution are based on income earned two years in arrears. A State-held trust balance can be drawn upon to stabilize collections in weaker years. Per statute, when the balance exceeds 15% of the certified distribution, supplemental distributions are released based upon the balance in the Trust Account reported two years prior to the certified distribution year. Every April, the SBA reviews the amount each local entity has generated in the State-held Trust Fund and, if applicable, distributes any excess in May.

5 Year Forecasting

As part of the long-term financial planning for the City, the City Controller has developed a 5-year financial plan focusing on available funds over the next 5 years. The 5-year financial plan will provide projections of major revenue sources such as property taxes, income taxes, other major miscellaneous revenues sources, and the impact of the circuit breaker. In addition, the plan makes various assumptions for major expenditures such as personnel costs, contractual obligations, and capital needs. The 5-year financial plan will be reviewed and updated monthly to monitor and respond to changes in fund balances, revenues, and expenditures.

RELEVANT FINANCIAL POLICIES

Internal Control Structure

Management of the City is responsible to establish and maintain an internal control structure that ensures the assets of the government are protected from loss, theft, or misuse and ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

Budgetary control is maintained for certain funds, at the object level of expenditure by the encumbrance of purchase orders against available appropriations. The City uses the GASB expenditure terminology (object) for financial reporting purposes and State of Indiana expenditure terminology (character) for internal accounting purposes. Capital projects reimbursable by grant revenues are encumbered for the total amount of the estimated project cost. Outstanding encumbrances to be financed from future revenues, other than approved grant revenues and certain Consolidated County budgetary account reimbursements, are recorded in their entirety as assigned fund balances.

MAJOR INITIATIVES

In 2013, the Indiana General Assembly passed Senate Enrolled Act 621-2013. Senate Enrolled Act 621 (“SEA 621”) provided that City budgets may be allocated on a semiannual basis as determined by the City Controller. In addition, if revenues and fund balance are less than budgeted expenditures, the City Controller can reduce City agency budgets to create a funded budget. Under, SEA 621 the City may impose management reserves, which places a percentage of each agency and department’s budget into reserve and does not allow for expenditure unless the Controller believes the appropriation is fully supported by a combination of current revenues and existing fund balance. For fiscal year 2018 the City did not place management reserves, and this will continue into 2019.

Focusing on fiscal stability, the City continues to maintain a AAA credit rating by showing solid cash reserves, including the Fiscal Stability fund which has a balance of approximately \$81.1 million at the end of 2018. The Fiscal Stability Fund was established by law and has the primary purpose of supporting a solid credit rating for the City.

The City continues to identify ways to create efficiencies and improve the delivery of services to the City despite limited resources. OFM and the Office of Audit and Performance (“OAP”) work closely with City agencies and the City administration to create opportunities to reduce expenditures and identify new revenue sources. Along with OAP’s work, the City has found ways to reduce liabilities through smart-sizing initiatives to reduce cost, while still maintaining appropriate resource coverage. In addition, the City is working to become more efficient in service delivery by utilizing technology, business intelligence, and taking on current operations with a smaller workforce.

Finally, 2018 saw continued investment in the sworn police force by including funding for 31 net new officers. Additionally, the Office of Public Health and Safety received funding for more reform initiatives including the Mobile Crisis Assessment Teams (MCAT), re-entry services and the Reuben Engagement Center. The 2019 budget is structurally balanced and focuses on public safety and infrastructure. The public safety initiatives, include; a community mediation center, witness protection program, food policy coordinator and anti-crime technology for IMPD, along with funding for 120 additional police officers and 109 firefighters.

OTHER INFORMATION

Audit Committee

The Consolidated City-County’s Audit Committee was formalized by City-County Council ordinance to provide an independent review body for the audit activities of the City. At December 31, 2018, the Audit Committee members were:

| | |
|--|--|
| Mr. Charles Johnson III , <i>Chairperson</i> | Engaging Solutions-Managing Principal |
| Mr. David Reynolds | Indiana General Assembly -Executive Director, Office of Senate Fiscal Policy |
| Ms. Debra Shoffner | Retired |
| Mr. Leroy Robinson | City-County Councillor, City of Indianapolis – Marion County |
| Ms. Bengu Powell | Comer Nowling, Senior Manager |
| Ms. Marilyn Pfisterer | City-County Councillor, City of Indianapolis – Marion County |
| Mr. Tim Moriarty | Mayor’s Office |

Certificate of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Indianapolis for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

This report is the combined effort of many people: Office of Finance and Management accountants, internal auditors, departmental chief fiscal officers, and others. I appreciate their diligent and conscientious work, as well as the efforts of our independent auditors, BKD LLP.

Mayor Hogsett, I also appreciate your continued guidance, interest, and support of excellence in accounting and financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fady Qaddoura', with a long horizontal flourish extending to the right.**Fady Qaddoura**

Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Indianapolis
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF INDIANAPOLIS

ORGANIZATION OF LOCAL GOVERNMENT AND TAXING DISTRICTS

Introduction

The City of Indianapolis (City) was originally incorporated in 1832. It is the largest city in the State of Indiana (“State”) and the 16th largest city in the nation with a population of 867,125 and a metropolitan area population of approximately 2.0 million people. The City encompasses a land area of 402 square miles. The City, located at the geographic center of the State, is the State capital and also serves as the physical, economic, and cultural capital. Indianapolis has a stable and diversified economy with employment rates and income levels consistently above the national averages.

Form of Government

On January 1, 1970, the governments of the City and that of Marion County (“County”) were unified and their form of service delivery consolidated, thereby extending the City’s boundaries to generally coincide with those of the County. Four municipalities (Beech Grove, Lawrence, Speedway, and Southport) located within the County boundaries were specifically excluded from most functions of the consolidated City by the consolidating act. The consolidated government provides for a Mayor and a 25–member legislative council. The City-County Council consists of 25 councillors elected from single-member districts. Because the Mayor’s powers extend to the entire county, residents of the Town of Speedway and the Cities of Beech Grove, Lawrence, and Southport, the municipalities not affected by the reorganization, vote for the Mayor as Chief County Executive.

Since adoption of the consolidated form of government for the City, governmental services within the area of Unigov are provided by 46 different units of local government, including the consolidated City, the County, five independent municipal corporations, 11 school corporations, nine townships, 12 towns, the four municipalities excluded from the consolidated City of Indianapolis, two library boards, and one conservancy district. Within the consolidated City, special taxing districts were created to coincide with user benefit district boundaries then existing or as extended by the consolidating act. Boundaries of the various districts are such that a resident may be a member of one district and not another. Therefore, the resident’s geographic location within the County determines the governmental unit and taxing district rates to be combined in calculating the specific tax rate. As a result of the varying areas in which services are provided by the 46 different governmental units, the County is broken down into 61 different geographical areas for purposes of tax rate determination.

The maps on pages XII and XIII illustrate the relationship of the described taxing units.

The following taxing units are within the consolidated City, and all except the consolidated County and the special service districts can issue bonds:

| | <u>Map</u> | | <u>Map</u> |
|---|------------|------------------------------------|------------|
| Civil City | 2 | Flood Control District | 1 |
| Consolidated County | 1 | Metropolitan Thoroughfare District | 1 |
| Redevelopment District | 2 | Police Special Service District | 5 |
| Solid Waste Special Service District | 7 | Fire Special Service District | 6 |
| Public Safety Communications & Computer Facilities District | 1 | Park District | 1 |

The Metropolitan Thoroughfare District, Flood Control District, Park District, and Public Safety Communications & Computer Facilities District are special taxing districts, the boundaries of which are coterminous with the boundaries of Marion County.

The Redevelopment District and the Solid Waste Disposal District are special taxing districts, the boundaries and taxable property of which are coterminous with the boundaries of the City. The Redevelopment District includes a Consolidated Tax Allocation Area, which captures incremental increases in assessed valuation for the repayment of the Tax Increment Finance Bonds.

Other Governmental Units

The consolidated City of Indianapolis is within the boundaries of Marion County, as are the following:

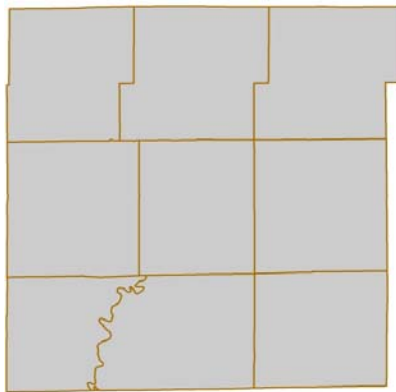
- **Marion County** as a governmental unit provides services such as courts, sheriff, tax assessment, collection, etc., not otherwise provided by other governmental units.
- The **Capital Improvement Board of Managers of Marion County** (“CIB”) is a separate and distinct municipal corporation with territory coterminous to the territory of Marion County. The CIB is authorized to finance, construct, equip, operate, and maintain any capital facilities or improvements of general public benefit or welfare, which would tend to promote cultural, recreational, public, or civic well-being of the community. The CIB operates facilities used for sports, recreation, and convention activities in downtown Indianapolis. The **Marion County Convention and Recreational Facilities Authority** was created in 1985 under applicable State statutes to provide certain financing for projects of the Board.
- The **Indianapolis Airport Authority** (“Airport Authority”) and the **Health and Hospital Corporation of Marion County** (“HHC”) are separate and distinct municipal corporations with territory coterminous to the territory of Marion County. The Airport Authority was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in and bordering on Marion County. HHC was given the mandate to provide preventative and curative health programs for the residents of the County, including indigent health care.

- The **Indianapolis-Marion County Building Authority** (“Building Authority”) is a separate and distinct municipal corporation that acts as landlord for the City-County Building. The County pays 58% and the City pays 42% of the total lease rental. The Building Authority also has an outstanding bond payable from lease rentals (which are paid from taxes levied) from the County for the Arrestee Processing Center.
- The **Indianapolis Public Transportation Corporation** (“IndyGo”) is a separate and distinct municipal corporation with territory coterminous to the territory of the consolidated Civil City of Indianapolis. IndyGo provides public transportation service within the County.
- The **Indianapolis Marion County Public Library** is a separate and distinct municipal corporation, the territory of which includes the property in Marion County, excluding the Town of Speedway.

There are also several separate school districts in Marion County. In addition to the general obligation bonds of these school districts, various school building corporations have outstanding bonds payable from lease rentals (which are paid from taxes levied) from school districts for the lease of school buildings constructed by the building corporations.

See page XII for the Unigov Organizational Chart and page XIII for the City of Indianapolis Organizational Chart.

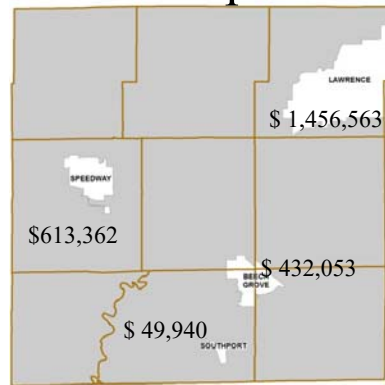
Map 1



**MARION COUNTY
AND OTHER INCLUDED
TOWNS**

Marion County \$40,737,646

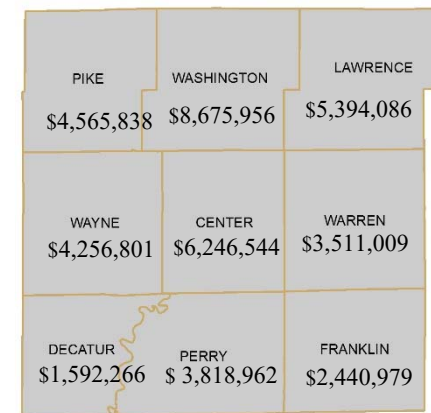
Map 2



**CONSOLIDATED
CITY OF INDIANAPOLIS**

City of Indianapolis \$38,185,727
Excluded Cities and Towns \$2,551,918

Map 3



TOWNSHIPS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2017 valuations for taxes collectible in 2018.

Map 4



LIBRARIES

| | |
|-------------------------|--------------|
| Speedway | \$613,362 |
| Marion County Libraries | \$40,124,284 |

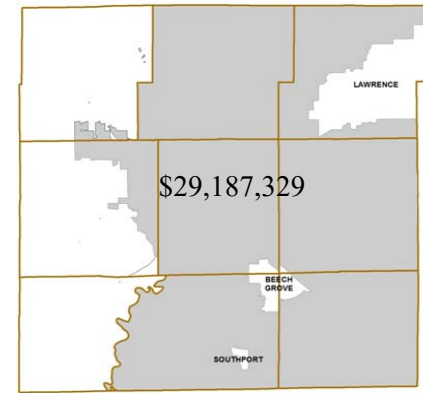
Map 5



INDIANAPOLIS

POLICE SERVICE DISTRICT

Map 6

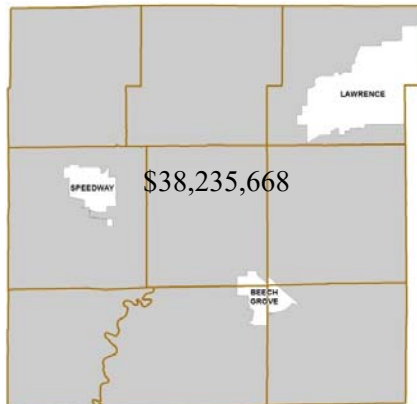


INDIANAPOLIS

FIRE SERVICE DISTRICT

(Outside of this district, townships and excluded cities and towns provide the fire service)

Map 7



**INDIANAPOLIS SOLID WASTE
SPECIAL SERVICE DISTRICT**

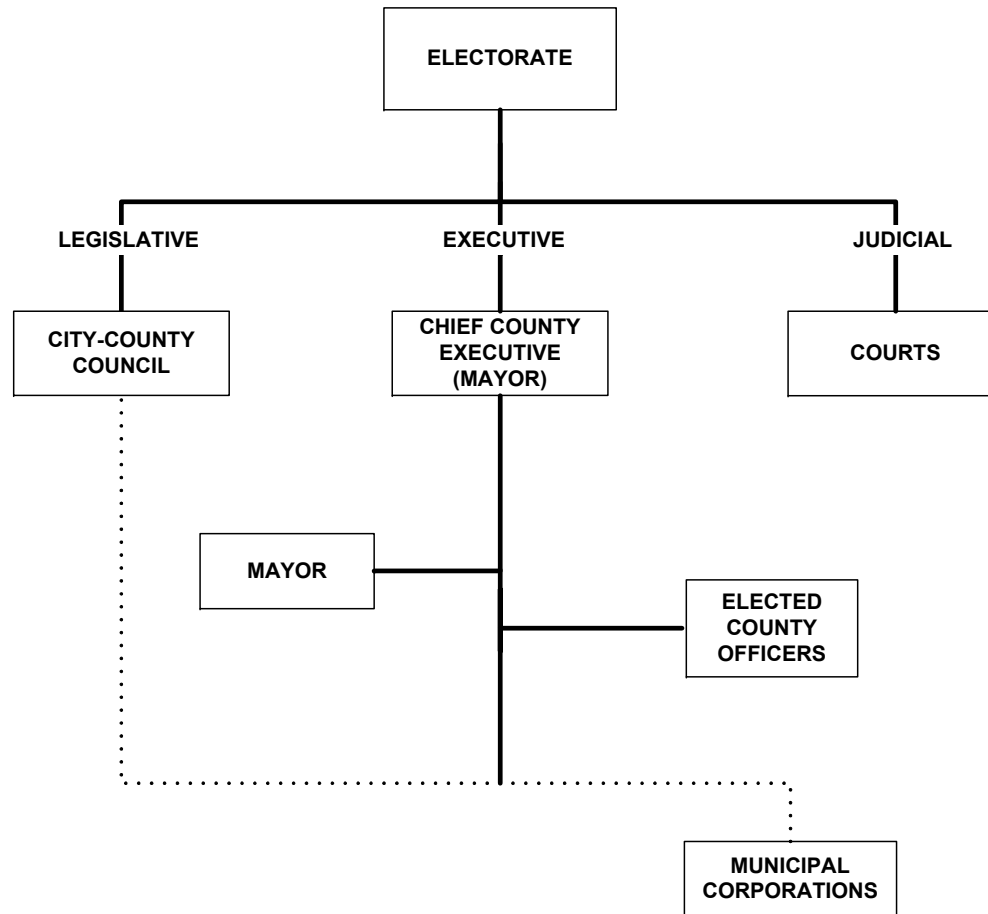
Map 8



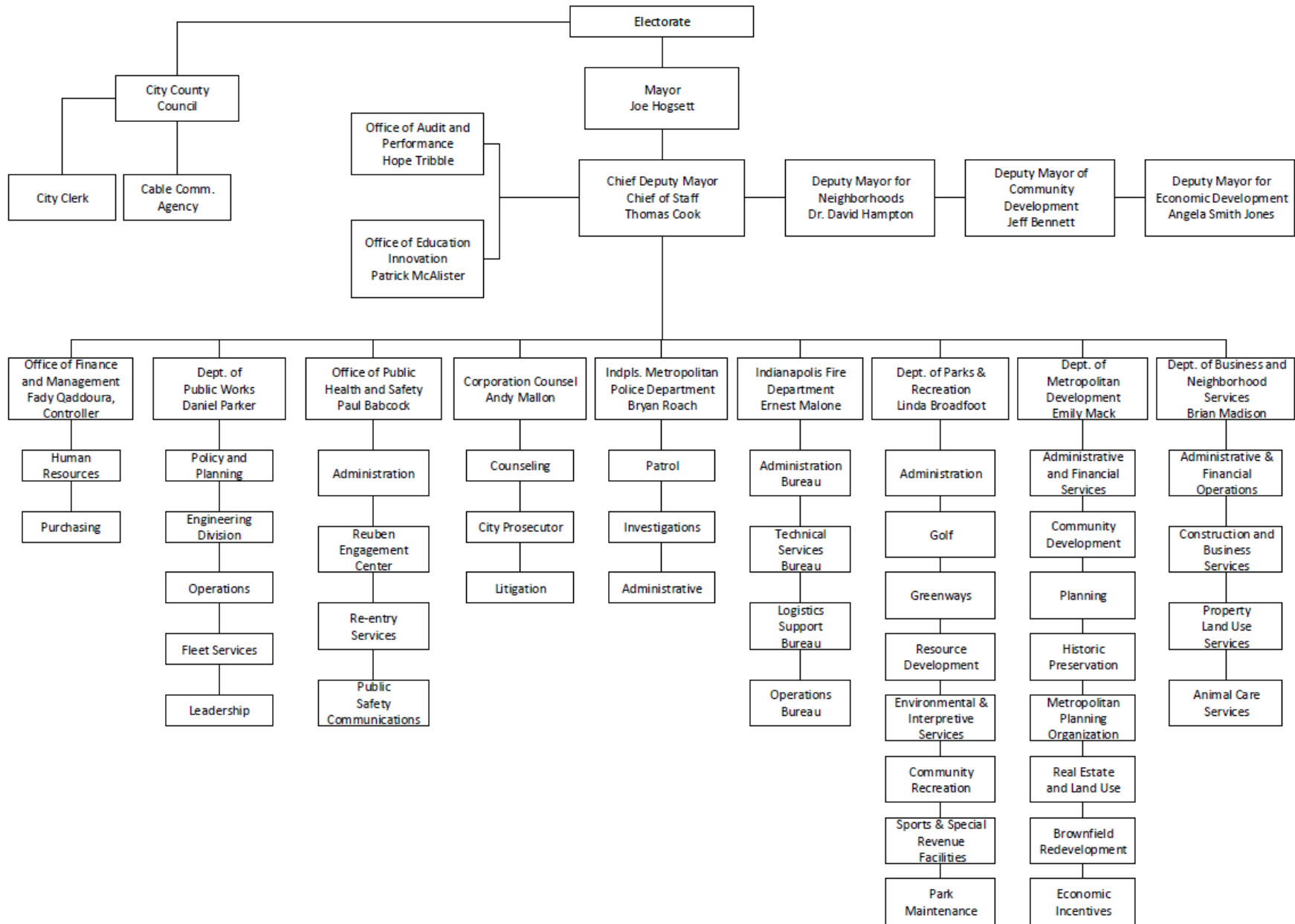
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2017 valuations for taxes collectible in 2018.

**UNIGOV ORGANIZATIONAL CHART
CONSOLIDATED GOVERNMENT FOR INDIANAPOLIS – MARION COUNTY**



City of Indianapolis Organization Chart December 31, 2018



CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS
December 31, 2018

ELECTED OFFICIALS*

| Name | Title | Service | Occupation |
|-------------------|------------------------------------|----------------|---|
| Joe Hogsett | Mayor | 3 | Mayor and Chief County Executive |
| Vop Osili | City-County Council President | 8 | Architect/Principal, A+X Design and Development |
| Zach Adamson | City-County Council Vice President | 7 | Vice President of Compliance and Regulatory Affairs, NESCO |
| Maggie Lewis | City-County Council Majority Ldr | 10 | CEO & Executive Director, Boys and Girls Club of Indianapolis |
| Michael McQuillen | City-County Council Minority Ldr | 11 | Owner, PoliticalParade.com |
| Stephen J. Clay | City-County Councillor | 4 | Senior Pastor, Messiah Missionary Baptist Church |
| Jeff Coats | City-County Councillor | 3 | Product Manager, Salesforce |
| Susie Cordi | City-County Councillor | 3 | Bus Driver |
| Jared Evans | City-County Councillor | 3 | Consultant |
| Colleen Fanning | City-County Councillor | 3 | Owner, Grey Market Wine |
| Monroe Gray, Jr. | City-County Councillor | 26 | Retired |
| Jason Holliday | City-County Councillor | 7 | Account Executive, Ray's Trash Service |
| LaKeisha Jackson | City-County Councillor | 4 | Executive Director, Pathway Resource Center |
| Blake Johnson | City-County Councillor | 3 | Director of Communications, Complete College America |
| Danielle Coulter | City-County Councillor | 1 | Senior Government Affairs Associate, Dant Advocacy |
| Frank Mascari | City-County Councillor | 8 | Jeweler, Spalding Jewelry |
| Janice McHenry | City-County Councillor | 11 | Retired |
| Jefferson Shreve | City-County Councillor | 1 | Founder and Owner, Storage Express |
| Brian Mowery | City-County Councillor | 3 | Logistics Freight Broker, Direct Connect Logistix |
| William C. Oliver | City-County Councillor | 15 | Retired |
| Marilyn Pfisterer | City-County Councillor | 15 | Retired |
| David Ray | City-County Councillor | 3 | Account Manager, Miller-Eads Company |
| Leroy Robinson | City-County Councillor | 8 | CEO, Winthrop Tech |

CITY OF INDIANAPOLIS

SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)

December 31, 2018

| Name | Title | Service | Occupation |
|--------------------|---------------------------|--|-------------------|
| Christine Scales | City-County Councillor | 11 Retired | |
| Joseph Simpson | City-County Councillor | 8 Director of Administration, Indiana Legal Services | |
| John Wesseler | City-County Councillor | 3 Retired | |
| Claudia O. Fuentes | Ex-Officio City Treasurer | 7 Marion County Treasurer | |

*The term of office for all elected officials expires December 31, 2019 except for the Marion County Treasurer, whose term expires December 31, 2020.

APPOINTED OFFICIALS

| Name | Position | Number of Years in This Position | Number of Years Associated with City of Indianapolis – Marion County |
|--------------------|--|---|---|
| Thomas Cook | Chief Deputy Mayor/Chief of Staff | 3 | 3 |
| Dr. David Hampton | Deputy Mayor for Neighborhoods | 3 | 3 |
| Jeff Bennett | Deputy Mayor of Community Development | 3 | 16 |
| Angela Smith Jones | Deputy Mayor for Economic Development | 3 | 3 |
| Patrick McAlister | Director of Office of Education Innovation | 3 | 3 |
| Fady Qaddoura | Controller-Office of Finance and Management | 3 | 3 |
| Andy Mallon | Corporation Counsel | 3 | 7 |
| Emily Mack | Director of Metropolitan Development | 3 | 11 |
| Daniel Parker | Director of Public Works | 2 | 2 |
| Linda Broadfoot | Director of Parks and Recreation | 3 | 3 |
| Brian Madison | Director of Business and Neighborhood Services | 1 | 9 |
| Paul Babcock | Director of Office of Public Health and Safety | 2 | 2 |
| SaRita Hughes | Clerk of the City-County Council | 1 | 7 |
| Hope Tribble | Director of Office of Audit and Performance | 3 | 6 |

CERTIFIED PUBLIC ACCOUNTANTS BKD, LLP

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Financial Section

Financial Section

Independent Auditor's Report

To the Honorable Mayor and Members of the City-County Council
City of Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Indianapolis Housing Agency, the discretely presented component unit of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Indianapolis Housing Agency, is based solely on the report of the other auditors. 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 fund financial statements and schedules and the introductory and statistical sections, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated June 28, 2019, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
June 28, 2019

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Management's
Discussion and Analysis

Management's Discussion and Analysis

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

This Comprehensive Annual Financial Report presents an analysis of the financial activities of the City of Indianapolis (“City”) for the year ended December 31, 2018 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the City’s financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City’s liabilities and deferred inflows exceeded its assets and deferred outflows at December 31, 2018 by \$127.0 million, which represents the total net deficit of the City’s governmental activities. Included in this net position amount is a \$998.3 million unrestricted deficit due mainly to an unfunded net pension liability of \$825.0 million and an unfunded postemployment benefit obligation of \$221.2 million. The State of Indiana, in 2008, agreed to reimburse the cities and towns of Indiana for pension costs for members of the pre-1977 pensions plans effective January 1, 2009. Therefore, although unfunded, these pension benefits which represent \$778.6 million of the total net pension liabilities will be covered by the State of Indiana. Regarding the unfunded postemployment benefit obligation, there is no intent by the City or legal requirement to fund this long-term liability beyond the annual payments required by existing labor agreements. Without these two unfunded obligations, the unrestricted net position balance would be \$1.5 million. See footnote 17 to the financial statements for further discussion of the City’s pension plans. See footnote 16 to the financial statements regarding other postemployment benefits.
- On a government-wide basis, for 2018, the City’s total expenses were \$862.2 million or \$65.3 million less than the \$927.5 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2018, the City’s governmental funds reported combined ending fund balances of \$649.2 million. Of this amount, \$0.4 million was nonspendable, \$460.2 million was restricted, \$5.0 million was committed, \$76.5 million was assigned, and \$107.1 million was unassigned.
- The unassigned fund balance for the general fund was \$107.1 million or 15.0% of total general fund expenditures. The City’s policy is to maintain an unassigned general fund balance of at least 10% of total general fund expenditures. The unrestricted fund balance, which includes the committed, assigned, and unassigned fund balances, was \$188.6 million or 26.4% of total general fund expenditures. The City’s policy is to maintain an unrestricted general fund balance of 17% of total general fund expenditures. These policies were formally adopted in ordinance by the City-County Council in 2016.
- The general fund revenues were \$16.5 million higher than original budget estimates and \$12.6 million higher than the final budget estimate.
- For 2018, the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Prior year comparative information contained herein has not been restated for the adoption of GASB 75.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements

The first set of financial statements are the government-wide statements, which report information about the City as a whole using accounting methods similar to those used by private sector companies. The two government-wide statements, **Statement of Net Position** and **Statement of Activities**, report the City’s net position and how it has changed. Governmental activities are those normally associated with the operation of a government, such as public safety, parks, and streets. The City’s government-wide financial statements also include a discretely presented component unit, the Indianapolis Housing Agency. The remaining discussions and analysis focuses on the primary government only.

The **Statement of Net Position** presents information on all of the City’s assets, deferred outflows, liabilities, and deferred inflows, with the remainder being reported as net position. Increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. The statement of net position also provides information on unrestricted and restricted net position and the net investment in capital assets.

The **Statement of Activities** presents information showing how the City’s net position changed during the year. All current year’s revenues and expenses are accounted for in the statement of activities regardless of the timing of related cash flows. The statement of activities presents the various functions of the City and the extent to which they are supported by charges for services, grants and contributions, taxes, and investment income. The governmental activities of the City include: general government, public safety, public works, health and welfare, cultural and recreation, urban redevelopment and housing, and economic development and assistance.

Fund Financial Statements

The second set of financial statements is fund financial statements, which provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City’s most significant funds – not the City as a whole. The funds of the City can be divided into the following three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

1. *Governmental Funds*. Governmental funds tell how general government services were financed in the short term as well as what financial resources remain available for future spending to finance City programs.

The City maintains several individual governmental funds according to their type (general, special revenue, debt service, capital projects, and permanent). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Revenue Bond Debt Service Fund, which are considered to

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

be major funds. Individual fund data for each of the nonmajor governmental funds are provided in the form of combining statements as supplementary information.

2. *Proprietary Funds.* Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following type of proprietary funds:
 - *Internal Service Funds* are used to report activities that provide services for certain City programs and activities. The City uses internal service funds to provide for the financing of workers’ compensation, auto liability, employee health insurance, and public liability self-insurance for all City departments, as well as for the centralization of certain payments of awards, refunds, and indemnities.
3. *Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of individuals or units of other governments. The City is the trustee or fiduciary responsible for assets that can be used for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City’s pension trust funds and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City’s own programs, they are not reflected in the government-wide financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and notes to the basic financial statements, this report presents required supplementary information concerning the City’s budgetary comparisons for the general fund and required supplementary information pertaining to the City’s progress in funding its obligation to provide pension and other postemployment benefits to its employees.

Additional Supplementary Information

The combining statements provide subfund-level detail for the general fund and fund-level detail for all nonmajor governmental funds, internal service funds, pension trust funds, and agency funds. Also in this section are comparisons of actual to budget for all other annually budgeted funds.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City’s governmental activities net position at December 31, 2018 and 2017 was \$(127.0) million and \$(157.3) million, respectively.

Statement of Net Position
(In thousands)

| | Governmental activities 2018 | Governmental activities 2017 |
|---|---|---|
| Assets: | | |
| Current and other assets | \$ 819,577 | \$ 762,195 |
| Capital assets, net of accumulated depreciation | <u>1,552,447</u> | <u>1,493,018</u> |
| Total assets | <u>2,372,024</u> | <u>2,255,213</u> |
| Deferred outflows of resources | <u>80,273</u> | <u>106,174</u> |
| Total assets and deferred outflows of resources | <u>2,452,297</u> | <u>2,361,387</u> |
| Liabilities: | | |
| Other liabilities | 139,662 | 110,834 |
| Long-term liabilities | <u>2,346,805</u> | <u>2,323,830</u> |
| Total liabilities | <u>2,486,467</u> | <u>2,434,664</u> |
| Deferred inflows of resources | <u>92,802</u> | <u>84,026</u> |
| Total liabilities and deferred inflows of resources | <u>2,579,269</u> | <u>2,518,690</u> |
| Net position: | | |
| Net investment in capital assets | 706,470 | 682,445 |
| Restricted | 164,849 | 176,332 |
| Unrestricted (deficit) | <u>(998,291)</u> | <u>(1,016,080)</u> |
| Total net position (deficit) | <u>\$ (126,972)</u> | <u>\$ (157,303)</u> |

ANALYSIS OF NET POSITION

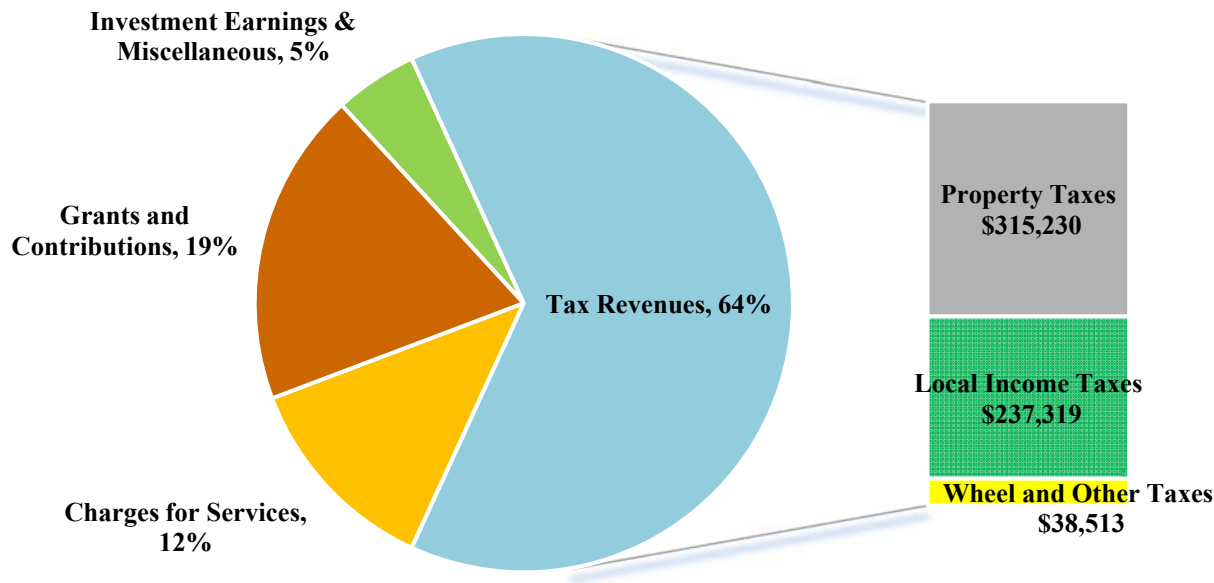
As noted earlier, net position may serve as a useful indicator of a government’s financial position. The largest portion of the City’s net position reflects its investments of \$706.5 million in capital assets (e.g., net book value of land, buildings, equipment, and infrastructure), less related outstanding debt used to acquire those assets. The 2017 balance was \$682.4 million. The increase is primarily due to capital asset additions exceeding disposals and depreciation during 2018. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities. Included in the City’s total net position is \$164.8 million, versus \$176.3 million in 2017, which represents resources that are subject to external restrictions on how they may be used.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

All net position generated by governmental activities are either externally restricted, restricted by enabling legislation, or invested in capital assets. Consequently, unrestricted governmental net position showed a \$998.3 million deficit at the end of the year as compared to a \$1,016.1 million deficit for the prior year. This deficit does not mean the City does not have resources available to pay its bills. Rather, it is the result of having long-term commitments that are greater than currently available resources, mainly net pension liabilities of \$778.6 million and postemployment obligation of \$221.2 million.

Change in net position. The City’s total revenue (including transfers) on a government-wide basis for 2018 was \$927.5 million and \$876.6 million for 2017. Taxes represent 64% of the City’s revenue (64% for 2017). Another 12% of revenue (12% in 2017) came from fees charged for services, and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues.

Revenues by Source - Governmental Activities
(In thousands)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

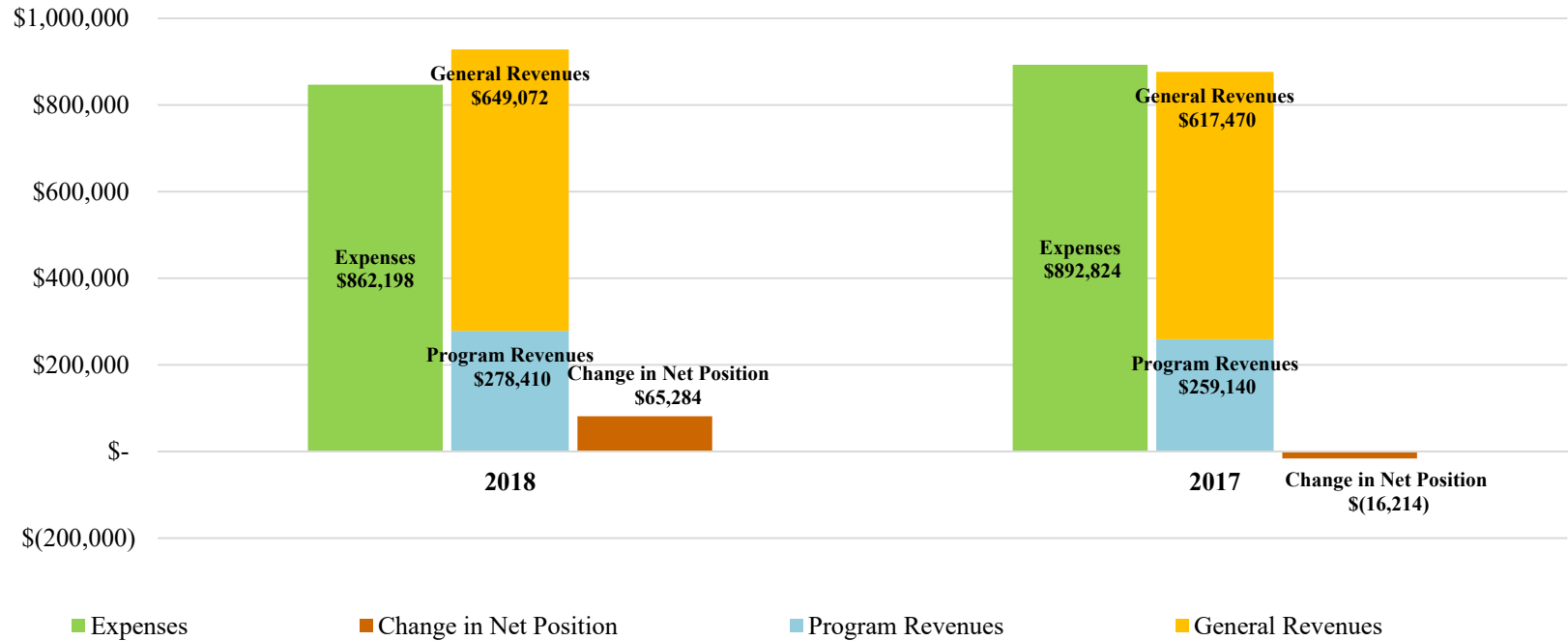
The changes in net position for the years ended December 31, 2018 and 2017 are as follows:

Schedule of Changes in Net Position
For the Years Ended December 31, 2018 and 2017
(In thousands)

| | Governmental activities 2018 | Governmental activities 2017 |
|---|---|---|
| | <u>2018</u> | <u>2017</u> |
| Revenues: | | |
| Program revenues | | |
| Charges for services | \$ 115,169 | \$ 106,028 |
| Operating grants and contributions | 151,026 | 133,040 |
| Capital grants and contributions | 12,215 | 20,072 |
| General revenues: | | |
| Property tax | 315,230 | 294,886 |
| Other taxes | 275,832 | 268,345 |
| Other general revenues | 58,010 | 54,239 |
| Total revenues | <u>927,482</u> | <u>876,610</u> |
| Expenses: | | |
| General government | 36,351 | 44,321 |
| Public safety | 436,687 | 511,305 |
| Public works | 222,011 | 208,581 |
| Health and welfare | 11,594 | 7,730 |
| Cultural and recreation | 30,423 | 26,059 |
| Urban redevelopment and housing | 23,302 | 18,752 |
| Economic development and assistance | 52,671 | 30,412 |
| Interest | 49,159 | 45,664 |
| Total expenses | <u>862,198</u> | <u>892,824</u> |
| Change in net position | <u>65,284</u> | <u>(16,214)</u> |
| Net position (deficit), beginning of year, as previously reported | (157,303) | - |
| Adjustment for Implementation of GASB 75 | (34,953) | - |
| Net position (deficit), beginning of year, as restatement | <u>(192,256)</u> | <u>(141,089)</u> |
| Net position (deficit), ending | <u>\$ (126,972)</u> | <u>\$ (157,303)</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

Governmental Activities Change in Net Position
(In thousands)



Governmental activities. The City’s governmental activities net position increased by \$65.3 million compared to a decrease of \$16.2 million in the prior year. Total expenses for governmental activities for 2018 were \$862.2 million, a decrease of \$30.6 million from the prior year which was primarily the impact of GASB statement 68 which reduced expense in 2018 by \$67.7 million. Total revenues for governmental activities for 2018 were \$927.5 million, an increase of \$50.9 million from the prior year. The main driver of the increase in revenue relates to taxes; an increase of \$20.3 million in property taxes, attributable to overall growth in assessed value, and an increase of \$6.9 in local income taxes, attributable to organic growth. The City also saw an increase in interest earnings of \$2 million, which was driven by the raising interest rate environment in 2018. There was also an increase in operating grants and contributions attributable to an increase in the gasoline taxes of \$7.3 million.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

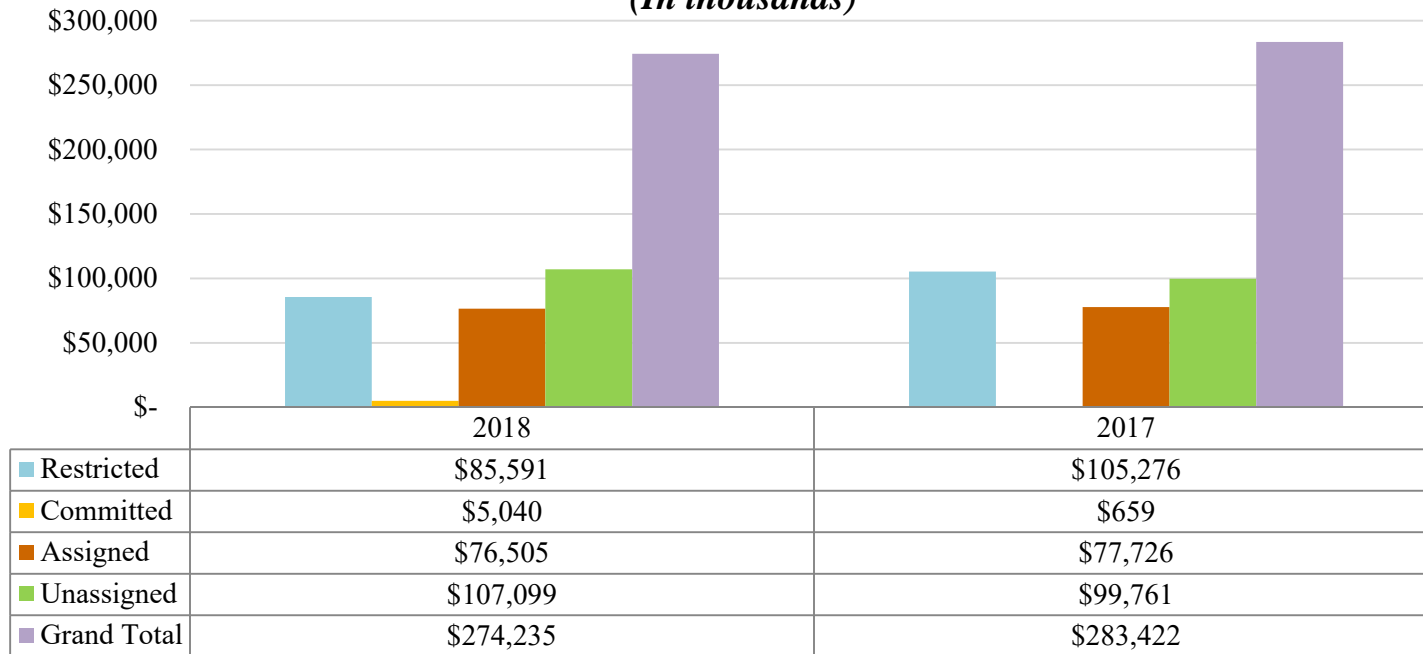
FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The focus of the City’s governmental funds is to provide information on inflows and balances of resources that are available for spending. An unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year. At December 31, 2018, the unassigned fund balance of the General Fund was \$107.1 million (as compared to \$99.8 million in 2017) while the total General Fund balance was \$274.2 million (as compared to \$283.4 million in 2017). As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 15% of total General Fund expenditures and transfers out (as compared to 15% for 2017), while total fund balance represents 38% (44% for 2017) of total General Fund expenditures and transfers out.

The fund balance in the City’s General Fund decreased by \$9.2 million or 3.2% from the prior year fund balance. The overall decrease in fund balance is attributable to an increase in funding for road related infrastructure improvements and repairs, which was programmed as part of DPW’s 4 year capital improvement plan. During 2018, the total increase in budget for the infrastructure improvements was \$40 million, of which \$29 million was funded by a planned spenddown of the Rainy Day restricted fund balance. The \$29 million was part of the remaining supplemental local income tax distribution authorized by the State of Indiana in 2016, with 75% of the dollars required to be dedicated to road and street improvements.

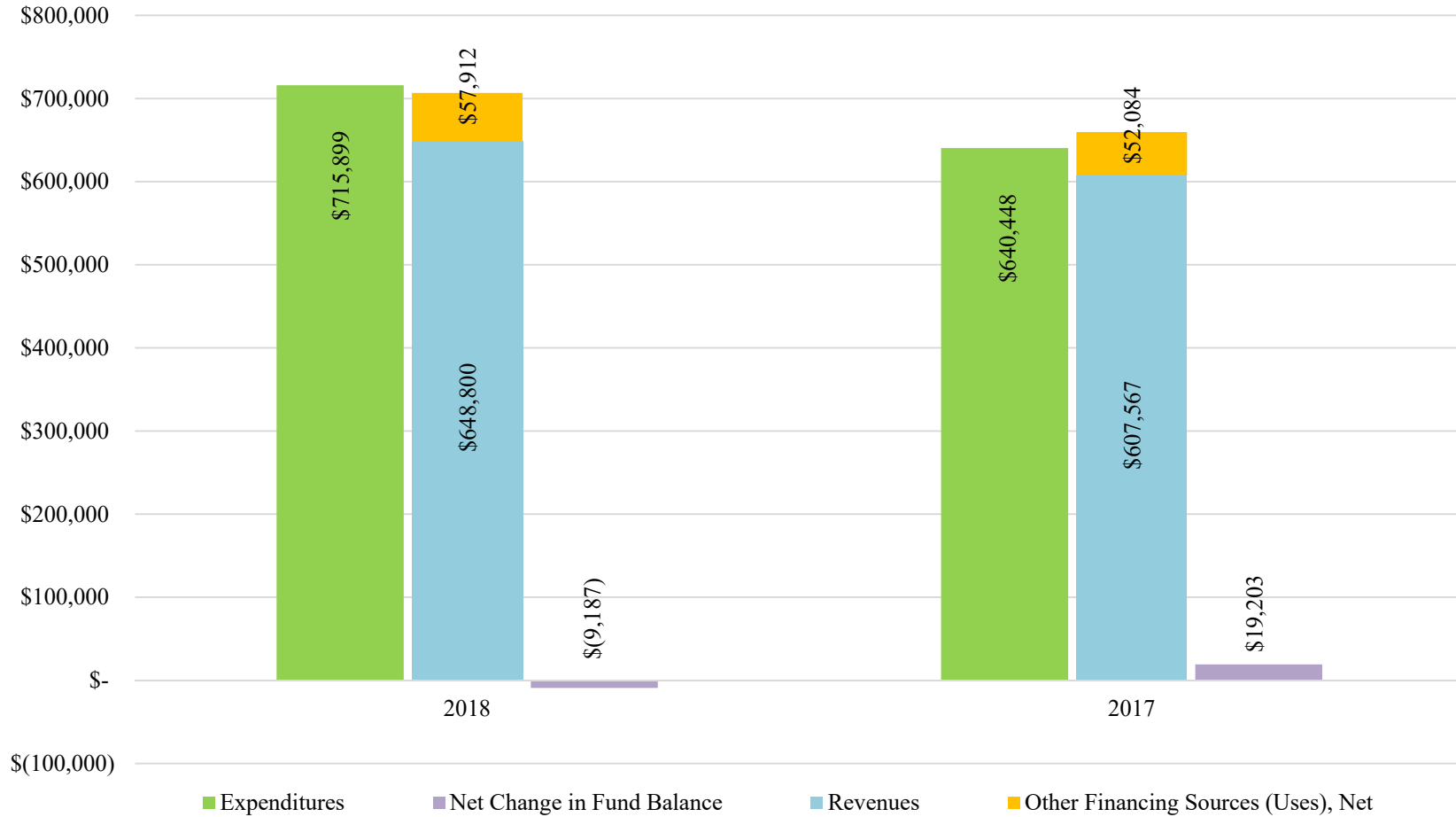
CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

General Fund Fund Balance Breakdown
(In thousands)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

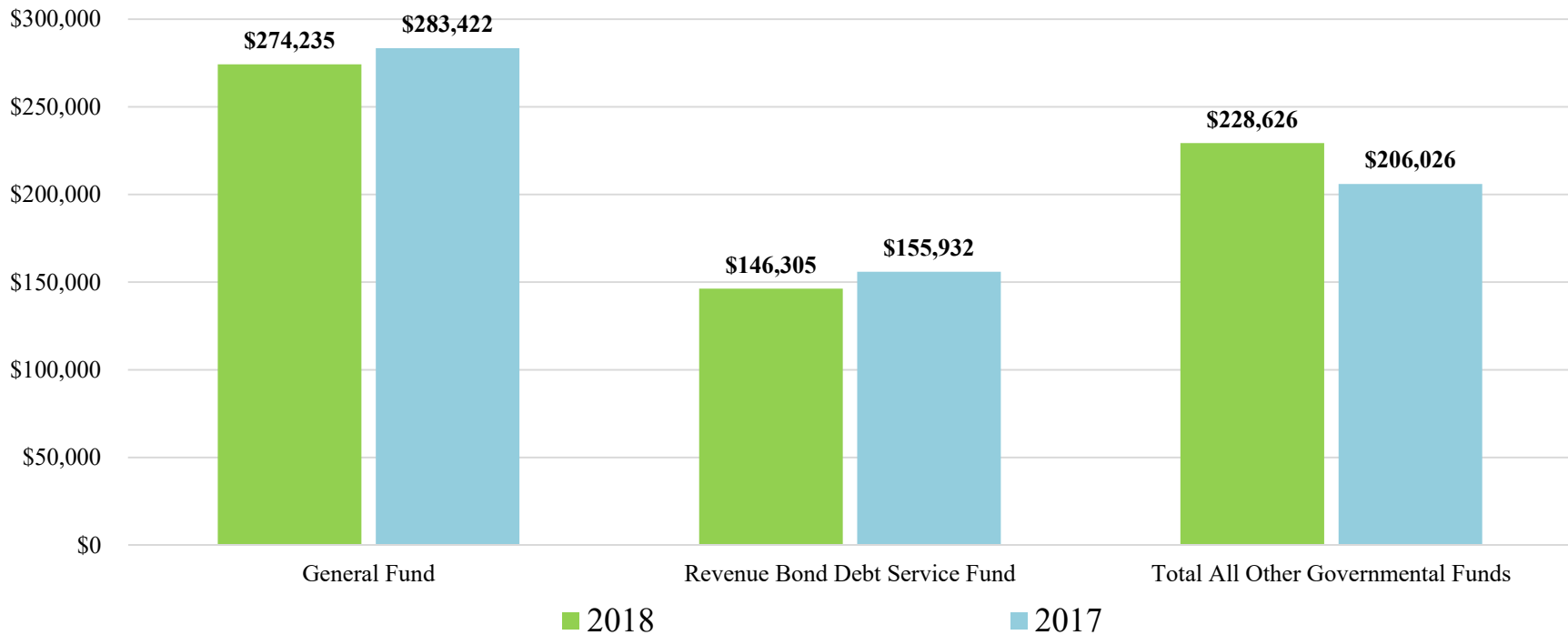
General Fund Change in Fund Balance
(In thousands)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

The Revenue Debt Service Fund ended the year with a \$146.3 million fund balance (as compared to \$155.9 million in 2017) which was restricted for debt service. The fund balance for the Revenue Debt Service Fund decreased by \$9.6 million due mainly to an increase in transfers-out to fund economic development projects.

Governmental Funds – Fund Balances
(In thousands)

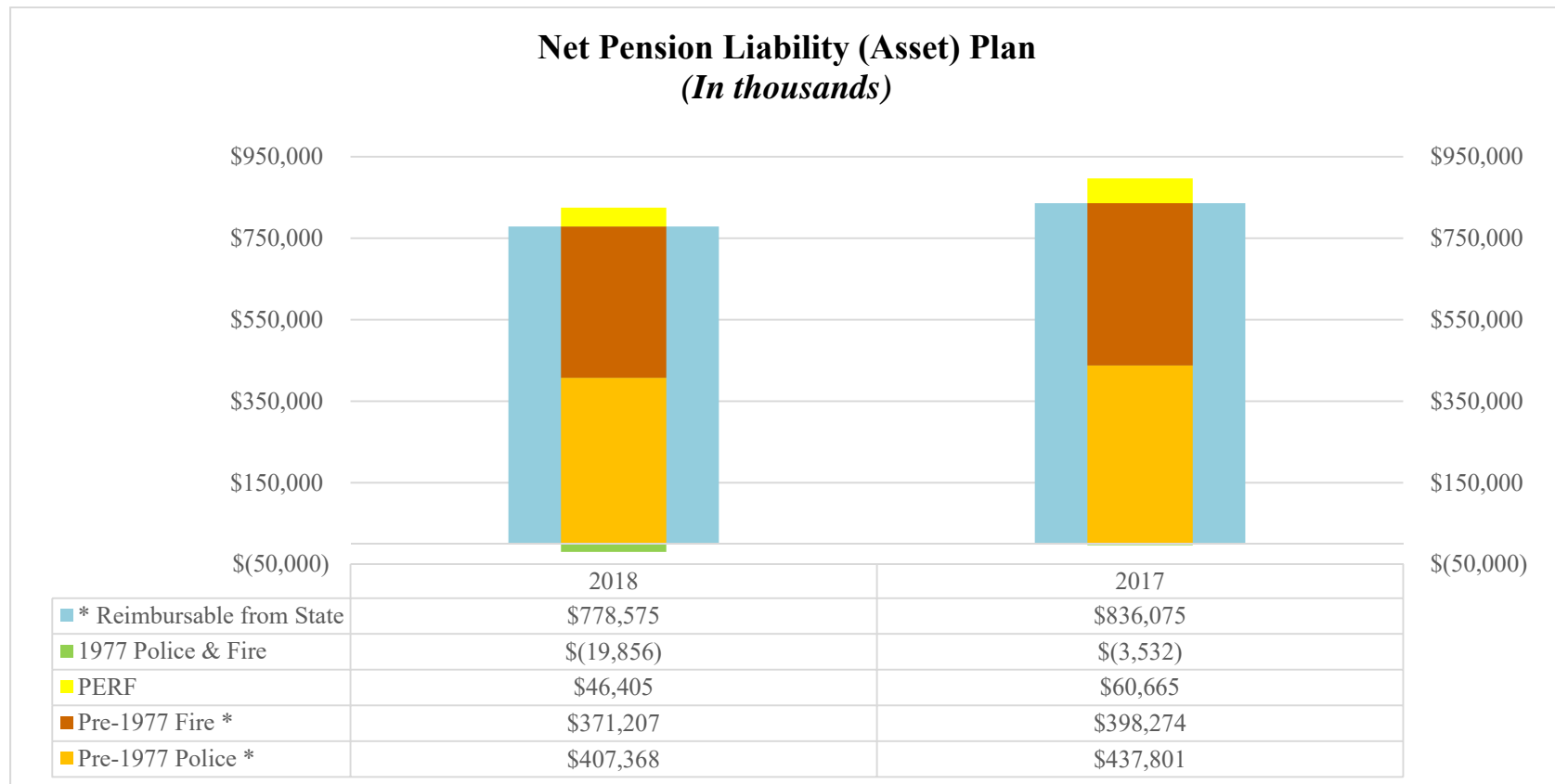


CITY OF INDIANAPOLIS
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Year ended December 31, 2018

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for police and firefighters hired before May 1, 1977. At the end of 2018, the net position of these pension funds amounted to \$0.25 million, which represents a decrease of \$0.85 million in total net position during the year. Effective January 1, 2009, all pension payments are funded by the State of Indiana. No further funding is required by the City.

The PERF and 1977 Police and Fire Plan listed below are not a part of the fiduciary funds, but included in governmental activities.



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The City is the custodian of certain agency funds, and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there are no net assets. At the end of 2018, the combined gross assets of the agency funds totaled \$8.5 million (\$13.2 million in 2017). This amount is composed of activity from the following agency funds: Sanitation 15 Year Law, E-911 Allocation, Police and Fire Retiree Health Insurance, IMPD Confiscated Cash, and Other.

General Fund Budgetary Highlights

The final budget for the City’s General Fund represents the original budget plus any adjustments to appropriations during the year. It does not include encumbrances carried over from the prior year. In 2018, there was a \$55.4 million increase in appropriations during the year to the original General Fund budget or an increase of 8.8%.

Excluding prior year encumbrances, the original General Fund expenditures budget for 2018 was \$627.5 million. The final General Fund expenditures budget was \$682.9 million. Actual expenditures were \$667.4 million. Of the total \$15.5 million underspent from the final budget, \$2.9 million was in general government, \$3.5 million was in public works, and \$4.6 million was in public safety. These underspent amounts were due to planned reductions in the budget to improve available fund balances. General revenues were originally estimated at \$564.8 million, final estimated at \$568.8 million, and the actual was \$581.4 million, which was \$12.6 million greater than budgeted. Out of the total \$12.6 million, \$8.7 million was in taxes and \$4.1 million was in interest and other operating revenue. Actual expenditures were greater than revenues by \$86.0 million. However, if transfers of \$54.6 million are taken into account, the net of revenues plus transfers is less than expenditures by \$31.4 million. This is important to note since the transfers include \$59.9 million of Public Safety Income tax which are required each year to be budgeted as special revenue fund revenues and transferred to the General Fund and since there are \$6.3 million of transfers out of the General Fund which are stormwater fees that are budgeted to fund debt service. After the adjustment of net revenues plus transfers, revenues are less than expenditures by \$31.4 million, which is due to the budgeted increase to fund the infrastructure improvements. This was funded by the remaining spending down of \$29 million within the Rainy Day Fund.

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Year ended December 31, 2018

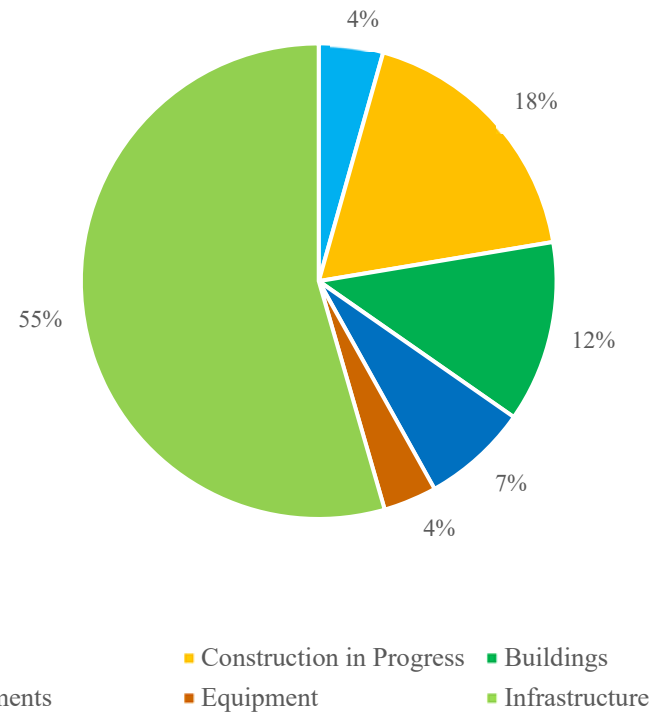
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets The City had a net investment of \$1.6 billion in capital assets at December 31, 2018 (net of accumulated depreciation of \$2.8 billion) in a broad range of capital assets. This amount represents a net increase for the current year (including additions and deductions) of \$59.4 million.

Schedule of Capital Assets
(In thousands)

| | Governmental activities 2018 | Governmental activities 2017 |
|--------------------------|---|---|
| Land | \$ 67,884 | \$ 64,735 |
| Construction in progress | 279,321 | 219,969 |
| Buildings | 191,166 | 201,081 |
| Improvements | 112,154 | 101,910 |
| Equipment | 56,283 | 44,315 |
| Infrastructure | 845,639 | 861,008 |
| Total | \$ 1,552,447 | \$ 1,493,018 |

2018 Capital Assets



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Major capital asset additions in 2018 for governmental activities included:

- \$150.1 million of additions to construction in progress, principally infrastructure, and improvements. Reductions to construction in progress were \$90.8 million of which \$77.6 million was transferred into infrastructure, \$6.6 million was transferred into improvements, and \$3.6 million was transferred into equipment.
- \$16.6 million of additions to improvements, principally upgrades at parks and recreation facilities.
- \$28.4 million of additions to equipment, principally for public safety and public works vehicles.
- \$82.2 million of additions to infrastructure, principally \$30.1 million for storm sewers, \$35.8 million for streets, curbs, and sidewalks, \$6.0 million for bridges, and \$0.9 million for traffic signals.
- \$7.6 million of additions to land.

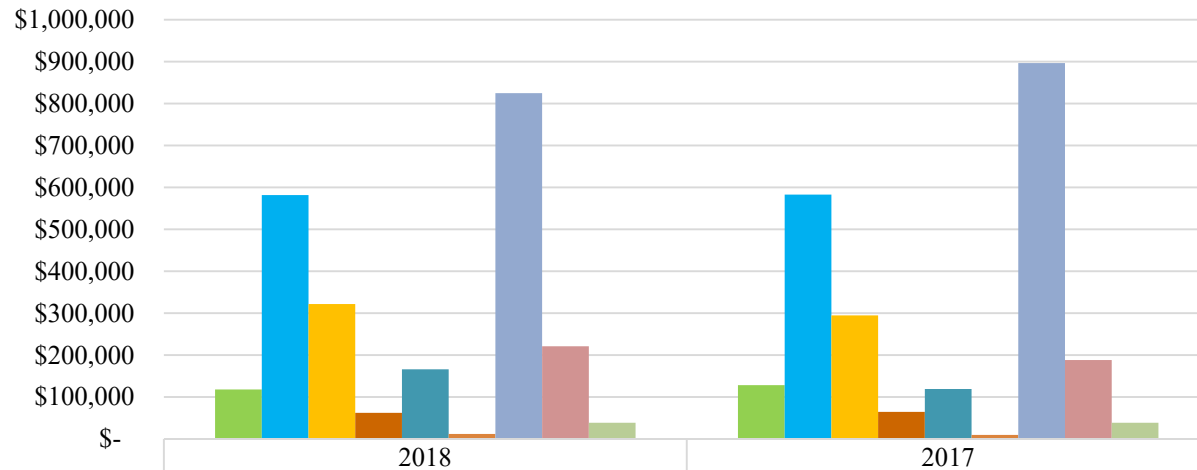
Donated capital assets for governmental activities were \$20.1 million, mainly attributable to capital contributions from the State of Indiana for public work projects built on the City’s behalf. Depreciation expense for 2018 for governmental activities was \$126.9 million. At December 31, 2018, the City had commitments related to ongoing capital asset construction projects of \$69.6 million. See footnote 9 to the basic financial statements for more information regarding capital assets.

CITY OF INDIANAPOLIS
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Year ended December 31, 2018

Long-Term Obligations

At the end of 2018, the City had outstanding long-term debt and other long-term obligations for governmental activities of \$2.35 billion, compared to \$2.32 billion at December 31, 2017 as shown below:

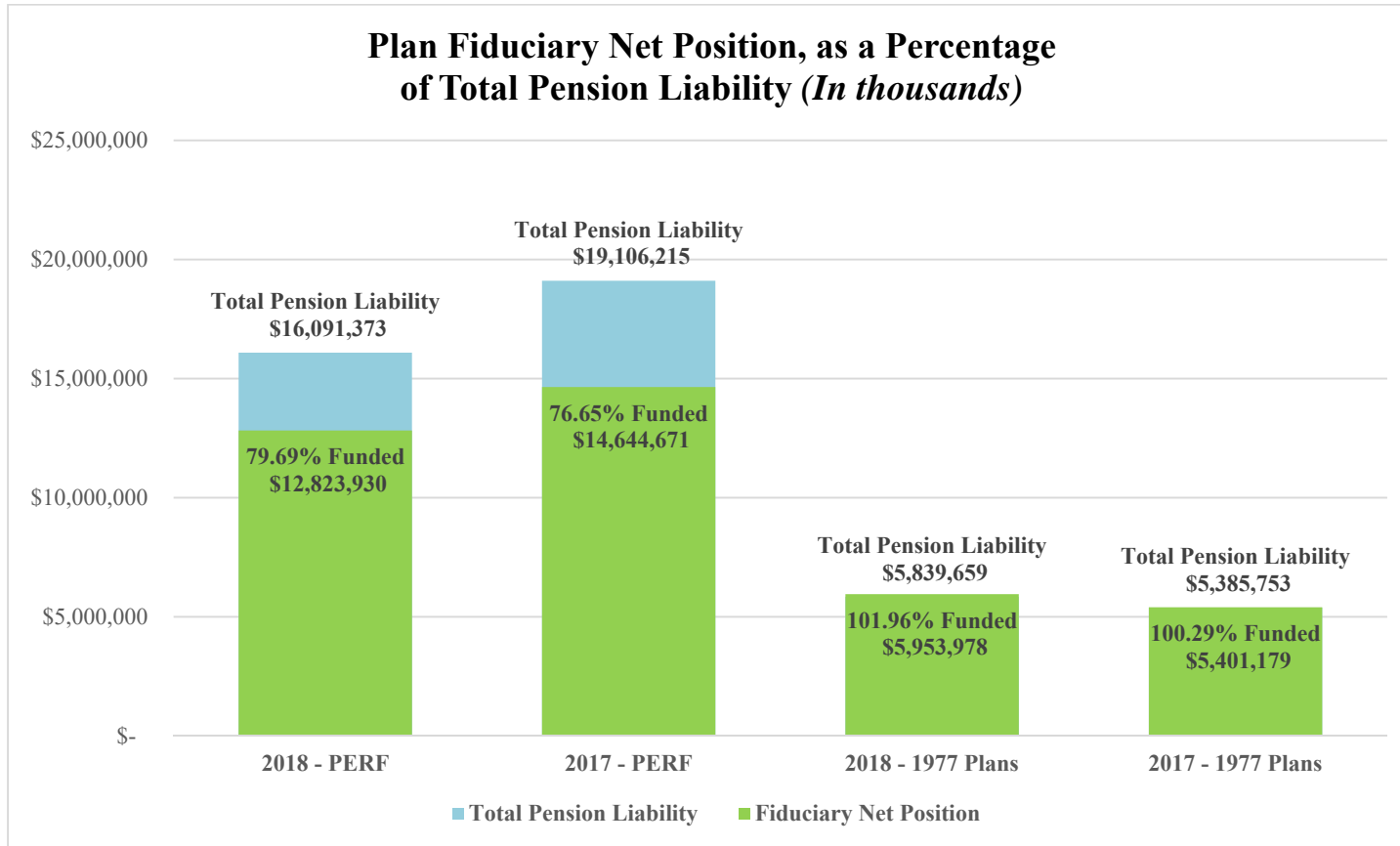
Schedule of Long-term Debt Obligations
(In thousands)



| | 2018 | 2017 |
|---|-----------|-----------|
| Serial bonds payable | \$117,960 | \$128,450 |
| Tax increment bonds payable | \$581,641 | \$583,141 |
| Revenue bonds payable | \$321,755 | \$295,000 |
| Deferred premiums | \$62,301 | \$64,614 |
| Notes payable and certificates of participation | \$166,076 | \$119,288 |
| Capital lease payable | \$12,182 | \$9,659 |
| Net pension liabilities | \$824,980 | \$896,740 |
| Postemployment benefit obligation | \$221,153 | \$188,312 |
| Compensated absences | \$38,757 | \$38,626 |

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The chart below demonstrates that, for the pension plans that must be funded by the City and not the State of Indiana, the City’s percentage of funded status improved for both the PERF plan and the 1977 Police and Fire pension plans from 2017 to 2018. The 1977 plans retain a net pension asset rather than a net pension liability.



The increase in the postemployment benefit obligation on the previous page demonstrates the fact that the liability continues to grow with no intent by the City to actually fund this liability on other than a current contractually required basis.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
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Year ended December 31, 2018

Bonds and Notes Issued

TIF Bonds

On January 11, 2018, the City issued its Redevelopment District Refunding Bonds, Series 2018 in the amount of \$12,040. The proceeds from these bonds, together with funds on hand, were used to pay off an installment purchase Contract, which had an outstanding principal balance of \$15,584. The 2018 bonds mature on 1/15/2033.

Notes

On March 23, 2018, the City issued the Local Option Income Tax Notes, Series 2018A with borrowing authorization of up to \$55,000 for the purpose of paying site preparation, construction mobilization, and related engineering, planning and design, and consulting services costs in connection with the community justice campus project and related capital expenditures. Under the terms of the agreement, the City makes interest payments on each January 15 and July 15, with the notes bearing interest at a per annum rate 2.55%, calculated on the principal amount drawn. The maturity date for the note is March 23, 2020, but the notes are subject to redemption upon at least thirty days written notice. The outstanding balance that has been drawn down at December 31, 2018 is \$14,675.

On August 15, 2018, the City borrowed funds for the Monon16 Project for \$5,000, the loan will mature on August 1, 2038. Principal payments are due annually and interest payments are due quarterly. At December 31, 2018, the outstanding balance of the note is \$5,000. The funds will be used to develop the “Monon16” area, which is the immediate area surrounding the intersection of the Monon Trail and 16th Street. This includes housing, security, and transportation improvements.

On September 14, 2018, the City borrowed funds for the Central State Complex Project \$4,575, the loan will mature on August 1, 2038. Principal payments are due annually and interest payments are due quarterly. At December 31, 2018, the outstanding balance of the note is \$4,575. The funds will be used to develop the Central State Complex, which is a growing neighborhood on the near Westside of Indianapolis. This includes infrastructure, housing, and education improvements.

Revenue Bonds

On December 18, 2018, the City issued its Indy Roads Revenue Bonds, Series 2018A in the amount of \$30,000. The proceeds will be used to finance certain street, road, bridge, traffic signal, curb and sidewalk improvements within the City.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

Developer Backed Bonds

On May 15, 2018, the City issued its Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project) in the amount of \$4,500. The proceeds will be used to provide funds to finance the construction of the Phoenix Theatre Education and Innovation Center. Bonds are payable from payments made by the developer further secured by certain collateral and a reserve fund funded by the developer upon closing. If draws are made on the reserve fund, it will be replenished from available consolidated TIF revenues generated and collected in the Consolidated allocation area, if required, and the repayment obligations of the Phoenix bonds to be evidenced by the Developers Note.

On May 25, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Goodwill Riverview Project) in the amount of \$4,200. The proceeds will be used for constructing a four-story workforce housing apartment building including on-site parking and public art, located at the southwest corner of Michigan Street and White River Parkway. The bonds are secured by an 80% pledge of TIF revenues generated within the Goodwill Riverview TIF Allocation Area.

On June 7, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (River House Broad Ripple Project) in the amount of \$2,630. The proceeds will be used for the acquisition, construction, equipping, and preservation of a six-story mixed-use apartment building consisting of 87 apartment units, rooftop amenity deck, 4,496 square feet of office space and a structured parking facility. The bonds are secured by an 80% pledge of the Broad Ripple Project TIF pledge on a subordinate basis to the Economic Development Revenue Bonds, Series 2015 A (Broad Ripple Project).

On June 28, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Duke Headquarters Project) in the amount of \$2,926. The proceeds will be used for the acquisition, construction, and equipping of a three-story 78,000 square foot office building above a two-story parking garage and public art, located near the northeast corner of the Keystone at the Crossing development. The bonds are secured by an 80% pledge of Duke project TIF revenues. The bond is a draw bond, it is anticipated that there will be a single draw requested by the developer upon completion of the project. The outstanding balance as of December 31, 2018, is -0-.

On July 20, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Ardmore Project) in the amount of \$7,200. The proceeds will be used for the acquisition, construction, installation, and equipping of a five-story mixed use apartment building including approximately 19,550 square feet of urban street-front retail, a combination of 305 public and private parking spaces, public art, and related costs, located at the Plaza on Pennsylvania street at the southwest corner of the intersection of New York and Delaware streets. The bonds are secured by an 80% pledge of Ardmore project TIF revenues. The bond is a draw bond, it is anticipated that there will be multiple draw requests by the developer throughout the project. The outstanding balance as of December 31, 2018, is -0-.

On December 12, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Ford Assembly Plant Project) in the amount of \$3,800. The proceeds will be used for the acquisition, construction, and equipping of the vacant Ford Motor Company assembly plant and the reuse as a mixed-use residential and commercial space. The bonds are secured by an 80% pledge of the Ford Plant TIF revenues generated by the Ford Plant Project and Ford Plant Allocation Area.

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Year ended December 31, 2018

On December 14, 2018, the City issued Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2018 (ILMAR/KG 220 Projects) in an amount of \$15,855. The proceeds are being used to fund a portion of the costs of constructing improvements to a historic building in connection with the development of the building by ILMAR, LLC into a high-end hotel, to fund constructing improvements to a building in connection with the development of the building by KG 220 LLC into a mixed-use office, commercial retail and residential development, and to finance capitalized interest and the costs of issuance of the bond anticipation note. The bonds are secured by a Junior Junior Subordinate line of Consolidated TIF revenues, regarding interest payments only, and a developer guarantee. Once the BAN is refunded by the long-term debt obligation, both principal and interest, is expected to be paid from the TIF revenues generated by the project, and to the extent project TIF revenues are not sufficient, the Consolidated TIF revenues. This note has a maturity date of February 1, 2023.

Bond ratings. The City’s general obligation bonds are rated AA+ by Standards & Poor’s, AAA by Fitch, Aaa by Moody’s, and AA+ by Kroll. The City’s other debt, principally revenue bonds and notes, are rated to reflect the creditworthiness of the supporting revenue. During 2018 the City recognized positive rating upgrades; S&P upgraded its rating from AA to AA+ with a stable outlook, Moody’s revised the outlook from negative to stable, and Kroll upgraded the outlook to positive from stable.

Limitations on debt. The state limits the amount of general obligation debt the City can issue to varying percentages of assessed value, by taxing district, as shown in the statistical section. The City’s outstanding debt is well below the limit in each case.

See footnote 12 to the basic financial statements for more information regarding long-term debt.

ECONOMIC FACTORS AND THE 2019 BUDGET

The 2019 original budget for all annually budgeted funds was \$793 million. Revisions of \$45.1 million have been made through May 2019, which was primarily due to an increase for the transportation general fund for \$20.9 million to be spent on road improvements.

The 2019 general fund original budget was \$665.6 million, an increase of 6.1% from the 2018 original General Fund budget of \$627.5 million. Revisions (\$45.0 million) have been made through May 2019.

Unemployment rates were as follows:

| | April 2019 | April 2018 |
|----------------------|------------|------------|
| City of Indianapolis | 3.0% | 3.2% |
| State of Indiana | 3.1% | 3.1% |
| United States | 3.3% | 3.7% |

Source: United States Department of Labor, www.bls.gov

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2018

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have any questions about this report or need additional information, please contact the City of Indianapolis, Office of Finance and Management, 200 East Washington Street, Suite 2222, Indianapolis, Indiana 46204.

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Basic Financial Statements

Basic Financial Statements

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2018
(In thousands)

| | Primary Government | Component Unit |
|---|--------------------------------|------------------------------------|
| | Governmental activities | Indianapolis Housing Agency |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Assets: | | |
| Equity in pooled cash | \$ 40,393 | \$ 7,680 |
| Cash and investments with fiscal agents | 200,316 | 25,420 |
| Investments | 480,653 | — |
| Property taxes receivable | 7,948 | — |
| Accounts receivable, less allowance for uncollectibles | 33,931 | 811 |
| Due from federal and state governments | 8,072 | 554 |
| Due from other governments | 170 | — |
| Other assets | — | 1,402 |
| Long-term receivables, less allowance for uncollectibles | 28,238 | 9,091 |
| Restricted assets | — | 3,795 |
| Net pension asset | 19,856 | — |
| Capital assets: | | |
| Land | 67,884 | 20,755 |
| Infrastructure, net of accumulated depreciation | 845,639 | — |
| Other capital assets, net of accumulated depreciation | 359,603 | 140,044 |
| Construction in progress | 279,321 | 5,708 |
| Total assets | 2,372,024 | 215,260 |
| Deferred outflows of resources - OPEB | 230 | — |
| Deferred outflows of resources - pensions | 66,381 | 559 |
| Deferred outflows of resources - deferred losses on refundings | 13,662 | — |
| Total deferred outflows of resources | 80,273 | 559 |
| Total assets and deferred outflows of resources | 2,452,297 | 215,819 |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2018
(In thousands)

| | Primary Government | Component Unit |
|---|--------------------------------|------------------------------------|
| | Governmental activities | Indianapolis Housing Agency |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | |
| Liabilities: | | |
| Accounts payable and other current liabilities | \$ 113,209 | \$ 3,566 |
| Accrued interest payable | 14,538 | — |
| Unearned revenue | 11,915 | 201 |
| Customer deposits | — | 256 |
| Other liabilities | — | 2,443 |
| Long-term liabilities: | | — |
| Due within one year | 153,120 | 9,858 |
| Due in more than one year | 2,193,685 | 22,289 |
| Total liabilities | 2,486,467 | 38,613 |
| Deferred inflows of resources - OPEB | 13,622 | — |
| Deferred inflows of resources - pensions | 62,380 | 640 |
| Deferred inflows of resources - parking meter concession agreement | 16,800 | — |
| Total deferred inflows of resources | 92,802 | 640 |
| Total liabilities and deferred inflows of resources | 2,579,269 | 39,253 |
| NET POSITION (DEFICIT) | | |
| Net investment in capital assets | 706,470 | 149,499 |
| Restricted for: | | |
| Capital projects | 29,475 | — |
| Debt service | 23,831 | — |
| Section 8 vouchers and VASH | — | 6 |
| Reserves and escrow | — | 2,109 |
| Programs | — | 12,220 |
| Other purposes by grantors | 23,222 | — |
| Other purposes by contributor – nonexpendable | 362 | — |
| Statutory restrictions | 87,959 | — |
| Unrestricted (deficit) | (998,291) | 12,732 |
| Total net position (deficit) | \$ (126,972) | \$ 176,566 |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Activities
Year ended December 31, 2018
(In thousands)

| | Program revenues | | | | Net (expense) revenue and changes in net position | |
|--|-------------------|-------------------------|--|--|--|--|
| | Expenses | Charges for services | Operating grants and contributions | Capital grants and contributions | Primary Government Governmental activities | Component Unit Indianapolis Housing Agency |
| Functions/Programs | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 36,351 | \$ 18,857 | \$ 7,223 | \$ — | \$ (10,271) | \$ — |
| Public safety | 436,687 | 32,110 | 61,826 | 48 | (342,703) | — |
| Public works | 222,011 | 57,340 | 60,186 | 11,215 | (93,270) | — |
| Health and welfare | 11,594 | 94 | 7,263 | — | (4,237) | — |
| Cultural and recreation | 30,423 | 3,583 | 1,258 | 952 | (24,630) | — |
| Urban redevelopment and housing | 23,302 | 2,224 | 12,433 | — | (8,645) | — |
| Economic development and assistance | 52,671 | 961 | 837 | — | (50,873) | — |
| Interest | 49,159 | — | — | — | (49,159) | — |
| Total governmental activities | <u>\$ 862,198</u> | <u>\$ 115,169</u> | <u>\$ 151,026</u> | <u>\$ 12,215</u> | <u>(583,788)</u> | <u>—</u> |
| Component Unit | | | | | | |
| Indianapolis Housing Agency | <u>\$ 80,814</u> | <u>\$ 10,237</u> | <u>\$ 65,597</u> | <u>\$ 4,947</u> | | <u>(33)</u> |
| Total component units | <u>\$ 80,814</u> | <u>\$ 10,237</u> | <u>\$ 65,597</u> | <u>\$ 4,947</u> | | <u>(33)</u> |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | | | | | 315,230 | — |
| Wheel taxes | | | | | 15,354 | — |
| Local income taxes | | | | | 237,319 | — |
| Other taxes | | | | | 23,159 | — |
| Grants and contributions not restricted to specific program: | | | | | 12,439 | — |
| Investment earnings not restricted to specific program: | | | | | 16,302 | — |
| Miscellaneous | | | | | 29,269 | 1,651 |
| Total general revenues | | | | | <u>649,072</u> | <u>1,651</u> |
| Change in net position | | | | | <u>65,284</u> | <u>1,618</u> |
| Net position (deficit) – beginning of year, as previously reported | | | | | <u>(157,303)</u> | <u>174,948</u> |
| Change in accounting principle | | | | | <u>(34,953)</u> | <u>—</u> |
| Net position (deficit), beginning of year, as restatement | | | | | <u>(192,256)</u> | <u>174,948</u> |
| Net position (deficit) – ending | | | | | <u>\$ (126,972)</u> | <u>\$ 176,566</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet – Governmental Funds
December 31, 2018
(In thousands)

| | | <u>General</u> | | <u>Revenue Bond Debt Service</u> | | <u>Nonmajor Governmental Funds</u> | | <u>Total Governmental Funds</u> |
|---|----|----------------|----|--------------------------------------|----|--|----|---|
| ASSETS | | | | | | | | |
| Equity in pooled cash | \$ | 20,757 | \$ | 2,799 | \$ | 13,983 | \$ | 37,539 |
| Cash and investments with fiscal agents | | — | | 124,493 | | 75,776 | | 200,269 |
| Investments | | 281,693 | | 24,389 | | 149,711 | | 455,793 |
| Property taxes receivable | | 6,899 | | — | | 1,049 | | 7,948 |
| Accounts receivable, less allowance of \$1,572 | | 29,624 | | — | | 1,464 | | 31,088 |
| Due from other funds | | 4,259 | | — | | — | | 4,259 |
| Due from federal and state governments | | — | | — | | 8,072 | | 8,072 |
| Long-term receivables, less allowance of \$25,094 | | — | | — | | 28,238 | | 28,238 |
| Total assets | \$ | <u>343,232</u> | \$ | <u>151,681</u> | \$ | <u>278,293</u> | \$ | <u>773,206</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Matured bonds and notes payable | \$ | — | \$ | 3,365 | \$ | 13,580 | \$ | 16,945 |
| Matured interest payable | | — | | 1,995 | | 3,340 | | 5,335 |
| Accounts payable and other accrued liabilities | | 32,157 | | 16 | | 27,900 | | 60,073 |
| Accrued payroll and payroll taxes | | 22,428 | | — | | 67 | | 22,495 |
| Due to other funds | | — | | — | | 1,084 | | 1,084 |
| Unearned revenue | | 288 | | — | | 10 | | 298 |
| Total liabilities | | <u>54,873</u> | | <u>5,376</u> | | <u>45,981</u> | | <u>106,230</u> |
| Deferred inflows of resources | | <u>14,124</u> | | <u>—</u> | | <u>3,686</u> | | <u>17,810</u> |
| Fund balances: | | | | | | | | |
| Nonspendable | | — | | — | | 362 | | 362 |
| Restricted | | 85,591 | | 146,305 | | 228,264 | | 460,160 |
| Committed | | 5,040 | | — | | — | | 5,040 |
| Assigned | | 76,505 | | — | | — | | 76,505 |
| Unassigned | | 107,099 | | — | | — | | 107,099 |
| Total fund balances | | <u>274,235</u> | | <u>146,305</u> | | <u>228,626</u> | | <u>649,166</u> |
| Total liabilities, deferred inflows of resources and fund balances | \$ | <u>343,232</u> | \$ | <u>151,681</u> | \$ | <u>278,293</u> | \$ | <u>773,206</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Balance Sheet for Governmental Funds
to the Statement of Net Position
December 31, 2018
(In thousands)

| | | |
|--|----|-------------------------|
| Fund balances – total governmental funds | | |
| Amounts reported for governmental activities in the statement of net position are different because: | \$ | 649,166 |
| Capital assets not reported in the fund statements | | 1,552,447 |
| Net position of internal service funds not recorded in the fund statements | | 4,859 |
| Deferred outflows of resources - OPEB not recorded in the fund statements | | 230 |
| Deferred outflows of resources - pensions not recorded in the fund statements | | 66,381 |
| Deferred outflows of resources - loss on refundings not recorded in the fund statements | | 13,662 |
| Deferred inflows of resources - parking meter concession agreement not recorded in the fund statements | | (16,800) |
| Deferred inflows of resources - OPEB not recorded in the fund statements | | (13,622) |
| Deferred inflows of resources - pensions not recorded in the fund statements | | (62,380) |
| Long-term liabilities not in the fund statements (excludes matured bonds payable of \$16,945) | | (2,329,860) |
| Other liabilities not in the fund statements | | (7,901) |
| Deferred inflows of resources in the fund statements not in the statement of net position | | 17,810 |
| Unearned revenue in the statement of net position not in the fund statements | | (11,617) |
| Pension asset not recorded in the fund statements | | 19,856 |
| Accrued interest payable not in the fund statements (excludes matured interest payable) | | (9,203) |
| Net deficit of governmental activities | \$ | <u><u>(126,972)</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2018
(In thousands)

| | <u>General</u> | <u>Revenue Bond Debt Service</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------|--------------------------------------|--|---|
| Revenues: | | | | |
| Taxes | \$ 394,816 | \$ 92,670 | \$ 102,844 | \$ 590,330 |
| Licenses and permits | 15,974 | — | — | 15,974 |
| Charges for services | 77,634 | — | 2,960 | 80,594 |
| Intergovernmental revenues | 123,787 | 62 | 33,638 | 157,487 |
| Intragovernmental revenues | 11,327 | — | — | 11,327 |
| Traffic violations and court fees | 2,789 | — | 4,236 | 7,025 |
| Interest and other operating revenues | 22,473 | 3,177 | 26,168 | 51,818 |
| Total revenues | <u>648,800</u> | <u>95,909</u> | <u>169,846</u> | <u>914,555</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 27,154 | — | 2,020 | 29,174 |
| Public safety | 476,865 | — | 8,082 | 484,947 |
| Public works | 112,436 | — | 2,163 | 114,599 |
| Health and welfare | 798 | — | 6,980 | 7,778 |
| Cultural and recreation | 22,514 | — | 1,302 | 23,816 |
| Urban redevelopment and housing | 6,231 | — | 12,245 | 18,476 |
| Economic development and assistance | 2,248 | 8,000 | 13,079 | 23,327 |
| Debt service: | | | | |
| Redemption of bonds and notes | 898 | 37,604 | 55,524 | 94,026 |
| Interest on bonds and notes | 323 | 12,448 | 29,582 | 42,353 |
| Bond and note issuance costs | — | 152 | 2,518 | 2,670 |
| Lease payments and other | 17 | 588 | 4,203 | 4,808 |
| Capital outlays | 66,415 | — | 139,137 | 205,552 |
| Total expenditures | <u>715,899</u> | <u>58,792</u> | <u>276,835</u> | <u>1,051,526</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(67,099)</u> | <u>37,117</u> | <u>(106,989)</u> | <u>(136,971)</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2018
(In thousands)

| | <u>General</u> | <u>Revenue Bond Debt Service</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|-------------------|--------------------------------------|--|---|
| Other financing sources (uses): | | | | |
| Issuance of capital lease | \$ 1,474 | \$ — | \$ 3,498 | \$ 4,972 |
| Sales of capital assets | 739 | — | — | 739 |
| Bonds and notes issued | — | — | 118,627 | 118,627 |
| Premium on bonds and notes issued | — | — | 4,217 | 4,217 |
| Refunding bonds issued | — | 12,202 | — | 12,202 |
| Transfers in | 65,875 | 11,184 | 107,770 | 184,829 |
| Transfers out | (10,176) | (70,130) | (104,523) | (184,829) |
| Total other financing sources (uses) | <u>57,912</u> | <u>(46,744)</u> | <u>129,589</u> | <u>140,757</u> |
| Net change in fund balances | (9,187) | (9,627) | 22,600 | 3,786 |
| Fund balances at beginning of year | <u>283,422</u> | <u>155,932</u> | <u>206,026</u> | <u>645,380</u> |
| Fund balances at end of year | <u>\$ 274,235</u> | <u>\$ 146,305</u> | <u>\$ 228,626</u> | <u>\$ 649,166</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year ended December 31, 2018
(In thousands)

Net change in fund balances – total governmental funds

| | | |
|--|----|----------------------|
| Amounts reported for governmental activities in the statement of activities are different because: | | \$ 3,786 |
| Depreciation expense reported in the statement of activities but not in the fund statements | | (126,934) |
| Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of net position | | 172,636 |
| Donations of capital assets not recorded in the fund statements | | 12,215 |
| Loss on disposals of capital assets not recorded in the fund statements | | (6,374) |
| Revenues in the statement of activities that do not provide current financial resources and are deferred inflows in the fund statements | | 17,810 |
| Revenues in the fund statements but not in the current year statement of activities due to the current financial resources focus of the governmental funds | | (18,331) |
| Remediation settlement expenditures not recorded in the fund statements but reported as a liability in the statement of net position | | (3,820) |
| Bond and notes issued, including premiums, reported as financing sources in the fund statements but as additions to long-term liabilities in the statement of activities | | (135,046) |
| Bond and note principal payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities | | 94,026 |
| Amortization of deferred inflows of resources related to the parking meter agreement reported as income in the statement of activities but not in the fund statements | | 400 |
| Change in net position of internal service funds reported with governmental activities | | 8,002 |
| Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements | | 5,169 |
| Increase in compensated absences that is not reported in the fund statements | | (132) |
| Capital appreciation bond interest expense that is reported in the statement of activities but not the fund statements, as there is no cash outflow | | (9,649) |
| Accrued interest on bonds and notes payable through December 31, 2018 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable | | (9,203) |
| Issuance of note not reported as financing sources in the fund statements but as additions to long-term liabilities in the statement of activities | | (2,775) |
| Capital lease payments reported as expenditures in the fund statements but as reduction of long-term liabilities in the statement of activities | | 2,449 |
| Inception of capital leases recorded as other financing sources in the fund statements but as an increase in long-term liabilities in the statement of activities | | (4,972) |
| Accrued interest at December 31, 2018 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year | | 9,547 |
| Net increase in the other postemployment benefit liability that is not reported in the fund statements | | (11,280) |
| Pension contributions recognized as expenditures in the fund statements in excess of pension expense recognized in the statement of activities | | <u>67,760</u> |
| Change in net position of governmental activities | \$ | <u><u>65,284</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
Proprietary Funds
December 31, 2018
(In thousands)

| | | Governmental activities – Internal Service Funds |
|--|----|---|
| ASSETS | | |
| Current assets: | | |
| Equity in pooled cash | \$ | 2,854 |
| Cash with fiscal agents | | 47 |
| Investments | | 24,860 |
| Accounts receivable | | 2,843 |
| Total current assets | | 30,604 |
| LIABILITIES | | |
| Accounts payable and other current accrued liabilities | | 22,740 |
| Due to other funds | | 3,005 |
| Total current liabilities | | 25,745 |
| NET POSITION | | |
| Unrestricted net position | | 4,859 |
| Total net position | \$ | 4,859 |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended December 31, 2018
(In thousands)

| | | Governmental activities – Internal Service Funds |
|--------------------------------|----|---|
| Operating revenues: | | |
| Charges to other funds | \$ | 101,238 |
| Operating expenses: | | |
| Claims | | 93,192 |
| Administration | | 138 |
| Total operating expenses | | <u>93,330</u> |
| Operating income | | <u>7,908</u> |
| Nonoperating expense: | | |
| Investment income | | <u>94</u> |
| Changes in net position | | 8,002 |
| Net deficit, beginning of year | | <u>(3,143)</u> |
| Net position, end of year | \$ | <u><u>4,859</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2018
(In thousands)

| | | Governmental activities – Internal Service Funds |
|--|----|---|
| | | <u> </u> |
| Cash flows from operating activities: | | |
| Receipts from users | \$ | 100,617 |
| Payments for administration | | (138) |
| Payments for claims | | (93,046) |
| Net cash provided by operating activities | | <u>7,433</u> |
| Cash flows from investing activities: | | |
| Sales and maturities of investments | | 427 |
| Investment purchases | | (9,552) |
| Investment income | | 94 |
| Net cash provided by investing activities | | <u>(9,031)</u> |
| Net increase in cash | | (1,598) |
| Cash, beginning of year | | <u>4,499</u> |
| Cash, end of year | \$ | <u><u>2,901</u></u> |
| | | |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ | 7,908 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Change in assets and liabilities: | | |
| Increase in accounts receivable | | (621) |
| Increase in accounts payable and other liabilities | | 146 |
| Net cash provided by operating activities | \$ | <u><u>7,433</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2018
(In thousands)

| | ASSETS | Police and Firefighters' Pre-1977 Pension Trust Funds | Agency Funds |
|--|---------------|--|-------------------------|
| Equity in pooled cash | | \$ 51 | \$ 771 |
| Investments | | 439 | 6,728 |
| Accounts receivable | | — | 969 |
| Total assets | | 490 | 8,468 |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | | 71 | 8,468 |
| Due to other funds | | 170 | — |
| Total liabilities | | 241 | \$ 8,468 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| Net position restricted for pensions | | \$ 249 | |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds

Year ended December 31, 2018

(In thousands)

| | | Police and Firefighters' Pre-1977 Pension Trust Funds |
|--|----|--|
| | | <u> </u> |
| ADDITIONS | | |
| Employer contributions | \$ | 55,890 |
| Total additions | | <u>55,890</u> |
| DEDUCTIONS | | |
| Benefits | | <u>56,741</u> |
| Total deductions | | <u>56,741</u> |
| Net decrease in net position | | (851) |
| Net position restricted for pensions – beginning of year | | <u>1,100</u> |
| Net position restricted for pensions – end of year | \$ | <u><u>249</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Indianapolis (“City”), located in Marion County, Indiana, was originally incorporated in 1832. On January 1, 1970, the government of the City, as defined by the Consolidated First-Class Cities and Counties Act, adopted by the 1969 Indiana General Assembly, and Marion County (“County”) were unified (“Consolidated City”). Their form of service delivery was consolidated and certain of the City’s service boundaries were extended to generally coincide with those of the County. Four other municipalities (Speedway, Lawrence, Southport, and Beech Grove) located within the County boundaries are specifically excluded from most functions of the Consolidated City by the consolidating act.

The City operates under an elected Mayor/City-County Council (25 members) form of government and provides the following services: public safety (police and fire), culture and recreation, community development and welfare (including planning and zoning), highways and streets, environmental service (solid waste collection and disposal), and general administrative services.

For financial reporting purposes, the City is considered to be a component unit of the Consolidated City of Indianapolis – Marion County Reporting Entity (unified government, commonly referred to as “Unigov”), as defined by Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. The elected officials and the Mayor serve as the executive body for both the City and the County while the City-County Council (“Council”) serves as the legislative body for both the City and the County. The City is considered a legally separate organization for which its elected officials are financially accountable. This accountability is evidenced by the elected officials’ ability to: (a) approve the budget of the City; (b) veto, override, or modify the budget; and (c) establish tax levies. Additionally, the Mayor appoints the City’s deputy mayors and the City’s department directors subject to the approval of the Council, and also appoints the City Controller and Corporation Counsel.

Component Units

The City’s financial reporting entity has been determined in accordance with governmental accounting standards. The Indianapolis Housing Agency (“Housing Agency”) is responsible for the management, operation, maintenance, and administration of public housing and public housing projects, and the provision of safe, sanitary, and affordable dwelling accommodations for qualified persons of low and moderate income. The Housing Agency has a separate Board of Commissioners, which comprises nine members. The Mayor appoints five members while the Council appoints two members. The remaining two members are appointed from the Indianapolis Housing Agency Residents’ Council, one from the family housing community and one from the senior community. The Housing Agency has formed four wholly-owned subsidiaries. The Housing Agency’s subsidiaries are the controlling general partners of limited partnerships formed to acquire, construct and operate developments. The financial information of the limited partnerships is included in the financial reporting entity of the Housing Agency as blended component units. The Housing Agency is included as a discretely presented component unit of the City because it possesses the corporate powers that would distinguish it as being a legally separate entity and because the Mayor and Council appoint a voting majority of the Housing Agency’s governing body and can remove a board member at will.

The Housing Agency has established a nonprofit entity, Insight Development Corporation, Inc. (“Insight”) (formerly known as Partners for Affordable Housing, Inc.), which is legally separate from the Housing Agency, and which is exempt from federal income tax under Section 501(c)(3). The purpose of Insight is to foster low-income housing in and around Indianapolis. Insight has as its sole member the Housing Agency and its board consists of seven members, three of which are Housing Agency board members. Accordingly, Insight is considered to be a component unit of the Housing Agency and its financial information is included in the blended financial information herein reported for the Housing Agency. The Housing Agency and Insight issue separate financial statements, which can be obtained by writing to Indianapolis Housing Agency, 1919 North Meridian Street, Indianapolis, Indiana 46202.

The City’s financial reporting entity also includes the Circle Area Community Development Corporation (“CAC”), which was incorporated on July 22, 1997. The Mayor appoints the entire CAC board and may remove board members at will. The purpose of CAC is to benefit, perform, and carry out the charitable, educational, and other public purposes of the City. Specific purposes include encouraging, supporting, and assisting in activities, projects, and programs that promote the social welfare, beautify the public areas, and improve the effectiveness of infrastructure and foster, develop, and maintain economic development and rehabilitation in and around downtown Indianapolis. Because CAC exists to exclusively benefit the City, CAC is reported as a blended component unit in this report. The CAC issues separate financial statements, which can be obtained by writing to Circle Area Community Development Corporation, 200 East Washington Street, Indianapolis, Indiana 46204.

Related Organization

The Mayor appoints the five members of the board of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”), but the City’s accountability for this organization does not extend beyond making such appointments.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its discretely presented component unit. *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. However, the City currently has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate fund 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 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*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the period in which the tax levy and rates are certified, which is the period for which the taxes 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*. Under this basis of accounting, revenues are recognized as they become susceptible to accrual; generally, as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, including taxes other than property taxes, the City considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants, and interest on investments. Bonds and notes issued are recorded as other financing sources, along with any related premium or discounts.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

- 1) Debt service fund bond principal and interest expenditures due through January 15 are recorded on the preceding December 31. Expenditures related to compensated absences and claims and judgments are recorded only when payment is due (i.e., matured).
- 2) Prepaid expenditures are not recorded as an asset in the fund financial statements.

For financial reporting purposes, nonexchange transactions are grouped into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government-mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as local income tax) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred and the resources are available. Resources received in advance in relation to derived tax revenue nonexchange transactions are reported as liabilities until the period of exchange.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the resources arise or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period in which the tax levy and rates are certified, which is the period for which the taxes are levied. Imposed nonexchange revenues also include taxes such as wheel, auto excise, and financial institutions.

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units, and government-mandated nonexchange transactions are generally recognized as revenues in the period when all eligibility requirements have been met. For these types of transactions, resources received before eligibility requirements are met (excluding time requirements) are reported as liabilities, while resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources.

Charges for services in the governmental funds, which are exchange transactions, are recognized as revenues when received in cash because they are generally not measurable until actually received.

All proprietary funds, pension trust funds and the discretely presented component unit financial statements are accounted for using the same measurement focus and basis of accounting as the government-wide financial statements. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, except as to the accounting for certain pension costs. The City records pension payments made by the State of Indiana on its behalf as both revenue and expenditures/expense. Unfunded pension obligations are recorded in the government-wide statements in the long-term liabilities due in more than one year.

All agency funds are purely custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for under the accrual basis of accounting.

The City reports the following major governmental funds:

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

The *Revenue Bond Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on debt of the Tax Increment Districts and on debt issued for certain other public works projects.

Additionally, the City reports the following fund types:

Internal Service Funds account for the accumulation of resources to provide for the financing of workers' compensation and auto liability, and health self-insurance for all City departments, as well as provide for the centralization of certain payments of awards, refunds, and indemnities.

Fiduciary Funds are classified into subgroupings – Agency Funds and Pension Trust Funds. Funds in this classification are used to account for assets held by the City in a fiduciary capacity. Agency Funds are custodial in nature (assets equal liabilities) and account for monies held on behalf of contractors, police and firefighter retiree health insurance costs, the E-911 dispatch program, and for confiscated items related to public safety activities. Pension Trust Funds are those funds held in trust for disbursement to covered employees. The City records deductions for pension obligations as payments become due.

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 local taxes. State-shared revenues, such as cigarette taxes, are reported as grants and contributions not restricted to specific functions, unless they are restricted to specific functions, such as gasoline taxes, in which case they are reported as operating grants and contributions.

Indirect costs are included as part of the program expenditures reported for individual functions and activities.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

D. Cash and Investments

The City's cash resources are combined to form a cash and investment pool managed by the City Controller. Excluded from this pool are the investments in TrustIndiana and certain legally restricted funds. Income from the pooled investments is allocated to the funds based on the participating fund's average daily equity balance. An individual fund's negative position in the pool is reflected as an interfund liability.

Investments are stated at fair value.

E. Receivables

All receivables are shown net of an allowance, if any, for uncollectible balances.

Noncurrent portions of long-term receivables in the governmental funds are reported in their respective balance sheets, notwithstanding their measurement focus. The noncurrent portions of receivables that will ultimately result in the recognition of revenue are reported as deferred inflows of resources. Noncurrent portions of other long-term receivables (e.g., loans receivable and nonfinancial assets held for sale) are offset by nonspendable fund balance in the general fund and restricted fund balance in funds other than the general fund.

F. Inventory

Inventories of the governmental funds are recorded as expenditures when purchased and are therefore not recorded in the statement of net position or the governmental funds balance sheet, as the associated amounts are not considered material.

G. Capital Assets

Capital assets, which include land, construction in progress, improvements, buildings, equipment, and infrastructure (e.g., streets, bridges, storm drains, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with cost or donated value beyond prescribed levels and estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The prescribed capitalization levels for the City are as follows:

- All land acquired by the City is capitalized. Land improvements of \$25 or greater are capitalized.
- All new construction of City buildings is capitalized. Rehabilitation of \$75 or greater is capitalized.
- Equipment and vehicles of \$5 or greater are capitalized.
- Infrastructure projects of \$25 or greater are capitalized. Infrastructure assets acquired before January 1, 2002 have been capitalized if estimated historical cost or donated value was near or above the criteria for major infrastructure as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB Statement No. 34").
- Assets such as computer software and easements are required to be reported as capital assets under GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. All permanent easements have historically been capitalized. Other intangible assets are capitalized if the historical cost or donated value is \$100 or greater. The City has chosen not to report, retroactively to 1980, intangible assets having indefinite useful lives and those considered to be internally generated, except for certain computer software and right-of-way easements to which recognition criteria could be effectively applied.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

Depreciation is calculated using the straight-line method and no salvage value. Depreciation lives are as follows:

| | |
|--|---------------------------------------|
| Land improvements | 30 years individual depreciation |
| Buildings | 50 years individual depreciation |
| Building improvements | 20 years individual depreciation |
| Equipment and vehicles | 3 to 20 years individual depreciation |
| Streets, curbs, sidewalks, and traffic signals | 30 years group depreciation |
| Bridges and storm lift stations | 60 years individual depreciation |
| Storm mains, manholes, inlets, and culverts | 60 years group depreciation |

H. Unearned Revenue

Unearned revenue is reported in the government-wide financial statements and in the balance sheet – governmental funds. The availability period does not apply; however, amounts may not be considered earned due to eligibility requirements.

I. Compensated Absences

City civilian employees earn benefit leave days (in lieu of all vacation, sick, and other accrued leave time), which accumulate to a maximum of 37 days per year, depending on length of service. A total of 176 hours earned benefit leave can be carried forward to subsequent years, and an additional 80 hours can be carried forward upon appropriate approval. Accumulated unused sick leave earned before September 1, 1994 is payable only upon the death or retirement of an employee, and only half the accumulated sick leave is then payable. Uniform Police and Fire employees earn vacation and sick leave and other accumulated leave time off. For certain employees, sick leave is payable upon the death or retirement of the employee at half of the accumulated value.

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated benefit and sick leave days are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. The entire cost of benefit and sick leave is recorded in the government-wide financial statements. Certain amounts have been recorded in the governmental fund financial statements, since such amounts came due (matured, for example, as a result of employee resignations and retirements) during the year ended December 31, 2018.

J. Estimates and Uncertainties

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported changes in amounts of revenues, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

K. Interfund Transactions

All outstanding balances between funds are reported as “due to/from other funds.”

Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures if they involved organizations external to the City. Certain internal payments are treated as a reduction of expense, such as reimbursements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

L. Bond Premiums, Discounts, and Issuance Costs

In the government-wide financial statements and the proprietary fund types in the fund financial statements, bond or note premiums and discounts are recorded as an addition or reduction to the debt obligation. Premiums and discounts are amortized as a component of interest expense over the term of the related bonds using the effective-interest method. Bond issuance costs, excluding bond insurance, are expensed as incurred.

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

M. Other Postemployment Benefit Plan

The City has a single-employer defined benefit other postemployment benefit (OPEB) plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 1953 Police Pension Fund, the 1937 Firefighters' Pension Fund, the 1977 Police Officers' and Firefighters' Pension and Disability Fund, and the Indiana Public Employees' Retirement Fund ("the plans"), and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are valued in accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, and are predominantly at fair value.

O. Net Position/Fund Balances

In the government-wide and proprietary fund financial statements, the components of net position are categorized as follows:

- 1) *Net investment in capital assets* – This category is comprised of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition or construction of those assets.
- 2) *Restricted* – This category consists of resources that have external restrictions imposed by outside parties (e.g., creditors, grantors, contributors) or by law through constitutional provisions or enabling legislation.
- 3) *Unrestricted* – This category represents resources of the City that are not subject to externally imposed restrictions and that may be used to meet the ongoing obligations to the public and creditors.

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

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB Statement No. 54") requires fund balances for governmental funds to be classified based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Further, GASB Statement No. 54 establishes criteria for classifying fund balances and clarifies the definitions for governmental fund types.

Within the fund financial statements, the fund balances are classified in the following manner:

- 1) *Nonspendable* – This consists of resources that are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- 2) *Restricted* – This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation. Within the restricted fund balance for the Other Aggregate Funds are encumbrances of \$42,556, which are restricted to fund future capital acquisitions.

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- 3) *Committed* – This consists of resources that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. The City’s highest level of decision-making authority rests with the Council. Resources are reported as committed by the Council through passage of an ordinance. The Council can modify or rescind a commitment of resources through passage of a new ordinance.
- 4) *Assigned* – This consists of resources constrained by the government’s intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of \$34,393, which are assigned to cover future purchases.
- 5) *Unassigned* – This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned. The general fund is the only fund that reports a positive unassigned fund balance.

Effective August 2011, the Council established the Fiscal Stability Fund under Fiscal Ordinance No. 11, which is reported in the Consolidated County Subfund of the City’s General Fund. At December 31, 2018, the unassigned fund balance of the Fiscal Stability Fund is \$81,076. Such amount has been set aside by the City-County Council to be maintained as a general reserve until such time the Council takes action to appropriate all or a portion of the balance. The ordinance that created the Fiscal Stability Fund does not dictate the circumstance under which such monies may be spent or provide requirements for any further additions to the fund.

The City’s policy is to apply expenditures to restricted resources first, then committed, then assigned, and finally to unassigned, as applicable.

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P. Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

The City reports both deferred outflows of resources and deferred inflows of resources in the statement of net position for the effects of certain changes in its net OPEB liability that is required to be included in OPEB expense over the current and future periods.

The City reports both deferred outflows of resources and deferred inflows of resources in the statement of net position for the effects of certain changes in its net pension liabilities that are required to be included in pension expense over the current and future periods.

The City defers recognition of losses incurred on bond refundings and reports such losses as deferred outflows of resources in the statement of net position. Deferred losses on refundings are amortized using the straight-line method over the lesser of the remaining life of the original bonds or the life of the new bonds.

In accordance with GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (“GASB Statement No. 60”), the City has recorded upfront payments received under a parking meter concession agreement as a deferred inflow of resources in the government-wide statement of net position. This deferred inflow of resources is being amortized using the straight-line method over the term of the agreement.

Deferred inflows of resources are also reported in the fund financial statements for receivables that are unavailable to liquidate liabilities of the current period or for which eligibility requirements have not been met.

Q. Adoption of GASB 75

During 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This statement requires governments to recognize their unfunded accrued OPEB liability on the face of their financial statements along with incorporating more extensive note disclosures and required supplementary information about their OPEB liabilities and related information. The adoption of GASB Statement No. 75 resulted in a \$34,953 decrease in beginning net position as of January 1, 2018. Refer to Note 16 for more information regarding the City’s OPEB.

R. Future Adoption of Accounting Standards

GASB has issued Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 87, *Leases*; Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; and Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The City intends to adopt these GASB Statements, as applicable, on their respective effective dates.

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2. Cash Deposits and Investments

As of December 31, 2018, the City had the following cash deposits and investments:

| | | |
|---|--------|---------------------------|
| Cash and investments | \$ | 521,046 |
| Cash and investments with fiscal agents | | 200,316 |
| Cash and investments – Fiduciary Funds | | <u>7,989</u> |
| Total cash and investments | \$ | <u><u>729,351</u></u> |

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes.

The carrying amount of the City’s total cash deposits at December 31, 2018 was \$155,022. The City’s cash deposits are insured up to \$250 at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”). Any cash deposits in excess of the \$250 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

Investments

Indiana statutes authorize the City to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, municipal securities of Indiana issuers that have not defaulted during the previous twenty years, certificates of deposit, and open-end money market mutual funds. Indiana statutes do not apply to the City’s component units, which may invest in securities other than the aforementioned types of investments. The City policy provides that the City may invest in negotiable certificates of deposit having maturities of less than two years and in multiples of one million dollars providing that market yields on certificates of deposit exceed treasury bills of comparable maturity duration. The City has no investments in negotiable certificates of deposit at December 31, 2018.

It is the policy of the City to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state/local statutes governing the investment of public funds. The primary objectives, in priority order, of the City’s investment activities shall be:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- **Liquidity:** The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.
- **Return on Investments:** The City’s investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.

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Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City’s investment policy provides that the City seeks to minimize the risk that the fair value of securities in its portfolio will decrease due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City may invest in securities for more than two years and not more than five years in accordance with IC 5-13-9-5.7. Under this policy, investments having maturities of more than two years are limited to 25% of the total portfolio. In accordance with Indiana statutes, this policy will expire four years from its original effective date, or December 1, 2022.

Below is a segmented time distribution for the City’s debt investments at December 31, 2018:

| Investment Type | Fair Value | Investment Maturities (in Years) | | |
|---|-------------------|---|------------------|-----------------------|
| | | Less than 1 | 1-2 | Greater than 2 |
| U.S. Government-Sponsored Enterprise Securities: | | | | |
| Federal National Mortgage Association | \$ 10,000 | \$ — | \$ — | \$ 10,000 |
| Total U.S. Government-Sponsored Enterprise Securities | <u>10,000</u> | <u>—</u> | <u>—</u> | <u>10,000</u> |
| United States Treasury Notes | 343,481 | 254,029 | 89,452 | — |
| Money market mutual funds | 86,509 | 86,509 | — | — |
| State external investment pool – TrustIndiana | 134,339 | 134,339 | — | — |
| | <u>\$ 574,329</u> | <u>\$ 474,877</u> | <u>\$ 89,452</u> | <u>\$ 10,000</u> |

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies. The City uses the highest integrity when choosing an instrument of investment. The City keeps its credit risk as it pertains to investments at a low rate by requiring all investments of the City be rated in the three highest ratings categories by Moody's Investor Service (“Moody’s”), Standard & Poor's Corporation (“Standard & Poor’s”), or Fitch's Ratings Service (“Fitch”).

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At December 31, 2018, the City’s investments were rated by Moody's and Standard & Poor’s as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Ratings</u> <u>Moody's / S&P</u> |
|---|-------------------|--|
| U.S. Government-Sponsored Enterprises Securities: | | |
| Federal National Mortgage Association | \$ 10,000 | Aaa/AA |
| Total U.S. Government-Sponsored Enterprise Securities | 10,000 | |
| United States Treasury Notes | 343,481 | Aaa/AAA |
| Money market mutual funds | 86,509 | Aaa/AAA |
| State external investment pool – TrustIndiana | 134,339 | Not Rated |
| | \$ 574,329 | |

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty. The City’s investment policy requires that repurchase agreements be covered by adequate pledge collateral. In order to anticipate market changes and provide a level of security for all funds, the fair value (including accrued interest) of the collateral should be at least 102%.

At December 31, 2018, all City investments and all collateral securities pledged against City investments are held by the counterparty’s trust department or agent in the City’s name except for \$50,099 which is not held in the City’s name. The City’s investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2018, as their existence is not evidenced by securities that exist in physical book entry form.

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer. At December 31, 2018, the City did not hold any investments that represent more than 5% of total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City’s investment policy prohibits investment in foreign securities.

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3. Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2018:

| | <u>Fair Value</u> | <u>Quoted Prices in Active Markets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|--|-------------------|--|--|--|
| Investment by fair value level | | | | |
| United States Treasury Notes | \$ 343,481 | \$ 343,481 | \$ — | \$ — |
| Federal National Mortgage Association | 10,000 | — | 10,000 | — |
| Money Market Mutual Funds | 86,509 | 86,509 | — | — |
| Total investments measured at fair value | <u>439,990</u> | <u>\$ 429,990</u> | <u>\$ 10,000</u> | <u>\$ —</u> |
| Investments measured at the net asset value (NAV) (a) | | | | |
| State external investment pool - TrustINDiana | 134,339 | | | |
| Total | <u>\$ 574,329</u> | | | |

- (a) Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Investments at NAV

TrustINDiana, a local government investment pool, seeks to allow local units of government, as well as the State of Indiana, to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly liquid and maximizes the return on the investment. There are no unfunded commitments or restrictions on redemptions.

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4. Property Taxes

Property taxes levied for all governmental entities located within the County are collected by the Treasurer of Marion County, Indiana (“Treasurer”). These taxes are then distributed by the Auditor of Marion County, Indiana (“Auditor”) to the City and the other governmental entities at June 30 and December 31 of each year. The City and the other governmental entities can request advances of their portion of the collected taxes from the Treasurer once the levy and tax rates are certified by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment. Part of the Budget certification process is to finalize the rates, which in turn gives units the ability to accurately project revenue loss due to the circuit breaker impact.

The City’s 2018 property taxes were levied based on assessed valuations determined by the Auditor as of the 2017 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2018 property taxes was January 1, 2017 (assessment date); however, the City does not recognize a receivable on the lien date, as the amount of property tax to be collected cannot be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 100% of the true tax value. In 2018, the first half of the year 2018 taxes were due and payable to the Treasurer in May 2018. The second half of the year 2018 taxes were due and payable to the Treasurer in November 2018. Property taxes outstanding at December 31, 2018, net of allowance for uncollectible accounts, are recorded as a receivable in the governmental fund and government-wide financial statements. However, for the governmental fund financial statements, all property tax receivable amounts are reported as deferred inflows of resources.

5. Tax Abatements

The City promotes a series of real and personal property tax abatement programs available under Indiana law, including:

Real Property Tax Abatement (I.C. 6-1.1-12.1)

Real property tax abatements are achieved through the phase-in of real property tax obligations from the improvements being made. The phase-in can span a period of one to ten years and is based on a declining percentage of the increase in assessed value of such improvements.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages, and the economic impact of project. The City’s Metropolitan Development Commission (“MDC”) is responsible for approving the abatement and determining the time period for the abatement. In some cases, City-County Council approval is also required for the abatement. Required approval(s) must occur before construction permits are obtained.

Personal Property Tax Abatement (I.C. 6-1.1-12.1)

Similarly, personal property tax abatements for manufacturing, research and development, information technology, and logistics/distribution equipment are accomplished through the phase-in of personal property tax obligations over a one to ten-year period, based on a declining percentage of the assessed value of the newly installed equipment.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages, and the economic impact of project. MDC and possibly City-County Council approval is required and must occur prior to the equipment being operational and the MDC determines the time period for the abatement.

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Vacant Building Abatement (I.C. 6-1.1-12.1)

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year.

The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the MDC. Prior approval of the MDC must occur before occupying the facility and the MDC determines the time period for the abatement.

All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs, and/or promote economic revitalization.

In return for such abatements, the City generally commits to permit, zoning, and job training assistance. An abatement can be terminated if the MDC determines that the commitments made by the company receiving the abatement were not met and, per statute, such non-compliance was not due to factors beyond the company's control. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient ("AVGQ"). Statutory property tax caps for homesteads, agricultural and other residential, and commercial are equal to 1%, 2%, and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps ("circuit breaker credits") reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

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The estimated gross amount, on an accrual basis, by which the total property tax revenues for the abatement taxpayer recipient (payable 2018 taxes) were reduced as a result of the aforementioned abatement programs follows:

| | | |
|---------------------------------|----|-------|
| Real Property Tax Abatement | \$ | 1,294 |
| Personal Property Tax Abatement | | 2,819 |
| Vacant Building Abatement | | 2 |
| Total | \$ | 4,115 |

While the City has calculated the potential impact of existing tax abatements on total property tax revenues for 2018, as shown above, the actual extent of lost revenues may be something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

6. Receivables Disaggregation

Accounts receivable as of December 31, 2018, for the City, including the applicable allowances for uncollectible accounts, are as follows:

| | Accounts | Due from Other Governments | Total Accounts Receivable |
|---|-----------------|---|--|
| Governmental Activities: | | | |
| General Fund | \$ 17,159 | \$ 14,037 | \$ 31,196 |
| Other Nonmajor Governmental Funds | 853 | 611 | 1,464 |
| Internal Service Fund | 2,843 | — | 2,843 |
| Total receivables | 20,855 | 14,648 | 35,503 |
| Allowance for uncollectible accounts | (1,572) | — | (1,572) |
| Total governmental activities | \$ 19,283 | \$ 14,648 | \$ 33,931 |
| Amounts not scheduled for collection during the subsequent year | \$ — | \$ — | \$ — |

Accounts receivable includes amounts due from other governments, which represent local income and other taxes (excluding property taxes).

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7. Due from Federal and State Governments

Amounts due under federal, state, and local grants at December 31, 2018 for specific programs and capital projects include:

| | Governmental Activities | |
|--|------------------------------------|-------|
| | Other Nonmajor Governmental | |
| Reimbursements under federal grants: | | |
| Department of Housing and Urban Development (HUD) | \$ | 4,522 |
| Department of Justice (DOJ) | | 893 |
| Department of Transportation (DOT) | | 527 |
| Department of Education (DOE) | | 217 |
| Department of Homeland Security (DHS) | | 1,913 |
| Reimbursements under State of Indiana/local grants | | — |
| | \$ | 8,072 |

At December 31, 2018, the City had available lines of credit or grant authorizations from HUD totaling \$47,266.

8. Long-term Receivables

The City has U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2018 of \$23,444 including accrued interest of \$9,736. The City has provided a reserve of \$23,444 for these receivables given the uncertainty of collection. Many of these loans bear interest at rates ranging from 0% to 10% and mature over the next 30 years. Generally, principal and interest payments are based upon defined net cash flows and are deferred until sufficient cash flow is available. All deferred principal and interest amounts are due at maturity. Loan repayments to the City are restricted for community and economic development purposes that would otherwise be eligible for reimbursement by HUD under Title I of the Housing and Community Development Act of 1974.

The City has loaned Comlux Realty, LLC (“Comlux”) \$6,500 under a Project and Loan Agreement dated August 1, 2011. The loan proceeds were used to finance the construction, acquisition, design, renovation, and equipping of an existing airport hangar building. Over the term of this agreement, which expires in 2021, the City will forgive up to \$500 of the loan if Comlux maintains at least 112 full-time employees at the facilities. During 2018, \$165 of the loan was repaid and \$50 was forgiven. At December 31, 2018, the City has recorded a \$150 reserve against the long-term receivable and the outstanding balance is \$563.

The City has loaned Herron High School, Inc. (“Herron”) \$1,500 under an Interlocal Agreement dated December 19, 2017 and the associated Loan Agreement. The loan proceeds were used to finance the construction, acquisition, design, renovation, and equipping of the Heslar Naval Armory. Over the term of this agreement, which expires in 2055, the City will forgive up to \$1,500 of the loan if certain percentages of the student population are eligible for the Free and Reduced Lunch program. At December 31, 2018, the City has recorded a \$1,500 reserve against the long-term receivable to fully reserve the loan.

In 2013, the City was awarded a \$39,000 Section 108 Loan to create the Community & Economic Development Loan Program (“CEDLP”). The City will loan these funds to entities with eligible projects for economic development and housing development activities to benefit low to moderate income individuals. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects or to aid in the prevention of slums. On March 31, 2016, the City loaned the Meadows Community Foundation \$1,600, the loan will mature on March 31, 2036. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Meadows Community Foundation to repay the loan to HUD. At December 31, 2018, the long-term receivable and the outstanding balance is \$1,600. On October 20, 2017, the City loaned Ford TWG, LLC (Ford) \$4,650, the loan will mature on August 1, 2037. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Ford to repay the loan to HUD. At December 31, 2018, the long-term receivable and the outstanding balance is \$4,650.

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In 2015, the CAC loaned \$596 to a project investor, NOS Preferred Equity Investor, LLC. The advance to the project investor was made pursuant to a promissory note for \$18,250 dated December 31, 2016, between the CAC and the project investor. Additional proceeds under the note were drawn by the project investor in 2018 and 2017 to fund the City Way II project. Repayment terms included semi-annual interest only payments through January 2018 followed by principal and interest payments through maturity with a balloon payment due in December 2035. Repayment of the note is guaranteed by Buckingham Property Holdings, LLC, in the event that the property tax revenues generated by the project do not meet specified levels. NOS Preferred equity investor, LLC and Buckingham Property Holdings, LLC are related by common ownership. At December 31, 2018, the long-term receivable is \$17,075.

On May 15, 2018, the City issued its Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project) in the amount of \$4,500. The proceeds will be used to provide funds to finance the construction of the Phoenix Theatre Education and Innovation Center. Bonds are payable from payments made by the developer further secured by certain collateral and a reserve fund funded by the developer upon closing. If draws are made on the reserve fund, it will be replenished from available consolidated TIF revenues generated and collected in the Consolidated TIF allocation area, if required, and the repayment obligations of the Phoenix bonds is evidenced by the Developers Note. At December 31, 2018, the long-term receivable is \$4,500.

The minimum future payments to be received as of December 31, 2018 on long-term receivables are as follows:

| | <u>Governmental Activities</u> |
|-----------------|--------------------------------|
| 2019 | \$ 3,630 |
| 2020 | 1,231 |
| 2021 | 1,246 |
| 2022 | 1,202 |
| 2023 | 1,238 |
| 2024-2028 | 8,360 |
| 2029-2033 | 9,629 |
| 2034-2038 | 12,741 |
| 2039-2043 | 751 |
| 2044-2048 | 12,929 |
| 2049-2053 | 250 |
| 2054-2058 | 125 |
| | <u>53,332</u> |
| Less: allowance | <u>(25,094)</u> |
| Total | <u>\$ 28,238</u> |

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9. Capital Assets

Following is a summary of changes in capital assets for the City’s governmental activities for the year ended December 31, 2018:

| | <u>Balance, January 1, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, December 31, 2018</u> |
|---|---|-------------------|-------------------|---|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 64,735 | \$ 7,640 | \$ 4,491 | \$ 67,884 |
| Construction in progress | <u>219,969</u> | <u>150,110</u> | <u>90,758</u> | <u>279,321</u> |
| Total capital assets not being depreciated | <u>284,704</u> | <u>157,750</u> | <u>95,249</u> | <u>347,205</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 397,918 | 101 | — | 398,019 |
| Improvements | 208,269 | 16,560 | — | 224,829 |
| Equipment | 199,096 | 28,350 | 11,008 | 216,438 |
| Infrastructure | <u>3,098,782</u> | <u>82,177</u> | <u>11,982</u> | <u>3,168,977</u> |
| Total capital assets being depreciated | <u>3,904,065</u> | <u>127,188</u> | <u>22,990</u> | <u>4,008,263</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 196,837 | 10,016 | — | 206,853 |
| Improvements | 106,359 | 6,316 | — | 112,675 |
| Equipment | 154,781 | 13,056 | 7,682 | 160,155 |
| Infrastructure | <u>2,237,774</u> | <u>97,546</u> | <u>11,982</u> | <u>2,323,338</u> |
| Total accumulated depreciation | <u>2,695,751</u> | <u>126,934</u> | <u>19,664</u> | <u>2,803,021</u> |
| Total capital assets being depreciated, net | <u>1,208,314</u> | <u>254</u> | <u>3,326</u> | <u>1,205,242</u> |
| Governmental activities capital assets, net | <u>\$ 1,493,018</u> | <u>\$ 158,004</u> | <u>\$ 98,575</u> | <u>\$ 1,552,447</u> |

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Following is a summary of the changes in capital assets for the City’s discretely presented component unit, the Housing Agency, for the year ended December 31, 2018:

| | <u>Balance, January 1, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, December 31, 2018</u> |
|---|---|------------------|-------------------|---|
| Housing Agency | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 20,405 | \$ 350 | \$ — | \$ 20,755 |
| Construction in progress | 522 | 5,186 | — | 5,708 |
| Total capital assets not being depreciated | <u>20,927</u> | <u>5,536</u> | <u>—</u> | <u>26,463</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 209,662 | 534 | 5,013 | 205,183 |
| Equipment | 8,418 | 705 | 297 | 8,826 |
| Total capital assets being depreciated | <u>218,080</u> | <u>1,239</u> | <u>5,310</u> | <u>214,009</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 66,168 | 6,421 | 5,013 | 67,576 |
| Equipment | 6,161 | 525 | 297 | 6,389 |
| Total accumulated depreciation | <u>72,329</u> | <u>6,946</u> | <u>5,310</u> | <u>73,965</u> |
| Total capital assets being depreciated, net | <u>145,751</u> | <u>(5,707)</u> | <u>—</u> | <u>140,044</u> |
| Total Housing Agency | <u>\$ 166,678</u> | <u>\$ (171)</u> | <u>\$ -</u> | <u>\$ 166,507</u> |

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2018 as follows:

Governmental Activities:

| | |
|---------------------------------|-------------------|
| General government | \$ 6,829 |
| Public safety | 8,079 |
| Public works | 101,781 |
| Cultural and recreation | 5,229 |
| Urban redevelopment and housing | 5,016 |
| | <u>\$ 126,934</u> |

Depreciation expense of \$6,946 was charged to the City’s discretely presented component unit, the Housing Agency, during 2018.

Construction in progress at December 31, 2018 consists of several ongoing projects. These types of projects include but are not limited to security upgrades, recreational facility improvements, and infrastructure improvements.

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At December 31, 2018, the City’s commitments relating to construction in progress include the following:

| | Accrued Expenditures | | |
|--|-----------------------------|--------------------------------------|------------------|
| | <u>Authorized</u> | <u>Through December 31, 2018</u> | <u>Committed</u> |
| Executive and Legislative | \$ 34,976 | \$ 34,976 | \$ — |
| Indianapolis Metropolitan Police Department | 14,735 | 14,361 | 374 |
| Department of Metropolitan Development | 7,305 | 6,232 | 1,073 |
| Department of Public Works | 272,254 | 208,819 | 63,435 |
| Indianapolis Fire Department | 10,110 | 5,854 | 4,256 |
| Department of Parks and Recreation | 3,971 | 3,971 | — |
| Office of Public Health & Safety | 5,460 | 4,970 | 490 |
| Department of Business & Neighborhood Services | 138 | 138 | — |
| Total governmental activities | <u>\$ 348,949</u> | <u>\$ 279,321</u> | <u>\$ 69,628</u> |

10. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2018 for the City are as follows:

| | | | | | | Total |
|---------------------------------|------------------|----------------------------------|---|-----------------------------------|--|---|
| | <u>Vendors</u> | <u>Third-party Contracts</u> | <u>Due to Other Governments</u> | <u>Claims and Settlements</u> | <u>Accrued Payroll and Taxes</u> | <u>Payables and Other Current Liabilities</u> |
| Governmental Activities: | | | | | | |
| General Fund | \$ 31,838 | \$ 317 | \$ 2 | \$ — | \$ 22,428 | \$ 54,585 |
| Revenue Debt Service | 16 | — | — | — | — | 16 |
| Other Nonmajor Governmental | 21,705 | 6,175 | 20 | — | 67 | 27,967 |
| Internal Service Fund | 22 | — | — | 22,718 | — | 22,740 |
| Adjustment to government-wide | — | — | — | 7,901 | — | 7,901 |
| Total governmental activities | <u>\$ 53,581</u> | <u>\$ 6,492</u> | <u>\$ 22</u> | <u>\$ 30,619</u> | <u>\$ 22,495</u> | <u>\$ 113,209</u> |

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11. Operating Leases and Management Contracts

A. Lessee Arrangements

Indianapolis-Marion County Building Authority (“Building Authority”)

The City and the County lease the office building and parking lot facilities they share, among other properties, from the Building Authority. The Building Authority is a separate municipal corporation, acting as a joint building authority, whose purpose is to finance, acquire, construct, improve, renovate, equip, operate, maintain, and manage land, governmental buildings, and communication systems for governmental entities within Marion County. Such facilities are sometimes financed by the Building Authority through the issuance of bonded debt. The lease agreements provide for sufficient rent to offset budgeted operating costs (“Additional Rentals”) of the leased facilities. All of the leases provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. The governing Indiana statute with respect to each of the Building Authority’s leases provides that the lessee governments shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. The City currently has no debt related obligations to the Building Authority. During 2018, the City paid \$2,648 in Additional Rentals. The City’s lease agreements with the Building Authority expire on various dates through December 31, 2022.

The City and the County have also entered into a number of management contracts with the Building Authority. Such contracts provide for the construction, operation, and/or maintenance of facilities for use by various departments of the City and the County. In some instances, the City and the County advance funds to the Building Authority for construction of new facilities. In other instances, management contracts are established for existing facilities. Under each of their management contracts, the City and the County designate the Building Authority as their agent and manager for purposes of constructing, maintaining and/or managing the facilities. Like Additional Rentals, annual “Maintenance Fees” are payable to the Building Authority for facilities covered under management contracts and vary each year based on the operating expense budgets for the facilities. During 2018, the City paid the Building Authority \$2,191 in Maintenance Fees. The City’s management contracts expire on various dates through December 31, 2021.

Other Lessee Arrangements

The City, as lessee, has also entered into various other operating leases for rental of equipment and properties. Total rental expense in relation to these other operating leases was \$2,365 for governmental activities in 2018. The leases expire at various dates through 2032. Minimum future payments on all noncancelable operating leases as of December 31, 2018 are as follows:

| | <u>Governmental Activities</u> |
|-----------------------|------------------------------------|
| 2019 | \$ 2,186 |
| 2020 | 1,983 |
| 2021 | 1,891 |
| 2022 | 1,261 |
| 2023 | 15 |
| 2024-2028 | 75 |
| Thereafter | <u>54</u> |
| Total future payments | <u>\$ 7,465</u> |

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B. Lessor Arrangements

City Market

The City has a long-term operating lease with the Indianapolis City Market Corporation (“Market”), a not-for-profit organization formed for the purpose of operating the Indianapolis City Market. The lease extends through October 15, 2020 and provides for three five-year renewal options. The Market is to pay an annual rental fee of one dollar, plus 100% of the net cash flow, if any, remaining after the payment of normal costs of operations and maintenance. In 2018, the City contributed additional subsidies to the Market of \$304.

Circle Centre Mall

In January 1994, the City entered into a long-term operating lease with Circle Centre Development Company, an Indiana general partnership. The lease extends through December 2027 and provides seven options to extend the term for 10 years. No rental payments are due under the lease.

Other Lessor Arrangements

The City is also the lessor in several operating lease agreements with other outside parties. These leases include various properties and portions of property acquired by the City. The cost of the leased property is \$1,642. As of December 31, 2018, the leased property had a carrying amount of \$715 and current year depreciation of \$67. These properties are leased for terms generally ranging from 5 to 99 years (some for \$0 per year). Total rental income amounted to \$484 in 2018.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2018 are as follows:

| | Governmental Activities |
|-----------------------|------------------------------------|
| 2019 | \$ 219 |
| 2020 | 196 |
| 2021 | 163 |
| 2022 | 164 |
| 2023 | 118 |
| 2024-2028 | 533 |
| Thereafter | 177 |
| Total future receipts | <u>\$ 1,570</u> |

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12. Long-Term Liabilities

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the City’s governmental activities and for its discretely presented component unit, the Housing Agency, for the year ended December 31, 2018:

| | <u>Balance, January 1, 2018 (as restated)</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, December 31, 2018</u> | <u>Due within One Year</u> |
|--|---|-------------------|-------------------|---|------------------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds payable | \$ 128,450 | \$ — | \$ 10,490 | \$ 117,960 | \$ 15,395 |
| Tax increment bonds payable | 583,141 | 36,819 | 38,319 | 581,641 | 40,807 |
| Revenue bonds payable | 295,000 | 30,000 | 3,245 | 321,755 | 8,045 |
| Unamortized amounts: | | | | | |
| Premiums | 64,614 | 4,217 | 6,530 | 62,301 | — |
| Total bonds payable | <u>1,071,205</u> | <u>71,036</u> | <u>58,584</u> | <u>1,083,657</u> | <u>64,247</u> |
| Notes payable and certificates of participation | 119,288 | 76,434 | 29,646 | 166,076 | 70,781 |
| Capital leases payable | 9,659 | 4,972 | 2,449 | 12,182 | 423 |
| Net pension liabilities | 896,740 | 1,139 | 72,899 | 824,980 | — |
| Postemployment benefit liability | 223,265 | 20,749 | 22,861 | 221,153 | — |
| Compensated absences | <u>38,626</u> | <u>31,354</u> | <u>31,223</u> | <u>38,757</u> | <u>17,669</u> |
| Total governmental activities | <u>\$ 2,358,783</u> | <u>\$ 205,684</u> | <u>\$ 217,662</u> | <u>\$ 2,346,805</u> | <u>\$ 153,120</u> |
| Discretely Presented Component Unit - Housing Agency: | | | | | |
| Notes payable | \$ 19,131 | \$ 7,726 | \$ 1,225 | \$ 25,632 | \$ 9,612 |
| Due to other governmental units | 1,524 | | 65 | 1,459 | 65 |
| FSS escrow | 1,126 | 646 | 909 | 863 | 158 |
| Net pension liability | 5,176 | 677 | 1,900 | 3,953 | — |
| Compensated absences | <u>281</u> | <u>25</u> | <u>66</u> | <u>240</u> | <u>23</u> |
| Total discretely presented component unit | <u>\$ 27,238</u> | <u>\$ 9,074</u> | <u>\$ 4,165</u> | <u>\$ 32,147</u> | <u>\$ 9,858</u> |

Included in additions to bonds payable is \$9,649 representing accretion on capital appreciation bonds, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount, plus \$130,829 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance, plus \$2,775 of a loan provided during 2018 that did not result in an other financing source, amount to the \$143,253 of related additions reflected in the roll forward above.

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B. General Obligation Bonds

The City's general obligation bonds provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations, and pledge the full faith and credit, of the City. General obligation bonds outstanding as of December 31, 2018 are as follows:

| | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Interest (All Maturities)</u> | <u>Outstanding</u> |
|--|-----------------------|------------------------------------|--------------------------------------|--------------------|
| Civil City Bonds: | | | | |
| Pension Bonds, Series 2005A | 02/03/2005 | 01/15/2022 | 3.660% – 5.280% | \$ 30,060 |
| Consolidated City, Series 2017A | 02/01/2017 | 01/15/2038 | 3.125 – 5.000 | <u>22,080</u> |
| Total Civil City Bonds | | | | <u>52,140</u> |
| Public Safety Communication System Bonds: | | | | |
| Computer Facilities District Bonds, Series 2008B | 12/18/2008 | 01/15/2024 | 2.350 – 5.600 | 16,575 |
| Public Safety Communication District Bonds, Series 2017A | 02/01/2017 | 01/15/2028 | 5.000 | 7,835 |
| Public Safety Communication District Bonds, Series 2017B | 02/01/2017 | 01/15/2024 | 1.600 – 3.050 | <u>11,900</u> |
| Total Public Safety Communication System Bonds | | | | <u>36,310</u> |
| Metropolitan Thoroughfare District Bonds: | | | | |
| Metropolitan Thoroughfare District, Series 2017A | 02/01/2017 | 01/15/2032 | 3.125 – 5.000 | <u>24,585</u> |
| Park District Bonds: | | | | |
| Park District Bonds, Series 2017A | 02/01/2017 | 01/15/2028 | 4.000 – 5.000 | <u>4,925</u> |
| Total general obligation bonds recorded in governmental activities | | | | 117,960 |
| Less: matured bonds payable recorded in the debt service funds | | | | <u>(9,850)</u> |
| | | | | <u>\$ 108,110</u> |

All principal and interest payments for the City's general obligation bonds are due on January 15 and July 15 of the respective year. Accordingly, the City appropriates all payments due on January 15 in the year before payment is due and provides the amount in the Debt Service Funds. All serial bond principal and interest payments due January 15, 2019 have been recorded as matured bonds payable and matured interest payable at December 31, 2018 within the fund statements.

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Annual debt service requirements to maturity for general obligation bonds are as follows:

| Years Ending December 31 | Civil City | | Metropolitan Thoroughfare | | Park | | Public Safety Communications System | |
|-----------------------------|-------------------|------------------|------------------------------|-----------------|-----------------|-----------------|--|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$ 10,350 | 2,401 | 1,280 | 1,106 | 395 | 234 | 3,370 | 1,113 |
| 2020 | 9,750 | 1,902 | 1,330 | 1,047 | 410 | 216 | 4,980 | 1,417 |
| 2021 | 10,270 | 1,388 | 1,395 | 979 | 430 | 195 | 5,180 | 1,212 |
| 2022 | 6,050 | 841 | 1,465 | 907 | 455 | 173 | 5,410 | 983 |
| 2023 | 1,490 | 646 | 1,540 | 832 | 475 | 150 | 5,645 | 737 |
| 2024-2028 | 6,845 | 2,225 | 8,925 | 2,897 | 2,760 | 358 | 11,725 | 1,147 |
| 2029-2033 | 3,370 | 994 | 8,650 | 644 | — | — | — | — |
| 2034-2038 | 4,015 | 358 | — | — | — | — | — | — |
| | <u>\$ 52,140</u> | <u>\$ 10,755</u> | <u>\$ 24,585</u> | <u>\$ 8,412</u> | <u>\$ 4,925</u> | <u>\$ 1,326</u> | <u>\$ 36,310</u> | <u>\$ 6,609</u> |
| | Total | | | | | | | |
| | <u>Principal</u> | <u>Interest</u> | | | | | | |
| 2019 | \$ 15,395 | \$ 4,854 | | | | | | |
| 2020 | 16,470 | 4,582 | | | | | | |
| 2021 | 17,275 | 3,774 | | | | | | |
| 2022 | 13,380 | 2,904 | | | | | | |
| 2023 | 9,150 | 2,365 | | | | | | |
| 2024-2028 | 30,255 | 6,627 | | | | | | |
| 2029-2033 | 12,020 | 1,638 | | | | | | |
| 2034-2038 | 4,015 | 358 | | | | | | |
| | <u>\$ 117,960</u> | <u>\$ 27,102</u> | | | | | | |

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C. Tax Increment Revenue Bonds

These bonds are issued to provide funds for the construction and maintenance of the City’s infrastructure, such as streets and sidewalks and certain economic development projects. These bonds will be repaid from amounts levied against the property owners that will benefit by this construction. Tax increment revenue bonds outstanding as of December 31, 2018 are as follows:

| | <u>Issue Dates</u> | <u>Final Maturity Dates</u> | <u>Interest Rates (All Maturities)</u> | <u>Outstanding</u> |
|---|--------------------|-----------------------------|--|--------------------|
| Redevelopment District, Series 1999B: | | | | |
| Capital appreciation | 08/12/99 | 02/01/29 | 5.650% – 5.820% | \$ 239,970 |
| Less: discount | | | | <u>(64,542)</u> |
| | | | | <u>175,428</u> |
| Redevelopment District Bonds, Series 2007A | 12/13/07 | 02/01/21 | 4.000 – 4.125 | 2,170 |
| Redevelopment District Bonds, Series 2007 (Ameriplex) | 12/28/07 | 02/01/23 | 6.200 | 2,290 |
| Redevelopment District Bonds, Series, 2007 (Glendale) | 05/10/07 | 02/01/27 | 5.450 – 6.210 | 3,280 |
| Redevelopment District Bonds, Series 2009A | 09/02/09 | 02/01/20 | 3.000 – 5.000 | 49,720 |
| Redevelopment District Bonds, Series 2010A | 06/03/10 | 02/01/25 | 5.000 | 3,778 |
| Redevelopment District Bonds, Series 2010 (Dow AgroSciences) | 06/22/10 | 02/01/25 | 3.000 – 5.125 | 12,970 |
| Redevelopment District Bonds, Series 2010 (AIT Laboratories) | 11/04/10 | 02/01/35 | 2.600 – 5.150 | 4,435 |
| Redevelopment District Bonds, Series 2011A | 03/10/11 | 08/01/24 | 0.500 – 5.000 | 20,835 |
| Redevelopment District Bonds, Series 2011C | 05/19/11 | 02/01/36 | 4.000 – 5.750 | 22,490 |
| Redevelopment District Bonds, Series 2012A | 09/25/12 | 08/01/20 | 3.340 | 1,665 |
| Redevelopment District Refunding Bonds, Series 2013A | 05/16/13 | 02/01/29 | 2.000 – 5.000 | 21,930 |
| Redevelopment District Bonds, Series 2013A | 05/16/13 | 02/01/30 | 5.000 | 3,915 |
| Redevelopment District Refunding Bonds, Series 2014 (Fall Creek Project) | 06/26/14 | 02/01/29 | 0.450 - 4.500 | 8,655 |
| Redevelopment District Bonds, Series 2015A (Tarkington Park Project) | 05/20/15 | 02/01/20 | 1.980 | 1,060 |
| Redevelopment District Refunding Bonds, Series 2015A (Brokenburr Project) | 8/6/2015 | 02/01/30 | 3.250 | 1,260 |
| Redevelopment District Refunding Bonds 2016A (Marriott) | 10/19/16 | 02/01/38 | 3.000 – 5.000 | 50,325 |
| Redevelopment District Refunding Bonds, Series 2018 (Taxable)(Market District Garage) | 01/11/18 | 01/15/33 | 4.15 | 12,040 |
| Economic Development Revenue Bonds, Series 2011A (North of South) | 04/07/11 | 02/01/36 | 5.000 – 5.750 | 81,640 |
| Economic Development Revenue Bonds, Series 2011B Taxable (North of South) | 04/07/11 | 02/01/21 | 2.913 – 4.813 | 6,520 |
| Economic Development Revenue Bonds, Series 2013A | 05/16/13 | 02/01/30 | 5.000 | 14,270 |
| Economic Development Revenue Bonds, Series 2013B | 05/16/13 | 02/01/30 | 5.000 | 1,865 |
| Economic Development Revenue Bonds, Series 2014A (Mass. Ave. Project) | 09/03/14 | 02/01/31 | 5.000 | 27,320 |
| Economic Development Revenue Bonds, Series 2014B Taxable (Mass. Ave. Project) | 09/03/14 | 02/01/24 | 2.300 – 3.430 | 2,505 |
| Economic Development Revenue Bonds, Series 2014C (MSA Project) | 09/03/14 | 02/01/29 | 2.000 – 5.000 | 13,975 |
| Economic Development Revenue Bonds, Series 2014D Taxable (Pulliam Project) | 09/03/14 | 02/01/29 | 5.000 | 3,320 |
| Economic Development Revenue Bonds, Series 2014E (Pulliam/Millikan Project) | 09/03/14 | 02/01/20 | 2.300 – 2.600 | 1,080 |
| Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project) | 05/20/15 | 02/01/20 | 1.980 | 6,040 |
| Economic Development Revenue Bonds, Series 2016 A (Mass Ave. Project) | 10/13/16 | 02/01/21 | 2.390 | 920 |
| Economic Development Revenue Bonds, Series 2016 B (Pulliam Square Project) | 10/13/16 | 02/01/21 | 2.390 | <u>790</u> |
| | | | | <u>383,063</u> |

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| | Issue Dates | Final Maturity Dates | Interest Rates (All Maturities) | Outstanding |
|--|--------------------|-----------------------------|--|--------------------|
| <u>Developer Backed Bonds</u> | | | | |
| Economic Development Tax Increment Revenue Bonds, Series 2017 (Bethel AME Project) | 09/19/17 | 02/01/2042 | 5.50 | 8,020 |
| Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project) | 05/15/18 | 02/01/2040 | 3.61-4.50 | 4,500 |
| Economic Development Tax Increment Revenue Bonds, Series 2018 (Goodwill Riverview Project) | 05/25/18 | 1/15/2043 | 5.00 | 4,200 |
| Economic Development Tax Increment Revenue Bonds, Series 2018 (River House Broad Ripple Project) | 06/07/18 | 1/15/2040 | 5.00 | 2,630 |
| Economic Development Tax Increment Revenue Bonds, Series 2018 (Duke Headquarters Project) | 06/28/18 | 1/15/2043 | 4.00 | — |
| Economic Development Tax Increment Revenue Bonds, Series 2018 (Ardmore Project) | 07/20/18 | 1/15/2043 | 5.00 | — |
| Economic Development Tax Increment Revenue Bonds, Series 2018 (Ford Assembly Plant Project) | 12/12/18 | 1/15/2043 | 4.30 | 3,800 |
| | | | | <u>23,150</u> |
| Total tax increment revenue bonds | | | | 581,641 |
| Less: Matured bonds payable recorded in the debt service funds | | | | (605) |
| | | | | <u>\$ 581,036</u> |

All principal and interest payments for the City’s tax increment revenue bonds are due on January 15 and July 15 or February 1 and August 1 of the respective year.

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On January 11, 2018, the City issued its Redevelopment District Refunding Bonds, Series 2018 in the amount of \$12,040. The proceeds from these bonds, together with funds on hand, were used to pay off an installment purchase contract, which had an outstanding principal balance of \$15,584. The 2018 bonds mature on 1/15/2033.

Developer Backed Bonds

On May 15, 2018, the City issued its Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project) in the amount of \$4,500. The proceeds will be used to provide funds to finance the construction of the Phoenix Theatre Education and Innovation Center. Bonds are payable from payments made by the developer further secured by certain collateral and a reserve fund funded by the developer upon closing. If draws are made on the reserve fund, it will be replenished from available consolidated TIF revenues generated and collected in the Consolidated allocation area, if required, and the repayment obligations of the Phoenix bonds to be evidenced by the Developers Note.

On May 25, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Goodwill Riverview Project) in the amount of \$4,200. The proceeds will be used for constructing a four-story workforce housing apartment building including on-site parking and public art, located at the southwest corner of Michigan Street and White River Parkway. The bonds are secured by an 80% pledge of TIF revenues generated within the Goodwill Riverview TIF Allocation Area.

On June 7, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (River House Broad Ripple Project) in the amount of \$2,630. The proceeds will be used for the acquisition, construction, equipping, and preservation of a six-story mixed-use apartment building consisting of 87 apartment units, rooftop amenity deck, 4,496 square feet of office space and a structured parking facility. The bonds are secured by an 80% pledge of the Broad Ripple Project TIF pledge on a subordinate basis to the Economic Development Revenue Bonds, Series 2015 A (Broad Ripple Project).

On June 28, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Duke Headquarters Project) in the amount of \$2,926. The proceeds will be used for the acquisition, construction, and equipping of a three-story 78,000 square foot office building above a two-story parking garage and public art, located near the northeast corner of the Keystone at the Crossing development. The bonds are secured by an 80% pledge of Duke project TIF revenues. The bond is a draw bond, it is anticipated that there will be a single draw requested by the developer upon completion of the project. The outstanding balance as of December 31, 2018, is \$-0-.

On July 20, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Ardmore Project) in the amount of \$7,200. The proceeds will be used for the acquisition, construction, installation, and equipping of a five-story mixed use apartment building including approximately 19,550 square feet of urban street-front retail, a combination of 305 public and private parking spaces, public art, and related costs, located at the Plaza on Pennsylvania street at the southwest corner of the intersection of New York and Delaware streets. The bonds are secured by an 80% pledge of Ardmore project TIF revenues. The bond is a draw bond, it is anticipated that there will be multiple draw requests by the developer throughout the project. The outstanding balance as of December 31, 2018, is \$-0-.

On December 12, 2018, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2018 (Ford Assembly Plant Project) in the amount of \$3,800. The proceeds will be used for the acquisition, construction, and equipping of the vacant Ford Motor Company assembly plant and the reuse as a mixed-use residential and commercial space. The bonds are secured by an 80% pledge of the Ford Plant TIF revenues generated by the Ford Plant Project and Ford Plant Allocation Area.

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Annual debt service requirements to maturity for the tax increment revenue bonds are as follows:

| <u>Years Ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-------------------|-------------------|-------------------|
| 2019 | \$ 40,807 | \$ 18,004 | \$ 58,811 |
| 2020 | 50,696 | 16,083 | 66,779 |
| 2021 | 45,594 | 14,879 | 60,473 |
| 2022 | 46,189 | 14,261 | 60,450 |
| 2023 | 47,343 | 13,408 | 60,751 |
| 2024-2028 | 218,624 | 55,596 | 274,220 |
| 2029-2033 | 140,946 | 26,435 | 167,381 |
| 2034-2038 | 50,281 | 6,038 | 56,319 |
| 2039-2043 | 5,703 | 607 | 6,310 |
| | <u>646,183</u> | <u>165,311</u> | <u>811,494</u> |
| Less: deferred interest on capital appreciation bonds | (64,542) | | (64,542) |
| Total | <u>\$ 581,641</u> | <u>\$ 165,311</u> | <u>\$ 746,952</u> |

D. Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. At December 31, 2018, these include:

| | <u>Issue Dates</u> | <u>Final Maturity Dates</u> | <u>Interest Rates (All Maturities)</u> | <u>Outstanding</u> |
|---|--------------------|-----------------------------|--|--------------------|
| Stormwater District Revenue Bonds, Series 2011 | 08/10/11 | 01/01/41 | 3.580% | \$ 13,980 |
| Economic Development Refunding Bonds, Series 2012A | 12/20/12 | 04/01/30 | 0.600 – 3.000 | 5,635 |
| Economic Development Refunding Bonds, Series 2012B | 12/20/12 | 04/01/39 | 2.000 – 5.000 | 15,290 |
| Indy Roads Revenue Refunding Bonds, Series 2013 | 09/25/13 | 01/01/19 | 3.000 – 5.000 | 900 |
| Stormwater District Revenue Refunding Bonds, Series 2013 | 10/16/13 | 01/01/26 | 2.000 – 5.000 | 31,745 |
| Indy Roads Revenue Bond, Series 2015A | 03/25/15 | 01/01/35 | 3.000 – 5.000 | 35,000 |
| Indy Roads Revenue Bonds, Series 2015B | 09/16/15 | 01/01/35 | 3.000 – 5.000 | 33,110 |
| Facilities Revenue Refunding, Series 2015 | 12/16/15 | 07/15/21 | 1.760 | 5,295 |
| PILOT Refunding Bonds, Series 2017C | 12/28/17 | 01/01/40 | 4.000 – 5.000 | 150,800 |
| Indy Roads Revenue Bond, Series 2018A | 12/18/18 | 01/01/39 | 4.000 – 5.000 | 30,000 |
| Total revenue bonds recorded in governmental activities | | | | <u>321,755</u> |
| Less matured bonds payable recorded in debt service funds | | | | (6,490) |
| | | | | <u>\$ 315,265</u> |

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All principal and interest payments for the City’s revenue bonds are due on January 1 and July 1, January 15 and July 15, or April 1 and October 1 of the respective year. Accordingly, the City appropriates all payments due on January 1 and January 15 in the year before payment is due and provides the amount in the Debt Service Funds. Payments due in April, July, or October will be appropriated in the year due. All revenue bond principal and interest payments due January 1, 2019 and January 15, 2019 have been recorded as matured bonds payable and matured interest payable at December 31, 2018.

On December 18, 2018, the City issued its Indy Roads Revenue Bonds, Series 2018A in the amount of \$30,000. The proceeds will be used to finance certain street, road, bridge, traffic signal, curb and sidewalk improvements within the City.

Revenue bond debt service requirements to maturity are as follows:

| Years Ending December 31 | Governmental Activities | |
|-------------------------------------|--------------------------------|-------------------|
| | Principal | Interest |
| 2019 | \$ 8,045 | \$ 10,803 |
| 2020 | 9,245 | 14,846 |
| 2021 | 12,495 | 14,411 |
| 2022 | 13,140 | 13,818 |
| 2023 | 13,780 | 13,162 |
| 2024-2028 | 69,550 | 55,526 |
| 2029-2033 | 71,280 | 39,083 |
| 2034-2038 | 90,215 | 19,706 |
| 2039-2043 | 34,005 | 1,562 |
| | <u>\$ 321,755</u> | <u>\$ 182,917</u> |

At December 31, 2018, \$235,780 of defeased revenue bonds remain outstanding and have been removed from the basic financial statements.

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E. Pledged Revenues

The City has pledged specific revenue to secure the repayment of outstanding debt issues. The following table lists those revenues and the corresponding debt issue along with the purpose of the debt, the amount of the pledge remaining, the term of the pledge commitment, the current fiscal year principal and interest on debt, and the amount of pledged revenue collected during the current fiscal year:

| Revenue Bond Issue | General Purpose for Debt | Term of Commitment | Pledged Revenue | Principal and Interest for Fiscal Year Ended December 31, 2018 | Pledged Revenues for Fiscal Year Ended December 31, 2018 | Total Principal and Interest Remaining on Debt |
|------------------------|--|--------------------|---|--|--|--|
| Tax increment revenue | Infrastructure improvements and certain economic development projects | Through 2043 | Property tax increment | \$ 64,838 | \$ 94,215 | \$ 653,845 (1) |
| Transportation revenue | Construction, reconstruction, and repair of roads, streets, and sidewalks | Through 2039 | Wheel tax and gasoline tax | 6,189 | 69,823 | 159,418 |
| Facilities revenue | Improvements and repairs to various city and county-owned buildings | Through 2021 | Rent charged back to City and County agencies | 1,826 | 1,858 | 5,459 |
| Stormwater | Improvements of stormwater handling capabilities | Through 2041 | Net revenues of the stormwater system | 6,031 | 7,539 | 108,716 |
| Economic development | Provide financial incentives and assistance to a private developer for the construction of a downtown hotel and purchase of a parking garage | Through 2039 | Parking garage fees | 1,584 | 1,584 | 32,727 |
| PILOT | Construction of certain improvements to the City's public roads, street and sidewalks, and other public facilities. | Through 2040 | Payments in lieu of taxes | 7,413 | 13,729 | 247,191 |

(1) This amount excludes debt related to certain economic development projects for which the developer is responsible for making the debt service payments.

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F. Notes Payable and Certificates of Participation

1. The City has outstanding notes payable related to HUD Section 108 loan proceeds. The notes payable, with an original amount of \$5,700, were issued in 2000 and 2001. Under the terms of the agreement, the City makes principal and interest payments on each February 1 and August 1, with the last payment being due on August 1, 2020. At December 31, 2018, \$600 was still outstanding.
2. On October 8, 2010, the City entered into an agreement with Fifth Third Leasing Company to issue notes in the amount of \$18,800. The proceeds were used to complete energy improvements at various City owned properties. The notes are payable over a 15-year period beginning on January 1, 2013 and fully mature on July 31, 2027. The stated interest rate is 3.23%. The provision of the note agreement guarantees that the City will realize sufficient energy savings to fully cover the note's debt service. The outstanding balance of the notes at December 31, 2018 is \$13,047.
3. On May 14, 2014, the City entered into note agreement with BMO Harris Bank to service the outstanding obligations related to capital improvements to the Eagle Creek Golf Course. The note is payable over a 7-year period beginning July 15, 2014. Under terms of the agreement, the City makes principal and interest payments on each January 15 and July 15, with the last payment being due on July 15, 2021. At December 31, 2018, \$2,588 was still outstanding.
4. On December 30, 2015, the MDC and CAC entered into an agreement with a developer to construct phase II of the project known as CityWay. CAC entered into a loan agreement for \$18,250 in order to make the loan to the developer. Under the terms of the agreement, the interest payments are due each January 15 and July 15 and the stated interest rate is 3.89%. At December 31, 2018 the CAC has recorded \$748 of cash in escrow and long-term debt of \$17,470. Included in the cash balance is \$748 in a continuing reserve. These amounts will be used to make the debt service payments until the balance in the continuing reserve reaches \$745, after which the developer will make the balance of the payment for the debt service. The City will grant amounts to CAC to repay the loan from existing Certified Technology Park revenues, tax increment financing revenues on the project property and payments from the developer. If such amounts are insufficient to repay the debt the City will pay the difference from excess tax increment financing revenues.
5. On July 8, 2016, the City issued the Stormwater Notes, Series 2016 with borrowing authorization of up to \$50,000 for capital improvements. Under the terms of the agreement, the City makes interest payments on each January 1 and July 1, at the stated interest rate of 1.36%. The maturity date for the note is July 1, 2019, but at any point on or after July 1, 2018, the note is callable without penalty. The outstanding balance that has been drawn down at December 31, 2018 is \$48,218.
6. In 2013, the City was awarded a \$39,000 Section 108 Loan to create the Community & Economic Development Loan Program (CEDLP). The City will loan these funds to entities with eligible projects for economic development and housing development activities to benefit low to moderate income individuals. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects or to aid in the prevention of slums.

On March 31, 2016, the City loaned the Meadows Community Foundation \$1,600, the loan will mature on March 31, 2036. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Meadows Community Foundation to repay the loan to HUD. The outstanding balance of the note at December 31, 2018 is \$1,600.

On October 20, 2017, the City loaned Ford TWG, LLC (Ford) \$4,650, the loan will mature on August 1, 2037. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Ford to repay the loan to HUD. At December 31, 2018, the long-term receivable and the outstanding balance of the note is \$4,650.

On August 15, 2018, the City borrowed funds for the Monon16 Project for \$5,000, the loan will mature on August 1, 2038. Principal payments are due annually and interest payments are due quarterly. At December 31, 2018, the outstanding balance of the note is \$5,000. The funds will be used to develop the "Monon16" area, which is the immediate area surrounding the intersection of the Monon Trail and 16th Street. This includes housing, security, and transportation improvements.

On September 14, 2018, the City borrowed funds for the Central State Complex Project \$4,575, the loan will mature on August 1, 2038. Principal payments are due annually and interest payments are due quarterly. At December 31, 2018, the outstanding balance of the note is \$4,575. The funds will be used to develop the Central State Complex, which is a growing neighborhood on the near Westside of Indianapolis. This includes infrastructure, housing, and education improvements.
7. On August 10, 2017, the City issued Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2017 (Indy Penn Center Hotel Garage Project) in an amount of \$17,895. The proceeds are being used to fund a portion of the Indy Penn Center Hotel Garage Project, as well as to pay interest and the costs of issuance of the bond anticipation note. This note has a maturity date of February 1, 2022. The outstanding balance of the notes at December 31, 2018 is \$17,895.

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8. On November 15, 2017, the City issued the Local Option Income Tax Notes, Series 2017A with borrowing authorization of up to \$20,000 for the planning and design costs for the proposed community justice campus facility. Under the terms of the agreement, the City makes interest payments on each January 15 and July 15, with the notes bearing interest at a per annum rate equal to the Bank Rate applicable to any given period. The maturity date for the note is November 15, 2019, but the notes are subject to redemption upon at least thirty days written notice. The outstanding balance that has been drawn down at December 31, 2018 is \$19,903.
9. On March 23, 2018, the City issued the Local Option Income Tax Notes, Series 2018A with borrowing authorization of up to \$55,000 for the purpose of paying site preparation, construction mobilization, and related engineering, planning and design, and consulting services costs in connection with the community justice campus project and related capital expenditures. Under the terms of the agreement, the City makes interest payments on each January 15 and July 15, with the notes bearing interest at a per annum rate 2.55%, calculated on the principal amount drawn. The maturity date for the note is March 23, 2020, but the notes are subject to redemption upon at least thirty days written notice. The outstanding balance that has been drawn down at December 31, 2018 is \$14,675.
10. On December 14, 2018, the City issued Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2018 (ILMAR/KG 220 Projects) in an amount of \$15,855. The proceeds are being used to fund a portion of the costs of constructing improvements to a historic building in connection with the development of the building by ILMAR, LLC into a high-end hotel, to fund constructing improvements to a building in connection with the development of the building by KG 220 LLC into a mixed-use office, commercial retail and residential development, and to finance capitalized interest and the costs of issuance of the bond anticipation note. The bonds are secured by a Junior-Junior Subordinate line of Consolidated TIF revenues, regarding interest payments only, and a developer guarantee. Once the BAN is refunded by the long-term debt obligation, both principal and interest, is expected to be paid from the TIF revenues generated by the project, and to the extent project TIF revenues are not sufficient, the Consolidated TIF revenues. This note has a maturity date of February 1, 2023.

Annual amounts due on notes payable and certificates of participation to maturity are as follows:

| <u>Years Ending</u> <u>December 31</u> | <u>Governmental Activities</u> | |
|---|--------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2019 | \$ 70,781 | \$ 4,178 |
| 2020 | 17,397 | 3,143 |
| 2021 | 4,471 | 2,754 |
| 2022 | 20,218 | 2,331 |
| 2023 | 18,254 | 1,605 |
| 2024-2028 | 14,973 | 4,875 |
| 2029-2033 | 11,470 | 2,573 |
| 2034-2038 | 8,512 | 617 |
| | <u>\$ 166,076</u> | <u>\$ 22,076</u> |

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G. Capital Leases Payable:

The City enters into financing arrangements for capital assets from time to time, which for accounting purposes are considered capital lease obligations. At December 31, 2018, the total net book value of capital assets under such leases was \$10,538 and the related capital lease obligations amounted to \$12,182.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2018:

| | Governmental Activities |
|---|------------------------------------|
| 2019 | \$ 1,004 |
| 2020 | 1,004 |
| 2021 | 1,233 |
| 2022 | 1,233 |
| 2023 | 988 |
| 2024-2028 | 6,985 |
| 2029-2033 | 4,118 |
| 2034-2038 | <u>3,040</u> |
| | 19,605 |
| Amount representing interest | <u>(7,423)</u> |
| Present value of net minimum lease payments | <u>\$ 12,182</u> |

H. Other Long-Term Liabilities:

1. Postemployment benefit obligation: As discussed later in these notes, the City provides postemployment healthcare benefits for police officers and firefighters. Civilian employees may continue healthcare coverage but are required to contribute 100% of their annual premium.
2. Net pension liabilities: As discussed later in these notes, the City’s single employer pension plans are funded on a “pay-as-you-go” basis.
3. Compensated Absences Payable: A long-term liability for benefit and sick leave earned but not paid of \$38,757 at December 31, 2018 is recorded in the government-wide statements.

Other long-term liabilities are generally to be liquidated by the General Fund, with the exception of claims and judgments that are to be liquidated from the Risk Management Internal Service Fund.

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13. Bond Anticipation Notes

On January 15, 2016, the City issued Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2016A (16 Tech Project) in an amount of \$5,500. The proceeds are being used to fund a portion of the 16 Tech Project, as well as to pay costs of issuance of the bond anticipation note. This note matured and was paid in full on July 31, 2018.

| <u>Bond anticipation notes</u> | <u>Balance January 1, 2018</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Balance December 31, 2018</u> |
|---|--|---------------|-----------------|--|
| Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2016A (16 Tech Project) | \$ 5,500 | \$ — | \$ 5,500 | \$ — |
| | <u>\$ 5,500</u> | <u>\$ —</u> | <u>\$ 5,500</u> | <u>\$ —</u> |

14. Conduit Debt

From time to time, the City has issued Economic Development Revenue Bonds to provide financial assistance to private sector entities for the acquisition, rehabilitation, and construction of industrial, commercial, and housing facilities and projects deemed to be in the public interest. The bonds are secured by the property financed. The City is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The outstanding City conduit debt issued prior to 2001 cannot be determined. However, as of December 31, 2018, there were 26 series of Economic Development Revenue Bonds approved by the Council issued on or after 2001 outstanding for a total not-to-exceed amount of \$314,300. The aggregate principal amount outstanding at December 31, 2018 since 2001 is \$230,541.

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15. Fund Balances

The following table displays the breakdown of fund balance by purpose in accordance with GASB Statement No. 54:

| | <u>General Fund</u> | <u>Revenue Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|-------------------------|--|--|-------------------|
| Nonspendable: | | | | |
| Permanent fund (principal and interest) | \$ — | \$ — | \$ 362 | \$ 362 |
| Restricted for: | | | | |
| Street maintenance and projects | 55,843 | — | — | 55,843 |
| Stormwater management | 29,748 | — | — | 29,748 |
| Debt service | — | 146,305 | 58,675 | 204,980 |
| Capital projects | — | — | 147,787 | 147,787 |
| Other purposes by grantors | — | — | 10,951 | 10,951 |
| Public safety | — | — | 510 | 510 |
| Sidewalk, curb and street repair | — | — | 10,341 | 10,341 |
| | <u>85,591</u> | <u>146,305</u> | <u>228,264</u> | <u>460,160</u> |
| Committed to: | | | | |
| Rebuild Indy projects | 40 | — | — | 40 |
| Utility monitoring | 300 | — | — | 300 |
| CJC | 4,700 | — | — | 4,700 |
| | <u>5,040</u> | <u>—</u> | <u>—</u> | <u>5,040</u> |
| Assigned to: | | | | |
| Redevelopment | 14,652 | — | — | 14,652 |
| Solid waste collection | 5,852 | — | — | 5,852 |
| Solid waste disposal | — | — | — | — |
| Parks and recreation | 6,673 | — | — | 6,673 |
| Stormwater management | 4,284 | — | — | 4,284 |
| Operating expenditures | 40,813 | — | — | 40,813 |
| Public safety | 4,231 | — | — | 4,231 |
| | <u>76,505</u> | <u>—</u> | <u>—</u> | <u>76,505</u> |
| Unassigned | | | | |
| | 107,099 | — | — | 107,099 |
| Total fund balance | <u>\$ 274,235</u> | <u>\$ 146,305</u> | <u>\$ 228,264</u> | <u>\$ 649,166</u> |

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16. Postemployment Benefits Other Than Pensions

A. Plan Description

The City postemployment medical benefit plan (the OPEB Plan) is a single-employer defined benefit other postemployment benefit (OPEB) plan covering eligible retirees and their dependents, which is administered by the City for certain groups of beneficiaries and boards of trustees appointed by the local unions administering for other groups of beneficiaries. Benefit provisions are established through negotiations between the City and the union representing the City’s employees and are renegotiated each three-year bargaining period for certain groups of beneficiaries. Benefit provisions for certain other groups are determined by the board of trustees appointed by the local unions. The City determines benefits for non-union employees. The OPEB Plan does not issue a separate report that includes financial statements and required supplementary information for the OPEB Plan.

B. Benefits Provided

Civilian employees who are eligible for retirement may choose to continue their healthcare coverage on the City’s insurance plan until the age of 65 but are required to contribute 100% of their annual premium costs. By providing retirees with access to the City’s healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because, on average, retiree healthcare costs are higher than active employee healthcare costs. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go financing method through paying the higher rate for active employees each year.

For Police and Firefighter eligible retirees and their spouses, 60% of the cost of current year premiums are paid from the Retiree Health Insurance Fund (RHIF). Plan members receiving benefits contribute 40% of their premium costs. For Police and Firefighter eligible retirees over age 65, amounts determined by the board of trustees appointed by the local unions are contributed to the retiree towards the premium cost of a Medicare Supplement plan.

Eligible retirees must meet the following criteria:

Civilian

1. At age 65 and has at least 10 years of creditable service, or
2. At age 60 with at least 15 or more years of creditable service, or
3. If the member’s age in years plus the years of creditable service equal at least 85 and the member is at least 55 years of age.

Police

1. At least 20 years of service, who are over the age of 52, and less than age 65.

Firefighters

1. At least 20 years of service, who are at least age 52 and less than age 65.

The employees covered by the OPEB Plan benefit terms at the valuation date of January 1, 2018, are:

| | 2018 |
|------------------------------|--------------|
| Active Employees | 3,933 |
| Retired Employees | 732 |
| Beneficiaries | 2 |
| Spouses of Retired Employees | 144 |
| | 4,811 |

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C. Contributions

Contribution requirements are negotiated between the City and union representatives. For fiscal year 2018, the City contributed \$7,190 to the plan. Any cash balance left at the end of the calendar year in the RHIF is transferred to the trusts for the benefit of the retired Police and Firefighter employees.

D. Net OPEB Liability

The City's net OPEB liability of \$221,153 was measured as of December 31, 2018 for the year ended December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The total OPEB liability was calculated based on the discount rate and actuarial assumptions below and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 74 and 75.

The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------|---|
| Inflation | 2.20% for 15 years and 2.50% thereafter |
| Salary Increases | 2.75% average, including inflation |
| Health Care Cost Trend Rates | |
| Pre-65 | 6.50% - 4.10% over 57 years |
| Post-65 | 6.40% - 4.30% over 57 years |
| Discount Rate | 4.10% |

Mortality rates for pre-retirement, post-retirement, and post-disability members were based on the RP-2014 Employee, RP-2014 Healthy Annuitant, and RP-2014 Disabled mortality rates, respectively. All were adjusted backwards to the 2006 base year using MP-2014, with generational improvement from 2006 using Scale MP-2017. Separate rates were used for males and females as appropriate.

The plan has not had a formal actuarial experience study performed for the January 1, 2017 and 2018 valuations. Total OPEB liability was calculated using the previously established actuarial assumptions.

The long-term expected rate of return on the OPEB Plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of December 31, 2017. The assets held in the OPEB trusts are not included in the information presented in Note 2, *Cash Deposits and Investments*, or Note 3, *Disclosures About Fair Value of Assets*.

| Asset Class | Target Allocation | Long-Term | Long-Term |
|------------------------|-------------------|--|--|
| | | Expected Arithmetic Real Rate of Return | Expected Geometric Real Rate of Return |
| U.S. Core Fixed Income | 90.00% | 2.65% | 2.51% |
| U.S. Cash | 8.00% | 0.52% | 0.51% |
| U.S. Equity Market | 2.00% | 4.86% | 3.57% |
| | 100.00% | | |

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E. Discount Rate

The discount rate used to measure the total OPEB liability was 4.10% for the year ended December 31, 2018. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the Net OPEB Liability

Changes in the total OPEB liability, OPEB Plan fiduciary net position and the net OPEB liability are:

| | 2018 | | |
|--|-----------------------------|--|-------------------------------|
| | Total OPEB Liability (a) | OPEB Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balance, beginning of year | \$ 234,137 | \$ 10,871 | \$ 223,266 |
| Changes for the year: | | | |
| Service Cost | 12,338 | - | 12,338 |
| Interest on total OPEB liability | 8,374 | - | 8,374 |
| Effect of plan changes | - | - | - |
| Effect of economic/demographic gains or losses | - | - | - |
| Effect of assumptions changes or inputs | (15,568) | - | (15,568) |
| Benefit payments | (6,154) | (6,154) | - |
| Employer contributions | - | 7,190 | (7,190) |
| Member contributions | - | - | - |
| Net investment income | - | 103 | (103) |
| Administrative expense | - | (36) | 36 |
| Net Changes | (1,010) | 1,103 | (2,113) |
| Balance, end of year | \$ 233,127 | \$ 11,974 | \$ 221,153 |

Changes of assumptions reflect a change in the discount rate from 3.44% at December 31, 2017 to 4.10% at December 31, 2018.

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The net OPEB liability of the City has been calculated using a discount rate of 4.10%. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

| | 1% Decrease | Discount Rate | 1% Increase |
|---------------------------|-------------|---------------|-------------|
| City's net OPEB liability | \$ 245,250 | \$ 221,153 | \$ 199,825 |

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The net OPEB liability of the City has been calculated using current healthcare cost trend rates. The following presents the net OPEB liability using healthcare cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

| | <u>1% Decrease</u> | <u>Current Trend Rates</u> | <u>1% Increase</u> |
|---------------------------|--------------------|----------------------------|--------------------|
| City's net OPEB liability | \$ 192,261 | \$ 221,153 | \$ 255,703 |

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$18,469. At December 31, 2018, the City reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>2018</u> | |
|---|---------------------------------------|--------------------------------------|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Changes of assumptions | \$ - | \$ 13,622 |
| Net difference between projected and actual earnings on OPEB plan investments | <u>230</u> | <u>-</u> |
| Total | <u>\$ 230</u> | <u>\$ 13,622</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2018, related to OPEB will be recognized in OPEB expense as follows:

| | |
|------------|-----------------|
| 2019 | (1,888) |
| 2020 | (1,888) |
| 2021 | (1,888) |
| 2022 | (1,888) |
| 2023 | (1,946) |
| Thereafter | <u>(3,894)</u> |
| | <u>(13,392)</u> |

I. Payable to the OPEB Plan

At December 31, 2018, the City reported a payable of \$827, for the outstanding amount of contributions to the OPEB Plan required for the year ended December 31, 2018.

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17. Pension Plans

A. Plan Descriptions, Funding Policies, Benefits, and Contribution Information

1. 1953 Police Pension Fund and 1937 Firefighters’ Pension Fund

Description of Plans

The City maintains two single-employer defined benefit pension plans covering police officers and firefighters hired on or before April 30, 1977 (“Police and Firefighters’ Pre-1977 Plans”), which are funded on a pay-as-you-go basis. The plans were established in accordance with IC 36-8-7.5 and 36-8-7, respectively, and are administered by the City. State statute grants authority for these pension plans and sets the regulations covering benefits. No separately issued financial statements are available and the plans are closed to new participants. The Police and Firefighters’ Pre-1977 Plans are reported as pension trust funds in the City’s financial statements.

Management of the Police and Firefighters’ Pre-1977 Plans is vested in separate boards of trustees (“Local Boards”), the responsibilities of which include the determination of eligibility for benefits, rates of contribution, and amount of benefits to be paid to plan participants or their beneficiaries. The Local Board for the Police Pre-1977 Plan is comprised of the Mayor, the Marion County Treasurer, the City Police Chief, one retired member of the police department (elected from among all the retired members), and five active members (elected from among all active members) of the police department. The Local Board for the Firefighters’ Pre-1977 Plan is comprised of the Mayor and the City Fire Chief, who are ex-officio voting trustees, one retired member (elected from among all the retired members) of the fire department, and four active members (elected from among all active members) of the fire department.

Employees Covered by Benefit Terms

Employees covered by benefit terms of the Police and Firefighters’ Pre-1977 Plans as of December 31, 2017 follows:

| | Pre-1977 Police Plan | Pre-1977 Firefighters’ Plan |
|---|---------------------------------|--|
| Retirees and beneficiaries currently receiving benefits | 763 | 711 |
| Current employees - vested | 14 | 7 |
| Total | 777 | 718 |

Funding Policy

In 1977, the Pension Relief Fund (IC 5-10.3-11) was created by the Indiana General Assembly to provide financial relief to pension funds maintained by units of local government in Indiana for their police officers’ and firefighters’ retirement plan benefits. The Indiana Public Retirement System (“INPRS”) is responsible for managing the Pension Relief Fund and making disbursements to the local police and firefighter units throughout the state from funds provided by the Indiana General Assembly. Funding for the Pension Relief Fund is derived from a portion of state cigarette and alcohol taxes, a portion of the state’s lottery proceeds, interest earned by the Indiana Public Deposit Insurance Fund, investment income, and appropriations from the Indiana General Assembly. Separate accounts are maintained by INPRS for each unit of local government for amounts that have yet to be distributed. Such amounts remain invested in the fund and are available to the units of local government upon request.

Retirement Benefits

Retirement benefits are available after 20 years of service. Contractually, as current employees’ salaries increase, benefits paid to plan participants are adjusted. An employee who retires from active duty after 20 or more years is entitled to an annual pension equal to 50% of the salary of a first class officer/firefighter, as defined by the City. An employee who serves more than 20 years is entitled to additional amounts equal to: (1) 2% per year for each year of service over 20 years, for an employee who retired before January 1, 1986; or (2) 1% for each half year of service over 20 years, for an employee who retires after December 31, 1985. The maximum benefit is equal to 74% of the salary of a first class officer/firefighter. Monthly pension benefits may be adjusted annually by a cost of living adjustment (“COLA”) based upon increases in the Consumer Price Index up to a maximum of 3%.

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Disability and Survivor Benefits

Generally, an employee who becomes permanently disabled is entitled to receive a monthly disability benefit equal to 55% of the salary of a first class officer/firefighter. An employee receiving disability benefits is entitled to: (1) receive disability benefits for the remainder of the employee's life; and (2) have the benefit recomputed as a regular retirement benefit when the employee reaches age 55. The time spent receiving disability benefits is counted as active service for the purpose of determining retirement benefits until the employee reaches a total of 20 years of service. If an employee receiving disability benefits elects to have the benefit computed as a regular retirement benefit, the employee's monthly pension may not be reduced below 55% of the salary of a first class officer/firefighter at the time of the payment of the pension. An employee who is temporarily disabled is entitled to receive a monthly disability benefit equal to 30% of the salary of a first class officer/firefighter until the employee is able to return to active service.

The surviving spouse and children of a deceased employee covered under the Police and Firefighters' Pre-1977 Plans receive certain financial assistance, among which include monthly survivor benefits, special death benefits, and health insurance.

Contributions Required and Contributions Made

Beginning in 2009, the State began paying the entire annual cost of pension benefits for the police officers and firefighters who are participants of the Pre-1977 plans, including those of the City. Since the City still must pay the benefits under the plans and be reimbursed by the State, these are still considered to be "pay-as-you-go" plans. The payments from the State are estimated each year and any overage or underage is to be adjusted in the next year. In 2018, the State of Indiana contributed \$55,890 of pension relief to the City's Police and Firefighters' Pre-1977 Plans (\$28,183 and \$27,707, respectively), which has been reported as grant revenue by the City.

There are no remaining employee contribution requirements. No significant plan assets are accumulated for the payment of future benefits.

2. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund ("1977 Police and Firefighters' Plan") is a cost-sharing multiple-employer retirement defined benefit plan established in accordance with IC 36-8-8 to provide retirement, disability, and survivor benefits to all of the City's full-time police officers and firefighters who were hired after April 30, 1977, or who were hired before May 1, 1977, and have elected to convert to this plan. The plan is administered by INPRS and is governed by the INPRS Board of Trustees ("INPRS Board"). Benefits are established by statute and may only be amended by the Indiana General Assembly. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the 1977 Police and Firefighters' Plan, which may be obtained by contacting INPRS at 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687.

Funding Policy

The INPRS Board has established a funding policy that requires that employer contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the unfunded actuarial accrued liability. Presently, covered employees are annually required to contribute 6% of their compensation over the term of their employment up to 32 years. The City currently pays half of the employee contribution in accordance with its associated labor agreements. This is in addition to the annual employer's contribution determined by INPRS based on a valuation using the entry age normal cost method. The rate of employer contribution is 17.5% of each employee's annual compensation.

Effective January 1, 2007, the sheriff deputies from Marion County were merged with the former Indianapolis Police Department to form the Indianapolis Metropolitan Police Department, which is part of the City. The pension plan for the former sheriff deputies who are now part of the Indianapolis Metropolitan Police Department is funded by the County, and accordingly, the liability is held by the County in the Marion County Law Enforcement Fund.

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Retirement Benefits

Benefits vest after 20 years of service. For those employees who retire at or after the age of 52 with 20 years of service, the benefit is equal to 50% of compensation for the last year of service, plus 1% of such compensation for each six months of active service over 20 years to a maximum of 12 years. At age 50 and with 20 years of service, a retiree may elect to receive a reduced benefit by a factor established by the plan's actuary. Monthly pension benefits may be adjusted annually by a cost of living adjustment ("COLA") based upon increases in the Consumer Price Index up to a maximum of 3%.

Disability and Survivor Benefits

A covered employee may file an application for disability benefits. A determination is then made by the Local Board, and reviewed by the INPRS Board, as to whether the employee has a covered impairment and whether or not the impairment was sustained in the line of duty. The amount of disability benefits is based upon when the employee was hired, the type of impairment and certain other factors, but may not exceed 55% of the monthly salary (with longevity pay) of a first class officer/firefighter.

If a covered employee dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and children to receive a portion of the benefits, among which include monthly survivor benefits, special death benefits, and health insurance.

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for the 1977 Police and Firefighters' Plan. The contributions are actuarially determined based on the funding policy, actuarial assumptions, and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the City, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The INPRS Board approved an employer contribution rate of 17.5% for 2017 as compared to the actuarially determined contribution rate of 9.15% for this same year. The City's contributions to the plan for the year ended December 31, 2018, exclusive of employer-paid member contributions, was \$33,241, equal to the approved employer contribution and 17.5% of covered payroll for each year.

3. Deferred Retirement Option Plan

Plan Description

Indiana's Deferred Retirement Option Plan ("DROP"), which was enacted into law in 2002, is available to all participants of the Police and Firefighters' Pre-1977 Plans and the 1977 Police and Firefighters' Plan. Those employees who elect to participate must remain in active employment, continue to make contributions to the plan and elect a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. Participating employees remain in the DROP until reaching the applicable mandatory retirement age and may make a DROP election only once in the employee's lifetime. Upon retirement, a DROP participant will receive a DROP frozen benefit to be paid in a lump-sum distribution or in 3 equal installments commencing on the participant's DROP retirement date. The City does not set aside amounts for the DROP participants under the Police and Firefighters' Pre-1977 Plans. As of December 31, 2018, a total of \$82,000 is held under the DROP for participating government employers of the 1977 Police and Firefighters' Plan.

4. Indiana Public Employees' Retirement Fund

Plan Description

The City also contributes to the Indiana Public Employees' Retirement Fund ("PERF"), a cost-sharing multiple-employer defined benefit pension plan established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by INPRS and is governed by the INPRS Board. PERF provides retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Except for police and firefighters, all full-time City employees are eligible to participate in this plan. Additionally, all full-time employees of the Housing Agency participate in PERF under the City's employer account. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF, and can be found at <http://www.inprs.in.gov/>. This report may also be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687. Pension disclosures for the Housing Agency, which recognized pension expense of \$677 for 2018, are not included in this report but can be found in the Housing Agency's separately issued financial report.

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There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the My Choice: Retirement Savings Plan for Public Employees ("My Choice Plan"). Effective on January 1, 2017, new employees hired by the City are enrolled in the My Choice Plan with the exception of the American Federation of State, County, and Municipal Employees ("AFSCME") union employees, which have the option of enrolling in either the PERF Hybrid or My Choice Plan.

There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account that supplements the defined benefit at retirement.

Effective January 1, 2018, funds previously known as annuity savings accounts (which were reported within defined-benefit funds) were re-categorized as defined contribution funds based on Internal Revenue Private Letter Rulings PLR-193-2016 and PLR-110249-18. PERF Defined Contribution member balances (previously known as annuity savings accounts) reported within PERF DB were transferred to the appropriate defined-contribution fund as of January 1, 2018.

Funding Policy

The funding policy of INPRS provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

PERF Hybrid Plan

The employer defined benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2018, the City contributed 11.2% of employee compensation to the plan. The Defined Contribution Account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the City has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their Defined Contribution Account. An employee's contribution and interest credits belong to the employee and do not belong to the state or the City.

My Choice Plan

For the My Choice plan, member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. The City has elected to make the 3% required contribution on behalf of the employed members and has elected to contribute an additional 1.1% for 2018. In addition, for the My Choice Plan, all participating employers were required to make a 7.1% supplemental contribution toward the fund's actuarial unfunded liability.

Retirement Benefits – PERF Hybrid Plan

Defined Benefit Account

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the employee's Defined Contribution Account. Retirement benefits vest after ten years of creditable service. The vesting period is eight years for certain elected officials. Employees are immediately vested in their respective annuity savings accounts. At retirement, an employee may choose to receive a lump-sum payment of the amount credited to the employee's Defined Contribution Account, receive the amount as an annuity or leave the contributions invested with INPRS.

Vested employees leaving a covered position, who wait 30 days after termination, may withdraw their Defined Contribution Account and will not forfeit creditable service or a full retirement benefit. However, if an employee is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the Defined Contribution Account. A nonvested employee who terminates employment prior to retirement may withdraw his/ her Defined Contribution Account after 30 days, but by doing so, forfeits his/her creditable service. An employee who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

An employee who has reached: (1) age 65 and has at least 10 years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive

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calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to \$2 are included as part of the employee's salary.

An employee who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. An employee retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the employee's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89%. This amount is reduced five percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

The monthly pension benefits for employees in pay status may be increased periodically by COLAs. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

Defined Contribution Account

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined-contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at 3% of compensation, and the employer may choose to make these contributions on behalf of the member, which the City has done. Members are 100% vested in their account balance, which includes all contributions and earnings. The City has elected to make this contribution on behalf of the employed members. The contribution for the year ended December 31, 2018 was \$1,827.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. An employee who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month (not in thousands), or the actuarial equivalent.

Upon the death of an employee in service with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the employee had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the employee had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death of an employee in service after January 1, 2007, who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly.

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the City, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The City's contractually required contribution rate for 2018 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City's contribution to the plan for the year ended December 31, 2018, exclusive of employer-paid member contributions, was \$6,831, equal to the approved employer contribution and 11.2% of covered payroll for each year.

Retirement Benefits – My Choice Plan

Defined Contribution Account

The My Choice Plan is a multi-employer defined-contribution fund that serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members. Effective January 1, 2017, except for police and firefighters, new employees are enrolled in the My Choice Plan.

Member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. The City has elected to make the 3% required contribution on behalf of the employed members, which was \$267 for 2018. Employers can also choose to make an additional

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contribution to employee accounts ranging from 0% up to the normal cost of the fund. The normal cost for 2018 was 4.1%. The City elected to contribute an additional 1.1% for 2018, which was \$105 for 2018. In addition, for the My Choice Plan, all participating employers are required to make a 7.1% supplemental contribution toward the fund’s actuarial unfunded liability, which was \$625 in 2018.

Members are 100% vested in all member contributions, which is the 3% required contribution the City has elected to contribute, and are vested as follows in the additional employer contributions which includes all earnings:

| Years of Service | | | | |
|------------------|-----|-----|-----|------|
| 1 | 2 | 3 | 4 | 5+ |
| 20% | 40% | 60% | 80% | 100% |

Investments are self-directed, members may make changes daily, and investments are reported at fair value. Market risk is assumed by the member, and the member may choose among the following eight investment options with varying degrees of risk and return potential: Stable Value Fund, Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Target Date Funds, and Money Market Fund.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.inprs.in.gov/>.

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B. Assumptions

The significant actuarial methods and assumptions used in relation to the actuarial valuations for each of the City’s pension plans are summarized below:

| <u>Assumptions</u> | <u>Police Pre-1977 Plan</u> | <u>Firefighters' Pre-1977 Plan</u> | <u>1977 Police and Firefighters' Plan</u> | <u>PERF</u> |
|--|--|--|---|---|
| Date of valuation | December 31, 2017 - rolled forward to measurement date | December 31, 2017 - rolled forward to measurement date | June 30, 2017 - rolled forward to measurement date | June 30, 2017 - rolled forward to measurement date |
| Measurement date | December 31, 2018 | December 31, 2018 | June 30, 2018 | June 30, 2018 |
| Actuarial cost method | Entry age normal - Level Percent of Payroll | Entry age normal - Level Percent of Payroll | Entry age normal - Level Percent of Payroll | Entry age normal - Level Percent of Payroll |
| Long-term expected return on plan assets | N/A | N/A | 6.75% | 6.75% |
| Money-weighted rate of return | N/A | N/A | 9.30% | 9.30% |
| Inflation rate | 2.25% | 2.25% | 2.25% | 2.25% |
| Cost of living adjustment | 2.50% | 2.50% | 2.00% | * |
| Salary increase | 2.50% | 2.50% | 2.50% | 2.50% - 4.25% |
| Mortality | RP-2014 Blue Collar/Disabled mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report | RP-2014 Blue Collar/Disabled mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report | RP-2014 (with MP-2104 improvement removed) Total Data Set (Disability Mortality Tables for Disabled members) Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report | RP-2014 (with MP-2104 improvement removed) Total Data Set (Disability Mortality Tables for Disabled members) Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report |
| Experience period | 7/1/10 to 6/30/14 | 7/1/10 to 6/30/14 | 7/1/10 to 6/30/14 | 7/1/10 to 6/30/14 |
| Discount rate | Barclay's 20-year Municipal Bond Index: | Barclay's 20-year Municipal Bond Index: | | |
| 2018 | 3.10% | 3.10% | 6.75% | 6.75% |
| 2017 | 2.75% | 2.75% | 6.75% | 6.75% |
| Asset valuation method | N/A - pay-as-you-go-basis | N/A - pay-as-you-go-basis | 5-year smoothing of gains/losses on market value with a 20% corridor | 5-year smoothing of gains/losses on market value with a 20% corridor |
| Amortization method | N/A | N/A | Level dollar | Level dollar |
| Amortization period | N/A | N/A | Closed – 20 years | Closed – 20 years |

* In lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, 0.6% beginning on January 1, 2039.

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The long-term expected rate of return on pension plan investments for the 1977 Police and Firefighters’ Plan and PERF were determined using a building-block approach and assume a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted-average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for the 1977 Police and Firefighters’ Plan and PERF:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|--------------------------|---|
| Public equity | 22% | 4.4% |
| Private equity | 14% | 5.4% |
| Fixed income - ex inflation linked | 20% | 2.2% |
| Fixed income - inflation linked | 7% | 0.8% |
| Commodities | 8% | 2.3% |
| Real estate | 7% | 6.5% |
| Absolute return | 10% | 2.7% |
| Risk parity | 12% | 5.2% |
| Total | <u>100%</u> | |

Discount Rates

Because the Police and Firefighters’ Pre-1977 Plans have no accumulated assets, the discount rates for these plans are equal to the Barclay’s 20-year Municipal Bond Index for the year ended December 31, 2018.

The discount rate used to measure the total pension liability for the 1977 Police and Firefighters’ Plan and PERF was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the fiduciary net position for each of these plans was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the respective total pension liability.

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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following represents the City’s net pension liabilities (assets), by plan and in the aggregate, calculated using discount rates 1% higher and 1% lower than their respective current discount rates:

| <u>Plan</u> | <u>Net Pension Liability (Asset)</u> | | |
|---|--------------------------------------|---------------------|--------------------|
| | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
| Pre-1977 Police Plan (current rate: 3.10%) | \$ 449,952 | \$ 407,368 | \$ 371,178 |
| Pre-1977 Firefighters' Plan (current rate: 3.10%) | 408,718 | 371,207 | 339,217 |
| 1977 Police and Firefighters' Plan (current rate: 6.75%) - proportionate share (22.59%) | 188,653 | (19,856) | (188,400) |
| PERF (current rate: 6.75%) - proportionate share (1.37%) | <u>73,047</u> | <u>46,405</u> | <u>24,186</u> |
| Total | <u>\$ 1,120,370</u> | <u>\$ 805,124</u> | <u>\$ 546,181</u> |

C. Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liabilities for the Police and Firefighters’ Pre-1977 Plans were measured as of December 31, 2018 and the total pension liability used to calculate the net liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to the measurement date. Member census data as of December 31, 2017, was used in the valuation and adjusted, where appropriate, to reflect changes between December 31, 2017 and December 31, 2018. For December 31, 2018 valuations, the actuarial assumptions are generally unchanged from the prior year and reflect the results of an experience study completed in April 2015. The one exception is that the discount rate increased from 2.75% for the December 31, 2017 valuations, to 3.10% for the December 31, 2018 valuations, as directed by INPRS.

The net pension liability for the 1977 Police and Firefighters’ Plan was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to the measurement date. Member census data as of June 30, 2017, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2017 and June 30, 2018. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2017 to the June 30, 2018 measurement date. Wages reported by the City for police officers and for firefighters relative to the collective wages of the plan served as the basis to determine the City’s proportionate share for each member population. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2018, the City’s proportion for its police officers was 12.17307%, which is an increase of 0.10606% from its proportion measured as of June 30, 2017. At June 30, 2018, the City’s proportion for its firefighters was 10.41363%, which was a decrease of 0.41351% from its proportion measured as of June 30, 2017.

The net pension liability for PERF was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to the measurement date. Member census data as of June 30, 2017, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2017 and June 30, 2018. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2017 to the June 30, 2018 measurement date. Wages reported by the City relative to the collective wages of the plan served as the basis to determine the City’s proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2018, the City’s proportion was 1.36600%, which was an increase of 0.00627% from its proportion measured as of June 30, 2017.

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At December 31, 2018, the City reported the following net pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources related to the City's four pension plans in which it participates:

| Plan | Net Pension Asset | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|------------------------------------|------------------------------|----------------------------------|---|--|----------------------------|
| Police Pre-1977 Plan | \$ — | \$ 407,368 | \$ — | \$ — | \$ (2,269) |
| Firefighters' Pre-1977 Plan | — | 371,207 | — | — | (137) |
| 1977 Police and Firefighters' Plan | 19,856 | — | 61,002 | 54,462 | 23,480 |
| PERF | — | 46,405 | 5,379 | 7,918 | 6,642 |
| Total | \$ 19,856 | \$ 824,980 | \$ 66,381 | \$ 62,380 | \$ 27,716 |

The components of the net pension liability of the City for the Police and Firefighters' Pre-1977 Plans as of December 31, 2018 were as follows:

| | Pre-1977 Police Plan | Pre-1977 Firefighters' Plan |
|--|---------------------------------|--|
| Total pension liability | \$ 407,823 | \$ 371,001 |
| Plan's fiduciary net position | (455) | 206 |
| City's net pension liability | <u>\$ 407,368</u> | <u>\$ 371,207</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>0.11%</u> | <u>-0.06%</u> |

The changes in the net pension liability for the Police and Firefighters' Pre-1977 Plans follow:

| | Pre-1977 Police Plan | | | Pre-1977 Firefighters' Plan | | |
|---|------------------------------------|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|----------------------------------|
| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
| Balances as of January 1, 2018 | \$ 438,605 | \$ 804 | \$ 437,801 | \$ 398,570 | \$ 296 | \$ 398,274 |
| Changes for the year: | | | | | | |
| Service cost | 227 | — | 227 | 122 | — | 122 |
| Interest on total pension liability | 11,667 | — | 11,667 | 10,624 | — | 10,624 |
| Difference between expected and actual experience | (333) | — | (333) | 1,348 | — | 1,348 |
| Effect of assumptions changes | (13,830) | — | (13,830) | (12,231) | — | (12,231) |
| Employer contributions | — | 28,183 | (28,183) | — | 27,707 | (27,707) |
| Projected benefit payments | (28,513) | — | (28,513) | (27,432) | — | (27,432) |
| Benefit payments | — | (28,532) | 28,532 | — | (28,209) | 28,209 |
| Total net changes | <u>(30,782)</u> | <u>(349)</u> | <u>(30,433)</u> | <u>(27,569)</u> | <u>(502)</u> | <u>(27,067)</u> |
| Balances as of December 31, 2018 | <u>\$ 407,823</u> | <u>\$ 455</u> | <u>\$ 407,368</u> | <u>\$ 371,001</u> | <u>\$ (206)</u> | <u>\$ 371,207</u> |

Detailed information regarding the fiduciary net position for the 1977 Police and Firefighters' Plan and PERF is available in the separately issued financial reports for these plans.

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The Police and Firefighters’ Pre-1977 Plans have no deferred outflows of resources or deferred inflows of resources as of December 31, 2018. Deferred outflows of resources and deferred inflows of resources related to the 1977 Police and Firefighters’ Plan and PERF as of December 31, 2018 are from the following sources:

| | 1977 Police and Firefighters' Plan | | PERF | | Total | |
|---|---|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 36,731 | \$ 9,167 | \$ 607 | \$ 3 | \$ 37,338 | \$ 9,170 |
| Net difference between projected and actual earnings on pension plan investments | 6,777 | — | 1,374 | — | 8,151 | — |
| Changes of assumptions | — | 44,000 | 111 | 7,449 | 111 | 51,449 |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 1,328 | 1,295 | 203 | 466 | 1,531 | 1,761 |
| City's contributions subsequent to the measurement date | 16,166 | — | 3,084 | — | 19,250 | — |
| Total | \$ 61,002 | \$ 54,462 | \$ 5,379 | \$ 7,918 | \$ 66,381 | \$ 62,380 |

At December 31, 2018, the City reported \$16,166 and \$3,084 as deferred outflows of resources related to pensions resulting from plan contributions made by the City to the 1977 Police and Firefighters’ Plan and PERF, respectively, subsequent to the measurement date. Therefore, \$16,166 will be recognized as a decrease in the net pension liability for the 1977 Police and Firefighters’ Plan and \$3,084 will be recognized as a decrease in the net pension liability for PERF in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2018, related to pensions will be recognized in pension expense as follows:

| | 1977 Police and Firefighters' Plan | PERF | Total |
|--------------|---|-------------------|--------------------|
| 2019 | \$ 14,452 | \$ 475 | \$ 14,927 |
| 2020 | (1,828) | (1,894) | (3,722) |
| 2021 | (13,917) | (3,385) | (17,302) |
| 2022 | (11,104) | (819) | (11,923) |
| 2023 | (4,555) | — | (4,555) |
| Thereafter | 7,326 | — | 7,326 |
| Total | \$ (9,626) | \$ (5,623) | \$ (15,249) |

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D. Pension Trust Fund Financial Statements

Separately issued financial statements are not available for the Police and Firefighters' Pre-1977 Plans. The combining statement of pension trust funds net position at December 31, 2018 follows:

| | Police Pension | Firefighters' Pension | Total |
|--|---------------------------|----------------------------------|---------------|
| ASSETS | | | |
| Equity in pooled cash | \$ 51 | \$ — | \$ 51 |
| Investments | 439 | — | 439 |
| Total assets | <u>490</u> | <u>—</u> | <u>490</u> |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | 35 | 36 | 71 |
| Due to other funds | — | 170 | 170 |
| Total liabilities | <u>35</u> | <u>206</u> | <u>241</u> |
| NET POSITION | | | |
| Net position restricted for pensions | <u>\$ 455</u> | <u>\$ (206)</u> | <u>\$ 249</u> |

The combining statement of changes in fiduciary net position at December 31, 2018 follows:

| | Police Pension | Firefighters' Pension | Total |
|--|---------------------------|----------------------------------|---------------|
| ADDITIONS | | | |
| Employer contributions | \$ 28,183 | \$ 27,707 | \$ 55,890 |
| DEDUCTIONS | | | |
| Benefits | 28,532 | 28,209 | 56,741 |
| Net decrease in net position | (349) | (502) | (851) |
| Net position restricted for pensions – beginning of year | 804 | 296 | 1,100 |
| Net position (deficit) restricted for pensions – end of year | <u>\$ 455</u> | <u>\$ (206)</u> | <u>\$ 249</u> |

E. Discretely Presented Component Unit

The pension schedule and required supplementary information for the City's discretely presented component unit, the Housing Agency, is immaterial to the City's financial statements, and therefore is not included in this report. The detailed disclosures can be found in the separately issued financial statements of the Housing Agency.

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18. Deferred Compensation Plan

Employees of the City of Indianapolis are eligible to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (“IRC”) Section 457. The deferred compensation plan is available to all employees of the County. Under this plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries and are not included within the accompanying financial statements.

19. Contingent Liabilities and Commitments

- A. Various lawsuits are pending against the City. In the opinion of the City’s Corporation Counsel, the aggregate potential loss on all outstanding litigation for public liability self-insurance was estimated to be \$1,483 at December 31, 2018. This amount has been accrued for in the Internal Service Fund. Indiana law limits the liability of municipalities to \$700 per person and \$5,000 per occurrence. Additionally, the City is a defendant in various lawsuits for which management has determined that there is a reasonable possibility of an adverse outcome. No accrual has been made in the financial statements for these items, which approximate \$4,835-\$54,696, as these potential losses are not both probable and estimable.
- B. The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.
- C. The City has entered into operating agreements on a number of City-owned golf courses, which provide for termination payments to be made to the operator if the City cancels the agreements prematurely. These payments are primarily to cover the costs for improvements made to the courses by the operators. The termination payment declines over the term of the agreements. While the City has no intention to do so, if the agreements were terminated at December 31, 2018, the total termination payments due would be \$355.

20. Risk Management

The City is insured for property and certain liability losses, subject to certain deductible amounts, except that it is self-insured for auto liability, a high deductible health insurance plan, general liability (excluding certain other catastrophes), workers’ compensation inpatient services, and services delivered at a site other than that provided for in the workers’ compensation agreement. Expenses are recorded when a determinable loss is probable and the amount of the loss can be estimated.

The change in claims for 2018 and 2017, including an estimate of incurred but not reported claims, is as follows:

| | <u>Risk Management</u> | <u>Public Liability Self-Insurance</u> | <u>Employee Health Insurance</u> | <u>Total</u> |
|--|------------------------|--|----------------------------------|------------------|
| Unpaid claims, December 31, 2016 | \$ 7,945 | \$ 368 | \$ 6,958 | \$ 15,271 |
| Incurred claims and changes in estimates | 11,616 | 1,103 | 86,068 | 98,787 |
| Claims paid | <u>(9,025)</u> | <u>(1,410)</u> | <u>(83,943)</u> | <u>(94,378)</u> |
| Unpaid claims, December 31, 2017 | \$ 10,536 | \$ 61 | \$ 9,083 | \$ 19,680 |
| Incurred claims and changes in estimates | 8,368 | 5,150 | 79,674 | 93,192 |
| Claims paid | <u>(8,082)</u> | <u>(1,578)</u> | <u>(80,472)</u> | <u>(90,132)</u> |
| Unpaid claims, December 31, 2018 | <u>\$ 10,822</u> | <u>\$ 3,633</u> | <u>\$ 8,285</u> | <u>\$ 22,740</u> |

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and job-related illnesses or injuries to employees. The City individually handles these risks of loss through combinations of risk retention and commercial insurance.

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The City has entered into contracts with two companies to service its workers' compensation and auto liability claims, which are reported in the Risk Management Internal Service Fund. Under the terms of the contracts, the City is required to maintain a minimum level of funds in a "loss fund account" with the company for the purpose of paying claims and losses. These amounts are recorded as an asset since the self-insurance risk is not transferred to the service agent. The City records a liability for the estimated outstanding losses at year-end, which includes an accrual for incurred but not reported claims, that is included in accounts payable and other current liabilities in the statement of net position. The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims. The City accounts for the self-insurance programs in internal service funds.

The City has elected to be self-insured through a high-deductible health insurance plan that is offered to current and eligible retired employees. There is a \$500 stop-loss coverage for each employee per annum. The City has contracted with a third party to service its health insurance claims. The City records a liability for the estimated outstanding claims at year-end in the self-insurance fund, which is included in accounts payable and other current liabilities in the statement of net position. The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded commercial coverage in the past three years.

21. Parking Meter Concession Agreement

Effective December 22, 2010, the City entered into an agreement with a concessionaire to operate and maintain the City's parking meter system, including collecting parking meter revenues and issuing parking tickets for violations related to the parking meter system and residential parking permits. The objective of entering into this agreement was to modernize the parking meter system and to provide residents and visitors with more convenient parking options and to provide the City with funding for infrastructure improvements. In addition to operating and maintaining the City's parking meter system, the concessionaire is responsible for making all capital improvements required to be completed during the 50-year term of the agreement, including implementing multi-space meters in certain locations and installing meters that are capable of accepting electronic payments. The City accounts for this transaction in accordance with the requirements of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*.

The City receives a share of all revenues generated from the parking meter system. During 2018, the City's monthly share of the revenue was 30% for parking meter revenues collected between \$0 and \$643 and 60% for all such amounts above \$643 (each tier amount is adjusted for inflation annually). Under the agreement, the City must compensate the concessionaire to offset its losses for certain events, which include, but are not limited to, the City's removal or temporary closure of parking meters, material changes in the rules and regulations affecting the parking meters or residential permits, and the City's ownership or operation of certain off-street parking developed after the effective date and located within a quarter of a mile of a parking meter space. The City may terminate the concessionaire agreement but would be required to make a termination payment ranging from \$8,000 to \$19,800 based on the date of termination.

At December 31, 2018, \$16,800 is recorded as a deferred inflow of resources in the government-wide statement of net position for the unamortized portion of upfront payments by the operator to the City. The deferred inflow of resources is being amortized using the straight-line method over the 50-year term of the agreement and, in 2018, \$400 was amortized and recognized as revenue in the government-wide statement of activities.

22. Related Party Transactions

The legislative body of the City is the same in several respects as that of the County, and the position of the County Executive is the same as the Mayor of Indianapolis. The County provides certain information systems and telephone services to the City. During 2018, the City incurred approximately \$17,442 in information systems costs and \$762 in telephone costs, of which approximately \$3,341 is due to the County at December 31, 2018 for these services. The City also paid the County \$6,995 of 911 dispatch fees. During 2018, the County paid the City \$758 for fuel charges. As of December 31, 2018, the County owed the City \$809 for court costs. In addition, the City and County both act in capacities as pass through and subrecipient agents for federal and state grants.

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The City and County purchase certain insurance policies, which cover risks of both entities. The City and County pay premiums associated with their own respective portions of the coverage. The City provides certain administrative services to the County including purchasing, legal, and other general administration. The City funds such services through a countywide tax levy. The County does not compensate the City for these services. Conversely, Marion County provides, at no compensation, criminal, civil, juvenile, and probate court services to all municipalities and unincorporated areas in the County and administers the property tax administration and collection system for the same jurisdictions and the Marion County jail and lockup.

In 2010, the City entered into an Interlocal Cooperation Agreement to provide \$8,000 of funding annually to the Capital Improvement Board of Managers (of Marion County, Indiana) (“CIB”) to further their mutual purposes, including to better assure their funding sources for Visit Indy, Inc. Visit Indy, Inc. is an important body through which the convention and visitor industry and the commercial, industrial, and cultural interests of Indianapolis and its citizens are promoted and publicized, including the CIB’s capital improvements. The agreement renews annually and assumes the same terms and level of funding, subject to certain factors (including the availability of funds), unless either party gives a six-month termination notice prior to the end of the annual cycle.

In connection with a Public Safety Support Agreement dated March 1, 2013, between the City and the CIB, the CIB is to pay a portion of the Marion County Admissions Taxes and Marion County Supplemental Auto Rental Excise Taxes it receives on an annual basis to the City to be used for public safety purposes. The CIB is to pay to the City 25% of the revenue received from the most recently enacted increase in the admissions tax, which in 2018 amounted to \$2,168; however, per the agreement, such amount shall never exceed \$3,000 annually. The term of the Public Safety Agreement extends to February 28, 2021 and automatically renews for additional four-year periods until terminated by either party. Under this same agreement, the City agreed to fund up to \$5 million in repairs to be made to an underground parking facility below Hudnut Commons, an open, landscaped public area in downtown Indianapolis. The City has funded \$3,704 in repairs through December 31, 2018.

In 2018, the City entered into an agreement with The Health and Hospital Corporation of Marion County (“HHC”), whereas HHC agreed to support a portion of the startup and capital costs associated with the Community Justice Center Campus, which will include an Assessment and Intervention Center (“AIC”). HHC will provide support from 2018 through 2025, as follows: \$4,700 in 2018, \$2,500 in 2019 and 2020, and \$2,700 in 2021-2025. The AIC will help by diverting individuals from infective punitive measures, including incarceration, and into appropriate care delivery models that provide rapid and integrated patient care, to address mental health, addiction, homelessness, and other socio-economic issues.

23. Interfund Transactions and Balances

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. The composition of interfund receivable and payable balances as of December 31, 2018 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------------------------|-----------------|
| General Fund | Nonmajor Governmental Funds | \$ 1,084 |
| General Fund | Risk Management Internal Service Fund | 3,005 |
| General Fund | Fiduciary Firefighters Pension | <u>170</u> |
| | | <u>\$ 4,259</u> |

Because of budgetary constraints, the interfund payable in the internal service fund will not be repaid by the end of the next fiscal year, but instead will be recovered over the next few years through increased charges to City departments.

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Interfund transfers for the year ended December 31, 2018 consisted of the following:

| <u>Transfers Out</u> | <u>Transfers In</u> | | | <u>Total</u> |
|--------------------------------|--------------------------------|---------------------------------------|------------------------------------|-------------------|
| | <u>Governmental Activities</u> | | | |
| | <u>General Fund</u> | <u>Revenue Bond Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | |
| General Fund | \$ — | \$ 377 | \$ 9,799 | \$ 10,176 |
| Revenue Bond Debt Service Fund | — | — | 70,130 | 70,130 |
| Nonmajor Governmental Funds | 65,875 | 10,807 | 27,841 | 104,523 |
| Total transfers | <u>\$ 65,875</u> | <u>\$ 11,184</u> | <u>\$ 107,770</u> | <u>\$ 184,829</u> |

Interfund transfers were used to (1) move revenues from the fund that an ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them or (2) use unrestricted revenues collected in the general fund to finance capital improvements and other funds in accordance with budgetary authorization.

24. Explanation of Certain Differences between the Governmental Fund Financial Statements and the Government-wide Financial Statements

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long term—are reported in the statement of net position.

Details of the adjustment for these reconciling items between the *fund balances – total governmental funds* and *net deficit of governmental activities*, as reported in the government-wide statement of net position at December 31, 2018, follow:

| | |
|--|---------------------|
| Bonds and notes payable and certificates of participation | \$ 1,187,432 |
| Unamortized premiums, net of discounts | 62,301 |
| Amounts recorded as matured bonds and notes payable at December 31, 2018 | (16,945) |
| Capital leases payable | 12,182 |
| Net pension liabilities | 824,980 |
| Postemployment benefit liability | 221,153 |
| Compensated absences | 38,757 |
| Combined adjustment | <u>\$ 2,329,860</u> |

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Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Details of the adjustments for these reconciling items between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities*, as reported in the government-wide statement of activities for the year ended December 31, 2018, follow:

Debt issued:

| | |
|---|---------------------|
| Tax increment bonds, excluding accretion on capital appreciation bonds of \$9,649 | \$ (27,170) |
| Revenue bonds | (30,000) |
| Note payable | (73,659) |
| Unamortized premiums | <u>(4,217)</u> |
| Combined adjustment | <u>\$ (135,046)</u> |

Repayments:

| | |
|--|------------------|
| Bond principal, less increase in matured bonds payable of \$12,326 | \$ 64,380 |
| Notes payable and certificates of participation | <u>29,646</u> |
| Combined adjustment | <u>\$ 94,026</u> |

25. Deficit Fund Balances and Net Position

Negative fund balances by fund are as follows:

| Deficit Fund Balances | December 31, 2018 |
|------------------------------|------------------------------|
| Internal Service Fund | |
| Risk Management | \$ <u>(13,759)</u> |

The risk management internal service fund negative fund balance will be covered by future charges to City departments.

26. Subsequent Events

On February 26, 2019, the City refinanced the HUD (Monon16 Project) note payable. The City made a one-time principal payment of \$2,000 and as part of the refinancing, the interest rate terms were changed from variable to fixed rate.

On March 5, 2019, the City issued the Stormwater Notes, Series 2019 with borrowing authorization of up to \$50,000 for stormwater infrastructure including new channels, culverts, dam renovations, engineering studies, and drainage and water quality improvements. Under the terms of the agreement, the City makes interest payments on each January 1 and July 1, at the stated interest rate of 2.70%. The maturity date for the note is March 1, 2022, but at any point on or after July 1, 2019, the note is callable without penalty, at which point the note will be taken out with permanent financing.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2018
(Dollars in Thousands)

On April 4, 2019, the Indianapolis Local Public Improvement Bond Bank issued the Community Justice Campus Bonds, Series 2019A and 2019B for \$610,645 and \$13,745, respectively. The proceeds from the 2019A series will be used for the purpose of purchasing the Indianapolis-Marion County Building Authority Lease Rental Revenue Bonds, Series 2019A (Jail and Courthouse Project) and paying off the Local Option Income Tax Notes, Series 2017A and 2018A, which had outstanding balances of \$19,903 and \$14,675, respectively, as of December 31, 2018, as reported on the City's statement of net position. The proceeds of the Series 2019B bonds will be used for the purpose of purchasing the Indianapolis-Marion County Building Authority Lease Rental Revenue Bonds, Series 2019B (Assessment and Intervention Center Project). The Community Justice Campus will be located at the site of a former gas and coke manufacturing facility, the Citizens Gas & Coke Utility Plant, and will consist of a new adult detention center and courthouse, and a new assessment and intervention center. The Detention Center will replace the existing arrestee processing center, Jail I, Jail II and Hope Hall. The Detention Center will consist of roughly 2,700 general population beds, 300 specialty beds and 40,000-50,000 square feet of space for inmate education, job-training, counseling and other programs. The Courthouse will consolidate the Marion County, Indiana Courts (namely, the civil, criminal, juvenile and probate courts) into one building. The assessment and intervention center will be a two-story, approximately 38,000 square foot building that has capacity for 90 beds, which will provide temporary shelter, case assessment and treatment referral services. The facilities and land on the campus will be leased by the Building Authority, as lessor, to Marion County, as lessee. Upon completion of the project, the County will pay lease rental payments to the Building Authority to secure the payment of the Series 2019A and Series 2019B Bonds. As part of the closing, the City contributed \$9,319 to fund a revenue stabilization account with the deposit trustee, equal to 3 months' worth of lease rental payments. The balance in the revenue stabilization account will be maintained throughout the life of the bonds, and provides bondholders with additional security. It is anticipated that the facility will be ready for use and occupancy by September 2021 with a final move in date of January 2022, at which time monthly lease payments will begin. Capitalized interest will cover the payments between the time of closing and the occupancy of the campus.

The City is finalizing the issuance of a Taxable Economic Development Tax Increment Revenue Note for \$30,000. Pursuant to an agreement with The Dow Chemical Company and E.I. du Pont de Nemours and Company, which merged into a new company, DowDuPont on August 31, 2017, DowDuPont is separating their leading businesses into three independent, publicly traded companies, one of which will be a leading, global pure-play agricultural business, Corteva Agriscience ("Corteva"). Effective June 1, 2019, Corteva completed its separation from DowDuPont and as part of the agreement, Corteva, will retain its' global business center and research and development facilities in Indianapolis. The note proceeds will provide reimbursement for prior payment of, all or any portion of the costs of the continued operations of, and any additions or improvements to and equipment for, the exiting global business center and research development facilities, which will retain approximately 1,385 full-time jobs in the City. The note will mature on February 20, 2026 and bears interest at 3.35%.

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Required
Supplementary Information

Required
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2018
(In thousands)

| | <u>Original budget</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance with final budget – positive (negative)</u> |
|---|------------------------|---------------------|-------------------|---|
| Revenues: | | | | |
| Taxes | \$ 382,977 | \$ 386,836 | \$ 395,585 | \$ 8,749 |
| Licenses and permits | 14,076 | 14,076 | 15,842 | 1,766 |
| Charges for services | 74,553 | 74,654 | 74,302 | (352) |
| Intergovernmental revenues | 69,061 | 69,060 | 65,313 | (3,747) |
| Traffic violations and court fees | 3,919 | 3,918 | 2,771 | (1,147) |
| Intragovernmental revenues | 2,421 | 2,421 | 5,654 | 3,233 |
| Interest and other operating revenues | 17,841 | 17,842 | 21,915 | 4,073 |
| Total revenues | <u>564,848</u> | <u>568,807</u> | <u>581,382</u> | <u>12,575</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 29,795 | 31,430 | 28,578 | 2,852 |
| Public safety | 419,976 | 426,635 | 422,021 | 4,614 |
| Public works | 109,534 | 114,814 | 111,272 | 3,542 |
| Health and welfare | 1,133 | 1,934 | 965 | 969 |
| Cultural and recreation | 25,709 | 25,280 | 23,211 | 2,069 |
| Urban redevelopment and housing | 7,750 | 7,800 | 6,550 | 1,250 |
| Economic development and assistance | 1,419 | 1,979 | 2,112 | (133) |
| Capital outlays | 32,233 | 73,070 | 72,699 | 371 |
| Total expenditures | <u>627,549</u> | <u>682,942</u> | <u>667,408</u> | <u>15,534</u> |
| Deficiency of revenues under expenditures | <u>(62,701)</u> | <u>(114,135)</u> | <u>(86,026)</u> | <u>28,109</u> |
| Other financing sources: | | | | |
| Sale and lease of property | 535 | 535 | 372 | (163) |
| Transfers in | 53,315 | 56,246 | 54,646 | (1,600) |
| Total other financing sources | <u>53,850</u> | <u>56,781</u> | <u>55,018</u> | <u>(1,763)</u> |
| Revenues under expenditures and other financing sources | <u>(8,851)</u> | <u>(57,354)</u> | <u>(31,008)</u> | <u>26,346</u> |
| Fund balance at beginning of year | 198,731 | 228,249 | 253,244 | 24,995 |
| Cancellation of purchase orders and other | 29,517 | 41,953 | 12,130 | (29,823) |
| Fund balance at end of year | <u>\$ 219,397</u> | <u>\$ 212,848</u> | <u>\$ 234,366</u> | <u>\$ 21,518</u> |

See notes to required budgetary supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2018
(In thousands)

1. Budgets and Budgetary Accounting

- A) The City of Indianapolis (“City”) is required by state statute and City-County Council (“Council”) ordinance to adopt annual budgets for all subfunds of the General Fund; all Special Revenue Funds except the Cable Franchise PEG Grants Fund; all Debt Service Funds; the City Cumulative Capital Development, the County Cumulative Capital Development, and the Fire Cumulative Capital Projects Funds; and the Police Pension and Firefighters Pension Trust Funds to the object level of control. These budgets require Council approval and are prepared for each departmental division and approved at the five object levels of expenditure (personal services, supplies, other services and charges, capital outlay, and internal charges). In addition, control is achieved for other capital projects funds by the original bond resolutions that are required by state statute to be approved by the Council for all bond issues for taxing units within the consolidated City. These originating bond resolutions serve as the basis for the appropriations for capital projects. These appropriations do not lapse at year-end. All other City sources of finance for capital projects are required to be appropriated within the providing City budgetary fund. Control over spending from funds which are not subject to the Council appropriation process is accomplished by the requirement that all disbursements of such funds be made only to a budgeted fund.

The Council may amend appropriations by transferring unencumbered appropriations from one object to another within the same fund, and may also make additional appropriations to the extent of unappropriated fund balances. Transfers of appropriations from one line item to another within the object level of control may be approved by City management. During the year, for the General Fund, the following supplementary appropriations were properly approved:

| | General Fund |
|-------------------------|-------------------------|
| Original appropriations | \$ 627,549 |
| Revisions | 55,393 |
| Revised appropriations | \$ 682,942 |

The budget information disclosed includes the budget ordinances as amended. Internal charges are recorded as expenditures in one fund and negative expenditures in the receiving fund. Budgeted disbursements may exceed estimated revenues as appropriations contemplate the utilization of beginning fund balances. Except for Capital Projects Funds (excluding Cumulative Capital Development Funds) and certain Special Revenue Funds, unencumbered appropriations lapse with the expiration of the budgetary period. All budgets are prepared on the cash basis of accounting with the exception of revenues received in the current year but budgeted for in a prior year and that encumbrances and certain accounts payable are treated as expenditures.

- B) The City’s procedures in establishing the budget are as follows:
- 1) Prior to July 1, the Department Directors, in conjunction with the Mayor’s staff and the City Controller, develop budgets for the subsequent calendar year for the individual divisions within their respective departments.
 - 2) In July, the City Controller prepares the budget ordinances, which are introduced by the Mayor to the Council at the first August Council meeting. In developing these budgets, the City Controller adds the June 30 cash and investment balances to estimated revenues to be received and expenditures to be incurred from July 1 through December 31 in arriving at a December 31 “projected budgetary fund balance.” The projected budgetary fund balance and estimated revenues for the ensuing year are reduced by that year’s budgeted expenditures in developing the amount to be funded from ad valorem property taxes, to the extent of the maximum levy. By using this procedure, any actual results favorable or unfavorable to those estimated for any year are incorporated into the subsequent year’s budget.
 - 3) The Council assigns the introduced budgets to the appropriate Council Committees. In August and September, each Council Committee holds public hearings on the budget of the department or division for which it is responsible.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2018
(In thousands)

- 4) Before Council budget ordinances are approved by the Council, they are advertised by the City Controller twice in a local newspaper prior to the last Council meeting in September. The Council may not pass a budget above the level advertised. The Mayor may veto separate items of an approved budget ordinance, but the Council may override a veto by a two-thirds vote.
 - 5) The Indiana Department of Local Government Finance makes the final review of the budget. It can revise, reduce, or restore on appeal budgets, levies, and tax rates removed by the City-County Council. Except for Debt Service Funds, the Indiana Department of Local Government Finance may not increase a budget, levy, or tax rate above the level originally advertised. If the budgets seek to exceed the tax limits of the state control laws, an excess levy may be granted if the excess levy meets state law requirements, and is approved by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance is required to certify the budgets, levies, and rates by February 15.
 - 6) The City’s maximum permissible annual ad valorem property tax levy is restricted by Indiana law, with certain adjustments and exceptions, to the prior year’s maximum permissible ad valorem property tax levy adjusted by the average growth factor in nonfarm income in the State of Indiana.
- C) Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Pension Trust Funds. Encumbrances do not lapse with the expiration of the budget period.

2. Budget/GAAP Reporting Differences

Adjustments necessary to convert the results of 2018 operations from a budgetary basis to a GAAP basis are as follows:

| | | <u>General Fund</u> |
|---|----|-------------------------|
| Revenues over (under) expenditures and other financing sources (uses) (budgetary basis) | \$ | (31,008) |
| Adjustments: | | |
| Accrued revenues | | 69,146 |
| Accrued expenditures | | (66,936) |
| Transfers, net | | 1,166 |
| Encumbrances | | 53,325 |
| Expenditures from prior year encumbrances | | (34,880) |
| Net change in fund balances (GAAP basis) | \$ | <u>(9,187)</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pension - Police Pre-1977 Plan
Schedule of Changes in the Net Pension Liability - Last Ten Fiscal Years
(In thousands)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Pension Liability | | | | | | |
| Service cost | \$ 227 | \$ 268 | \$ 469 | \$ 598 | \$ 430 | \$ 244 |
| Interest cost | 11,667 | 13,538 | 12,070 | 12,393 | 18,697 | 22,693 |
| Experience (gains)/losses | (333) | (253) | 270 | (2,747) | — | (4,432) |
| Assumption changes | (13,830) | 20,399 | (29,167) | (1,539) | 61,324 | 65,959 |
| Projected benefit payments | <u>(28,513)</u> | <u>(28,723)</u> | <u>(28,979)</u> | <u>(29,171)</u> | <u>(29,267)</u> | <u>(28,886)</u> |
| Net change in total pension liability | (30,782) | 5,229 | (45,337) | (20,466) | 51,184 | 55,578 |
| | | | | | | |
| Total pension liability - beginning | 438,605 | 433,376 | 478,713 | 499,179 | 447,995 | 392,417 |
| Total pension liability - ending | <u>\$ 407,823</u> | <u>\$ 438,605</u> | <u>\$ 433,376</u> | <u>\$ 478,713</u> | <u>\$ 499,179</u> | <u>\$ 447,995</u> |
| | | | | | | |
| Plan Fiduciary Net Position | | | | | | |
| Employer contributions | \$ 28,183 | \$ 28,303 | \$ 28,887 | \$ 29,116 | \$ 28,762 | \$ 29,503 |
| Actual benefit payments | <u>(28,532)</u> | <u>(28,570)</u> | <u>(28,761)</u> | <u>(30,153)</u> | <u>(28,783)</u> | <u>(28,469)</u> |
| Net change in plan fiduciary net position | (349) | (267) | 126 | (1,037) | (21) | 1,034 |
| | | | | | | |
| Plan fiduciary net position - beginning | 804 | 1,071 | 945 | 1,982 | 2,003 | 969 |
| Plan fiduciary net position - ending | <u>\$ 455</u> | <u>\$ 804</u> | <u>\$ 1,071</u> | <u>\$ 945</u> | <u>\$ 1,982</u> | <u>\$ 2,003</u> |
| | | | | | | |
| City's Net Pension Liability | <u>\$ 407,368</u> | <u>\$ 437,801</u> | <u>\$ 432,305</u> | <u>\$ 477,768</u> | <u>\$ 497,197</u> | <u>\$ 445,992</u> |

Notes to Schedule

Required supplementary information is not available for the preceding four years.

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2017 valuation

- *Discount Rate* : The discount rate used for the December 31, 2018 valuation was 3.10%, as directed by INPRS based on the Barclay's 20-year Municipal Bond Index as of December 31, 2018. This is an increase from the 2.75% used for the December 31, 2017 valuation.
- *Cost-of-living-adjustment (COLA)*: For converted members, the July 1, 2018 COLA was updated from the ongoing valuation assumption of 2.0% to reflect the known increase of 2.2%. Beginning July 1, 2019 the assumption reverts back to the assumed annual rate of 2.0%. For non-converted members, there was no change.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pension - Firefighters' Pre-1977 Plan
Schedule of Changes in Net Pension Liability - Last Ten Fiscal Years
(In thousands)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Pension Liability | | | | | | |
| Service cost | \$ 122 | \$ 167 | \$ 330 | \$ 327 | \$ 299 | \$ 187 |
| Interest cost | 10,624 | 12,356 | 11,149 | 11,500 | 17,406 | 21,297 |
| Experience (gains)/losses | 1,348 | (4,522) | (552) | (628) | — | (3,704) |
| Assumption changes | (12,231) | 17,990 | (26,359) | (1,395) | 55,244 | 59,984 |
| Projected benefit payments | (27,432) | (27,655) | (28,046) | (28,340) | (28,489) | (29,490) |
| Net change in total pension liability | (27,569) | (1,664) | (43,478) | (18,536) | 44,460 | 48,274 |
| Total pension liability - beginning | 398,570 | 400,234 | 443,712 | 462,248 | 417,788 | 369,514 |
| Total pension liability - ending | <u>\$ 371,001</u> | <u>\$ 398,570</u> | <u>\$ 400,234</u> | <u>\$ 443,712</u> | <u>\$ 462,248</u> | <u>\$ 417,788</u> |
| Plan Fiduciary Net Position | | | | | | |
| Employer contributions | \$ 27,707 | \$ 27,486 | \$ 27,974 | \$ 28,150 | \$ 29,163 | \$ 29,209 |
| Actual benefit payments | (28,209) | (27,830) | (27,727) | (28,383) | (28,395) | (29,567) |
| Net change in plan fiduciary net position | (502) | (344) | 247 | (233) | 768 | (358) |
| Plan fiduciary net position (deficit) - beginning | 296 | 640 | 393 | 626 | (142) | 216 |
| Plan fiduciary net position (deficit) - ending | <u>\$ (206)</u> | <u>\$ 296</u> | <u>\$ 640</u> | <u>\$ 393</u> | <u>\$ 626</u> | <u>\$ (142)</u> |
| City's Net Pension Liability | <u>\$ 371,207</u> | <u>\$ 398,274</u> | <u>\$ 399,594</u> | <u>\$ 443,319</u> | <u>\$ 461,622</u> | <u>\$ 417,930</u> |

Notes to Schedule

Required supplementary information is not available for the preceding four years.

Benefit changes: None

Changes in assumptions : The following changes in assumptions were made from the December 31, 2017 valuation.

- *Discount Rate :* The discount rate used for the December 31, 2018 valuation was 3.10%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2018. This is an increase from the 2.75% used for the December 31, 2017 valuation.
- *Cost-of-living-adjustment (COLA):* For converted members, the July 1, 2018 COLA was updated from the ongoing valuation assumption of 2.0% to reflect the known increase of 2.2%. Beginning July 1, 2019 the assumption reverts back to the assumed annual rate of 2.0%. For non-converted members, there was no change.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedule of Net Pension Liability and Related Ratios - Last Ten Fiscal Years
(In thousands)

| Actuarial valuation date | Total pension liability (a) | Plan fiduciary net position (b) | City's net pension liability (a-b) | Fiduciary net position as a % of total pension liability (b/a) | City's covered payroll* (c) | City's net pension liability as a percentage of covered payroll ((a-b)/c) |
|------------------------------------|--------------------------------------|--|---|--|--------------------------------------|--|
| Police Pre-1977 Plan | | | | | | |
| 12/31/2018 | \$ 407,823 | \$ 455 | \$ 407,368 | 0.11 % | \$ 1,469 | 27,731.0 % |
| 12/31/2017 | 438,605 | 804 | 437,801 | 0.18 | 1,498 | 29,225.7 |
| 12/31/2016 | 433,376 | 1,071 | 432,305 | 0.25 | 1,824 | 23,700.9 |
| 12/31/2015 | 478,713 | 945 | 477,768 | 0.20 | 1,645 | 29,043.6 |
| 12/31/2014 | 499,179 | 1,982 | 497,197 | 0.40 | 1,805 | 27,545.5 |
| 12/31/2013 | 447,995 | 2,003 | 445,992 | 0.45 | 1,891 | 23,585.0 |
| Firefighters' Pre-1977 Plan | | | | | | |
| 12/31/2018 | 371,001 | (206) | 371,207 | (0.06) | 709 | 52,356.4 |
| 12/31/2017 | 398,570 | 296 | 398,274 | 0.07 | 1,115 | 35,719.6 |
| 12/31/2016 | 400,234 | 640 | 399,594 | 0.16 | 1,436 | 27,826.9 |
| 12/31/2015 | 443,712 | 393 | 443,319 | 0.09 | 1,175 | 37,729.3 |
| 12/31/2014 | 462,248 | 626 | 461,622 | 0.14 | 1,370 | 33,695.0 |
| 12/31/2013 | 417,788 | (142) | 417,930 | 0.03 | 1,533 | 27,262.2 |

* Plans closed to new members

Notes to Schedule

Required supplementary information is not available for the preceding four years.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedule of Proportionate Share of Net Pension Liability - Last Ten Fiscal Years
(In thousands)

| | <u>2018</u> | | <u>2017</u> | | <u>2016</u> | | <u>2015</u> | | <u>2014</u> | |
|---|-------------|-----------|-------------|----------|-------------|---------|-------------|-----------|-------------|----------|
| 1977 Police and Firefighters' Plan | | | | | | | | | | |
| City's proportion of the net pension liability (asset) | | 22.59 % | | 22.89 % | | 22.60 % | | 22.75 % | | 22.01 % |
| City's proportionate share of the net pension liability (asset) | \$ | (19,856) | \$ | (3,532) | \$ | 20,079 | \$ | (33,609) | \$ | (11,223) |
| City's covered payroll | \$ | 190,221 | \$ | 185,605 | \$ | 174,687 | \$ | 169,660 | \$ | 156,274 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | | (10.44) % | | (1.90) % | | 11.49 % | | (19.81) % | | (7.18) % |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | | 101.96 % | | 100.29 % | | 98.24 % | | 103.16 % | | 101.08 % |
| PERF | | | | | | | | | | |
| City's proportion of the net pension liability | | 1.366 % | | 1.360 % | | 1.387 % | | 1.393 % | | 1.375 % |
| City's proportionate share of the net pension liability | \$ | 46,405 | \$ | 60,665 | \$ | 62,935 | \$ | 56,743 | \$ | 36,131 |
| City's covered payroll | \$ | 69,701 | \$ | 67,458 | \$ | 66,460 | \$ | 66,731 | \$ | 67,127 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | | 66.58 % | | 89.93 % | | 94.70 % | | 85.03 % | | 53.82 % |
| Plan fiduciary net position as a percentage of the total pension liability | | 79.69 % * | | 76.65 % | | 75.35 % | | 77.35 % | | 84.29 % |

* Effective January 1, 2018, funds previously known as annuity savings accounts (which had been reported within defined benefit funds) were recategorized as defined contribution funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund totals were transferred to the appropriate DC fund as of January 1, 2018.

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedule of Proportionate Share of Net Pension Liability - Last Ten Fiscal Years
(In thousands)

Notes to Schedule

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Benefit changes: None

Changes in assumptions: The INPRS Board noted there were no changes to plan provisions, actuarial methods and assumptions, or funding policies between the June 30, 2017 and June 30, 2018 valuations for the 1977 Police and Firefighters' Plans.

Changes in assumptions: In lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

The amounts presented for PERF do not include the City's discretely presented component unit, the Indianapolis Housing Agency.

Required supplementary information is not available for the preceding five years.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedule of Pension Contributions - Last Ten Fiscal Years
(In thousands)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| 1977 Police and Firefighters' Plan | | | | | |
| Actuarially determined contribution | \$ 20,017 | \$ 16,540 | \$ 25,353 | \$ 26,503 | \$ 26,211 |
| Contributions in relation to the actuarially determined contribution | \$ 33,241 | \$ 32,274 | \$ 35,650 | \$ 33,947 | \$ 31,256 |
| Contribution deficiency (excess) | \$ (13,224) | \$ (15,734) | \$ (10,297) | \$ (7,444) | \$ (5,045) |
| City's covered payroll | \$ 187,126 | \$ 183,122 | \$ 179,821 | \$ 169,213 | \$ 159,052 |
| Contributions as a percentage of covered payroll | 17.76 | 17.62 % | 19.83 % | 20.06 % | 19.65 % |
| PERF | | | | | |
| Actuarially determined contribution | \$ 5,463 | \$ 6,761 | \$ 6,666 | \$ 7,682 | \$ 7,065 |
| Contributions in relation to the actuarially determined contribution | \$ 6,831 | \$ 7,188 | \$ 7,496 | \$ 7,682 | \$ 7,065 |
| Contribution deficiency (excess) | \$ (1,368) | \$ (427) | \$ (830) | \$ — | \$ — |
| City's covered payroll | \$ 67,735 | \$ 66,251 | \$ 66,984 | \$ 68,622 | \$ 67,406 |
| Contributions as a percentage of covered payroll | 10.08 | 10.85 % | 11.19 % | 11.19 % | 10.48 % |
| Police Pre-1977 Plan | | | | | |
| Statutorily required contribution | \$ 28,183 | \$ 28,303 | \$ 28,887 | \$ 29,116 | \$ 28,762 |
| Contributions in relation to the statutorily required contribution | \$ 28,183 | \$ 28,303 | \$ 28,887 | \$ 29,116 | \$ 28,762 |
| Contribution deficiency (excess) | \$ — | \$ — | \$ — | \$ — | \$ — |
| City's covered payroll* | \$ 1,469 | \$ 1,498 | \$ 1,824 | \$ 1,645 | \$ 1,805 |
| Contributions as a percentage of covered payroll | 1,918.52 | 1,889.39 % | 1,583.72 % | 1,769.97 % | 1,593.46 % |
| Firefighters' Pre-1977 Plan | | | | | |
| Statutorily required contribution | \$ 27,707 | \$ 27,486 | \$ 27,974 | \$ 28,150 | \$ 29,164 |
| Contributions in relation to the statutorily required contribution | \$ 27,707 | \$ 27,486 | \$ 27,974 | \$ 28,150 | \$ 29,164 |
| Contribution deficiency (excess) | \$ — | \$ — | \$ — | \$ — | \$ — |
| City's covered payroll* | \$ 709 | \$ 1,115 | \$ 1,436 | \$ 1,175 | \$ 1,370 |
| Contributions as a percentage of covered payroll | 3,907.90 | 2,465.11 % | 1,948.05 % | 2,395.74 % | 2,128.76 % |

* Plans closed to new members

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedule of Pension Contributions - Last Ten Fiscal Years
(In thousands)

Notes to Schedule

The amounts presented for each fiscal year were determined as of December 31.

Benefit changes: None

Changes in assumptions: The INPRS Board noted there were no changes to plan provisions, actuarial methods and assumptions, or funding policies between the June 30, 2017 and June 30, 2018 valuations for the 1977 Police and Firefighters' Plans.

Changes in assumptions: In lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

- 0.4% beginning on January 1, 2022
- 0.5% beginning on January 1, 2034
- 0.6% beginning on January 1, 2039

The amounts presented for PERF do not include the City's discretely presented component unit, the Indianapolis Housing Agency.

Required supplementary information is not available for the preceding five years.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Other Postemployment Benefit Plan
Schedule of Net OPEB Liability Under GASB 75
(In thousands)

| | 2018 |
|--|-------------|
| TOTAL OPEB LIABILITY | |
| Service cost | \$ 12,338 |
| Interest | 8,374 |
| Changes in assumptions | (15,568) |
| Benefit payments | (6,154) |
| Net change in total OPEB liability | (1,010) |
| Total OPEB liability - beginning | 234,137 |
| Total OPEB liability - ending | \$ 233,127 |
| PLAN FIDUCIARY NET POSITION | |
| Contributions - employer | \$ 7,190 |
| Net investment income | 103 |
| Benefit payments | (6,154) |
| Administrative expense | (36) |
| Net change in fiduciary net position | 1,103 |
| Plan fiduciary net position - beginning | 10,871 |
| Plan fiduciary net position - ending | \$ 11,974 |
| Net OPEB liability | \$ 221,153 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 5% |
| Covered-employee payroll | 311,988 |
| Net OPEB liability as a percentage of covered-employee payroll | 75% |

Notes to Schedule

The amounts presented for each fiscal year were determined as of December 31.

Benefit changes: None

Changes in assumptions: Discount rate increased from 3.44% at December 31, 2017 to 4.10% at December 31, 2018.

Required supplementary information is not available for the preceding nine years.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Other Postemployment Benefit Plan
Schedule of OPEB Contributions
(In thousands)

| | 2018 |
|---|-------------|
| Contractually determined contribution | \$ 7,190 |
| Contributions in relation to the contractually determined contribution | 7,190 |
| Contribution deficiency (excess) | - |
| Covered-employee payroll | 311,988 |
| Contributions as a percentage of covered-employee payroll | 2% |

Notes to Schedule

Required supplementary information is not available for the preceding nine years.

Additional
Supplementary Information

Additional
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Governmental Funds by Fund Type
December 31, 2018
(In thousands)

| | <u>Nonmajor Special Revenue</u> | <u>Nonmajor Debt Service</u> | <u>Nonmajor Capital Projects</u> | <u>Nonmajor Permanent Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|---|--------------------------------------|--|--|--|
| ASSETS | | | | | |
| Equity in pooled cash | \$ 1,458 | \$ 3,733 | \$ 8,792 | \$ — | \$ 13,983 |
| Cash and investments with fiscal agents | — | 24,928 | 50,486 | 362 | 75,776 |
| Investments | 12,709 | 32,530 | 104,472 | — | 149,711 |
| Property taxes receivable | — | 536 | 513 | — | 1,049 |
| Accounts receivable, less allowance | 817 | 421 | 226 | — | 1,464 |
| Due from federal and state governments | 8,072 | — | — | — | 8,072 |
| Long-term receivables, less allowance | 6,250 | 17,075 | 4,913 | — | 28,238 |
| Total assets | <u>\$ 29,306</u> | <u>\$ 79,223</u> | <u>\$ 169,402</u> | <u>\$ 362</u> | <u>\$ 278,293</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Matured bonds payable | \$ — | \$ 13,580 | \$ — | \$ — | \$ 13,580 |
| Matured interest payable | — | 3,340 | — | — | 3,340 |
| Accounts payable and other accrued liabilities | 4,241 | 2,780 | 20,879 | — | 27,900 |
| Accrued payroll and payroll taxes | 67 | — | — | — | 67 |
| Due to other funds | 1,084 | — | — | — | 1,084 |
| Unearned revenue | 10 | — | — | — | 10 |
| Total liabilities | <u>5,402</u> | <u>19,700</u> | <u>20,879</u> | <u>—</u> | <u>45,981</u> |
| Deferred inflows of resources | <u>2,102</u> | <u>848</u> | <u>736</u> | <u>—</u> | <u>3,686</u> |
| Fund balances: | | | | | |
| Nonspendable | — | — | — | 362 | 362 |
| Restricted | 21,802 | 58,675 | 147,787 | — | 228,264 |
| Total fund balances | <u>21,802</u> | <u>58,675</u> | <u>147,787</u> | <u>362</u> | <u>228,626</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 29,306</u> | <u>\$ 79,223</u> | <u>\$ 169,402</u> | <u>\$ 362</u> | <u>\$ 278,293</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds by Fund Type
Year ended December 31, 2018
(In thousands)

| | <u>Nonmajor Special Revenue</u> | <u>Nonmajor Debt Service</u> | <u>Nonmajor Capital Projects</u> | <u>Nonmajor Permanent Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|---|--------------------------------------|--|--|--|
| Revenues: | | | | | |
| Taxes | \$ 60,050 | \$ 28,537 | \$ 14,257 | \$ — | \$ 102,844 |
| Charges for services | 2,960 | — | — | — | 2,960 |
| Intergovernmental revenues | 29,172 | — | 4,466 | — | 33,638 |
| Traffic violations and court fees | 4,236 | — | — | — | 4,236 |
| Interest and other operating revenues | 513 | 24,002 | 1,648 | 5 | 26,168 |
| Total revenues | <u>96,931</u> | <u>52,539</u> | <u>20,371</u> | <u>5</u> | <u>169,846</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 2,020 | — | — | — | 2,020 |
| Public safety | 8,082 | — | — | — | 8,082 |
| Public works | 2,163 | — | — | — | 2,163 |
| Health and welfare | 6,980 | — | — | — | 6,980 |
| Cultural and recreation | 1,302 | — | — | — | 1,302 |
| Urban redevelopment and housing | 12,245 | — | — | — | 12,245 |
| Economic development and assistance | 4 | — | 13,075 | — | 13,079 |
| Debt service: | | | | | |
| Redemption of bonds and notes | 5 | 55,439 | 80 | — | 55,524 |
| Interest on bonds and notes | 2 | 29,284 | 296 | — | 29,582 |
| Bond and note issuance costs | — | 10 | 2,508 | — | 2,518 |
| Lease payments and other | — | 4,123 | 80 | — | 4,203 |
| Capital outlays | 2,767 | — | 136,370 | — | 139,137 |
| Total expenditures | <u>35,570</u> | <u>88,856</u> | <u>152,409</u> | <u>—</u> | <u>276,835</u> |
| Excess (deficiency) of revenues over (under) expenditure: | <u>61,361</u> | <u>(36,317)</u> | <u>(132,038)</u> | <u>5</u> | <u>(106,989)</u> |
| Other financing sources (uses): | | | | | |
| Issuance of capital lease | — | — | 3,498 | — | 3,498 |
| Bonds and notes issued | 9,413 | — | 109,214 | — | 118,627 |
| Premium on bonds and notes issued | — | — | 4,217 | — | 4,217 |
| Transfers in | 422 | 50,302 | 57,046 | — | 107,770 |
| Transfers out | (69,753) | (25,696) | (9,074) | — | (104,523) |
| Total other financing sources (uses) | <u>(59,918)</u> | <u>24,606</u> | <u>164,901</u> | <u>—</u> | <u>129,589</u> |
| Net change in fund balances | 1,443 | (11,711) | 32,863 | 5 | 22,600 |
| Fund balances at beginning of year | 20,359 | 70,386 | 114,924 | 357 | 206,026 |
| Fund balances at end of year | <u>\$ 21,802</u> | <u>\$ 58,675</u> | <u>\$ 147,787</u> | <u>\$ 362</u> | <u>\$ 228,626</u> |

General Fund

The General Fund is used to account for all financial resources of the City of Indianapolis except those required to be accounted for in another fund. Thus, all general operating revenues that are not restricted as to use by sources outside of the City are recorded in the General Fund. Further, as required by statute, the financial resources of the General Fund are accounted for in a series of subfunds as follows:

| | |
|---------------------------------------|--|
| Consolidated County - | to account for all financial resources for which the taxpayer base is county-wide |
| Redevelopment - | to account for all financial resources of the Redevelopment special taxing district for economic development activities |
| Solid Waste Collection - | to account for all financial resources of the Solid Waste Collection special service district for refuse collection services |
| Solid Waste Disposal - | to account for all financial resources of the Solid Waste Disposal special service district for refuse disposal services |
| Public Safety Communications - | to account for all financial resources of the Public Safety Communication division of the Office of Public Health and Safety |
| Transportation - | to account for all financial resources of the Metropolitan Thoroughfare special taxing district |
| Fire - | to account for all financial resources of the Fire special service district |
| Park - | to account for all financial resources of the Park special taxing district |
| Metropolitan Police - | to account for all financial resources of the consolidated Indianapolis Metropolitan Police Department |
| Storm Water Management - | to account for all financial resources for storm water drainage services |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund
December 31, 2018
(In thousands)

| | General Fund Total | Intrafund Eliminations | Consolidated County | Redevelop- ment | Solid Waste | | Public Safety Communications |
|---|-----------------------|---------------------------|------------------------|--------------------|------------------|-----------------|---------------------------------|
| | | | | | Collection | Disposal | |
| ASSETS | | | | | | | |
| Equity in pooled cash | \$ 20,757 | \$ — | \$ 6,220 | \$ 1,551 | \$ 1,033 | \$ 117 | \$ 175 |
| Investments | 281,693 | — | 155,047 | 13,516 | 9,003 | 1,022 | 1,523 |
| Property taxes receivable | 6,899 | — | 894 | 16 | 1,024 | — | — |
| Accounts receivable | 31,196 | — | 10,057 | 41 | 1,248 | 1,044 | — |
| Allowance for estimated uncollectibles – accounts receivable | (1,572) | — | — | — | — | — | — |
| Due from other funds | 4,259 | — | 4,259 | — | — | — | — |
| Total assets | <u>\$ 343,232</u> | <u>—</u> | <u>\$ 176,477</u> | <u>\$ 15,124</u> | <u>\$ 12,308</u> | <u>\$ 2,183</u> | <u>\$ 1,698</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 32,157 | \$ — | \$ 7,414 | \$ 430 | \$ 4,725 | \$ 2,329 | \$ 257 |
| Accrued payroll and payroll taxes | 22,428 | — | 5,644 | 17 | 169 | — | 138 |
| Unearned revenue | 288 | — | — | — | — | — | — |
| Total liabilities | <u>54,873</u> | <u>—</u> | <u>13,058</u> | <u>447</u> | <u>4,894</u> | <u>2,329</u> | <u>395</u> |
| Deferred inflows of resources | <u>14,124</u> | <u>—</u> | <u>1,415</u> | <u>25</u> | <u>1,562</u> | <u>1,044</u> | <u>—</u> |
| Fund balances: | | | | | | | |
| Restricted | 85,591 | — | 4,867 | — | — | — | — |
| Committed | 5,040 | — | 5,040 | — | — | — | — |
| Assigned | 76,505 | — | 40,813 | 14,652 | 5,852 | — | 1,303 |
| Unassigned | 107,099 | — | 111,284 | — | — | (1,190) | — |
| Total fund balances | <u>274,235</u> | <u>—</u> | <u>162,004</u> | <u>14,652</u> | <u>5,852</u> | <u>(1,190)</u> | <u>1,303</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 343,232</u> | <u>\$ —</u> | <u>\$ 176,477</u> | <u>\$ 15,124</u> | <u>\$ 12,308</u> | <u>\$ 2,183</u> | <u>\$ 1,698</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund
December 31, 2018
(In thousands)

| | <u>Transportation</u> | <u>Fire</u> | <u>Park</u> | <u>Metropolitan Police</u> | <u>Storm Water Management</u> |
|---|-----------------------|------------------|-----------------|--------------------------------|-----------------------------------|
| ASSETS | | | | | |
| Equity in pooled cash | \$ 5,131 | \$ 573 | \$ 791 | \$ 1,230 | \$ 3,936 |
| Investments | 44,696 | 4,988 | 6,890 | 10,715 | 34,293 |
| Property taxes receivable | — | 3,044 | 617 | 1,304 | — |
| Accounts receivable | 11,301 | 1,599 | 566 | 1,219 | 4,121 |
| Allowance for estimated uncollectibles – accounts receivable | — | — | — | — | (1,572) |
| Due from other funds | — | — | — | — | — |
| Total assets | <u>\$ 61,128</u> | <u>\$ 10,204</u> | <u>\$ 8,864</u> | <u>\$ 14,468</u> | <u>\$ 40,778</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and other accrued liabilities | \$ 9,682 | \$ 760 | \$ 694 | \$ 1,706 | \$ 4,160 |
| Accrued payroll and payroll taxes | 302 | 8,035 | 252 | 7,797 | 74 |
| Unearned revenue | — | — | 288 | — | — |
| Total liabilities | <u>9,984</u> | <u>8,795</u> | <u>1,234</u> | <u>9,503</u> | <u>4,234</u> |
| Deferred inflows of resources | <u>169</u> | <u>4,404</u> | <u>957</u> | <u>2,037</u> | <u>2,511</u> |
| Fund balance: | | | | | |
| Restricted | 50,975 | — | — | — | 29,749 |
| Committed | — | — | — | — | — |
| Assigned | — | — | 6,673 | 2,928 | 4,284 |
| Unassigned | — | (2,995) | — | — | — |
| Total fund balances | <u>50,975</u> | <u>(2,995)</u> | <u>6,673</u> | <u>2,928</u> | <u>34,033</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 61,128</u> | <u>\$ 10,204</u> | <u>\$ 8,864</u> | <u>\$ 14,468</u> | <u>\$ 40,778</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2018
(In thousands)

| | General Fund Total | Intrafund eliminations | Consolidated County | Redevelop- ment | Solid Waste | | Public Safety Communications |
|---|-----------------------|---------------------------|------------------------|--------------------|---------------|---------------|---------------------------------|
| | | | | | Collection | Disposal | |
| Revenues: | | | | | | | |
| Taxes | \$ 394,816 | \$ — | \$ 182,970 | \$ 993 | \$ 35,137 | \$ — | \$ 6,900 |
| Licenses and permits | 15,974 | — | 15,429 | 150 | — | — | — |
| Charges for services | 77,634 | — | 15,923 | 1,393 | 2,458 | 8,976 | 138 |
| Other intergovernmental revenues: | | | | | | | |
| Federal revenues | 2,301 | — | 14 | 196 | — | — | — |
| State revenues | 116,527 | — | 2,468 | 750 | — | — | — |
| Other revenues | 4,959 | — | 2,284 | — | — | — | — |
| Intragovernmental revenue | 11,327 | — | 9,573 | — | — | — | — |
| Traffic violations and court fees | 2,789 | — | 2,243 | — | — | — | — |
| Interest and other operating revenues | 22,473 | — | 9,810 | 268 | 228 | — | 26 |
| Total revenues | 648,800 | — | 240,714 | 3,750 | 37,823 | 8,976 | 7,064 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 27,154 | — | 26,408 | — | — | — | — |
| Public safety | 476,865 | — | 27,917 | — | — | — | 7,826 |
| Public works | 112,436 | — | 219 | — | 35,755 | 11,082 | — |
| Health and welfare | 798 | — | 217 | 581 | — | — | — |
| Cultural and recreation | 22,514 | — | 1,000 | — | — | — | — |
| Urban redevelopment and housing | 6,231 | — | 4,572 | 1,035 | — | — | — |
| Economic development and assistance | 2,248 | — | 15 | 2,231 | — | — | — |
| Debt service: | | | | | | | |
| Redemption of bonds and notes | 898 | — | 532 | 2 | — | — | — |
| Interest on bonds and notes | 323 | — | 157 | 1 | — | — | — |
| Lease payments and other | 17 | — | — | — | 3 | — | — |
| Capital outlays | 66,415 | — | 4,366 | 90 | 1,424 | — | 131 |
| Total expenditures | 715,899 | — | 65,403 | 3,940 | 37,182 | 11,082 | 7,957 |
| Excess (deficiency) of revenues over (under) expenditures | (67,099) | — | 175,311 | (190) | 641 | (2,106) | (893) |
| Other financing sources (uses): | | | | | | | |
| Issuance of capital lease | 1,474 | — | — | — | — | — | — |
| Sales of capital assets | 739 | — | 596 | 75 | — | — | — |
| Transfers in | 65,875 | (248,309) | 10,599 | — | — | — | 3 |
| Transfers out | (10,176) | 248,309 | (197,723) | (2,623) | — | — | (3) |
| Total other financing sources (uses) | 57,912 | — | (186,528) | (2,548) | — | — | — |
| Net change in fund balance | (9,187) | — | (11,217) | (2,738) | 641 | (2,106) | (893) |
| Fund balances at beginning of year | 283,422 | — | 173,221 | 17,390 | 5,211 | 916 | 2,196 |
| Fund balances (deficits) at end of year | \$ 274,235 | \$ — | \$ 162,004 | \$ 14,652 | \$ 5,852 | \$ (1,190) | \$ 1,303 |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2018
(In thousands)

| | <u>Transportation</u> | <u>Fire</u> | <u>Park</u> | <u>Metropolitan Police</u> | <u>Storm Water Management</u> |
|---|-----------------------|-------------------|-----------------|--------------------------------|-----------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 11,002 | \$ 91,029 | \$ 20,649 | \$ 46,136 | \$ — |
| Licenses and permits | 27 | 22 | — | 346 | — |
| Charges for services | 1,876 | 665 | 4,474 | 3,144 | 38,587 |
| Other intergovernmental revenues: | | | | | |
| Federal revenues | 2,035 | — | 56 | — | — |
| State revenues | 54,989 | 28,250 | — | 30,070 | — |
| Other revenues | 379 | 1,151 | — | 1,145 | — |
| Intragovernmental revenue | 1,754 | — | — | — | — |
| Traffic violations and court fees | — | — | — | 546 | — |
| Interest and other operating revenues | 1,340 | 3,454 | 26 | 6,927 | 394 |
| Total revenues | <u>73,402</u> | <u>124,571</u> | <u>25,205</u> | <u>88,314</u> | <u>38,981</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 746 | — | — | — | — |
| Public safety | — | 186,341 | 2,091 | 252,690 | — |
| Public works | 46,365 | — | — | — | 19,015 |
| Health and welfare | — | — | — | — | — |
| Cultural and recreation | — | — | 21,514 | — | — |
| Urban redevelopment and housing | 624 | — | — | — | — |
| Economic development and assistance | 2 | — | — | — | — |
| Debt service: | | | | | |
| Redemption of bonds and notes | — | 57 | 244 | 63 | — |
| Interest on bonds and notes | — | 20 | 123 | 22 | — |
| Lease payments and other | 6 | 2 | 5 | 1 | — |
| Capital outlays | 50,716 | — | 119 | 3 | 9,566 |
| Total expenditures | <u>98,459</u> | <u>186,420</u> | <u>24,096</u> | <u>252,779</u> | <u>28,581</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(25,057)</u> | <u>(61,849)</u> | <u>1,109</u> | <u>(164,465)</u> | <u>10,400</u> |
| Other financing sources (uses): | | | | | |
| Issuance of capital lease | 1,474 | — | — | — | — |
| Sales of capital assets | — | 4 | — | 64 | — |
| Transfers in | 66,101 | 57,800 | 15 | 166,243 | 13,423 |
| Transfers out | (37,039) | — | — | (1,451) | (19,646) |
| Total other financing sources (uses) | <u>30,536</u> | <u>57,804</u> | <u>15</u> | <u>164,856</u> | <u>(6,223)</u> |
| Net change in fund balance | 5,479 | (4,045) | 1,124 | 391 | 4,177 |
| Fund balances at beginning of year | 45,496 | 1,050 | 5,549 | 2,537 | 29,856 |
| Fund balances at end of year | <u>\$ 50,975</u> | <u>\$ (2,995)</u> | <u>\$ 6,673</u> | <u>\$ 2,928</u> | <u>\$ 34,033</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | <u>Total General Fund</u> | | <u>Consolidated County</u> | | <u>Redevelopment</u> | | <u>Solid Waste Collection</u> | |
|---|---------------------------|-------------------|----------------------------|-------------------|----------------------|------------------|-------------------------------|-----------------|
| | <u>Final budget</u> | <u>Actual</u> | <u>Final budget</u> | <u>Actual</u> | <u>Final budget</u> | <u>Actual</u> | <u>Final budget</u> | <u>Actual</u> |
| Revenues: | | | | | | | | |
| Taxes | \$ 386,836 | \$ 395,585 | \$ 181,309 | \$ 183,988 | \$ 1,009 | \$ 1,008 | \$ 34,164 | \$ 35,137 |
| Licenses and permits | 14,076 | 15,842 | 13,469 | 15,301 | 88 | 150 | — | — |
| Charges for services | 74,654 | 74,302 | 14,223 | 14,091 | 863 | 823 | 2,255 | 1,838 |
| Other intergovernmental revenues: | | | | | | | | |
| Federal revenues | 1,100 | 2,255 | — | 9 | — | 196 | — | — |
| State revenues | 63,018 | 58,321 | 3,107 | 1,916 | 750 | 750 | — | — |
| Other revenues | 4,942 | 4,737 | 2,446 | 2,190 | — | — | — | — |
| Traffic violations and court fees | 3,918 | 2,771 | 1,909 | 2,233 | — | — | — | — |
| Intragovernmental revenues | 2,421 | 5,654 | 2,417 | 3,900 | — | — | — | — |
| Interest and other operating revenues | 17,842 | 21,915 | 5,361 | 9,359 | 90 | 268 | 200 | 139 |
| Total revenues | <u>568,807</u> | <u>581,382</u> | <u>224,241</u> | <u>232,987</u> | <u>2,800</u> | <u>3,195</u> | <u>36,619</u> | <u>37,114</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 31,430 | 28,578 | 31,430 | 28,578 | — | — | — | — |
| Public safety | 426,635 | 422,021 | 27,554 | 28,367 | — | — | — | — |
| Public works | 114,814 | 111,272 | 122 | 308 | — | — | 34,249 | 34,223 |
| Health and welfare | 1,934 | 965 | 251 | 225 | 1,683 | 740 | — | — |
| Cultural and recreation | 25,280 | 23,211 | 1,000 | 1,000 | — | — | — | — |
| Urban redevelopment and housing | 7,800 | 6,550 | 5,231 | 4,886 | 1,461 | 1,106 | — | — |
| Economic development and assistance | 1,979 | 2,112 | — | 15 | 1,979 | 2,095 | — | — |
| Capital outlays | 73,070 | 72,699 | 4,061 | 3,939 | 170 | 90 | 2,243 | 2,241 |
| Total expenditures | <u>682,942</u> | <u>667,408</u> | <u>69,649</u> | <u>67,318</u> | <u>5,293</u> | <u>4,031</u> | <u>36,492</u> | <u>36,464</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(114,135)</u> | <u>(86,026)</u> | <u>154,592</u> | <u>165,669</u> | <u>(2,493)</u> | <u>(836)</u> | <u>127</u> | <u>650</u> |
| Other financing sources (uses): | | | | | | | | |
| Sales of capital assets | 535 | 372 | 310 | 248 | 225 | 75 | — | — |
| Transfers in (out) | 56,246 | 54,646 | (187,469) | (188,177) | (319) | (2,623) | — | — |
| Total other financing sources (uses) | <u>56,781</u> | <u>55,018</u> | <u>(187,159)</u> | <u>(187,929)</u> | <u>(94)</u> | <u>(2,548)</u> | <u>—</u> | <u>—</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(57,354)</u> | <u>(31,008)</u> | <u>(32,567)</u> | <u>(22,260)</u> | <u>(2,587)</u> | <u>(3,384)</u> | <u>127</u> | <u>650</u> |
| Fund balances at beginning of year | 228,249 | 253,244 | 157,919 | 163,832 | 15,168 | 15,936 | 4,047 | 6,138 |
| Cancellation of purchase orders and other | 41,953 | 12,130 | 14,065 | 6,749 | (493) | 586 | 2,720 | 694 |
| Fund balances at end of year | <u>\$ 212,848</u> | <u>\$ 234,366</u> | <u>\$ 139,417</u> | <u>\$ 148,321</u> | <u>\$ 12,088</u> | <u>\$ 13,138</u> | <u>\$ 6,894</u> | <u>\$ 7,482</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Solid Waste Disposal | | Public Safety Communications | | Transportation | | Metropolitan Police | |
|---|----------------------|---------|------------------------------|----------|----------------|-----------|---------------------|-----------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | | | |
| Taxes | \$ — | \$ — | \$ 6,900 | \$ 6,900 | \$ 8,265 | \$ 10,737 | \$ 45,529 | \$ 46,137 |
| Licenses and permits | — | — | — | — | — | 27 | 499 | 342 |
| Charges for services | 9,066 | 8,976 | 210 | 138 | 1,863 | 1,840 | 3,222 | 2,931 |
| Other intergovernmental revenues: | | | | | | | | |
| Federal revenues | — | — | — | — | 800 | 1,941 | 175 | 50 |
| State revenues | — | — | — | — | 56,731 | 53,225 | 1,887 | 1,887 |
| Other revenues | — | — | 220 | — | 276 | 379 | 1,000 | 1,084 |
| Traffic violations and court fees | — | — | — | — | — | — | 2,009 | 538 |
| Intragovernmental revenues | — | — | — | — | — | 1,754 | 4 | — |
| Interest and other operating revenues | — | — | — | 26 | 30 | 1,337 | 8,549 | 6,922 |
| Total revenues | 9,066 | 8,976 | 7,330 | 7,064 | 67,965 | 71,240 | 62,874 | 59,891 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | — | — | — | — | — | — | — | — |
| Public safety | — | — | 8,228 | 7,931 | — | — | 231,645 | 225,238 |
| Public works | 10,100 | 10,100 | — | — | 49,330 | 46,882 | — | — |
| Health and welfare | — | — | — | — | — | — | — | — |
| Cultural and recreation | — | — | — | — | — | — | — | — |
| Urban redevelopment and housing | — | — | — | — | 1,108 | 558 | — | — |
| Economic development and assistance | — | — | — | — | — | 2 | — | — |
| Capital outlays | — | — | 298 | 227 | 52,899 | 52,881 | 40 | 3 |
| Total expenditures | 10,100 | 10,100 | 8,526 | 8,158 | 103,337 | 100,323 | 231,685 | 225,241 |
| Excess (deficiency) of revenues over (under) expenditures | (1,034) | (1,124) | (1,196) | (1,094) | (35,372) | (29,083) | (168,811) | (165,350) |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | — | — | — | — | — | — | — | 47 |
| Transfers in (out) | — | — | — | — | 26,000 | 29,062 | 166,595 | 164,792 |
| Total other financing sources (uses) | — | — | — | — | 26,000 | 29,062 | 166,595 | 164,839 |
| Revenues over (under) expenditures and other financing sources (uses) | (1,034) | (1,124) | (1,196) | (1,094) | (9,372) | (21) | (2,216) | (511) |
| Fund balances at beginning of year | 1,699 | 1,757 | 1,221 | 1,568 | 13,652 | 15,870 | 4,319 | 8,720 |
| Cancellation of purchase orders and other | 243 | 182 | 584 | 455 | 16,170 | 2,378 | (760) | 801 |
| Fund balances at end of year | \$ 908 | \$ 815 | \$ 609 | \$ 929 | \$ 20,450 | \$ 18,227 | \$ 1,343 | \$ 9,010 |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Fire | | Park | | Storm Water Management | |
|---|---------------------|-----------------|---------------------|-----------------|-------------------------------|------------------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | |
| Taxes | \$ 89,601 | \$ 91,029 | \$ 20,059 | \$ 20,649 | \$ — | \$ — |
| Licenses and permits | 20 | 22 | — | — | — | — |
| Charges for services | 573 | 659 | 4,664 | 4,457 | 37,715 | 38,549 |
| Other intergovernmental revenues: | | | | | | |
| Federal revenues | — | — | 125 | 59 | — | — |
| State revenues | 543 | 543 | — | — | — | — |
| Other revenues | 1,000 | 1,084 | — | — | — | — |
| Traffic violations and court fees | — | — | — | — | — | — |
| Intragovernmental revenues | — | — | — | — | — | — |
| Interest and other operating revenues | 3,601 | 3,453 | 11 | 17 | — | 394 |
| Total revenues | <u>95,338</u> | <u>96,790</u> | <u>24,859</u> | <u>25,182</u> | <u>37,715</u> | <u>38,943</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | — | — | — | — | — | — |
| Public safety | 158,713 | 158,371 | 495 | 2,114 | — | — |
| Public works | — | — | — | — | 21,013 | 19,759 |
| Health and welfare | — | — | — | — | — | — |
| Cultural and recreation | — | — | 24,280 | 22,211 | — | — |
| Urban redevelopment and housing | — | — | — | — | — | — |
| Economic development and assistance | — | — | — | — | — | — |
| Capital outlays | — | — | 554 | 553 | 12,805 | 12,765 |
| Total expenditures | <u>158,713</u> | <u>158,371</u> | <u>25,329</u> | <u>24,878</u> | <u>33,818</u> | <u>32,524</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(63,375)</u> | <u>(61,581)</u> | <u>(470)</u> | <u>304</u> | <u>3,897</u> | <u>6,419</u> |
| Other financing sources (uses): | | | | | | |
| Sale of capital assets | — | 2 | — | — | — | — |
| Transfers in (out) | 57,800 | 57,800 | — | 15 | (6,361) | (6,223) |
| Total other financing sources (uses) | <u>57,800</u> | <u>57,802</u> | <u>—</u> | <u>15</u> | <u>(6,361)</u> | <u>(6,223)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(5,575)</u> | <u>(3,779)</u> | <u>(470)</u> | <u>319</u> | <u>(2,464)</u> | <u>196</u> |
| Fund balances at beginning of year | 5,233 | 8,580 | 3,789 | 5,244 | 21,202 | 25,599 |
| Cancellation of purchase orders and other | 3,000 | 47 | 1,597 | 138 | 4,827 | 100 |
| Fund balances at end of year | <u>\$ 2,658</u> | <u>\$ 4,848</u> | <u>\$ 4,916</u> | <u>\$ 5,701</u> | <u>\$ 23,565</u> | <u>\$ 25,895</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Budgetary account</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|--------------------------|---------------------|---------------|-----------------|
| Executive and Legislative | | | | |
| Office of the Mayor | | | | |
| | Consolidated County | | | |
| Personal services | | \$ 3,445 | \$ 3,131 | \$ 314 |
| Supplies | | 8 | 3 | 5 |
| Other services and charges | | 5,437 | 5,301 | 136 |
| Capital outlay | | 3 | — | 3 |
| Internal charges | | (726) | (727) | 1 |
| Total | | <u>8,167</u> | <u>7,708</u> | <u>459</u> |
| Office of Audit and Performance | | | | |
| | Consolidated County | | | |
| Personal services | | 755 | 666 | 89 |
| Supplies | | 3 | 1 | 2 |
| Other services and charges | | 1,146 | 1,140 | 6 |
| Capital outlay | | 2 | 2 | — |
| Internal charges | | 37 | 37 | — |
| Total | | <u>1,943</u> | <u>1,846</u> | <u>97</u> |
| City-County Council | | | | |
| | Consolidated County | | | |
| Personal services | | 1,267 | 1,265 | 2 |
| Supplies | | 6 | 3 | 3 |
| Other services and charges | | 423 | 408 | 15 |
| Capital outlay | | 3 | 1 | 2 |
| Internal charges | | 5 | 5 | — |
| Total | | <u>1,704</u> | <u>1,682</u> | <u>22</u> |
| Cable Franchise Board | | | | |
| | Consolidated County | | | |
| Personal services | | 348 | 348 | — |
| Supplies | | 2 | 2 | — |
| Other services and charges | | 186 | 179 | 7 |
| Capital outlay | | 30 | 23 | 7 |
| Internal charges | | 2 | 2 | — |
| Total | | <u>568</u> | <u>554</u> | <u>14</u> |
| Office of the Corporation Counsel | | | | |
| | Consolidated County | | | |
| Personal services | | 3,200 | 3,127 | 73 |
| Supplies | | 7 | 4 | 3 |
| Other services and charges | | 1,637 | 1,589 | 48 |
| Capital outlay | | 1 | — | 1 |
| Internal charges | | (3,697) | (3,697) | — |
| Total | | <u>1,148</u> | <u>1,023</u> | <u>125</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| Department and Division | Budgetary account | Final budget | Actual | Variance |
|--|---------------------|------------------|------------------|-----------------|
| Office of Finance and Management | Consolidated County | | | |
| Personal services | | \$ 4,885 | \$ 4,359 | \$ 526 |
| Supplies | | 59 | 5 | 54 |
| Other services and charges | | 3,229 | 3,040 | 189 |
| Capital outlay | | 4 | 3 | 1 |
| Internal charges | | 265 | 263 | 2 |
| Total | | <u>8,442</u> | <u>7,670</u> | <u>772</u> |
| Minority and Women Owned Business | Consolidated County | | | |
| Personal services | | 547 | 527 | 20 |
| Supplies | | 2 | 2 | — |
| Other services and charges | | 166 | 156 | 10 |
| Capital outlay | | 1 | — | 1 |
| Internal charges | | 16 | 16 | — |
| Total | | <u>732</u> | <u>701</u> | <u>31</u> |
| Total – Executive and Legislative | | <u>\$ 22,704</u> | <u>\$ 21,184</u> | <u>\$ 1,520</u> |
| Department of Metropolitan Development | Consolidated County | | | |
| Personal services | | \$ 2,302 | \$ 2,219 | \$ 83 |
| Supplies | | 10 | 8 | 2 |
| Other services and charges | | 3,538 | 3,181 | 357 |
| Capital outlay | | 57 | 57 | — |
| Internal charges | | (1) | 86 | (87) |
| Total | | <u>5,906</u> | <u>5,551</u> | <u>355</u> |
| Department of Metropolitan Development | Transportation | | | |
| Personal services | | 214 | 195 | 19 |
| Supplies | | 1 | — | 1 |
| Other services and charges | | 878 | 356 | 522 |
| Capital outlay | | 2 | — | 2 |
| Internal charges | | 15 | 8 | 7 |
| Total | | <u>1,110</u> | <u>559</u> | <u>551</u> |
| Department of Metropolitan Development | Redevelopment | | | |
| Personal services | | 939 | 826 | 113 |
| Supplies | | 3 | 2 | 1 |
| Other services and charges | | 4,038 | 3,026 | 1,012 |
| Capital outlay | | 170 | 90 | 80 |
| Internal charges | | 143 | 87 | 56 |
| Total | | <u>5,293</u> | <u>4,031</u> | <u>1,262</u> |
| Total – Department of Metropolitan Development | | <u>\$ 12,309</u> | <u>\$ 10,141</u> | <u>\$ 2,168</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Budgetary account</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|--------------------------|---------------------|------------------|-----------------|
| Department of Business and Neighborhood Services | Consolidated County | | | |
| Personal services | | \$ 13,986 | \$ 13,614 | \$ 372 |
| Supplies | | 497 | 488 | 9 |
| Other services and charges | | 7,867 | 7,845 | 22 |
| Capital outlay | | 1,485 | 1,407 | 78 |
| Internal charges | | 2,388 | 2,367 | 21 |
| Total – Department of Business and Neighborhood Services | | <u>\$ 26,223</u> | <u>\$ 25,721</u> | <u>\$ 502</u> |
| Department of Public Works | Consolidated County | | | |
| Personal services | | \$ 9,994 | \$ 9,986 | \$ 8 |
| Supplies | | 16,176 | 16,169 | 7 |
| Other services and charges | | 8,491 | 8,427 | 64 |
| Capital outlay | | 376 | 345 | 31 |
| Internal charges | | (31,545) | (31,098) | (447) |
| Total | | <u>3,492</u> | <u>3,829</u> | <u>(337)</u> |
| Department of Public Works | Transportation | | | |
| Personal services | | 21,923 | 20,375 | 1,548 |
| Supplies | | 5,220 | 5,154 | 66 |
| Other services and charges | | 15,938 | 15,109 | 829 |
| Capital outlay | | 52,896 | 52,881 | 15 |
| Internal charges | | 6,250 | 6,245 | 5 |
| Total | | <u>102,227</u> | <u>99,764</u> | <u>2,463</u> |
| Department of Public Works | Park | | | |
| Personal services | | 6,035 | 6,035 | — |
| Supplies | | 241 | 238 | 3 |
| Other services and charges | | 2,323 | 2,317 | 6 |
| Capital outlay | | 50 | 50 | — |
| Internal charges | | (8,648) | (8,639) | (9) |
| Total | | <u>1</u> | <u>1</u> | <u>—</u> |
| Department of Public Works | Solid Waste Collection | | | |
| Personal services | | 9,326 | 9,326 | — |
| Supplies | | 101 | 82 | 19 |
| Other services and charges | | 18,339 | 18,333 | 6 |
| Capital outlay | | 2,243 | 2,241 | 2 |
| Internal charges | | 6,483 | 6,482 | 1 |
| Total | | <u>36,492</u> | <u>36,464</u> | <u>28</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Budgetary account</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|--------------------------|---------------------|-------------------|-----------------|
| Department of Public Works | Solid Waste Disposal | | | |
| Other services and charges | | \$ 9,559 | \$ 9,559 | \$ — |
| Internal charges | | 541 | 541 | — |
| Total | | <u>10,100</u> | <u>10,100</u> | <u>—</u> |
| Department of Public Works | Storm Water Management | | | |
| Personal services | | 5,319 | 4,842 | 477 |
| Supplies | | 39 | 32 | 7 |
| Other services and charges | | 13,871 | 13,112 | 759 |
| Capital outlay | | 12,805 | 12,765 | 40 |
| Internal charges | | 1,784 | 1,773 | 11 |
| Total | | <u>33,818</u> | <u>32,524</u> | <u>1,294</u> |
| Total – Department of Public Works | | <u>\$ 186,130</u> | <u>\$ 182,682</u> | <u>\$ 3,448</u> |
| Office of Public Health and Safety | Consolidated County | | | |
| Personal services | | \$ 721 | \$ 608 | \$ 113 |
| Supplies | | 17 | 14 | 3 |
| Other services and charges | | 7,485 | 7,310 | 175 |
| Capital outlay | | 2,101 | 2,101 | — |
| Total | | <u>10,324</u> | <u>10,033</u> | <u>291</u> |
| Office of Public Health and Safety | Public Safety | | | |
| Personal services | Communications | 1,281 | 1,153 | 128 |
| Supplies | | 67 | 67 | — |
| Other services and charges | | 4,054 | 3,914 | 140 |
| Capital outlay | | 276 | 216 | 60 |
| Internal charges | | 27 | 24 | 3 |
| Total | | <u>5,705</u> | <u>5,374</u> | <u>331</u> |
| Total – Office of Public Health and Safety | | <u>\$ 16,029</u> | <u>\$ 15,407</u> | <u>\$ 622</u> |
| Indianapolis Fire Department | Public Safety | | | |
| Personal services | Communications | \$ 2,699 | \$ 2,699 | \$ — |
| Supplies | | 24 | 22 | 2 |
| Other services and charges | | 76 | 52 | 24 |
| Capital outlay | | 22 | 11 | 11 |
| Total | | <u>2,821</u> | <u>2,784</u> | <u>37</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Budgetary account</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|--------------------------|---------------------|-------------------|------------------|
| Indianapolis Fire Department | Fire | | | |
| Personal services | | \$ 145,208 | \$ 145,196 | \$ 12 |
| Supplies | | 1,636 | 1,578 | 58 |
| Other services and charges | | 7,100 | 6,828 | 272 |
| Internal charges | | 4,769 | 4,769 | — |
| Total | | <u>158,713</u> | <u>158,371</u> | <u>342</u> |
| Total – Indianapolis Fire Department | | <u>\$ 161,534</u> | <u>\$ 161,155</u> | <u>\$ 379</u> |
| Indianapolis Metropolitan Police Department | Metropolitan Police | | | |
| Personal services | | \$ 200,052 | \$ 194,789 | \$ 5,263 |
| Supplies | | 1,650 | 1,258 | 392 |
| Other services and charges | | 18,140 | 18,048 | 92 |
| Capital outlay | | 40 | 3 | 37 |
| Internal charges | | 11,803 | 11,143 | 660 |
| Total – Indianapolis Metropolitan Police Department | | <u>\$ 231,685</u> | <u>\$ 225,241</u> | <u>\$ 6,444</u> |
| Department of Parks and Recreation | Consolidated County | | | |
| Other services and charges | | \$ 1,000 | \$ 1,000 | \$ — |
| Total | | <u>1,000</u> | <u>1,000</u> | <u>—</u> |
| Department of Parks and Recreation | Park | | | |
| Personal services | | 8,445 | 8,377 | 68 |
| Supplies | | 643 | 606 | 37 |
| Other services and charges | | 5,949 | 5,613 | 336 |
| Capital outlay | | 504 | 504 | — |
| Internal charges | | 9,787 | 9,777 | 10 |
| Total | | <u>25,328</u> | <u>24,877</u> | <u>451</u> |
| Total – Department of Parks and Recreation | | <u>\$ 26,328</u> | <u>\$ 25,877</u> | <u>\$ 451</u> |
| Total – General Fund – by Department and Division | | <u>\$ 682,942</u> | <u>\$ 667,408</u> | <u>\$ 15,534</u> |

Nonmajor Special Revenue Funds

The Special Revenue Funds include funds that are restricted as to use by the State government and special purpose funds established by authority of the City-County Council.

| | |
|-------------------------------------|---|
| Parking - | to account for revenue from the concession agreement for parking meters; these receipts are used for the repair of sidewalks, curbs, and streets |
| Cable Franchise PEG Grants - | to account for contributions from the two cable franchise agreements to provide for public purpose grants for the capital costs of Public, Educational, or Governmental (PEG) Access Facilities |
| Federal Grants - | to account for all grants received from the U.S. Departments of Housing and Urban Development, Justice, Transportation, Homeland Security, and other miscellaneous federal agencies |
| State of Indiana Grants - | to account for all grants received from the State of Indiana |
| Public Safety Income Tax - | to account for public safety income tax receipts |
| Drug Free Community - | to account for drug free community grants |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Special Revenue Funds
December 31, 2018
(In thousands)

| | Parking | Cable Franchise PEG Grants | Federal Grants | State of Indiana Grants | Public Safety Income Tax | Drug Free Community | Total Nonmajor Special Revenue Funds |
|---|------------------|---|---------------------------|------------------------------------|-------------------------------------|--------------------------------|---|
| ASSETS | | | | | | | |
| Equity in pooled cash | \$ 1,044 | \$ 6 | \$ — | \$ 340 | \$ 52 | \$ 16 | \$ 1,458 |
| Investments | 9,096 | 56 | — | 2,967 | 458 | 132 | 12,709 |
| Accounts receivable | 776 | — | 2 | 39 | — | — | 817 |
| Due from federal and state governments | — | — | 8,072 | — | — | — | 8,072 |
| Long-term receivables, less allowance of \$23,444 | — | — | 6,250 | — | — | — | 6,250 |
| Total assets | \$ 10,916 | \$ 62 | \$ 14,324 | \$ 3,346 | \$ 510 | \$ 148 | \$ 29,306 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 573 | \$ — | \$ 3,592 | \$ 13 | \$ — | \$ 63 | \$ 4,241 |
| Accrued payroll and payroll taxes | 2 | — | 65 | — | — | — | 67 |
| Due to other funds | — | — | 1,084 | — | — | — | 1,084 |
| Unearned revenue | — | — | 10 | — | — | — | 10 |
| Total liabilities | 575 | — | 4,751 | 13 | — | 63 | 5,402 |
| Deferred inflows of resources | — | — | 2,102 | — | — | — | 2,102 |
| Fund balances: | | | | | | | |
| Restricted | 10,341 | 62 | 7,471 | 3,333 | 510 | 85 | 21,802 |
| Total fund balances | 10,341 | 62 | 7,471 | 3,333 | 510 | 85 | 21,802 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 10,916 | \$ 62 | \$ 14,324 | \$ 3,346 | \$ 510 | \$ 148 | \$ 29,306 |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
Year ended December 31, 2018
(In thousands)

| | Parking | Cable Franchise PEG Grants | Federal Grants | State of Indiana Grants | Public Safety Income Tax | Drug Free Community | Total Nonmajor Special Revenue Funds |
|---|------------------|----------------------------------|-------------------|----------------------------|-----------------------------|------------------------|---|
| Revenues: | | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — | \$ 60,050 | \$ — | \$ 60,050 |
| Charges for services | 2,866 | 94 | — | — | — | — | 2,960 |
| Other intergovernmental revenues: | | | | | | | |
| Federal revenues | 64 | — | 28,787 | — | — | — | 28,851 |
| Other revenues | — | — | — | — | — | 321 | 321 |
| Traffic violations and court fees | 1,309 | — | 1,139 | 1,788 | — | — | 4,236 |
| Interest and other operating revenues | 274 | 1 | 40 | 35 | 163 | — | 513 |
| Total revenues | <u>4,513</u> | <u>95</u> | <u>29,966</u> | <u>1,823</u> | <u>60,213</u> | <u>321</u> | <u>96,931</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 38 | — | 1,700 | — | 13 | 269 | 2,020 |
| Public safety | — | — | 7,112 | 970 | — | — | 8,082 |
| Public works | 1,408 | — | 755 | — | — | — | 2,163 |
| Health and welfare | — | — | 6,980 | — | — | — | 6,980 |
| Cultural and recreation | — | — | 1,302 | — | — | — | 1,302 |
| Urban redevelopment and housing | — | — | 12,245 | — | — | — | 12,245 |
| Economic development and assistance | — | — | 4 | — | — | — | 4 |
| Debt service: | | | | | | | |
| Redemption of bonds and notes | — | — | 5 | — | — | — | 5 |
| Interest on bonds and notes | — | — | 2 | — | — | — | 2 |
| Capital outlay | 2,386 | — | 381 | — | — | — | 2,767 |
| Total expenditures | <u>3,832</u> | <u>—</u> | <u>30,486</u> | <u>970</u> | <u>13</u> | <u>269</u> | <u>35,570</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>681</u> | <u>95</u> | <u>(520)</u> | <u>853</u> | <u>60,200</u> | <u>52</u> | <u>61,361</u> |
| Other financing sources (uses): | | | | | | | |
| Bonds and notes issued | — | — | 9,413 | — | — | — | 9,413 |
| Transfers in | — | — | 407 | 15 | — | — | 422 |
| Transfers out | — | (33) | (9,716) | (9) | (59,995) | — | (69,753) |
| Total other financing sources (uses) | <u>—</u> | <u>(33)</u> | <u>104</u> | <u>6</u> | <u>(59,995)</u> | <u>—</u> | <u>(59,918)</u> |
| Net change in fund balances | 681 | 62 | (416) | 859 | 205 | 52 | 1,443 |
| Fund balances at beginning of year | 9,660 | — | 7,887 | 2,474 | 305 | 33 | 20,359 |
| Fund balances at end of year | <u>\$ 10,341</u> | <u>\$ 62</u> | <u>\$ 7,471</u> | <u>\$ 3,333</u> | <u>\$ 510</u> | <u>\$ 85</u> | <u>\$ 21,802</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Parking | | Federal Grants | | State of Indiana Grants | | Public Safety Income Tax | | Drug Free Community | | Totals | |
|---|-----------------|-----------------|----------------|-----------------|----------------------------|--------------|-----------------------------|-----------------|------------------------|--------------|-----------------|-----------------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 60,050 | \$ 60,050 | \$ — | \$ — | \$ 60,050 | \$ 60,050 |
| Charges for services | 3,150 | 2,272 | — | — | — | — | — | — | — | — | 3,150 | 2,272 |
| Other intergovernmental revenues: | | | | | | | | | | | | |
| Federal revenues | — | 31 | 77,250 | 27,253 | — | — | — | — | — | — | 77,250 | 27,284 |
| Traffic violations and court fees | 770 | 1,143 | 3,950 | 1,206 | 2,875 | 1,751 | — | — | — | — | 7,595 | 4,100 |
| Interest and other operating revenues | — | 273 | 670 | (60) | 49 | 35 | — | 163 | — | — | 719 | 411 |
| Total revenues | <u>3,920</u> | <u>3,719</u> | <u>81,870</u> | <u>28,399</u> | <u>2,924</u> | <u>1,786</u> | <u>60,050</u> | <u>60,213</u> | <u>—</u> | <u>—</u> | <u>148,764</u> | <u>94,117</u> |
| Expenditures: | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | 41 | 38 | 1,325 | 728 | — | — | — | — | 315 | 305 | 1,681 | 1,071 |
| Public safety | — | — | 18,318 | 7,274 | 343 | 187 | — | — | — | — | 18,661 | 7,461 |
| Public works | 1,570 | 1,542 | 800 | 305 | — | — | — | — | — | — | 2,370 | 1,847 |
| Health and welfare | — | — | 9,440 | 8,087 | — | — | — | — | — | — | 9,440 | 8,087 |
| Cultural and recreation | — | — | 1,955 | 1,302 | — | — | — | — | — | — | 1,955 | 1,302 |
| Urban redevelopment and housing | — | — | 20,564 | 14,052 | — | — | — | — | — | — | 20,564 | 14,052 |
| Economic development and assistance | — | — | 23,641 | 4 | — | — | — | — | — | — | 23,641 | 4 |
| Capital outlays | 2,430 | 1,665 | 3,754 | 282 | — | — | — | — | — | — | 6,184 | 1,947 |
| Total expenditures | <u>4,041</u> | <u>3,245</u> | <u>79,797</u> | <u>32,034</u> | <u>343</u> | <u>187</u> | <u>—</u> | <u>—</u> | <u>315</u> | <u>305</u> | <u>84,496</u> | <u>35,771</u> |
| Excess (deficiency) of revenues over (under) expenditures | (121) | 474 | 2,073 | (3,635) | 2,581 | 1,599 | 60,050 | 60,213 | (315) | (305) | 64,268 | 58,346 |
| Other financing sources (uses), net: | | | | | | | | | | | | |
| Sale of capital assets | — | — | — | 3 | — | — | — | — | — | — | — | 3 |
| Transfers in (out) | — | — | (937) | (10,246) | (881) | (875) | (59,995) | (59,995) | 320 | 321 | (61,493) | (70,795) |
| Total other financing sources (uses) | <u>—</u> | <u>—</u> | <u>(937)</u> | <u>(10,243)</u> | <u>(881)</u> | <u>(875)</u> | <u>(59,995)</u> | <u>(59,995)</u> | <u>320</u> | <u>321</u> | <u>(61,493)</u> | <u>(70,792)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | (121) | 474 | 1,136 | (13,878) | 1,700 | 724 | 55 | 218 | 5 | 16 | 2,775 | (12,446) |
| Fund balances (deficits) at beginning of year | 8,303 | 8,447 | — | — | — | — | 126 | 293 | — | (47) | 8,429 | 8,693 |
| Cancellation of purchase orders and other | (51) | 9 | (1,136) | 13,878 | (1,700) | (724) | 217 | (1) | (5) | 41 | (2,675) | 13,203 |
| Fund balances at end of year | <u>\$ 8,131</u> | <u>\$ 8,930</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 398</u> | <u>\$ 510</u> | <u>\$ —</u> | <u>\$ 10</u> | <u>\$ 8,529</u> | <u>\$ 9,450</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Fund</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|---------------------|---------------------|------------------|------------------|
| Executive and Legislative | | | | |
| Mayor's Office | Federal Grants | | | |
| Other services and charges | | \$ 20 | \$ 5 | \$ 15 |
| Total | | <u>20</u> | <u>5</u> | <u>15</u> |
| | | | | |
| Office of Finance and Management | Parking | | | |
| Personal services | | 41 | 38 | 3 |
| Total | | <u>41</u> | <u>38</u> | <u>3</u> |
| | | | | |
| Office of Finance and Management | Federal Grants | | | |
| Other services and charges | | 1,305 | 723 | 582 |
| Total | | <u>1,305</u> | <u>723</u> | <u>582</u> |
| | | | | |
| Office of Finance and Management | Drug Free Community | | | |
| Other services and charges | | 315 | 305 | 10 |
| Total | | <u>315</u> | <u>305</u> | <u>10</u> |
| | | | | |
| Total - Executive and Legislative | | \$ <u>1,681</u> | \$ <u>1,071</u> | \$ <u>610</u> |
| | | | | |
| Department of Metropolitan Development | | | | |
| | Federal Grants | | | |
| Personal services | | \$ 1,844 | \$ 1,707 | \$ 137 |
| Supplies | | 11 | 4 | 7 |
| Other services and charges | | 51,398 | 20,070 | 31,328 |
| Capital outlay | | 8 | — | 8 |
| Internal charges | | 392 | 363 | 29 |
| Total – Department of Metropolitan Development | | <u>\$ 53,653</u> | <u>\$ 22,144</u> | <u>\$ 31,509</u> |
| | | | | |
| Department of Public Works | | | | |
| | Parking | | | |
| Personal services | | \$ 94 | \$ 93 | \$ 1 |
| Other services and charges | | 1,476 | 1,449 | 27 |
| Capital outlay | | 2,430 | 1,665 | 765 |
| Total | | <u>4,000</u> | <u>3,207</u> | <u>793</u> |
| | | | | |
| Department of Public Works | | | | |
| | Federal Grants | | | |
| Other services and charges | | 800 | 305 | 495 |
| Total | | <u>800</u> | <u>305</u> | <u>495</u> |
| | | | | |
| Total – Department of Public Works | | \$ <u>4,800</u> | \$ <u>3,512</u> | \$ <u>1,288</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Fund</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|---------------------|------------------|------------------|
| Office of Public Health and Safety | Federal Grants | | | |
| Personal services | | \$ 345 | \$ — | \$ 345 |
| Supplies | | 48 | 48 | — |
| Other services and charges | | 2,154 | 557 | 1,597 |
| Total – Office of Public Health and Safety | | <u>\$ 2,547</u> | <u>\$ 605</u> | <u>\$ 1,942</u> |
| | | | | |
| Indianapolis Fire Department | Federal Grants | | | |
| Personal services | | \$ 4,010 | \$ 1,132 | \$ 2,878 |
| Supplies | | 401 | 205 | 196 |
| Other services and charges | | 2,667 | 1,767 | 900 |
| Capital outlay | | 2,718 | 29 | 2,689 |
| Internal charges | | 33 | 30 | 3 |
| Total – Indianapolis Fire Department | | <u>\$ 9,829</u> | <u>\$ 3,163</u> | <u>\$ 6,666</u> |
| | | | | |
| Indianapolis Metropolitan Police Department | Federal Grants | | | |
| Personal services | | \$ 3,788 | \$ 2,443 | \$ 1,345 |
| Supplies | | 1,904 | 292 | 1,612 |
| Other services and charges | | 2,967 | 799 | 2,168 |
| Capital outlay | | 1,029 | 253 | 776 |
| Total | | <u>\$ 9,688</u> | <u>\$ 3,787</u> | <u>\$ 5,901</u> |
| | | | | |
| Indianapolis Metropolitan Police Department | State of Indiana Grants | | | |
| Supplies | | 248 | 97 | 151 |
| Other services and charges | | 95 | 90 | 5 |
| Total | | <u>\$ 343</u> | <u>\$ 187</u> | <u>\$ 156</u> |
| | | | | |
| Total - Indianapolis Metropolitan Police Department | | <u>\$ 10,031</u> | <u>\$ 3,974</u> | <u>\$ 6,057</u> |
| | | | | |
| Department of Parks and Recreation | Federal Grants | | | |
| Personal services | | \$ 321 | \$ 311 | \$ 10 |
| Supplies | | 3 | 1 | 2 |
| Other services and charges | | 1,631 | 990 | 641 |
| Total – Department of Parks and Recreation | | <u>\$ 1,955</u> | <u>\$ 1,302</u> | <u>\$ 653</u> |
| | | | | |
| Total – Special Revenue Funds – by Department and Division | | <u>\$ 84,496</u> | <u>\$ 35,771</u> | <u>\$ 48,725</u> |

Nonmajor Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of four of the taxing districts. Nonmajor Debt service requirements are funded generally from property tax revenues and other operating revenues.

| | |
|---|---|
| Civil City - | to account for the accumulation of resources for, and the payment of general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Civil City |
| Redevelopment District - | to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Redevelopment District and to account for the accumulation of resources for, and the payment of, long-term lease commitments to the Marion County Convention and Recreation Facilities Authority (MCCRFA) for a leasehold interest in the former United Airlines maintenance facility |
| Public Safety Communications - | to account for the accumulation of resources for, and the payment of, costs associated with the Public Safety Communications System Equipment |
| Sanitary District - | to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Sanitary District |
| Stormwater District - | to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Stormwater District |
| Metropolitan Thoroughfare District - | to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Metropolitan Thoroughfare District |
| Park District - | to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Park District |
| Economic Development District - | to account for accumulation of resources for, and payments of long term bonded debt principal, interest, and related costs of bond issues for certain economic development projects. In addition, this fund also includes the activity for the Circle Area Community Development Corporation (“CAC”), which is a blended component unit of the City. |
| PILOT - | to account for accumulation of resources for, and payments of long-term debt principal, interest, and related costs of debt issued for certain projects for the Department of Public Works |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Debt Service Funds
December 31, 2018
(In thousands)

| | Civil City | Redevelopment District | Public Safety Communications | Sanitary District | Stormwater District | Metropolitan Thoroughfare District | Park District | Economic Development District | PILOT | Total Nonmajor Debt Service Funds |
|---|-----------------------|-----------------------------------|---|------------------------------|--------------------------------|---|--------------------------|--|--------------|--|
| ASSETS | | | | | | | | | | |
| Equity in pooled cash | \$ 903 | \$ — | \$ 335 | \$ — | \$ 521 | \$ 228 | \$ 72 | \$ 1,668 | \$ 6 | \$ 3,733 |
| Cash and investments with fiscal agents | — | — | 4 | — | 2 | — | — | 24,912 | 10 | 24,928 |
| Investments | 7,862 | — | 2,920 | — | 4,543 | 1,993 | 622 | 14,533 | 57 | 32,530 |
| Property taxes receivable | 298 | — | 166 | — | — | 59 | 13 | — | — | 536 |
| Accounts receivable | 148 | — | 70 | — | — | 62 | 33 | 108 | — | 421 |
| Long-term receivables | — | — | — | — | — | — | — | 17,075 | — | 17,075 |
| Total assets | \$ 9,211 | \$ — | \$ 3,495 | \$ — | \$ 5,066 | \$ 2,342 | \$ 740 | \$ 58,296 | \$ 73 | \$ 79,223 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | |
| Matured bonds and notes payable | \$ 6,275 | \$ — | \$ 1,900 | \$ — | \$ 3,730 | \$ 1,280 | \$ 395 | \$ — | \$ — | \$ 13,580 |
| Matured interest payable | 1,274 | — | 340 | — | 1,039 | 566 | 121 | — | — | 3,340 |
| Accounts payable and other accrued liabilities | — | — | — | — | — | — | — | 2,780 | — | 2,780 |
| Total liabilities | 7,549 | — | 2,240 | — | 4,769 | 1,846 | 516 | 2,780 | — | 19,700 |
| Deferred inflows of resources | 445 | — | 237 | — | — | 122 | 44 | — | — | 848 |
| Fund balances: | | | | | | | | | | |
| Restricted | 1,217 | — | 1,018 | — | 297 | 374 | 180 | 55,516 | 73 | 58,675 |
| Total fund balances | 1,217 | — | 1,018 | — | 297 | 374 | 180 | 55,516 | 73 | 58,675 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 9,211 | \$ — | \$ 3,495 | \$ — | \$ 5,066 | \$ 2,342 | \$ 740 | \$ 58,296 | \$ 73 | \$ 79,223 |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
Year ended December 31, 2018
(In thousands)

| | Civil City | Redevelopment District | Public Safety Communications | Sanitary District | Stormwater District | Metropolitan Thoroughfare District | Park District | Economic Development District | PILOT | Total Nonmajor Debt Service Funds |
|---|-----------------|------------------------|------------------------------|-------------------|---------------------|------------------------------------|---------------|-------------------------------|-----------------|-----------------------------------|
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 11,435 | \$ — | \$ 6,527 | \$ — | \$ — | \$ 2,419 | \$ 648 | \$ 5,845 | \$ — | \$ 26,874 |
| Other taxes | 902 | — | 518 | — | — | 192 | 51 | — | — | 1,663 |
| Interest on investments | 28 | 1 | 17 | 6 | 17 | 16 | 7 | 1,126 | 69 | 1,287 |
| Other revenues | 1 | 42 | — | 109 | 11 | 28 | 27 | 8,768 | 13,729 | 22,715 |
| Total revenues | 12,366 | 43 | 7,062 | 115 | 28 | 2,655 | 733 | 15,739 | 13,798 | 52,539 |
| Expenditures: | | | | | | | | | | |
| Debt service: | | | | | | | | | | |
| Redemption of bonds and notes | 22,150 | — | 4,735 | — | 3,730 | 1,280 | 395 | 23,149 | — | 55,439 |
| Interest on bonds and notes | 2,742 | — | 1,684 | — | 2,301 | 1,132 | 242 | 13,770 | 7,413 | 29,284 |
| Bond issuance costs | — | — | — | — | — | — | — | 6 | 4 | 10 |
| Lease payments and other | 136 | — | 21 | — | 109 | — | — | 3,857 | — | 4,123 |
| Total expenditures | 25,028 | — | 6,440 | — | 6,140 | 2,412 | 637 | 40,782 | 7,417 | 88,856 |
| Excess (deficiency) of revenues over (under) expenditures | (12,662) | 43 | 622 | 115 | (6,112) | 243 | 96 | (25,043) | 6,381 | (36,317) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | 13,059 | — | 5 | 114 | 6,397 | 7 | 1 | 30,719 | — | 50,302 |
| Transfers out | — | (54) | — | (142) | (5) | (22) | (12) | (12,039) | (13,422) | (25,696) |
| Total other financing sources (uses) | 13,059 | (54) | 5 | (28) | 6,392 | (15) | (11) | 18,680 | (13,422) | 24,606 |
| Net change in fund balances | 397 | (11) | 627 | 87 | 280 | 228 | 85 | (6,363) | (7,041) | (11,711) |
| Fund balances (deficit) at beginning of year | 820 | 11 | 391 | (87) | 17 | 146 | 95 | 61,879 | 7,114 | 70,386 |
| Fund balances at end of year | \$ 1,217 | \$ — | \$ 1,018 | \$ — | \$ 297 | \$ 374 | \$ 180 | \$ 55,516 | \$ 73 | \$ 58,675 |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Civil City | | Redevelopment District | | Public Safety Communications | | Sanitary District | |
|---|-----------------|-----------------|------------------------|-------------|------------------------------|-----------------|-------------------|--------------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | | | |
| Taxes | \$ 11,996 | \$ 12,337 | \$ — | \$ — | \$ 6,718 | \$ 7,045 | \$ — | \$ — |
| Charges for services | — | — | — | — | — | — | — | — |
| Intergovernmental | — | — | — | — | — | — | — | — |
| Other operating revenues | — | 28 | — | 52 | — | 17 | — | 119 |
| Total revenues | <u>11,996</u> | <u>12,365</u> | <u>—</u> | <u>52</u> | <u>6,718</u> | <u>7,062</u> | <u>—</u> | <u>119</u> |
| Expenditures: | | | | | | | | |
| Economic development and assistance | — | — | — | — | — | — | — | — |
| Debt service | 25,034 | 25,029 | — | — | 6,440 | 6,440 | — | — |
| Total expenditures | <u>25,034</u> | <u>25,029</u> | <u>—</u> | <u>—</u> | <u>6,440</u> | <u>6,440</u> | <u>—</u> | <u>—</u> |
| Deficiency of revenues under expenditures | <u>(13,038)</u> | <u>(12,664)</u> | <u>—</u> | <u>52</u> | <u>278</u> | <u>622</u> | <u>—</u> | <u>119</u> |
| Other financing sources (uses), net: | | | | | | | | |
| Bond proceeds | — | — | — | — | — | — | — | — |
| Transfers in (out) | 13,001 | 13,059 | — | (54) | — | 6 | — | (142) |
| Total other financing sources (uses) | <u>13,001</u> | <u>13,059</u> | <u>—</u> | <u>(54)</u> | <u>—</u> | <u>6</u> | <u>—</u> | <u>(142)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(37)</u> | <u>395</u> | <u>—</u> | <u>(2)</u> | <u>278</u> | <u>628</u> | <u>—</u> | <u>(23)</u> |
| Fund balances at beginning of year | 489 | 330 | 1 | 2 | 261 | 50 | 109 | (113) |
| Cancellation of purchase orders and other | 380 | 490 | (1) | — | 238 | 337 | (109) | 136 |
| Fund balances at end of year | <u>\$ 832</u> | <u>\$ 1,215</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 777</u> | <u>\$ 1,015</u> | <u>\$ —</u> | <u>\$ —</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Stormwater District | | Metropolitan Thoroughfare District | | Revenue | | Park District | |
|---|---------------------|---------|---------------------------------------|----------|--------------|-----------|---------------|--------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | | | |
| Taxes | \$ — | \$ — | \$ 2,844 | \$ 2,611 | \$ 94,074 | \$ 92,670 | \$ 893 | \$ 699 |
| Charges for services | — | — | — | — | — | — | — | — |
| Intergovernmental | — | — | — | — | 22 | 224 | — | — |
| Other operating revenues | — | 28 | — | 44 | 1,837 | 3,124 | — | 34 |
| Total revenues | — | 28 | 2,844 | 2,655 | 95,933 | 96,018 | 893 | 733 |
| Expenditures: | | | | | | | | |
| Economic development and assistance | — | — | — | — | 8,000 | 8,000 | — | — |
| Debt service | 6,423 | 6,423 | 2,412 | 2,412 | 51,024 | 50,957 | 637 | 637 |
| Total expenditures | 6,423 | 6,423 | 2,412 | 2,412 | 59,024 | 58,957 | 637 | 637 |
| Deficiency of revenues under expenditures | (6,423) | (6,395) | 432 | 243 | 36,909 | 37,061 | 256 | 96 |
| Other financing sources (uses), net: | | | | | | | | |
| Bond proceeds | — | — | — | — | — | 12,040 | — | — |
| Transfers in (out) | 6,361 | 6,392 | — | (14) | (2,554) | (58,950) | (27) | (10) |
| Total other financing sources (uses) | 6,361 | 6,392 | — | (14) | (2,554) | (46,910) | (27) | (10) |
| Revenues over (under) expenditures and other financing sources (uses) | (62) | (3) | 432 | 229 | 34,355 | (9,849) | 229 | 86 |
| Fund balances at beginning of year | — | 12 | (108) | (460) | 2,442 | 2,005 | (31) | (39) |
| Cancellation of purchase orders and other | 62 | 3 | 61 | 583 | (33,332) | 8,005 | 25 | 131 |
| Fund balances at end of year | \$ — | \$ 12 | \$ 385 | \$ 352 | \$ 3,465 | \$ 161 | \$ 223 | \$ 178 |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Economic | | PILOT | | Totals | |
|---|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Development District | | | | | |
| | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | |
| Taxes | \$ 5,869 | \$ 5,830 | \$ — | \$ — | \$ 122,394 | \$ 121,192 |
| Charges for services | 1,605 | 2,840 | — | — | 1,605 | 2,840 |
| Intergovernmental | — | — | — | — | 22 | 224 |
| Other operating revenues | — | 5,283 | 13,729 | 13,799 | 15,566 | 22,528 |
| Total revenues | <u>7,474</u> | <u>13,953</u> | <u>13,729</u> | <u>13,799</u> | <u>139,587</u> | <u>146,784</u> |
| Expenditures: | | | | | | |
| Economic development and assistance | — | — | — | — | 8,000 | 8,000 |
| Debt service | 42,048 | 40,278 | 7,427 | 7,418 | 141,445 | 139,594 |
| Total expenditures | <u>42,048</u> | <u>40,278</u> | <u>7,427</u> | <u>7,418</u> | <u>149,445</u> | <u>147,594</u> |
| Deficiency of revenues under expenditures | <u>(34,574)</u> | <u>(26,325)</u> | <u>6,302</u> | <u>6,381</u> | <u>(9,858)</u> | <u>(810)</u> |
| Other financing sources (uses), net: | | | | | | |
| Bond proceeds | — | — | — | — | — | 12,040 |
| Transfers in (out) | — | 25,346 | (13,423) | (13,422) | 3,358 | (27,789) |
| Total other financing sources (uses) | <u>—</u> | <u>25,346</u> | <u>(13,423)</u> | <u>(13,422)</u> | <u>3,358</u> | <u>(15,749)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(34,574)</u> | <u>(979)</u> | <u>(7,121)</u> | <u>(7,041)</u> | <u>(6,500)</u> | <u>(16,559)</u> |
| Fund balances at beginning of year | 1,106 | 3,861 | 3,140 | 7,100 | 7,409 | 12,748 |
| Cancellation of purchase orders and other | 34,616 | (2,864) | 3,981 | 4 | 5,921 | 6,825 |
| Fund balances at end of year | <u>\$ 1,148</u> | <u>\$ 18</u> | <u>\$ —</u> | <u>\$ 63</u> | <u>\$ 6,830</u> | <u>\$ 3,014</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department</u> | <u>Fund</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------------------|---------------------|-------------------|-----------------|
| Department of Metropolitan Development | Revenue | | | |
| Other services and charges | | \$ 505 | \$ 501 | \$ 4 |
| Total | | <u>505</u> | <u>501</u> | <u>4</u> |
| Non Departmental | Stormwater District | | | |
| Other services and charges | | 6,423 | 6,423 | — |
| Total | | <u>6,423</u> | <u>6,423</u> | <u>—</u> |
| Non Departmental | Metropolitan Thoroughfare District | | | |
| Other services and charges | | 2,412 | 2,412 | — |
| Total | | <u>2,412</u> | <u>2,412</u> | <u>—</u> |
| Non Departmental | Park District | | | |
| Other services and charges | | 637 | 637 | — |
| Total | | <u>637</u> | <u>637</u> | <u>—</u> |
| Non Departmental | Public Safety Communications | | | |
| Other services and charges | | 6,440 | 6,440 | — |
| Total | | <u>6,440</u> | <u>6,440</u> | <u>—</u> |
| Non Departmental | Civil City | | | |
| Other services and charges | | 25,034 | 25,029 | 5 |
| Total | | <u>25,034</u> | <u>25,029</u> | <u>5</u> |
| Non Departmental | Revenue | | | |
| Other services and charges | | 58,519 | 58,456 | 63 |
| Total | | <u>58,519</u> | <u>58,456</u> | <u>63</u> |
| Non Departmental | Economic Development | | | |
| Other services and charges | | 42,048 | 40,278 | 1,770 |
| Total | | <u>42,048</u> | <u>40,278</u> | <u>1,770</u> |
| Non Departmental | PILOT | | | |
| Other services and charges | | 7,427 | 7,418 | 9 |
| Total | | <u>7,427</u> | <u>7,418</u> | <u>9</u> |
| Total – Debt Service Funds – by Department | | \$ <u>149,445</u> | \$ <u>147,594</u> | \$ <u>1,851</u> |

Nonmajor Capital Project Funds

The Capital Project Funds are used to account for resources designated to construct or acquire general capital assets. Such resources are derived principally from special district bonds, federal grants, and property tax levies.

| | |
|--|--|
| Redevelopment District - Tax Increment | to account for all financial resources related to projects constructed from proceeds of the Redevelopment District Tax Increment bond issues |
| Economic Development - | to account for all financial resources relating to projects funded through economic development bonds of the City |
| PILOT Revenue Bonds - | to account for all financial resources accumulated and payments made for construction, renovation, rehabilitation, and installation, of certain improvements to the City's public roads, street and sidewalks, and other public facilities |
| Metropolitan Thoroughfare District - | to account for all financial resources related to projects constructed wholly or in part from Metropolitan Thoroughfare District bond issue proceeds (except tax increment bonds) and any participating federal and state grants, including any required City local matching funds |
| Park District - | to account for all financial resources related to projects constructed from proceeds of the Park District bond issues |
| City Cumulative Capital Development - | to account for all resources accumulating from a City-wide ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature |
| County Cumulative Capital Development - | to account for all resources accumulating from a County-wide ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature |
| Tax Revenue Note - | to account for all financial resources related to purchases of certain vehicles and other equipment from the proceeds of a tax revenue note |
| Public Safety Communications - | to account for all financial resources related to acquisition of computer hardware and software from proceeds of the Public Safety Communication System and Computer Facilities District bonds |
| Landmark Building Preservation - | to account for all financial resources related to costs of major repairs to certain City properties |
| Fire Cumulative - | to account for all resources for the fire department accumulating from an ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature |

- Storm Water -** to account for all financial resources related to expenditures for construction of storm water removal infrastructure
- Capital Asset Development -** to account for revenues from operating agreements with outside contractors which are to be used to purchase capital assets for the benefit of the City
- Consolidated City District -** to account for all financial resources to acquire or construct various equipment and other assets benefiting the Civil City District
- Section 108 HUD Loan -** to account for financial resources from the HUD Section 108 loan program, Community & Economic Development Loan Program (“CEDLP”)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2018
(In thousands)

| | <u>Redevelopment District Tax Increment</u> | <u>Economic Development</u> | <u>PILOT Revenue Bonds</u> | <u>Metropolitan Thoroughfare District</u> | <u>Park District</u> | <u>City Cumulative Capital Improvement</u> |
|---|---|---------------------------------|--------------------------------|---|--------------------------|--|
| ASSETS | | | | | | |
| Equity in pooled cash | \$ 4,069 | \$ 80 | \$ 38 | \$ 362 | \$ 64 | \$ 810 |
| Cash and investments with fiscal agents | 15,641 | 543 | — | 34,292 | — | — |
| Investments | 35,450 | 704 | 325 | 16,378 | 4,130 | 7,060 |
| Property taxes receivable | — | — | — | — | — | 367 |
| Accounts receivable | — | — | — | — | — | 176 |
| Long-term receivables, less allowance \$1,650 | 4,913 | — | — | — | — | — |
| Total assets | <u>\$ 60,073</u> | <u>\$ 1,327</u> | <u>\$ 363</u> | <u>\$ 51,032</u> | <u>\$ 4,194</u> | <u>\$ 8,413</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and other accrued liabilities | <u>\$ 2,538</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 3,416</u> | <u>\$ 667</u> | <u>\$ 1,099</u> |
| Total liabilities | <u>2,538</u> | <u>—</u> | <u>—</u> | <u>3,416</u> | <u>667</u> | <u>1,099</u> |
| Deferred inflows of resources | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>540</u> |
| Fund balances: | | | | | | |
| Restricted | <u>57,535</u> | <u>1,327</u> | <u>363</u> | <u>47,616</u> | <u>3,527</u> | <u>6,774</u> |
| Total fund balances | <u>57,535</u> | <u>1,327</u> | <u>363</u> | <u>47,616</u> | <u>3,527</u> | <u>6,774</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 60,073</u> | <u>\$ 1,327</u> | <u>\$ 363</u> | <u>\$ 51,032</u> | <u>\$ 4,194</u> | <u>\$ 8,413</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2018
(In thousands)

| | | <u>County Cumulative Capital Improvement</u> | | <u>Tax Revenue Note</u> | | <u>Public Safety Communications</u> | | <u>Landmark Building Preservation</u> | | <u>Fire Cumulative</u> | | <u>Storm Water</u> |
|---|----|--|----|---------------------------------|----|---|----|---|----|----------------------------|----|------------------------|
| ASSETS | | | | | | | | | | | | |
| Equity in pooled cash | \$ | 636 | \$ | 7 | \$ | 1 | \$ | 1 | \$ | 413 | \$ | 1,342 |
| Cash and investments with fiscal agents | | — | | — | | — | | — | | — | | 10 |
| Investments | | 5,544 | | 61 | | 3,178 | | 22 | | 3,602 | | 11,694 |
| Property taxes receivable | | — | | — | | — | | — | | 146 | | — |
| Accounts receivable | | — | | — | | — | | — | | 49 | | — |
| Long-term receivables, less allowance \$1,650 | | — | | — | | — | | — | | — | | — |
| Total assets | \$ | <u>6,180</u> | \$ | <u>68</u> | \$ | <u>3,179</u> | \$ | <u>23</u> | \$ | <u>4,210</u> | \$ | <u>13,046</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Accounts payable and other accrued liabilities | \$ | <u>1,284</u> | \$ | <u>—</u> | \$ | <u>5</u> | \$ | <u>—</u> | \$ | <u>73</u> | \$ | <u>7,927</u> |
| Total liabilities | | <u>1,284</u> | | <u>—</u> | | <u>5</u> | | <u>—</u> | | <u>73</u> | | <u>7,927</u> |
| Deferred inflows of resources | | <u>—</u> | | <u>—</u> | | <u>—</u> | | <u>—</u> | | <u>196</u> | | <u>—</u> |
| Fund balances: | | | | | | | | | | | | |
| Restricted | | <u>4,896</u> | | <u>68</u> | | <u>3,174</u> | | <u>23</u> | | <u>3,941</u> | | <u>5,119</u> |
| Total fund balances | | <u>4,896</u> | | <u>68</u> | | <u>3,174</u> | | <u>23</u> | | <u>3,941</u> | | <u>5,119</u> |
| Total liabilities, deferred inflows of resources and fund balances | \$ | <u>6,180</u> | \$ | <u>68</u> | \$ | <u>3,179</u> | \$ | <u>23</u> | \$ | <u>4,210</u> | \$ | <u>13,046</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2018
(In thousands)

| | | <u>Capital Asset Development</u> | | <u>Consolidated City District</u> | | <u>Section 108 HUD Loan</u> | | <u>Total Nonmajor Capital Projects Funds</u> |
|---|----|--|----|---------------------------------------|----|---------------------------------|----|--|
| ASSETS | | | | | | | | |
| Equity in pooled cash | \$ | 95 | \$ | — | \$ | 874 | \$ | 8,792 |
| Cash and investments with fiscal agents | | — | | — | | — | | 50,486 |
| Investments | | 830 | | 7,875 | | 7,619 | | 104,472 |
| Property taxes receivable | | — | | — | | — | | 513 |
| Accounts receivable | | 1 | | — | | — | | 226 |
| Long-term receivables, less allowance \$1,650 | | — | | — | | — | | 4,913 |
| Total assets | \$ | <u>926</u> | \$ | <u>7,875</u> | \$ | <u>8,493</u> | \$ | <u>169,402</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable and other accrued liabilities | \$ | <u>—</u> | \$ | <u>3,870</u> | \$ | <u>—</u> | \$ | <u>20,879</u> |
| Total liabilities | | <u>—</u> | | <u>3,870</u> | | <u>—</u> | | <u>20,879</u> |
| Deferred inflows of resources | | <u>—</u> | | <u>—</u> | | <u>—</u> | | <u>736</u> |
| Fund balances: | | | | | | | | |
| Restricted | | <u>926</u> | | <u>4,005</u> | | <u>8,493</u> | | <u>147,787</u> |
| Total fund balances | | <u>926</u> | | <u>4,005</u> | | <u>8,493</u> | | <u>147,787</u> |
| Total liabilities, deferred inflows of resources and fund balances | \$ | <u>926</u> | \$ | <u>7,875</u> | \$ | <u>8,493</u> | \$ | <u>169,402</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2018
(In thousands)

| | Redevelopment District Tax Increment | Economic Development | PILOT Revenue Bonds | Metropolitan Thoroughfare District | Park District | City Cumulative Capital Improvement |
|--|--|-------------------------|------------------------|--|------------------|--|
| Revenues: | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — | \$ — | 10,135 |
| Other intergovernmental revenues: | | | | | | |
| Federal revenues | — | — | 113 | 48 | — | 105 |
| Other revenues | — | — | — | — | — | — |
| Interest and other operating revenues | 387 | 5 | 3 | 415 | 73 | 252 |
| Total revenues | <u>387</u> | <u>5</u> | <u>116</u> | <u>463</u> | <u>73</u> | <u>10,492</u> |
| Expenditures: | | | | | | |
| Economic development and assistance | 11,390 | 1,066 | — | — | — | — |
| Debt service: | | | | | | |
| Redemption of bonds and notes | — | — | — | — | — | 69 |
| Interest on bonds and notes | — | — | — | — | — | 1 |
| Bond and note issuance costs | 1,955 | — | — | 413 | — | — |
| Lease payments and other | — | 4 | — | 48 | 12 | — |
| Capital outlays | 36,425 | — | — | 15,310 | 1,630 | 12,120 |
| Total expenditures | <u>49,770</u> | <u>1,070</u> | <u>—</u> | <u>15,771</u> | <u>1,642</u> | <u>12,190</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(49,383)</u> | <u>(1,065)</u> | <u>116</u> | <u>(15,308)</u> | <u>(1,569)</u> | <u>(1,698)</u> |
| Other financing sources (uses): | | | | | | |
| Issuance of capital lease | — | — | — | — | — | — |
| Bonds and notes issued | 30,985 | — | — | 30,000 | — | — |
| Premium on bonds issued | — | — | — | 4,217 | — | — |
| Transfers in | 40,514 | 5,501 | — | 49 | 12 | 65 |
| Transfers out | (6,472) | (65) | — | (1,551) | (2) | — |
| Total other financing sources | <u>65,027</u> | <u>5,436</u> | <u>—</u> | <u>32,715</u> | <u>10</u> | <u>65</u> |
| Net change in fund balances | 15,644 | 4,371 | 116 | 17,407 | (1,559) | (1,633) |
| Fund balances (deficits) at beginning of year | 41,891 | (3,044) | 247 | 30,209 | 5,086 | 8,407 |
| Fund balances at end of year | <u>\$ 57,535</u> | <u>\$ 1,327</u> | <u>\$ 363</u> | <u>\$ 47,616</u> | <u>\$ 3,527</u> | <u>\$ 6,774</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2018
(In thousands)

| | County Cumulative Capital Improvement | Tax Revenue Note | Public Safety Communications | Landmark Building Preservation | Fire Cumulative | Storm Water |
|--|--|------------------------|------------------------------------|--------------------------------------|--------------------|-----------------|
| Revenues: | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — | \$ 4,122 | \$ — |
| Other intergovernmental revenues: | | | | | | |
| Federal revenues | — | — | — | — | — | — |
| Other revenues | 4,200 | — | — | — | — | — |
| Interest and other operating revenues | 47 | 22 | 81 | — | 36 | 111 |
| Total revenues | <u>4,247</u> | <u>22</u> | <u>81</u> | <u>—</u> | <u>4,158</u> | <u>111</u> |
| Expenditures: | | | | | | |
| Economic development and assistance | — | — | — | — | — | — |
| Debt service: | | | | | | |
| Redemption of bonds and notes | — | — | — | — | 11 | — |
| Interest on bonds and notes | — | — | — | — | — | — |
| Bonds and notes issuance costs | — | — | — | — | — | — |
| Lease payments and other | — | — | — | — | — | 5 |
| Capital outlays | 3,176 | — | 6,768 | — | 2,607 | 20,109 |
| Total expenditures | <u>3,176</u> | <u>—</u> | <u>6,768</u> | <u>—</u> | <u>2,618</u> | <u>20,114</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,071</u> | <u>22</u> | <u>(6,687)</u> | <u>—</u> | <u>1,540</u> | <u>(20,003)</u> |
| Other financing sources (uses): | | | | | | |
| Issuance of capital lease | — | — | 3,498 | — | — | — |
| Bonds and notes issued | — | — | — | — | — | 18,340 |
| Premium on bonds issued | — | — | — | — | — | — |
| Transfers in | — | — | 1 | — | 11 | 5 |
| Transfers out | — | (81) | (6) | — | (878) | (1) |
| Total other financing sources | <u>—</u> | <u>(81)</u> | <u>3,493</u> | <u>—</u> | <u>(867)</u> | <u>18,344</u> |
| Net change in fund balances | 1,071 | (59) | (3,194) | — | 673 | (1,659) |
| Fund balances at beginning of year | 3,825 | 127 | 6,368 | 23 | 3,268 | 6,778 |
| Fund balances at end of year | <u>\$ 4,896</u> | <u>\$ 68</u> | <u>\$ 3,174</u> | <u>\$ 23</u> | <u>\$ 3,941</u> | <u>\$ 5,119</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2018
(In thousands)

| | Capital Asset Development | Consolidated City District | Section 108 HUD Loan | Total Nonmajor Capital Projects Funds |
|--|--------------------------------------|---------------------------------------|---------------------------------|--|
| Revenues: | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ 14,257 |
| Other intergovernmental revenues: | | | | |
| Federal revenues | — | — | — | 266 |
| Other revenues | — | — | — | 4,200 |
| Interest and other operating revenues | 9 | 207 | — | 1,648 |
| Total revenues | <u>9</u> | <u>207</u> | <u>—</u> | <u>20,371</u> |
| Expenditures: | | | | |
| Economic development and assistance | — | — | 619 | 13,075 |
| Debt service: | | | | |
| Redemption of bonds and notes | — | — | — | 80 |
| Interest on bonds and notes | — | 295 | — | 296 |
| Bonds and notes issuance costs | — | 140 | — | 2,508 |
| Lease payments and other | — | 11 | — | 80 |
| Capital outlays | 657 | 37,281 | 287 | 136,370 |
| Total expenditures | <u>657</u> | <u>37,727</u> | <u>906</u> | <u>152,409</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(648)</u> | <u>(37,520)</u> | <u>(906)</u> | <u>(132,038)</u> |
| Other financing sources (uses): | | | | |
| Issuance of capital lease | — | — | — | 3,498 |
| Bonds and notes issued | — | 29,889 | — | 109,214 |
| Premium on bonds issued | — | — | — | 4,217 |
| Transfers in | 1,450 | 39 | 9,399 | 57,046 |
| Transfers out | — | (18) | — | (9,074) |
| Total other financing sources | <u>1,450</u> | <u>29,910</u> | <u>9,399</u> | <u>164,901</u> |
| Net change in fund balances | <u>802</u> | <u>(7,610)</u> | <u>8,493</u> | <u>32,863</u> |
| Fund balances at beginning of year | 124 | 11,615 | — | 114,924 |
| Fund balances at end of year | <u>\$ 926</u> | <u>\$ 4,005</u> | <u>\$ 8,493</u> | <u>\$ 147,787</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | City Cumulative | | County Cumulative | | Fire | | Totals | |
|---|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | | | |
| Taxes | \$ 9,930 | \$ 10,135 | \$ — | \$ — | \$ 3,931 | \$ 4,122 | \$ 13,861 | \$ 14,257 |
| Other intergovernmental revenues | 250 | 14 | — | — | — | — | 250 | 14 |
| Interest and other operating revenues | 45 | 250 | — | 47 | — | 36 | 45 | 333 |
| Total revenues | <u>10,225</u> | <u>10,399</u> | <u>—</u> | <u>47</u> | <u>3,931</u> | <u>4,158</u> | <u>14,156</u> | <u>14,604</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 500 | 466 | — | — | — | — | 500 | 466 |
| Public safety | 591 | 546 | — | — | 650 | 619 | 1,241 | 1,165 |
| Public works | (3,203) | (3,153) | — | — | — | — | (3,203) | (3,153) |
| Cultural and recreation | 4,350 | 4,294 | — | — | — | — | 4,350 | 4,294 |
| Economic development and assistance | 1,000 | 1,000 | — | — | — | — | 1,000 | 1,000 |
| Capital outlays | 7,249 | 7,242 | 4,240 | 4,240 | 2,514 | 2,443 | 14,003 | 13,925 |
| Total expenditures | <u>10,487</u> | <u>10,395</u> | <u>4,240</u> | <u>4,240</u> | <u>3,164</u> | <u>3,062</u> | <u>17,891</u> | <u>17,697</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(262)</u> | <u>4</u> | <u>(4,240)</u> | <u>(4,193)</u> | <u>767</u> | <u>1,096</u> | <u>(3,735)</u> | <u>(3,093)</u> |
| Other financing sources, net: | | | | | | | | |
| Transfers in (out) | — | 65 | 4,200 | 4,200 | (878) | (867) | 3,322 | 3,398 |
| Total other financing sources (uses) | <u>—</u> | <u>65</u> | <u>4,200</u> | <u>4,200</u> | <u>(878)</u> | <u>(867)</u> | <u>3,322</u> | <u>3,398</u> |
| Revenues over (under) expenditures and other financing sources (uses) | (262) | 69 | (40) | 7 | (111) | 229 | (413) | 305 |
| Fund balances at beginning of year | 4,349 | 2,686 | 2,130 | 2,172 | 1,966 | 2,358 | 8,445 | 7,216 |
| Cancellation of purchase orders and other | (1,411) | 229 | 53 | — | 414 | 22 | (944) | 251 |
| Fund balances at end of year | <u>\$ 2,676</u> | <u>\$ 2,984</u> | <u>\$ 2,143</u> | <u>\$ 2,179</u> | <u>\$ 2,269</u> | <u>\$ 2,609</u> | <u>\$ 7,088</u> | <u>\$ 7,772</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Fund</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|---------------------------------------|---------------------|-----------------|-----------------|
| Executive and Legislative | | | | |
| Office of Finance and Management | City Cumulative Capital Improvement | | | |
| Other services and charges | | \$ 500 | \$ 500 | \$ — |
| Total – Executive and Legislative | | <u>\$ 500</u> | <u>\$ 500</u> | <u>\$ —</u> |
| Department of Metropolitan Development | City Cumulative Capital Improvement | | | |
| Other services and charges | | \$ 1,000 | \$ 1,000 | \$ — |
| Total – Department of Metropolitan Development | | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ —</u> |
| Department of Business and Neighborhood Services | City Cumulative Capital Improvement | | | |
| Capital outlay | | \$ 84 | \$ 84 | \$ — |
| Total – Department of Business and Neighborhood Services | | <u>\$ 84</u> | <u>\$ 84</u> | <u>\$ —</u> |
| Department of Public Works | County Cumulative Capital Improvement | | | |
| Capital outlay | | \$ 4,240 | \$ 4,240 | \$ — |
| Total | | <u>4,240</u> | <u>4,240</u> | <u>—</u> |
| Department of Public Works | City Cumulative Capital Improvement | | | |
| Supplies | | 50 | 46 | 4 |
| Other services and charges | | 1,097 | 1,094 | 3 |
| Capital outlay | | 3,713 | 3,713 | — |
| Internal charges | | (4,300) | (4,294) | (6) |
| Total | | <u>560</u> | <u>559</u> | <u>1</u> |
| Total – Department of Public Works | | <u>\$ 4,800</u> | <u>\$ 4,799</u> | <u>\$ 1</u> |
| Department of Parks and Recreation | City Cumulative Capital Improvement | | | |
| Internal charges | | \$ 4,300 | \$ 4,294 | \$ 6 |
| Total - Department of Parks and Recreation | | <u>\$ 4,300</u> | <u>\$ 4,294</u> | <u>\$ 6</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| <u>Department and Division</u> | <u>Fund</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|-------------------------------------|---------------------|------------------|-----------------|
| Indianapolis Metropolitan Police Department | City Cumulative Capital Improvement | | | |
| Supplies | | \$ 11 | \$ 8 | \$ 3 |
| Other services and charges | | 580 | 505 | 75 |
| Capital Outlay | | 3,452 | 3,445 | 7 |
| Total - Indianapolis Metropolitan Police Department | | <u>\$ 4,043</u> | <u>\$ 3,958</u> | <u>\$ 85</u> |
| | | | | |
| Indianapolis Fire Department | Fire Cumulative | | | |
| Supplies | | \$ 650 | \$ 619 | \$ 31 |
| Other services and charges | | 2,514 | 2,443 | 71 |
| Total – Indianapolis Fire Department | | <u>\$ 3,164</u> | <u>\$ 3,062</u> | <u>\$ 102</u> |
| | | | | |
| Total – Capital Projects Funds – by Department and Division | | <u>\$ 17,891</u> | <u>\$ 17,697</u> | <u>\$ 194</u> |

Internal Service Funds

Internal Service Funds are used to account for the accumulation of resources to provide for the financing of certain self-insurance programs for all City departments.

The City maintains Risk Management, Public Liability Self-Insurance, and Employee Health Insurance Internal Service Funds.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Net Position
December 31, 2018
(In thousands)

| | <u>Risk Management</u> | <u>Public Liability Self Insurance</u> | <u>Employee Health Insurance</u> | <u>Total</u> |
|--|----------------------------|--|--------------------------------------|--------------|
| ASSETS | | | | |
| Equity in pooled cash | \$ — | \$ 856 | \$ 1,998 | \$ 2,854 |
| Cash and investments with fiscal agents | 47 | — | — | 47 |
| Investments | — | 7,455 | 17,405 | 24,860 |
| Accounts receivable | 21 | 170 | 2,652 | 2,843 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total current assets | 68 | 8,481 | 22,055 | 30,604 |
| LIABILITIES | | | | |
| Accounts payable and other current accrued liabilities | \$ 10,822 | 3,633 | 8,285 | 22,740 |
| Due to other funds | 3,005 | — | — | 3,005 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 13,827 | 3,633 | 8,285 | 25,745 |
| NET POSITION (DEFICIT) | | | | |
| Unrestricted (deficit) | \$ (13,759) | \$ 4,848 | \$ 13,770 | \$ 4,859 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended December 31, 2018
(In thousands)

| | <u>Risk Management</u> | <u>Public Liability Self Insurance</u> | <u>Employee Health Insurance</u> | <u>Total</u> |
|--|----------------------------|--|--------------------------------------|-----------------|
| Operating revenues: | | | | |
| Charges to other funds | \$ 10,513 | \$ 2,760 | \$ 87,965 | \$ 101,238 |
| Operating expenses: | | | | |
| Claims | 8,368 | 5,150 | 79,674 | 93,192 |
| Administration | 138 | — | — | 138 |
| Total operating expenses | <u>8,506</u> | <u>5,150</u> | <u>79,674</u> | <u>93,330</u> |
| Operating income | 2,007 | (2,390) | 8,291 | 7,908 |
| Nonoperating revenue (expense): | | | | |
| Interest on investments | (63) | 78 | 79 | 94 |
| Income | <u>1,944</u> | <u>(2,312)</u> | <u>8,370</u> | <u>8,002</u> |
| Change in net position | 1,944 | (2,312) | 8,370 | 8,002 |
| Total net position (deficit) – beginning of year | <u>(15,703)</u> | <u>7,160</u> | <u>5,400</u> | <u>(3,143)</u> |
| Total net position (deficit) – end of year | <u>\$ (13,759)</u> | <u>\$ 4,848</u> | <u>\$ 13,770</u> | <u>\$ 4,859</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Cash Flows
Year ended December 31, 2018
(In thousands)

| | <u>Risk Management</u> | <u>Public Liability Self Insurance</u> | <u>Employee Health Insurance</u> | <u>Total</u> |
|--|----------------------------|--|--------------------------------------|-----------------|
| Cash flows from operating activities: | | | | |
| Receipts from users | \$ 10,506 | \$ 2,590 | \$ 87,521 | \$ 100,617 |
| Payments for administration | (138) | — | — | (138) |
| Payments for claims | <u>(10,996)</u> | <u>(1,578)</u> | <u>(80,472)</u> | <u>(93,046)</u> |
| Net cash provided by (used in) operating activities | <u>(628)</u> | <u>1,012</u> | <u>7,049</u> | <u>7,433</u> |
| Cash flows from investing activities: | | | | |
| Investment purchases | 427 | — | — | 427 |
| Investment sales | — | (1,785) | (7,767) | (9,552) |
| Investment income (expense) | <u>(63)</u> | <u>78</u> | <u>79</u> | <u>94</u> |
| Net cash provided by (used in) investing activities | <u>364</u> | <u>(1,707)</u> | <u>(7,688)</u> | <u>(9,031)</u> |
| Net increase (decrease) in cash | (264) | (695) | (639) | (1,598) |
| Cash, beginning of year | <u>311</u> | <u>1,551</u> | <u>2,637</u> | <u>4,499</u> |
| Cash, end of year | <u>\$ 47</u> | <u>\$ 856</u> | <u>\$ 1,998</u> | <u>\$ 2,901</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income | \$ 2,007 | \$ (2,390) | \$ 8,291 | \$ 7,908 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| Increase in accounts receivable | (7) | (170) | (444) | (621) |
| Increase (decrease) in accounts payable | <u>(2,628)</u> | <u>3,572</u> | <u>(798)</u> | <u>146</u> |
| Net cash provided by (used in) operating activities | <u>\$ (628)</u> | <u>\$ 1,012</u> | <u>\$ 7,049</u> | <u>\$ 7,433</u> |

Fiduciary Funds

The Fiduciary Funds are classified into two subgroupings - Agency Funds and Pension Trust Funds. Funds in this classification are used to account for assets held by the City in a fiduciary capacity. Receipts and expenditures of each fund are governed by terms of trust indentures, statutes, ordinances, etc.

The City maintains the following Fiduciary Funds:

PENSION TRUST FUNDS

- Police Pension -** to account for the (1) payment of pension benefits to police pensioners that participated in the City pension plan prior to the 1977 Police and Firefighters Pension and Disability Fund (1977 Fund) pension plan and (2) payment of pension benefits to police pensioners that participated in the City pension plan prior to the 1977 Fund and elected to convert to the benefit structure of the 1977 Fund
- Firefighters' Pension -** to account for the (1) payment of pension benefits to firefighter pensioners that participated in the City pension plan prior to the 1977 Police and Firefighters' Pension and Disability Fund pension plan and (2) payment of pension benefits to firefighter pensioners that participated in the City pension plan prior to the 1977 Fund and elected to convert to the benefit structure of the 1977 Fund

AGENCY FUNDS

- Sanitation 15 Year Law -** to account for property owner assessment receipts held by the City as agent for City-approved developer constructed sewer systems Barrett Law projects, with construction costs repaid by the property owners over a period not to exceed 15 years
- E-911 Allocation -** to account for assets, obligations, and activities of the E-911 dispatch programs
- Police & Fire Retiree Health Insurance -** to account for assets, obligations, and activities of certain Police and Firefighter Retiree Health Insurance costs
- IMPD Confiscated Cash -** to account for assets, obligations, and activities of amounts, which have been confiscated pending final court disposition
- Other -** to account for all contractor receipts for sanitary Barrett Law project engineering fees held by the City as agent for engineer payment upon project acceptance and for franchise security deposits held by the City as agent for franchised performance

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Fiduciary Funds

Combining Statement of Pension Trust Funds Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds

December 31, 2018

(In thousands)

| | <u>Police Pension</u> | <u>Firefighters' Pension</u> | <u>Total</u> |
|---|---------------------------|----------------------------------|---------------|
| ASSETS | | | |
| Equity in pooled cash | \$ 51 | \$ — | \$ 51 |
| Investments | 439 | — | 439 |
| Total assets | <u>490</u> | <u>—</u> | <u>490</u> |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | 35 | 36 | 71 |
| Due to other funds | — | 170 | 170 |
| Total liabilities | <u>35</u> | <u>206</u> | <u>241</u> |
| NET POSITION (DEFICIT) RESTRICTED FOR PENSIONS | | | |
| Net position (deficit) restricted for pensions | <u>\$ 455</u> | <u>\$ (206)</u> | <u>\$ 249</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year ended December 31, 2018
(In thousands)

| | <u>Police Pension</u> | <u>Firefighters' Pension</u> | <u>Total</u> |
|--|---------------------------|----------------------------------|---------------|
| ADDITIONS | | | |
| Employer contributions | \$ 28,183 | \$ 27,707 | \$ 55,890 |
| DEDUCTIONS | | | |
| Benefits | 28,532 | 28,209 | 56,741 |
| Total deductions | <u>28,532</u> | <u>28,209</u> | <u>56,741</u> |
| Net decrease in net position | (349) | (502) | (851) |
| Net position restricted for pensions – beginning of year | <u>804</u> | <u>296</u> | <u>1,100</u> |
| Net position (deficit) restricted for pensions – end of year | <u>\$ 455</u> | <u>\$ (206)</u> | <u>\$ 249</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Police and Firefighters' Pre-1977 Pension Trust Funds
Schedule of Revenues and Expenditures
Budget and Actual – Budgetary Basis
Year ended December 31, 2018
(In thousands)

| | Police Pension | | | Firefighters' Pension | | |
|--|-----------------------|-----------------|-----------------|------------------------------|-----------------|-------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues: | | | | | | |
| Intergovernmental | \$ 30,235 | \$ 28,183 | \$ (2,052) | \$ 30,597 | \$ 27,707 | \$ (2,890) |
| Total revenues | <u>30,235</u> | <u>28,183</u> | <u>(2,052)</u> | <u>30,597</u> | <u>27,707</u> | <u>(2,890)</u> |
| Expenditures: | | | | | | |
| Personal services | <u>29,870</u> | <u>28,533</u> | <u>1,337</u> | <u>29,492</u> | <u>28,276</u> | <u>1,216</u> |
| Total expenditures | <u>29,870</u> | <u>28,533</u> | <u>1,337</u> | <u>29,492</u> | <u>28,276</u> | <u>1,216</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 365</u> | <u>\$ (350)</u> | <u>\$ (715)</u> | <u>\$ 1,105</u> | <u>\$ (569)</u> | <u>\$ (1,674)</u> |
| Revenues over (under) expenditures and other financing sources | <u>\$ 365</u> | <u>\$ (350)</u> | <u>\$ (715)</u> | <u>\$ 1,105</u> | <u>\$ (569)</u> | <u>\$ (1,674)</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Agency Funds Net Position
December 31, 2018
(In thousands)

| | <u>Sanitation 15 Year Law</u> | <u>E-911 Allocation</u> | <u>Police and Fire Retiree Health Insurance</u> | <u>IMPD Confiscated Cash</u> | <u>Other</u> | <u>Total</u> |
|--|-----------------------------------|-----------------------------|---|--------------------------------------|---------------|-----------------|
| ASSETS | | | | | | |
| Equity in pooled cash | \$ 31 | \$ 143 | \$ 85 | \$ 433 | \$ 79 | \$ 771 |
| Investments | 272 | 1,248 | 742 | 3,777 | 689 | 6,728 |
| Accounts receivable | — | 969 | — | — | — | 969 |
| Total assets | <u>\$ 303</u> | <u>\$ 2,360</u> | <u>\$ 827</u> | <u>\$ 4,210</u> | <u>\$ 768</u> | <u>\$ 8,468</u> |
| LIABILITIES | | | | | | |
| Accounts payable and other accrued liabilities | \$ 303 | \$ 2,360 | \$ 827 | \$ 4,210 | \$ 768 | \$ 8,468 |
| Total liabilities | <u>\$ 303</u> | <u>\$ 2,360</u> | <u>\$ 827</u> | <u>\$ 4,210</u> | <u>\$ 768</u> | <u>\$ 8,468</u> |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2018
(In thousands)

| | <u>Balance January 1, 2018</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2018</u> |
|---|--|------------------|-------------------|--|
| SANITATION 15 YEAR LAW FUND | | | | |
| Assets: | | | | |
| Cash and investments | \$ 303 | \$ — | \$ — | \$ 303 |
| Total assets | <u>\$ 303</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 303</u> |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 303 | \$ — | \$ — | \$ 303 |
| Total liabilities | <u>\$ 303</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 303</u> |
| E – 911 ALLOCATION | | | | |
| Assets: | | | | |
| Cash and investments | \$ 5,600 | \$ 8,171 | \$ 12,380 | \$ 1,391 |
| Accounts receivable | 969 | 969 | 969 | 969 |
| Total assets | <u>\$ 6,569</u> | <u>\$ 9,140</u> | <u>\$ 13,349</u> | <u>\$ 2,360</u> |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 6,569 | \$ 9,140 | \$ 13,349 | \$ 2,360 |
| Total liabilities | <u>\$ 6,569</u> | <u>\$ 9,140</u> | <u>\$ 13,349</u> | <u>\$ 2,360</u> |
| POLICE AND FIRE RETIREE HEALTH INSURANCE | | | | |
| Assets: | | | | |
| Cash and investments | \$ 987 | \$ 2,748 | \$ 2,908 | \$ 827 |
| Total assets | <u>\$ 987</u> | <u>\$ 2,748</u> | <u>\$ 2,908</u> | <u>\$ 827</u> |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 987 | \$ 2,748 | \$ 2,908 | \$ 827 |
| Total liabilities | <u>\$ 987</u> | <u>\$ 2,748</u> | <u>\$ 2,908</u> | <u>\$ 827</u> |
| IMPD CONFISCATED CASH | | | | |
| Assets: | | | | |
| Cash and investments | \$ 4,573 | \$ 3,152 | \$ 3,515 | \$ 4,210 |
| Total assets | <u>\$ 4,573</u> | <u>\$ 3,152</u> | <u>\$ 3,515</u> | <u>\$ 4,210</u> |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 4,573 | \$ 3,152 | \$ 3,515 | \$ 4,210 |
| Total liabilities | <u>\$ 4,573</u> | <u>\$ 3,152</u> | <u>\$ 3,515</u> | <u>\$ 4,210</u> |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2018
(In thousands)

| | Balance January 1, 2018 | Additions | Deductions | Balance December 31, 2018 |
|--|--|------------------|-------------------|--|
| OTHER | | | | |
| Assets: | | | | |
| Cash and investments | \$ 768 | \$ — | \$ — | \$ 768 |
| Total assets | \$ 768 | \$ — | \$ — | \$ 768 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 768 | \$ — | \$ — | \$ 768 |
| Total liabilities | \$ 768 | \$ — | \$ — | \$ 768 |
| TOTAL – ALL AGENCY FUNDS | | | | |
| Assets: | | | | |
| Cash and investments | \$ 12,231 | \$ 14,071 | \$ 18,803 | \$ 7,499 |
| Accounts receivable | 969 | 969 | 969 | 969 |
| Total assets | \$ 13,200 | \$ 15,040 | \$ 19,772 | \$ 8,468 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 13,200 | \$ 15,040 | \$ 19,772 | \$ 8,468 |
| Total liabilities | \$ 13,200 | \$ 15,040 | \$ 19,772 | \$ 8,468 |

Statistical Section

Statistical Section

CITY OF INDIANAPOLIS
Statistical Section
Table of Contents

This section of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| | <u>Schedule #s</u> |
|--|--------------------|
| FINANCIAL TRENDS These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | Schedules 1–5 |
| REVENUE CAPACITY These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | Schedules 6–10 |
| DEBT CAPACITY These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | Schedules 11–15 |
| DEMOGRAPHIC AND ECONOMIC INFORMATION These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | Schedules 16–18 |
| OPERATING INFORMATION These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | Schedules 19–20 |

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF INDIANAPOLIS
Net Position by Component
Schedule 1
Last Ten Fiscal Years
(Accrual basis of accounting)
(In thousands)

| | Fiscal Year | | | | | | | | | |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 920,186 | \$ 961,358 | \$ 605,824 | \$ 621,413 | \$ 682,291 | \$ 604,736 | \$ 618,860 | \$ 658,793 | \$ 682,445 | \$ 706,470 |
| Restricted | 214,479 | 209,948 | 188,976 | 124,511 | 122,379 | 171,863 | 177,408 | 180,615 | 176,332 | 164,849 |
| Unrestricted (deficit) | <u>(416,849)</u> | <u>(534,850)</u> | <u>(274,303)</u> | <u>(337,574)</u> | <u>(441,977)</u> | <u>(505,392)</u> | <u>(1,141,617)</u> | <u>(980,497)</u> | <u>(1,016,080)</u> | <u>(998,291)</u> |
| Total governmental activities net position (deficit) | <u>\$ 717,816</u> | <u>\$ 636,456</u> | <u>\$ 520,497</u> | <u>\$ 408,350</u> | <u>\$ 362,693</u> | <u>\$ 271,207</u> | <u>\$ (345,349)</u> | <u>\$ (141,089)</u> | <u>\$ (157,303)</u> | <u>\$ (126,972)</u> |

CITY OF INDIANAPOLIS
Changes in Net Position
Schedule 2
Last Ten Fiscal Years
(Accrual basis of accounting)
(In thousands)

| | Fiscal Year | | | | | | | | | |
|--|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|------------------|-------------------|--------------------|------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 88,824 | \$ 65,883 | \$ 60,880 | \$ 45,395 | \$ 36,467 | \$ 43,599 | \$ 48,124 | \$ 44,689 | \$ 44,321 | \$ 36,351 |
| Public safety | 395,465 | 428,230 | 442,327 | 448,007 | 447,016 | 461,873 | 412,157 | 389,302 | 511,305 | 436,687 |
| Public works | 267,286 | 276,331 | 252,332 | 196,687 | 204,217 | 230,470 | 214,740 | 163,710 | 208,581 | 222,011 |
| Health and welfare | 5,112 | 4,079 | 4,496 | 3,890 | 6,015 | 6,320 | 7,555 | 7,926 | 7,730 | 11,594 |
| Cultural and recreation | 33,506 | 30,275 | 30,705 | 22,413 | 18,465 | 10,130 | 14,714 | 15,313 | 26,059 | 30,423 |
| Urban redevelopment and housing | 34,813 | 48,407 | 47,262 | 31,493 | 28,124 | 24,114 | 18,354 | 18,899 | 18,752 | 23,302 |
| Economic development and assistance | 28,491 | 45,441 | 79,164 | 97,983 | 41,862 | 33,181 | 75,451 | 27,512 | 30,412 | 52,671 |
| Interest | 74,039 | 63,280 | 69,382 | 55,920 | 55,480 | 51,571 | 51,584 | 53,919 | 45,664 | 49,159 |
| Total governmental activities expenses | <u>927,536</u> | <u>961,926</u> | <u>986,548</u> | <u>901,788</u> | <u>837,646</u> | <u>861,258</u> | <u>842,679</u> | <u>721,270</u> | <u>892,824</u> | <u>862,198</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 14,816 | 17,712 | 18,551 | 20,982 | 22,245 | 21,785 | 25,881 | 17,468 | 14,703 | 18,857 |
| Public safety | 20,135 | 16,911 | 22,818 | 27,576 | 19,698 | 23,679 | 29,080 | 29,549 | 30,475 | 32,110 |
| Public works | 176,591 | 181,742 | 135,233 | 35,520 | 37,427 | 38,896 | 43,184 | 52,597 | 52,641 | 57,340 |
| Health and welfare | 375 | 289 | 31 | 74 | 675 | 808 | 149 | 264 | 1,214 | 94 |
| Cultural and recreation | 4,645 | 4,179 | 4,374 | 3,426 | 3,129 | 3,638 | 3,714 | 4,036 | 3,396 | 3,583 |
| Urban redevelopment and housing | 7,187 | 3,259 | 3,565 | 1,357 | 1,330 | 1,835 | 2,050 | 2,008 | 2,451 | 2,224 |
| Economic development and assistance | 298 | 477 | 692 | 791 | 1,051 | 1,530 | 1,259 | 7,222 | 1,148 | 961 |
| Operating grants and contributions | 137,557 | 157,126 | 161,033 | 143,556 | 138,311 | 137,828 | 139,251 | 134,890 | 133,040 | 151,026 |
| Capital grants and contributions | 32,637 | 25,652 | 51,681 | 30,217 | 77,797 | 4,845 | 37,351 | 34,023 | 20,072 | 12,215 |
| Total governmental activities program revenues | <u>394,241</u> | <u>407,347</u> | <u>397,978</u> | <u>263,499</u> | <u>301,663</u> | <u>234,844</u> | <u>281,919</u> | <u>282,057</u> | <u>259,140</u> | <u>278,410</u> |
| Net (Expense) Revenue | <u>(533,295)</u> | <u>(554,579)</u> | <u>(588,570)</u> | <u>(638,289)</u> | <u>(535,983)</u> | <u>(626,414)</u> | <u>(560,760)</u> | <u>(439,213)</u> | <u>(633,684)</u> | <u>(583,788)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property tax | 274,655 | 265,801 | 256,517 | 277,122 | 280,883 | 297,487 | 285,649 | 300,101 | 294,886 | 315,230 |
| Wheel tax | 13,549 | 11,890 | 12,193 | 12,433 | 12,983 | 13,250 | 14,645 | 13,644 | 14,843 | 15,354 |
| County option income tax | 117,764 | 187,880 | 170,092 | 174,342 | 154,273 | 164,582 | 206,838 | 266,834 | 230,417 | 237,319 |
| Other taxes | 19,841 | 19,544 | 20,753 | 21,998 | 19,949 | 21,460 | 20,472 | 21,967 | 23,085 | 23,159 |
| Grants and contributions not restricted by function | 11,916 | 9,411 | 8,483 | 12,745 | 12,978 | 13,165 | 9,465 | 10,017 | 12,224 | 12,439 |
| Investment earnings not restricted by function | 3,625 | 3,743 | 4,054 | 3,481 | 3,416 | 7,984 | 6,373 | 9,977 | 14,249 | 16,302 |
| Miscellaneous | 4,769 | 3,950 | 15,110 | 24,021 | 20,133 | 17,000 | 28,675 | 20,933 | 27,766 | 29,269 |
| Transfers | — | — | (18,777) | — | — | — | — | — | — | — |
| Special item - termination payment | — | (29,000) | — | — | — | — | — | — | — | — |
| Special item - gain on sale of water and wastewater utilities | — | — | 4,186 | — | — | — | — | — | — | — |
| Total governmental activities general revenues and other changes in net position | <u>446,119</u> | <u>473,219</u> | <u>472,611</u> | <u>526,142</u> | <u>504,615</u> | <u>534,928</u> | <u>572,117</u> | <u>643,473</u> | <u>617,470</u> | <u>649,072</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | <u>\$ (87,176)</u> | <u>\$ (81,360)</u> | <u>\$ (115,959)</u> | <u>\$ (112,147)</u> | <u>\$ (31,368)</u> | <u>\$ (91,486)</u> | <u>\$ 11,357</u> | <u>\$ 204,260</u> | <u>\$ (16,214)</u> | <u>\$ 65,284</u> |

CITY OF INDIANAPOLIS
Program Revenues by Function/Program
Schedule 3
Last Ten Fiscal Years
(Accrual basis of accounting)
(In thousands)

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Function/Program | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 16,372 | \$ 23,693 | \$ 31,250 | \$ 25,197 | \$ 28,022 | \$ 28,433 | \$ 29,935 | \$ 20,722 | \$ 29,328 | \$ 26,080 |
| Public safety | 103,991 | 104,023 | 104,691 | 113,605 | 91,203 | 89,255 | 91,716 | 93,854 | 96,521 | 93,984 |
| Public works | 233,101 | 227,920 | 211,232 | 85,696 | 139,321 | 88,035 | 118,727 | 125,176 | 103,100 | 128,741 |
| Health and welfare | 2,000 | 2,485 | 3,678 | 4,611 | 7,118 | 6,807 | 7,302 | 6,547 | 7,411 | 7,357 |
| Cultural and recreation | 7,073 | 6,663 | 4,380 | 4,935 | 11,527 | 4,865 | 8,845 | 7,290 | 5,905 | 5,793 |
| Urban redevelopment and housing | 29,841 | 40,528 | 38,588 | 21,638 | 15,832 | 13,373 | 22,314 | 17,152 | 14,888 | 14,657 |
| Economic development and assistance | 1,863 | 2,035 | 4,159 | 7,817 | 8,640 | 4,076 | 3,080 | 11,316 | 1,987 | 1,798 |
| Total governmental activities program revenues | <u>\$ 394,241</u> | <u>\$ 407,347</u> | <u>\$ 397,978</u> | <u>\$ 263,499</u> | <u>\$ 301,663</u> | <u>\$ 234,844</u> | <u>\$ 281,919</u> | <u>\$ 282,057</u> | <u>\$ 259,140</u> | <u>\$ 278,410</u> |

CITY OF INDIANAPOLIS
Fund Balances - Governmental Funds
Schedule 4
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In thousands)

| | <u>Fiscal Year</u> | |
|------------------------------------|--------------------|-------------------|
| | <u>2009</u> | <u>2010</u> |
| General Fund: | | |
| Reserved | \$ 48,759 | \$ 32,866 |
| Unreserved | 162,602 | 133,765 |
| Total general fund | <u>\$ 211,361</u> | <u>\$ 166,631</u> |
| All other governmental funds: | | |
| Reserved | \$ 307,052 | \$ 362,565 |
| Unreserved, reported in: | | |
| Special revenue funds | 184 | 14,442 |
| Capital projects funds | 64,895 | 87,575 |
| Debt service funds | (1,930) | 178 |
| Permanent fund | 376 | 376 |
| Total all other governmental funds | <u>\$ 370,577</u> | <u>\$ 465,136</u> |

| | <u>Fiscal Year</u> | | | | | | | |
|------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2011 (a)</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| General Fund: | | | | | | | | |
| Restricted | \$ 20,930 | \$ 34,950 | \$ 42,256 | \$ 32,069 | \$ 35,306 | \$ 89,454 | \$ 105,276 | \$ 85,591 |
| Committed | 215,273 | 134,151 | 70,457 | 37,992 | 9,207 | 2,749 | 659 | 5,040 |
| Assigned | 51,434 | 96,691 | 76,815 | 83,902 | 79,775 | 77,923 | 77,726 | 76,505 |
| Unassigned | 84,750 | 82,931 | 91,191 | 70,784 | 79,192 | 94,093 | 99,761 | 107,099 |
| Total General Fund | <u>\$ 372,387</u> | <u>\$ 348,723</u> | <u>\$ 280,719</u> | <u>\$ 224,747</u> | <u>\$ 203,480</u> | <u>\$ 264,219</u> | <u>\$ 283,422</u> | <u>\$ 274,235</u> |
| All other governmental funds: | | | | | | | | |
| Nonspendable | \$ 6,631 | \$ 1,872 | \$ 3,138 | \$ 2,275 | \$ 1,959 | \$ 1,180 | \$ 357 | \$ 362 |
| Restricted | 403,782 | 259,101 | 221,517 | 271,375 | 317,629 | 308,953 | 361,601 | 374,569 |
| Committed | 1,000 | — | — | — | — | — | — | — |
| Assigned | — | — | — | — | — | — | — | — |
| Unassigned | (10,020) | (5,586) | (2,155) | (364) | (322) | (68) | — | — |
| Total all other governmental funds | <u>\$ 401,393</u> | <u>\$ 255,387</u> | <u>\$ 222,500</u> | <u>\$ 273,286</u> | <u>\$ 319,266</u> | <u>\$ 310,065</u> | <u>\$ 361,958</u> | <u>\$ 374,931</u> |

(a) Effective in 2011, the City implemented GASB Statement No. 54; the new fund balance classifications are disclosed above.

CITY OF INDIANAPOLIS
Changes in Fund Balances - Governmental Funds
Schedule 5
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In thousands)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------------|------------------|-------------------|---------------------|---------------------|-------------------|------------------|------------------|------------------|------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 556,816 | \$ 474,935 | \$ 458,035 | \$ 487,666 | \$ 467,820 | \$ 497,061 | \$ 529,231 | \$ 601,328 | \$ 563,213 | \$ 590,330 |
| Licenses and permits | 11,887 | 12,488 | 14,573 | 14,632 | 13,457 | 12,010 | 14,249 | 13,952 | 14,362 | 15,974 |
| Charges for services | 200,817 | 198,623 | 155,277 | 61,207 | 58,826 | 63,949 | 65,744 | 76,844 | 75,395 | 80,594 |
| Intergovernmental revenues | 152,128 | 168,344 | 172,171 | 171,362 | 164,365 | 151,369 | 154,789 | 146,074 | 149,804 | 157,487 |
| Intragovernmental revenues | 3,338 | 2,674 | 2,929 | 1,650 | 4,880 | 3,286 | 2,342 | 1,909 | 2,974 | 11,327 |
| Traffic violations and court fees | 13,602 | 6,291 | 9,514 | 6,707 | 5,429 | 5,112 | 5,822 | 6,771 | 5,861 | 7,025 |
| Interest and other operating revenues | 14,378 | 15,144 | 27,394 | 37,630 | 31,816 | 46,174 | 57,835 | 53,004 | 55,987 | 51,818 |
| Total revenues | 952,966 | 878,499 | 839,893 | 780,854 | 746,593 | 778,961 | 830,012 | 899,882 | 867,596 | 914,555 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 21,842 | 42,446 | 35,980 | 25,015 | 21,721 | 25,957 | 24,888 | 24,720 | 26,591 | 29,174 |
| Public safety | 352,790 | 388,364 | 407,409 | 414,456 | 416,774 | 429,520 | 442,491 | 452,435 | 469,029 | 484,947 |
| Public works | 133,258 | 150,988 | 174,235 | 100,806 | 101,172 | 114,061 | 107,819 | 107,520 | 101,343 | 114,599 |
| Health and welfare | 4,928 | 4,053 | 4,471 | 3,865 | 5,973 | 6,241 | 7,550 | 7,832 | 7,694 | 7,778 |
| Cultural and recreation | 25,431 | 22,581 | 23,933 | 14,579 | 13,864 | 13,031 | 13,267 | 14,910 | 24,606 | 23,816 |
| Urban redevelopment and housing | 30,093 | 44,037 | 40,733 | 27,374 | 24,033 | 17,760 | 22,731 | 17,641 | 14,023 | 18,476 |
| Economic development and assistance | 24,308 | 42,111 | 73,758 | 95,236 | 37,981 | 28,411 | 61,202 | 20,163 | 27,326 | 23,327 |
| Capital outlays | 138,754 | 226,218 | 246,409 | 151,228 | 105,394 | 84,975 | 122,022 | 78,901 | 134,973 | 205,552 |
| Debt service: | | | | | | | | | | |
| Redemption of bonds and notes | 78,607 | 93,793 | 80,162 | 68,114 | 61,598 | 76,953 | 69,066 | 72,787 | 83,575 | 94,026 |
| Interest on bonds and notes | 68,255 | 55,388 | 57,971 | 50,892 | 51,981 | 47,877 | 45,915 | 49,835 | 53,807 | 42,353 |
| Swap termination payment | 28,780 | — | — | — | — | — | — | — | — | — |
| Bond and note issuance costs | 2,758 | 4,987 | 4,130 | 614 | 5,705 | 1,099 | 2,445 | 1,358 | 3,288 | 2,670 |
| Advance funding escrow | 649 | — | 3,318 | — | 36,705 | 10,525 | 11,655 | — | — | — |
| Operating lease payments and administration | 15,167 | 15,439 | 15,781 | 16,339 | 16,047 | 16,184 | 18,448 | 16,662 | 2,337 | 4,808 |
| Total expenditures | 925,620 | 1,090,405 | 1,168,290 | 968,518 | 898,948 | 872,594 | 949,499 | 864,764 | 948,592 | 1,051,526 |
| Excess (deficiency) of revenues under expenditures | 27,346 | (211,906) | (328,397) | (187,664) | (152,355) | (93,633) | (119,487) | 35,118 | (80,996) | (136,971) |
| Other financing sources (uses): | | | | | | | | | | |
| Proceeds of financing from capital lease | — | — | 8,175 | — | — | 605 | 3,248 | — | — | 4,972 |
| Proceeds from execution of parking meter contract | — | 20,000 | — | — | — | — | — | — | — | — |
| Proceeds from restructuring of debt | — | — | — | — | 85 | 212 | 749 | — | — | — |
| Sales of capital assets | 645 | 910 | 1,574 | 1,608 | 795 | 625 | 472 | 1,264 | 1,153 | 739 |
| Bonds and notes issued | 87,281 | 229,732 | 146,495 | 17,915 | 5,780 | 69,370 | 116,600 | 10,707 | 128,132 | 118,627 |
| Premium on bonds and notes issued | 15,451 | 11,093 | 6,810 | 2,509 | 11,744 | 6,215 | 12,146 | 6,609 | 31,522 | 4,217 |
| Refunding bonds issued | 133,775 | — | 39,000 | 24,415 | 86,605 | 11,420 | 10,985 | 50,325 | 150,800 | 12,202 |
| Payment to refunded bond escrow agent | (133,775) | — | (25,979) | (53,545) | (53,545) | — | — | (52,485) | (159,515) | — |
| Transfers in | 59,105 | 108,357 | 141,489 | 65,313 | 102,216 | 53,138 | 128,974 | 98,909 | 102,286 | 184,829 |
| Transfers out | (59,105) | (108,357) | (160,266) | (65,313) | (102,216) | (53,138) | (128,974) | (98,909) | (102,286) | (184,829) |
| Total other financing sources (uses) | 103,377 | 261,735 | 157,298 | 17,994 | 51,464 | 88,447 | 144,200 | 16,420 | 152,092 | 140,757 |
| Special item—sale of wastewater collection and treatment facilities: | | | | | | | | | | |
| Assumption of bond anticipation note by CEG | — | — | 51,137 | — | — | — | — | — | — | — |
| Proceeds from sale of wastewater collection and treatment facilities | — | — | 262,600 | — | — | — | — | — | — | — |
| Assumption of additional liabilities by CEG | — | — | 1,134 | — | — | — | — | — | — | — |
| Transfer of debt service reserve and unspent bond proceeds to CEG | — | — | (1,759) | — | — | — | — | — | — | — |
| Total special item | — | — | 313,112 | — | — | — | — | — | — | — |
| Net change in fund balances (deficits) | \$ 130,723 | \$ 49,829 | \$ 142,013 | \$ (169,670) | \$ (100,891) | \$ (5,186) | \$ 24,713 | \$ 51,538 | \$ 71,096 | \$ 3,786 |
| Debt service as a percentage of noncapital expenditures | 18% | 17% | 15% | 15% | 15% | 17% | 15% | 15% | 16% | 15% |
| Debt service expenditures | \$ 146,862 | \$ 149,181 | \$ 138,133 | \$ 119,006 | \$ 113,579 | \$ 124,830 | \$ 114,981 | \$ 122,622 | \$ 137,382 | \$ 136,379 |
| Noncapital expenditures | 809,808 | 892,858 | 932,309 | 803,222 | 781,499 | 721,252 | 768,280 | 793,994 | 846,477 | 881,001 |

CITY OF INDIANAPOLIS
Tax Revenues by Source - Governmental Funds
Schedule 6
Last Ten Fiscal Years
(Modified accrual basis)
(In thousands)

| Fiscal year | Property | Local income tax | Wheel tax | Other (a) | Total taxes |
|--------------------|-------------------|-----------------------------|------------------|------------------|--------------------|
| 2009 | \$ 345,163 \$ (b) | 174,560 \$ | 13,550 \$ | 23,543 \$ | 556,816 |
| 2010 | 255,772 | 187,880 | 11,890 | 19,393 | 474,935 |
| 2011 | 255,230 | 170,092 | 12,193 | 20,520 | 458,035 |
| 2012 | 279,254 | 174,342 | 12,433 | 21,637 | 487,666 |
| 2013 | 280,596 | 154,273 | 12,978 | 19,973 | 467,820 |
| 2014 | 297,905 | 164,582 | 13,250 | 21,324 | 497,061 |
| 2015 | 287,170 | 206,838 | 14,645 | 20,579 | 529,232 |
| 2016 | 299,225 | 266,834 | 13,644 | 21,625 | 601,328 |
| 2017 | 295,484 | 230,417 | 14,843 | 22,469 | 563,213 |
| 2018 | 316,100 | 237,319 | 15,354 | 22,574 | 591,347 |

(a) Includes financial institution and other local taxes.

(b) Property tax revenue includes \$115 million of 2008 property taxes that were not distributed until 2009 due to the delay in property tax billings.

CITY OF INDIANAPOLIS
Assessed Value and Estimated Actual Value of Taxable Property
Schedule 7
Last Ten Fiscal Years
(In thousands)

| <u>Fiscal year</u> | <u>Residential property</u> | <u>Commercial property</u> | <u>Industrial property</u> | <u>Personal property</u> | <u>Other</u> | <u>Total taxable assessed value (a) (b)</u> | <u>Total direct tax rate</u> | <u>Estimated actual taxable value</u> | <u>Taxable assessed value as a % of actual taxable value (a)</u> |
|--------------------|-----------------------------|----------------------------|----------------------------|--------------------------|--------------|---|------------------------------|---------------------------------------|--|
| 2009 | \$ 18,016,590 | \$ 14,553,256 | \$ 2,813,644 | \$ 5,657,964 | \$ 324,992 | \$ 41,366,446 | 0.8634 % | \$ 41,366,446 | 100 % |
| 2010 | 16,775,664 | 14,576,670 | 3,044,559 | 5,745,524 | 324,320 | 40,466,737 | 0.8673 | 40,466,737 | 100 |
| 2011 | 16,287,697 | 13,923,228 | 3,221,540 | 5,449,472 | 895,749 | 39,777,686 | 0.9525 | 39,777,686 | 100 |
| 2012 | 15,978,644 | 13,498,295 | 3,298,832 | 5,467,373 | 868,354 | 39,111,498 | 1.0034 | 39,111,498 | 100 |
| 2013 | 16,191,259 | 13,110,440 | 3,189,252 | 5,841,671 | 888,684 | 39,221,306 | 0.9802 | 39,221,306 | 100 |
| 2014 | 18,171,183 | 13,464,533 | 3,103,892 | 5,972,597 | 842,391 | 41,554,596 | 0.7667 | 41,554,596 | 100 |
| 2015 | 18,103,687 | 13,437,532 | 3,096,297 | 6,160,989 | 977,912 | 41,776,417 | 0.7069 | 41,776,417 | 100 |
| 2016 | 18,531,258 | 13,631,932 | 3,139,384 | 6,325,056 | 903,782 | 42,531,412 | 0.7136 | 42,531,412 | 100 |
| 2017 | 19,125,058 | 13,538,083 | 3,066,967 | 6,659,770 | 885,892 | 43,275,770 | 0.7313 | 43,275,770 | 100 |
| 2018 | 19,839,568 | 14,114,626 | 3,150,699 | 6,700,531 | 894,001 | 44,699,425 | 0.7243 | 44,699,425 | 100 |

Note: Tax-exempt property for 2018 of \$922,233 represents charitable organizations and other deductions. Government property is generally not assessed.

- (a) Represents the assessment (Marion County Auditor's "certified abstract") on January 1 of the prior year for taxes due and payable in the year indicated.
- (b) In 2018, total taxable assessed value includes \$4,192,813 of assessed valuation for Marion County Tax Increment Financing Districts.

CITY OF INDIANAPOLIS
Direct and Overlapping Governments - Property Tax Rates (a) (b)
Schedule 8
Last Ten Fiscal Years
(Rate per \$100 of assessed value)

| Fiscal Year | City of Indianapolis | | | County direct rates | | Overlapping rates | | | Total direct and overlapping rates |
|-------------|----------------------|----------------------|--------------------|---------------------|------------------------|------------------------------------|-----------|-----------|------------------------------------|
| | Operating millage | Debt service millage | Total city millage | County | Municipal corporations | Total City-County Council approved | School | Other | |
| 2009 | \$ 0.8073 | \$ 0.0561 | \$ 0.8634 | \$ 0.3513 | \$ 0.3254 | \$ 1.5401 | \$ 1.1569 | \$ 0.0578 | \$ 2.7548 |
| 2010 | 0.8041 | 0.0632 | 0.8673 | 0.3534 | 0.3282 | 1.5489 | 1.3692 | 0.0615 | 2.9796 |
| 2011 | 0.8807 | 0.0718 | 0.9525 | 0.3665 | 0.3685 | 1.6875 | 1.4065 | 0.0615 | 3.1555 |
| 2012 | 0.9116 | 0.0918 | 1.0034 | 0.4007 | 0.3958 | 1.7999 | 1.2711 | 0.0670 | 3.1380 |
| 2013 | 0.9069 | 0.0733 | 0.9802 | 0.3932 | 0.4314 | 1.8048 | 1.4829 | 0.0607 | 3.3484 |
| 2014 | 0.6795 | 0.0872 | 0.7667 | 0.4034 | 0.4340 | 1.6041 | 1.2889 | 0.0620 | 2.9550 |
| 2015 | 0.6431 | 0.0638 | 0.7069 | 0.3825 | 0.4205 | 1.5099 | 1.3504 | 0.0607 | 2.9210 |
| 2016 | 0.6554 | 0.0582 | 0.7136 | 0.3883 | 0.4454 | 1.5473 | 1.4170 | 0.0630 | 3.0273 |
| 2017 | 0.6742 | 0.0571 | 0.7313 | 0.3943 | 0.4517 | 1.5773 | 0.9735 | 0.0619 | 2.6127 |
| 2018 | 0.6716 | 0.0527 | 0.7243 | 0.3893 | 0.4488 | 1.5624 | 1.1336 | 0.0587 | 2.7547 |

- (a) Rate of District 101 (Indianapolis-Center Township), which is the only rate that includes all major services.
(b) Data presented is per the tax rate schedule certified by the Department of Local Government Finance (DLGF).

CITY OF INDIANAPOLIS
Principal Property Tax Payers
Schedule 9
Current Fiscal Year and Nine Years Ago
(In thousands)

| Principal taxpayers | 2018 | | | Principal taxpayers | 2009 | | |
|--|----------------------------|------|---|--------------------------------|--------------------------------|------|---|
| | Taxable assessed value (a) | Rank | Percentage of total city taxable assessed value | | Taxable assessed value (b) (c) | Rank | Percentage of total city taxable assessed value |
| Eli Lilly and Company | \$ 1,218,912 | 1 | 2.727 | Eli Lilly and Company | \$ 1,312,077 | 1 | 3.430% |
| Citizens Energy Group | 469,516 | 2 | 1.050 | Indianapolis Power & Light | 381,597 | 2 | 0.997% |
| Indianapolis Power and Light Company | 400,796 | 3 | 0.897 | Indiana Bell | 283,297 | 3 | 0.740% |
| Federal Express Corporation | 245,092 | 4 | 0.548 | Simon Property Group | 191,132 | 4 | 0.500% |
| Convention Headquarters Hotels, LLC | 189,133 | 5 | 0.423 | General Motors | 183,985 | 5 | 0.481% |
| Hertz Indianapolis 111 Monument, LLC | 154,583 | 6 | 0.346 | Sexton Properties | 181,809 | 6 | 0.475% |
| American United Life Insurance Company | 114,781 | 7 | 0.257 | Citizens Gas & Coke Utility | 148,011 | 7 | 0.387% |
| SVC Manufacturing | 92,792 | 8 | 0.208 | Macquarie Office Monument | 144,640 | 8 | 0.378% |
| Castleton Square, LLC | 81,858 | 9 | 0.183 | American United Life | 140,114 | 9 | 0.366% |
| IMD2 LLC | 76,250 | 10 | 0.171 | Community Hospital Foundation | 130,201 | 10 | 0.340% |
| Southwest Airlines Co. | 75,184 | 11 | 0.168 | Dugan Realty, LLP | 115,274 | 11 | 0.301% |
| Keystone Investors, LLC | 72,661 | 12 | 0.163 | Keystone Investors, LLC | 109,559 | 12 | 0.286% |
| Westin Indianapolis LLC | 68,924 | 13 | 0.154 | Duke Weeks Realty, LP | 105,025 | 13 | 0.275% |
| DOW Agrosociences, LLC | 68,016 | 14 | 0.152 | Rolls Royce | 104,937 | 14 | 0.274% |
| Rolls-Royce Corporation | 67,566 | 15 | 0.151 | Roche Diagnostics Corp | 96,580 | 15 | 0.252% |
| Ms Operations Center Partners LLC | 64,852 | 16 | 0.145 | Target | 94,621 | 16 | 0.247% |
| Axis FC LLC | 62,192 | 17 | 0.139 | Indianapolis Motor Speedway | 93,828 | 17 | 0.245% |
| NG 211 N Pennsylvania St, LLC | 61,995 | 18 | 0.139 | International Truck and Engine | 93,329 | 18 | 0.244% |
| Cellco Partnership | 60,450 | 19 | 0.135 | SVC Manufacturing | 77,940 | 19 | 0.204% |
| Circle Centre Development Co. | 58,753 | 20 | 0.131 | VV USA City, LP | 75,550 | 20 | 0.197% |
| | \$ <u>3,704,306</u> | | <u>8.287</u> | | \$ <u>4,063,506</u> | | <u>10.62%</u> |

- (a) Represents the January 1, 2017 valuations for taxes due and payable in 2018 as represented by the taxpayer. Amounts in thousands. Net assessed valuation was determined using public records from the Marion County Treasurer's Office.
- (b) Represents the March 1, 2008 valuations for taxes due and payable in 2009 as represented by the taxpayer. Amounts in thousands. Net assessed valuation was determined using public records from the Marion County Treasurer's Office.
- (c) Data presented as originally published in the 2009 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Property Tax Levies and Collections
Schedule 10
Last Eight Fiscal Years (c)
(In thousands)

| Fiscal year ended December 31 | Taxes levied for the fiscal year | Collected within the fiscal year of the levy | | Collections in subsequent years | Total collections to date | |
|--|---|---|-----------------------------------|--|----------------------------------|-----------------------------------|
| | | Amount | Percentage of levy (d) | | Amount (a) | Percentage of levy (d) |
| 2011 | \$ 184,301 | \$ 175,069 | 95.0 % | \$ 8,292 | \$ 183,361 | 99.5 % |
| 2012 | 195,321 | 185,118 | 94.8 | 6,932 | 192,050 | 98.3 |
| 2013 | 186,122 | 179,501 | 96.4 | 6,758 | 186,259 | 100.1 |
| 2014 | 190,113 | 198,358 | 104.3 | 6,982 | 205,340 | 108.0 (b) |
| 2015 | 195,944 | 188,572 | 96.2 | 5,534 | 194,106 | 99.1 |
| 2016 | 194,983 | 193,413 | 99.2 | 7,195 | 200,608 | 102.9 |
| 2017 | 205,739 | 205,401 | 99.8 | 5,615 | 211,016 | 102.6 |
| 2018 | 214,321 | 212,181 | 99.0 | — | 212,181 | 99.0 |

(a) Tax increment revenues are not included in the collected amounts because there is no separate tax levy for them.

(b) During 2013 an administrative process was completed to validate property owners who were receiving a homestead deduction. Those property owners with multiple homestead deductions were notified by the County to validate the homestead deduction or they would have this deduction removed. This verification process increased base assessed value in and resulted in additional one-time property tax revenue.

(c) Beginning in 2011, delinquent collections were broken down by original levy year in information provided by Marion County Treasurer. Data regarding the prior year collections is not available and therefore is not included in this table.

(d) The annual levy has an estimated contingency built-in for potential appeals. If those appeals are less than the estimate, the City would receive revenue over the total levy amount.

CITY OF INDIANAPOLIS
Ratios of Outstanding Debt by Type (c)
Schedule 11
Last Ten Fiscal Years
(In thousands, except per capita)

| Fiscal year | Governmental activities | | | | | | Percentage of personal income (a) | Per capita (a) |
|-------------|--------------------------------|---------------------|---------------|---|----------------|------------------------------------|-----------------------------------|----------------|
| | General obligation bonds | Tax increment bonds | Revenue bonds | Notes payable and certificates of participation | Capital leases | Total Governmental Activities Debt | | |
| 2009 | \$ 293,756 | \$ 517,964 | \$ 590,715 | \$ 25,816 | \$ - | \$ 1,428,251 | 4.06% | \$ 1,767 |
| 2010 | 265,900 | 536,092 | 728,684 | (b) 41,335 | - | 1,572,011 | 4.17% | 1,947 |
| 2011 | 218,188 | 650,409 | 271,313 | 37,300 | 8,175 | 1,185,385 | 2.92% | 1,445 |
| 2012 | 210,616 | 632,594 | 264,850 | 46,150 | 8,175 | 1,162,385 | 2.75% | 1,392 |
| 2013 | 180,800 | 626,551 | 260,150 | 28,732 | 8,038 | 1,104,271 | 2.64% | 1,309 |
| 2014 | 157,574 | 669,880 | 271,520 | 40,422 | 8,549 | 1,147,945 | 2.66% | 1,352 |
| 2015 | 129,860 | 649,323 | 345,558 | 74,633 | 11,607 | 1,210,981 | 2.68% | 1,404 |
| 2016 | 85,898 | 624,750 | 335,028 | 82,197 | 10,619 | 1,138,492 | 2.44% | 1,331 |
| 2017 | 135,822 | 602,630 | 332,753 | 119,288 | 9,659 | 1,200,152 | 2.48% | 1,391 |
| 2018 | 124,440 | 598,565 | 360,653 | 166,076 | 12,182 | 1,261,916 | 2.61% | 1,455 |

(a) See schedule 16 for personal income and population data.

(b) Effective August 26, 2011, the City's water and wastewater utilities were sold to Citizens Energy Group. As part of the sale, CEG assumed \$1,408,369 of revenue bonds and agreed to fund the remaining sanitary district general obligation debt in the amount of \$41,803, which matured in 2018.

(c) Outstanding bond amounts include deferred premiums.

CITY OF INDIANAPOLIS
Ratios of Net General Bonded Debt Outstanding (c)
Schedule 12
Last Ten Fiscal Years
(In thousands, except per capita)

| Fiscal year | Net general bonded debt outstanding | | | Total | Percentage of actual taxable value of property (b) | Per capita (a) |
|-------------|-------------------------------------|--|------------|-------|--|----------------|
| | General obligation bonds | Less: Amounts available in debt service fund | | | | |
| 2009 | \$ 293,756 | \$ 28,946 | \$ 264,810 | 0.640 | % \$ 327.55 | |
| 2010 | 265,900 | 27,681 | 238,219 | 0.589 | 294.98 | |
| 2011 | 218,188 | 7,935 | 210,253 | 0.529 | 256.27 | |
| 2012 | 210,616 | 29,816 | 180,800 | 0.462 | 216.57 | |
| 2013 | 180,800 | 20,275 | 160,525 | 0.409 | 190.33 | |
| 2014 | 157,574 | 21,255 | 136,319 | 0.328 | 160.60 | |
| 2015 | 129,860 | 24,850 | 105,010 | 0.251 | 121.71 | |
| 2016 | 85,898 | 8,727 | 77,171 | 0.181 | 90.24 | |
| 2017 | 135,822 | 9,055 | 126,767 | 0.293 | 146.89 | |
| 2018 | 124,440 | 15,395 | 109,045 | 0.244 | 125.75 | |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (a) Population data can be found in schedule 16.
- (b) Property value data can be found in schedule 7.
- (c) Outstanding bond amounts include deferred premiums.

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2018
(In thousands)

| | Map reference (see introduction (e)) | Assessed value (d) | Bonding limit | | Bonds outstanding (h) |
|---|---|-----------------------|---------------|---------------------|--------------------------|
| | | | % | Dollar amount | |
| Direct Debt: | | | | | |
| City of Indianapolis: | | | | | |
| Civil City | 2 | \$ 38,185,727 | 0.67% | \$ 255,844 | \$ 52,140 |
| Park District | 1 | 40,737,646 | 0.67% | 272,942 | 4,925 |
| Redevelopment District | 2 | 38,185,727 | (f) | — | — |
| Flood Control District | 1 | 40,737,646 | 0.67% | 272,942 | — |
| Metropolitan Thoroughfare District | 1 | 40,737,646 | 1.33% | 541,811 | 24,585 |
| Solid Waste Special Service District | 7 | 38,235,668 | 2.00% | 764,713 | — |
| Public Safety Communications and Computer Facilities District | 1 | 40,737,646 | 0.67% | 272,942 | 36,310 |
| Premium on General Obligation Debt | | | | — | 6,480 |
| Total City General Obligation Debt | | | | <u>\$ 2,381,194</u> | <u>124,440</u> |
| Other Direct Debt | | | | | |
| Tax increment bonds | | | | | 598,565 |
| Revenue bonds | | | | | 360,653 |
| Note payable and certificate of participations | | | | | 166,076 |
| Capital leases | | | | | 12,182 |
| Total City Direct Debt | | | | | <u>\$ 1,261,916</u> |
| Overlapping: | | | | | |
| Marion County | 1 | \$ 40,737,646 | 0.67% | <u>\$ 272,942</u> | <u>\$ —</u> |
| Municipal Corporations: | | | | | |
| Indianapolis Airport Authority | | \$ 40,737,646 | 0.67% | \$ 272,942 | \$ — |
| Health and Hospital Corporation | 1 | 40,737,646 | 0.67% | 272,942 | 179,335 |
| Capital Improvement Board of Managers | 1 | 40,737,646 | 0.67% | 272,942 | — |
| Indianapolis-Marion County Building Authority | 1 | 40,737,646 | (b) | — | — |
| Indianapolis-Marion County Public Library | 4 | 40,124,284 | 0.67% | 268,833 | 71,150 |
| Indianapolis Public Transportation Corporation | 2 | 38,617,780 | 0.67% | 258,739 | — |
| Total Municipal Corporations | | | | <u>\$ 1,346,398</u> | <u>\$ 250,485</u> |
| School Districts: | | | | | |
| Beech Grove | 8 | \$ 435,690 | (g) | \$ 2,919 | \$ 3,147 |
| Decatur | 8 | 1,699,074 | (g) | 11,384 | 2,715 |
| Franklin | 8 | 2,310,919 | (g) | 15,483 | — |
| Indianapolis Public Schools | 8 | 11,032,088 | (g) | 73,915 | 43,705 |
| Lawrence | 8 | 5,024,205 | (g) | 33,763 | 18,495 |
| Perry | 8 | 3,501,987 | (g) | 23,463 | 14,670 |
| Pike | 8 | 4,717,204 | (g) | 31,605 | 28,240 |
| Speedway | 8 | 764,586 | (g) | 5,123 | — |

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2018
(In thousands)

| | Map reference (see introduction (e)) | Assessed value (d) | Bonding limit | | Bonds outstanding (h) |
|--------------------------------------|---|-----------------------|---------------|-------------------|--------------------------|
| | | | % | Dollar amount | |
| School Districts (continued): | | | | | |
| Warren | 8 | \$ 2,578,639 | (g) | \$ 17,277 | \$ — |
| Washington | 8 | 6,131,928 | (g) | 41,084 | 31,630 |
| Wayne | 8 | 2,977,094 | (g) | 19,947 | 4,000 |
| Total School Districts | | <u>\$ 41,173,414</u> | | <u>\$ 275,963</u> | <u>\$ 146,602</u> |
| Other Cities and Towns: | | | | | |
| Beech Grove | 2 | \$ 432,053 | 0.67% | \$ 2,895 | \$ 1,000 |
| Lawrence | 2 | 1,456,563 | 0.67% | 9,759 | 3,628 |
| Southport | 2 | 49,940 | 0.67% | 335 | 281 |
| Speedway | 2 | 613,362 | 0.67% | 4,110 | 3,949 |
| Total Other Cities and Towns | | <u>\$ 2,551,918</u> | | <u>\$ 17,099</u> | <u>\$ 8,858</u> |
| Townships: | | | | | |
| Center | 3 | \$ 6,246,544 | 0.67% | \$ 41,852 | \$ — |
| Decatur | 3 | 1,592,266 | 0.67% | 10,668 | — |
| Franklin | 3 | 2,440,979 | 0.67% | 16,355 | — |
| Lawrence | 3 | 5,394,086 | 0.67% | 36,140 | 1,280 |
| Perry | 3 | 3,818,962 | 0.67% | 25,587 | — |
| Pike | 3 | 4,565,838 | 0.67% | 30,591 | — |
| Warren | 3 | 3,511,009 | 0.67% | 23,524 | — |
| Washington | 3 | 8,675,956 | 0.67% | 58,129 | — |
| Wayne | 3 | 4,256,801 | 0.67% | 28,521 | 1,596 |
| Total Townships | | <u>\$ 40,502,441</u> | | <u>\$ 271,367</u> | <u>\$ 2,876</u> |
| Excluded Library Districts: | | | | | |
| Speedway | 4 | \$ 613,362 | 0.67% | \$ 4,110 | \$ 135 |
| Total Excluded Library Districts | | <u>\$ 613,362</u> | | <u>\$ 4,110</u> | <u>\$ 135</u> |
| Ben Davis Conservancy District | | <u>\$ 354,164</u> | (c) | <u>\$ —</u> | <u>\$ —</u> |
| Total overlapping debt | | | | | <u>\$ 408,956</u> |
| Total direct and overlapping debt | | | | | <u>\$ 1,670,872</u> |

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2018
(In thousands)

- (a) Excludes revenue bonds not payable from ad valorem taxes.
- (b) There is no debt limit for the Indianapolis-Marion County Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Building Authority's enabling legislation.
- (c) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 14-33-11-4.
- (d) Represents the January 1, 2017 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2018.
- (e) See Introductory Section.
- (f) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (g) A statutory .67% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit and does not include the outstanding building corporation debt.
- (h) Governmental activities debt of the overlapping governments is not readily available; only general obligation debt is reported in this column.

CITY OF INDIANAPOLIS
Computation of Legal Debt Margin (a)(c)
Schedule 14
December 31, 2018
(In thousands)

| | <u>Assessed value (b)</u> | <u>Debt limit percentage</u> | <u>Debt limit</u> | <u>Bonds outstanding</u> | <u>Legal debt margin</u> | <u>Total net debt applicable to the limit as a percentage of debt limit</u> |
|---|-------------------------------|----------------------------------|-------------------|------------------------------|------------------------------|---|
| Civil City | \$ 38,185,727 | 0.67% | \$ 255,844 | \$ 52,140 | \$ 203,704 | 20.38% |
| Park District | 40,737,646 | 0.67% | 272,942 | 4,925 | 268,017 | 1.80% |
| Redevelopment District | 38,185,727 | (b) | — | — | — | — |
| Flood Control District | 40,737,646 | 0.67% | 272,942 | — | 272,942 | 0.00% |
| Metropolitan Thoroughfare District | 40,737,646 | 1.33% | 541,811 | 24,585 | 517,226 | 4.54% |
| Solid Waste Special Service District | 38,235,668 | 2.00% | 764,713 | — | 764,713 | — |
| Public Safety Communications and Computer Facilities District | 40,737,646 | 0.67% | 272,942 | 36,310 | 236,632 | 13.30% |

(a) Excludes Revenue Bonds not payable from ad valorem taxes.

(b) There is no statutory constitutional debt limitation applicable to the Redevelopment District.

(c) Due to the extreme complexity of the taxing district structure, the City has not presented the required ten years of data as showing more than one year of data is extremely cumbersome. Previous years data can be found in the Comprehensive Annual Financial Reports from prior years.

CITY OF INDIANAPOLIS
Pledged Revenue Coverage
Schedule 15
Last Ten Fiscal Years
(In thousands)

| Transportation revenue bonds | | | | | |
|-------------------------------------|-------------------------------|--------------|----------|----------|--|
| Fiscal year | Wheel and gas tax revenue (a) | Debt service | | Coverage | |
| | | Principal | Interest | | |
| 2009 | \$ 13,549 | \$ 5,740 | \$ 983 | 2.02 | |
| 2010 | 11,890 | 3,570 | 762 | 2.74 | |
| 2011 | 12,193 | 1,355 | 592 | 6.26 | |
| 2012 | 12,433 | 1,415 | 532 | 6.39 | |
| 2013 | 46,323 | 1,525 | 543 | 22.40 | |
| 2014 | 51,703 | 1,520 | 319 | 28.11 | |
| 2015 | 52,909 | 1,580 | 2,076 | 14.47 | |
| 2016 | 53,013 | 2,565 | 3,624 | 8.57 | |
| 2017 | 62,060 | 2,660 | 3,530 | 10.03 | |
| 2018 | 69,823 | 2,770 | 3,419 | 11.28 | |

| Facilities revenue bonds | | | | | |
|---------------------------------|-----------------|--------------|----------|----------|--|
| Fiscal year | Charge back (e) | Debt service | | Coverage | |
| | | Principal | Interest | | |
| 2009 | \$ 1,793 | \$ 1,105 | \$ 784 | 0.95 | |
| 2010 | 2,210 | 1,190 | 739 | 1.15 | |
| 2011 | 1,947 | 1,240 | 691 | 1.01 | |
| 2012 | 1,853 | 1,300 | 632 | 0.96 | |
| 2013 | 1,535 | 1,365 | 575 | 0.79 | |
| 2014 | 1,956 | 1,420 | 515 | 1.01 | |
| 2015 | 1,952 | 1,450 | 249 | 1.15 | |
| 2016 | 1,963 | 1,650 | 173 | 1.08 | |
| 2017 | 1,855 | 1,680 | 131 | 1.02 | |
| 2018 | 1,858 | 1,725 | 101 | 1.02 | |

| PILOT revenue bonds | | | | |
|-------------------------------|--------------|--------------|----------|-----|
| Payments in lieu of taxes (b) | Debt service | | Coverage | |
| | Principal | Interest (h) | | |
| NA | NA | NA | NA | NA |
| 5,574 | — | 3,054 | 1.83 | |
| 14,214 | — | 7,910 | 1.80 | |
| 5,264 | — | 7,910 | 0.67 | |
| 5,875 | — | 7,910 | 0.74 | |
| 3,771 | — | 7,910 | 0.48 | |
| 8,168 | — | 7,910 | 1.03 | |
| 8,168 | — | 7,910 | 1.03 | |
| 10,520 | — | 3,955 | 2.66 | (j) |
| 13,729 | — | 7,413 | 1.85 | |

| Economic development bonds | | | | |
|-----------------------------------|--------------|----------|----------|--|
| Parking fees (f) | Debt service | | Coverage | |
| | Principal | Interest | | |
| \$ 2,250 | \$ 135 | \$ 1,994 | 1.06 | |
| 1,654 | 98 | 1,384 | 1.12 | |
| 1,365 | 104 | 1,096 | 1.14 | |
| 1,669 | — | 1,548 | 1.08 | |
| 1,004 | 255 | 749 | 1.00 | |
| 1,575 | 620 | 955 | 1.00 | |
| 3,062 | 1,183 | 1,981 | 0.97 | |
| 3,182 | 1,227 | 1,955 | 1.00 | |
| 2,364 | 957 | 1,407 | 1.00 | |
| 1,584 | 670 | 914 | 1.00 | |

| Property tax increment bonds | | | | |
|-------------------------------------|---------------|-----------|----------|-----|
| Tax increment revenues (c) | Debt service | | Coverage | |
| | Principal (d) | Interest | | |
| \$ 112,951 | \$ 16,275 | \$ 25,772 | 2.69 | |
| 66,615 | 21,054 | 15,700 | 1.81 | |
| 60,980 | 54,036 | 10,997 | 0.94 | |
| 74,183 | 30,402 | 9,132 | 1.88 | |
| 82,754 | 29,701 | 17,729 | 1.74 | |
| 82,319 | 39,223 | 18,383 | 1.43 | |
| 83,953 | 34,815 | 18,673 | 1.57 | |
| 90,418 | 34,266 | 21,846 | 1.61 | (i) |
| 81,848 | 33,538 | 15,002 | 1.69 | |
| 94,215 | 44,424 | 20,414 | 1.45 | |

| Stormwater revenue bonds | | | | |
|---|--------------|----------|----------|--|
| Net revenues of the stormwater system (g) | Debt service | | Coverage | |
| | Principal | Interest | | |
| \$ 3,054 | \$ 970 | \$ 2,084 | 1.00 | |
| 3,060 | 1,015 | 2,045 | 1.00 | |
| 3,220 | 1,190 | 2,030 | 1.00 | |
| 3,975 | 1,435 | 2,540 | 1.00 | |
| 2,673 | 780 | 1,893 | 1.00 | |
| 3,985 | 1,665 | 2,320 | 1.00 | |
| 4,458 | 2,235 | 2,223 | 1.00 | |
| 5,280 | 1,990 | 2,234 | 1.25 | |
| 5,637 | 2,075 | 2,434 | 1.25 | |
| 7,539 | 3,730 | 2,301 | 1.25 | |

Note: NA stands for not available.

- (a) 2009-2012, only wheel taxes pledge. 2013-2018, wheel taxes and gasoline taxes are pledged.
- (b) Payments in lieu of taxes wastewater system.
- (c) Property tax increment revenues collected in TIF districts.
- (d) Does not include principal amount for refunding bonds.
- (e) Charge back to City-County agencies.
- (f) Fees from parking garage.
- (g) Improvements of stormwater handling capabilities.
- (h) Any shortfalls in pledged PILOT revenues are covered by accumulated PILOT payments from prior years.
- (i) Principal payment does not include \$52,485 for the Redevelopment District Refunding Bonds, 2016A (Marriott).
- (j) Principal payment does not include \$159,515 for the PILOT Refunding Bonds, Series 2017C.

CITY OF INDIANAPOLIS
Demographic and Economic Statistics
 Schedule 16
 Last Ten Fiscal Years

| <u>Calendar year</u> | <u>Population (a)</u> | <u>Personal income (thousands of dollars) (b)</u> | <u>Per capita personal income (b)</u> | <u>Median age (c)</u> | <u>Education level in years of schooling (a)</u> | <u>School enrollment (d)</u> | <u>Unemployment rate (e)</u> |
|----------------------|-----------------------|---|---------------------------------------|-----------------------|--|------------------------------|------------------------------|
| 2009 | 808,466 | \$ 35,218,272 | \$ 39,201 | 35.80 | 12 | 159,089 | 10.00 % |
| 2010 | 807,584 | 37,657,620 | 41,633 | 33.60 | 12 | 159,865 | 9.70 |
| 2011 | 820,445 | 40,583,131 | 44,538 | 33.00 | 12 | 143,053 | 9.50 |
| 2012 | 834,852 | 42,200,406 | 45,897 | 33.70 | 12 | 146,175 | 9.40 |
| 2013 | 843,393 | 41,906,380 | 45,074 | 33.90 | 12 | 149,697 | 7.00 |
| 2014 | 848,788 | 43,178,384 | 46,143 | 34.10 | 12 | 130,007 | 5.80 |
| 2015 | 862,781 | 45,110,150 | 47,978 | 34.30 | 12 | 130,371 | 4.60 |
| 2016 | 855,164 | 46,671,667 | 49,439 | 34.30 | 12 | 131,754 | 3.90 |
| 2017 | 863,002 | 48,413,129 | 50,957 | 34.30 | 12 | 132,596 | 3.10 |
| 2018 | 867,125 | 48,413,129 (f) | 50,957 (f) | 34.30 (g) | 12 | 132,838 | 3.40 |

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Stats Indiana

(d) Indiana Department of Education

(e) Bureau of Labor Statistics, December 2018 rate (not seasonally adjusted)

(f) This information was not made available by the Bureau of Economics Analysis as of the CAFR issuance date; therefore, prior year numbers were utilized.

(g) This information will be released by the U.S. Census Bureau at a future date; therefore, prior year numbers were utilized.

CITY OF INDIANAPOLIS
Principal Employers
Schedule 17
December 31, 2018

| Employer | 2018 (b) | | | Employer | 2009 (c) | | |
|---------------------------|------------------|-------------|--|---|------------------|-------------|--|
| | Employees | Rank | Percentage of total city employment (a) | | Employees | Rank | Percentage of total city employment (a) |
| Indiana University Health | 23,187 | 1 | 4.90% | Clarian Health Partners, Inc | 12,763 | 1 | 3.08% |
| Ascension St. Vincent | 17,398 | 2 | 3.67% | Eli Lilly and Company | 11,550 | 2 | 2.79% |
| Community Health Network | 11,328 | 3 | 2.39% | St. Vincent Hospitals & Health Services | 10,640 | 3 | 2.57% |
| Eli Lilly and Company | 10,511 | 4 | 2.22% | IUPUI | 7,066 | 4 | 1.71% |
| Walmart | 8,926 | 5 | 1.88% | FedEx | 6,311 | 5 | 1.52% |
| Kroger Co | 7,675 | 6 | 1.62% | Community Health Network | 5,341 | 6 | 1.29% |
| Federal Express | 5,000 | 7 | 1.06% | Rolls-Royce | 4,600 | 7 | 1.11% |
| Anthem | 4,866 | 8 | 1.03% | St. Francis Hospital & Health Centers | 4,152 | 8 | 1.00% |
| Eskenazi Health | 4,620 | 9 | 0.98% | WellPoint Inc. | 3,950 | 9 | 0.95% |
| Meijer | 4,594 | 10 | 0.97% | Allison Transmission/Div of GMC | 3,800 | 10 | 0.92% |

- (a) Percentage of total City employment is calculated by using total Employed Labor Force, which can be found at www.stats.indiana.edu.
- (b) Largest employers can be found at www.indypartnership.com (Indy Partnership).
- (c) Data presented as originally published in the 2009 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Full-Time Equivalent City Government Employees by Function/Program
 Schedule 18
 Last Ten Fiscal Years

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | 266 | 236 | 206 | 230 | 211 | 200 | 192 | 190 | 195 | 194 |
| Protection of People | | | | | | | | | | |
| Police Department | 1,610 | 1,636 | 1,624 | 1,542 | 1,527 | 1,549 | 1,654 | 1,647 | 1,654 | 1,653 |
| Fire Department (a) | 1,116 | 1,300 | 1,268 | 1,221 | 1,155 | 1,173 | 1,180 | 1,184 | 1,184 | 1,179 |
| Other (Civilian) | 309 | 291 | 270 | 262 | 348 | 336 | 337 | 331 | 340 | 342 |
| Public Works | 618 | 670 | 661 | 683 | 620 | 626 | 632 | 648 | 649 | 684 |
| Parks and Recreation | 150 | 142 | 131 | 114 | 99 | 103 | 103 | 104 | 117 | 119 |
| Redevelopment | 222 | 227 | 226 | 206 | 204 | 226 | 237 | 239 | 254 | 247 |
| Total full-time City employees | <u>4,291</u> | <u>4,502</u> | <u>4,386</u> | <u>4,258</u> | <u>4,164</u> | <u>4,213</u> | <u>4,335</u> | <u>4,343</u> | <u>4,393</u> | <u>4,418</u> |

(a) Effective in 2007, Washington and Warren Township Fire Departments merged with the Indianapolis Fire Department; followed by Perry Township in 2009, Franklin Township in 2010, and Lawrence Township in 2011.

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City of Indianapolis Office of Finance & Management

CITY OF INDIANAPOLIS
Operating Indicators by Function/Program
Schedule 19
Last Ten Fiscal Years

| <u>Function/program</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | | | | | | |
| Building permits issued | 33,619 | 33,915 | 34,966 | 38,803 | 38,384 | 39,708 | 37,967 | 38,117 | 42,140 | 43,962 |
| Building inspections conducted | 37,224 | 32,370 | 32,034 | 35,509 | 29,891 | 31,026 | 40,088 | 37,681 | 37,645 | 35,875 |
| Households assisted with entitlement grants | 6,872 | 3,430 | 3,090 | 1,789 | 2,233 | 2,100 | 4,219 | 6,812 | 6,436 | 2,193 |
| Police | | | | | | | | | | |
| Physical arrests | 51,944 | 50,264 | 60,883 | 55,965 | 52,337 | 42,293 | 39,417 | 61,059 | 41,310 | 32,578 |
| Parking violations | 8,575 | 8,953 | 7,277 | 3,778 | 2,362 | 3,440 | 6,512 | 7,501 | 7,599 | 6,827 |
| Traffic violations | 36,850 | 20,600 | 34,434 | 30,328 | 36,953 | 31,684 | 40,642 | 49,921 | 35,915 | 35,062 |
| Fire | | | | | | | | | | |
| Emergency responses | 122,620 | 154,755 | 137,476 | 151,950 | 150,535 | 97,140 | 106,118 | 164,030 | 178,522 | 167,217 |
| Dispatched fire runs | 18,457 | 17,236 | 17,714 | 18,682 | 18,744 | 18,543 | 18,809 | 15,145 | 15,526 | 16,793 |
| Inspections | 4,663 | 6,936 | 12,524 | 8,231 | 10,960 | 15,228 | 17,678 | 14,049 | 13,687 | 14,398 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per day) | 1,048 | 1,038 | 997 | 924 | 960 | 975 | 991 | 1,044 | 1,127 | 765 |
| Leaves collected (tons per year) | 7,610 | 6,044 | 7,603 | 4,907 | 6,359 | 5,785 | 5,397 | 3,789 | 3,842 | 4,894 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 237 | 515 | 389 | 139 | 178 | 254 | 138 | 157 | 72 | 114 |
| Pothole work orders completed (a) | 18,590 | 16,645 | 23,821 | 13,410 | 14,512 | 21,722 | 24,106 | 21,954 | 24,202 | 43,731 |
| Parks and recreation | | | | | | | | | | |
| Number of shelter rental reservations | 2,514 | 2,216 | 2,007 | 2,279 | 2,176 | 2,097 | 2,467 | 2,208 | 2,263 | 2,865 |
| Number of day camp registrations | 3,135 | 3,403 | 3,428 | 3,143 | 3,107 | 3,213 | 3,226 | 3,077 | 3,010 | 3,079 |
| Community park and facility attendance | 6,820,927 | 6,804,867 | 6,954,806 | 7,321,222 | 7,844,919 | 5,172,493 | 7,460,471 | 8,648,601 | 8,456,535 | 8,393,228 |

(a) Work order can consist of one pothole or multiple potholes.

Sources: Various City departments

CITY OF INDIANAPOLIS
Capital Asset Statistics by Function/Program
Schedule 20
Last Ten Fiscal Years

| Function/program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police stations | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Police and emergency management vehicles and other rolling stock | 2,017 | 2,321 | 2,068 | 2,049 | 1,925 | 1,838 | 1,916 | 2,009 | 2,029 | 2,069 |
| Fire stations | 38 | 45 | 45 | 44 | 44 | 44 | 44 | 43 | 43 | 43 |
| Fire vehicles and other rolling stock | 277 | 302 | 297 | 282 | 276 | 276 | 291 | 296 | 305 | 315 |
| Animal control vehicles and other rolling stock | 27 | 27 | 31 | 27 | 34 | 30 | 33 | 33 | 33 | 32 |
| Other Public Works | | | | | | | | | | |
| Streets (miles) | 3,233 | 3,238 | 3,244 | 3,299 | 3,307 | 3,323 | 3,337 | 3,339 | 3,339 | 3,342 |
| Sidewalks (miles) | 2,706 | 2,707 | 2,706 | 2,815 | 3,097 | 3,199 | 3,224 | 3,247 | 3,251 | 3,252 |
| Bridges | 512 | 512 | 512 | 527 | 541 | 541 | 540 | 538 | 539 | 539 |
| Traffic signal installations | 1,127 | 1,128 | 1,128 | 1,130 | 1,132 | 1,136 | 1,141 | 1,147 | 1,147 | 1,151 |
| Miles of storm sewers and drainage | 1,513 | 1,517 | 1,517 | 1,525 | 1,536 | 1,540 | 1,544 | 1,545 | 1,550 | 1,552 |
| Public works vehicle and other rolling stock | 582 | 546 | 673 | 672 | 652 | 644 | 605 | 590 | 593 | 682 |
| Cultural and Recreation | | | | | | | | | | |
| Parks | 206 | 207 | 207 | 207 | 207 | 208 | 208 | 207 | 210 | 210 |
| Park properties – acreage | 11,140 | 11,168 | 11,168 | 11,161 | 11,161 | 11,186 | 11,186 | 11,254 | 11,254 | 11,254 |
| Playgrounds | 128 | 127 | 127 | 126 | 126 | 126 | 126 | 125 | 125 | 126 |
| Golf courses | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Swimming pools – outdoors | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 18 | 18 |
| Swimming pools – indoors | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Recreational centers | 25 | 25 | 25 | 24 | 24 | 24 | 24 | 23 | 23 | 23 |

Sources: Various City departments

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