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January 23, 2024

Board of Directors  
Indianapolis Local Public Improvement Bond Bank  
Marion County, Indiana

We have reviewed the audit report of the Indianapolis Local Public Improvement Bond Bank, which was opined upon by Somerset CPAs, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Indianapolis Local Public Improvement Bond Bank as of December 31, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner



**THE INDIANAPOLIS LOCAL PUBLIC  
IMPROVEMENT BOND BANK**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2022 and 2021**

# THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

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## Independent Auditor's Report

**To the Board of Directors  
Indianapolis Local Public Improvement Bond Bank  
Indianapolis, Indiana**

### ***Opinion***

We have audited the financial statements of Indianapolis Local Public Improvement Bond Bank (the "Bond Bank"), which comprise the statements of net position as of December 31, 2022 and 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net position of the Bond Bank as of December 31, 2022 and 2021, and the results of its revenues, expenses and changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Bond Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bond Bank's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bond Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bond Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of Indianapolis Local Public Improvement Bond Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Indianapolis Local Public Improvement Bond Bank's internal control over financial reporting and compliance.

*Somerset CPAs PC*

Indianapolis, Indiana

July 27, 2023

# THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) DECEMBER 31, 2022

As management of The Indianapolis Local Public Improvement Bond Bank (Bond Bank), we offer readers of the Bond Bank's financial statements this narrative overview and analysis of the financial activities of the Bond Bank for the year ended December 31, 2022. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

### **FINANCIAL HIGHLIGHTS**

- For 2022, revenues exceeded expenses by \$365K, which is reflected in the increase in net position.
- Total assets increased from \$4.52 billion at December 31, 2021 to \$4.80 billion at December 31, 2022. This is an increase of approximately \$278 million. This increase occurred primarily in restricted cash and loans receivable.
- During 2022, the Bond Bank issued \$594 million in new and refunding bonds. The Bond Bank's Series 2022 B bonds, Series 2022 C Stormwater bonds, Series 2022 F bonds, and Series 2022 H bonds accounted for \$290 million of the refunding bonds issued. The proceeds of Series 2022 B bonds, \$128 million, were used to refund Elanco Headquarters and Bridge Projects. The proceeds of Series 2022 C Stormwater bonds, \$50 million, were used to refund the Stormwater Project. The proceeds of Series 2022 F bonds, \$70 million, were used to refund the outstanding SWAPs related to the Indianapolis Airport Authority Project. The proceeds of Series 2022 H bonds, \$42 million, were used to refund the One America Garage Project, 16 Tech Project and Fire Station Project. The Bond Bank's Series 2022 D and G bonds accounted for \$65 million and \$175 million, respectively, of the new bonds issued. The proceeds of Series 2022 D were used to fund the Indianapolis Public Transportation Corporation Project. The proceeds of Series 2022 G bonds were used to fund the Indianapolis Airport Authority Project.
- There was a \$4.89 million draw on the 2019 A Notes, \$0.74 million draw on the 2021 A Notes and \$0.85 million draw on the 2022 A Notes in 2022.
- In 2022, the Bond Bank made principal payments of \$323 million on bonds payable and \$57 million on notes payable.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Bond Bank's basic financial statements. The Bond Bank is an instrumentality of the City of Indianapolis and is maintained as a Proprietary Fund. Proprietary Funds are used to report any activities for which income fees are charged to external users for goods and services. In addition, Proprietary Funds must be used in situations where debt is backed solely by fees and charges. A Proprietary Fund is accounted for in a manner similar to a commercial enterprise on the accrual basis of accounting.

The Bond Bank's financial statements include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows, and the notes to the financial statements. All information included in this discussion and analysis is presented for the three most recent fiscal years to provide the opportunity for comparison between the years.

The *statements of net position* present information on all of the Bond Bank's assets and liabilities, with the difference between the two reported as net position.

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *statements of revenues, expenses and changes in net position* present information showing how the Bond Bank's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In contrast, the *statements of cash flows* are concerned solely with flows of cash and cash equivalents. Transactions are recorded when cash is received or exchanged, without concern of when the underlying event causing the transactions occurred.

These audited financial statements can be found on pages 8 to 10 of this report.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 11 to 41 of this report.

## FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the Bond Bank, liabilities exceeded assets by \$5.94 million at the close of the most recent fiscal year.

### The Indianapolis Local Public Improvement Bond Bank's Net Position (In Thousands of Dollars)

	2022	2021	2020
Current assets	\$ 551,454	\$ 533,560	\$ 643,465
Noncurrent assets	4,247,877	3,988,281	3,861,890
Total Assets	<u>4,799,331</u>	<u>4,521,841</u>	<u>4,505,355</u>
Deferred Outflows of Resources	<u>714</u>	<u>18,227</u>	<u>23,652</u>
Current liabilities	667,687	679,367	792,961
Long-term liabilities	4,125,705	3,854,221	3,729,583
Total Liabilities	<u>4,793,392</u>	<u>4,533,588</u>	<u>4,522,544</u>
Deferred Inflows of Resources	<u>61</u>	<u>253</u>	<u>102</u>
Net Position	<u>\$ 6,592</u>	<u>\$ 6,227</u>	<u>\$ 6,361</u>

Loans receivable vary year to year as the Bond Bank issues debt funding the projects of the qualified entities. As new and existing projects are undertaken and completed, additional bonds are issued on behalf of the qualified entities to fund the projects. Current bond and note balances decrease as scheduled debt service is made and issues mature. During 2022, bonds and notes issued exceeded the pay down of principal balances outstanding. During the year ending December 31, 2021, the pay down of principal balances exceeded the bonds and notes issued.

## FINANCIAL ANALYSIS (CONTINUED)

### The Indianapolis Local Public Improvement Bond Bank's Statements of Revenue, Expenses and Changes in Net Position (In Thousands of Dollars)

	2022	2021	2020
Operating Revenues:			
Interest	\$ 143,134	\$ 143,414	\$ 145,551
Fees	3,140	3,033	2,635
Other	92	5	1,254
Total Operating Revenues	<u>146,366</u>	<u>146,452</u>	<u>149,440</u>
Operating Expenses:			
Interest	143,058	143,400	145,528
Administrative costs	1,462	1,256	1,533
Total Operating Expenses	<u>144,520</u>	<u>144,656</u>	<u>147,061</u>
Operating Income	1,846	1,796	2,379
Other Financing Uses	(1,481)	(1,930)	(2,112)
Increase (Decrease) in Net Position	<u>365</u>	<u>(134)</u>	<u>267</u>
Net Position:			
Beginning of Year	<u>6,227</u>	<u>6,361</u>	<u>6,094</u>
End of Year	<u>\$ 6,592</u>	<u>\$ 6,227</u>	<u>\$ 6,361</u>

The Bond Bank's net position increased by approximately \$365 thousand during the current fiscal year. Key elements of this increase are as follows:

Total operating revenues decreased by \$86 thousand. Interest income is received on loans receivable, as well as investments, and decreased \$280 thousand. Operating fees revenue increased by \$107 thousand. Other revenue increased by \$87 thousand.

Total operating expenses decreased by \$136 thousand. Interest expense on bonds payable decreased \$343 thousand. The remainder of the operating expenses consists of administrative expenses, trustee fees and professional fees and increased \$206 thousand.

Total other financing uses decreased by \$449 thousand.

The figures above include all trust activity whose revenues and expenses, primarily interest-related, depend solely on the timing and payment structure of the bond and note issues. Remove all trust activity, and the Bond Bank's day-to-day operational division remains. The Bond Bank's operations experienced an overall net income of \$356 thousand in 2022 and an overall net loss of \$144 thousand in 2021.

## FINANCIAL ANALYSIS (CONTINUED)

The Bond Bank provides financial support to certain City of Indianapolis initiatives and properties. They include Develop Indy, which offers a number of strategic resources to make doing business in Indianapolis profitable; Union Station, which leases out space for a wide variety of purposes, including retail and office use. Furthermore, the Bond Bank provides funding to aid the City with certain contracts, professional services, sponsorships, and causes throughout the year.

The Bond Bank is able to help fund these initiatives, amongst others, with the revenue it generates via new issuance fees and its yearly continual fees on the outstanding debt balance of each bond or note issue at the beginning of the year (ranging from 5 to 10 basis points in 2022, with some issues having their fee waived altogether). The fee revenue earned from those issues in which the City of Indianapolis serves as the qualified entity is offset by the monetary assistance the Bond Bank then provides back to the City. In 2022 and 2021, the financial support supplied to the aforementioned initiatives, properties, contracts, sponsorships, and causes exceeded the fee revenues earned from bond and note issues in which the City of Indianapolis is the qualified entity, resulting in a net loss of \$9 thousand and \$500 thousand, respectively.

## DEBT ADMINISTRATION

**Long-term Debt:** At the end of the current fiscal year, the Bond Bank had bonds and notes payable net of premium/discount of approximately \$4.33 billion. The bonds and notes payable are secured by specified revenue sources.

### The Indianapolis Local Public Improvement Bond Bank's Outstanding Debt (In Thousands of Dollars)

	2022	2021	2020
Bonds payable	\$ 4,326,323	\$ 4,026,583	\$ 3,860,524
Notes payable	1,936	52,550	198,294

During 2022, the Bond Bank issued \$594 million in new and refunding bonds and \$0.85 million in new notes payable. In addition, approximately \$5.63 million was drawn on existing notes payable.

Following is a summary of the new bonds and notes issued in the current fiscal year.

*Bond Series 2022 A* (\$18,225,000) was used to purchase the City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2022 A (Indy Penn Center Hotel Garage Project). A portion of the proceeds was used to fund a reserve allocable to the Series 2022 A Bonds and pay the cost of issuance of the Series 2022 A Bonds as well as certain program expenses of the Bond Bank.

*Bond Series 2022 B* (\$127,785,000) was used to refund the outstanding principal amount of Indianapolis Local Public Improvement Bond Bank Bonds Series 2011 F, as well as purchase the City of Indianapolis, Indiana, Economic Development Tax Increment Revenue Bonds, Series 2022 B (Elanco Project). A portion of the proceeds was used to fund the debt service reserve fund allocable to the Series 2022 B Bonds and pay capitalized interest as well as the cost of issuance of the Series 2022 B Bonds and certain program expenses of the Bond Bank.

*Bond Series 2022 C Stormwater* (\$50,000,000) was used to refund the outstanding principal amount of Indianapolis Local Public Improvement Bond Bank Notes Series 2019 (Stormwater Project) plus any accrued interest, as well as purchase the City of Indianapolis, Indiana Stormwater District Revenue Bonds of 2022 (Green Bonds) and pay for all or a portion of the costs of certain additions and improvements to the Qualified Entity's Stormwater System. A portion of the proceeds was used to pay the cost of issuance of the Series 2022 C Stormwater Bonds as well.

## DEBT ADMINISTRATION (CONTINUED)

*Bond Series 2022 C Midtown* (\$3,447,570) was used to purchase the City of Indianapolis, Economic Development North Midtown Tax Increment District Revenue Bonds, Series 2022 C. The proceeds were used to refund a portion of the outstanding principal amount of Indianapolis Local Public Improvement Bond Bank's Limited Recourse Refunding Note, Series 2020 A and used as a substitution for the remaining balance.

*Bond Series 2022 D* (\$65,000,000) was used to purchase the Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2022 A and Series 2022 B (Indianapolis Public Transportation Corporation Project) (Green Bonds). A portion of the proceeds was used to fund a reserve allocable to the Series 2022 D Bonds and pay the cost of issuance of the Series 2022 D Bonds.

*Bond Series 2022 E* (\$19,530,000) was used to purchase City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2022 D (16 Tech Project). A portion of the proceeds was used to fund a reserve allocable to the Series 2022 E Bonds and pay the cost of issuance of the Series 2022 E Bonds.

*Bond Series 2022 F* (\$69,755,000) was used to refund the outstanding principal amount of Indianapolis Local Public Improvement Bond Bank Bonds Series 2010 L-1 and Series 2010 L-2 and pay the costs to terminate associated interest rate swaps, as well as purchase the Indianapolis Airport Authority Revenue Refunding Bonds, Series 2022 A. A portion of the proceeds was used to pay the cost of issuance on the Series 2022 F Bonds.

*Bond Series 2022 G* (\$174,640,000) was used to purchase the Indianapolis Airport Authority Revenue Bonds, Series 2022 B-1, Series 2022 B-2, and Series 2022 B-3 and to finance a portion of certain capital projects at the Indianapolis International Airport. A portion of the proceeds was used to fund a reserve allocable to the Series 2022 B-3 Authority Bonds, fund all or a portion of interest on the 2022 B Authority Bonds through the in-service date and pay the cost of issuance of the Series 2022 G Bonds.

*Bond Series 2022 H* (\$42,540,000) was used to refund the outstanding principal amount of Indianapolis Local Public Improvement Bond Bank Bonds Series 2013 F as well as to purchase the City of Indianapolis Economic Development Tax Increment Revenue Refunding Bonds, Series 2022 E and Series 2022 F, and the City of Indianapolis, Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2022, Series A and B. A portion of the proceeds was used to fund a reserve allocable to the Series 2022 H Bonds and pay the cost of issuance of the Series 2022 H Bonds.

*Bond Series 2022 I* (\$11,500,000) was used to purchase City of Indianapolis Civil City District Government Obligation Bonds, Series 2022 A (CCF Phase II). A portion of the proceeds was used to pay the cost of issuance on the Series 2022 I Bonds and certain program expenses of the Bond Bank.

*Bond Series 2022 J* (\$12,000,000) was used to purchase City of Indianapolis Civil City District Taxable Government Obligation Bonds, Series 2022 B. A portion of the proceeds was used to pay the cost of issuance on the Series 2022 J Bonds and certain program expenses of the Bond Bank.

*Note Series 2022 A* (\$854,033) was used to purchase the Indianapolis-Marion County Building Authority Bond Anticipation Notes, Series 2022 A. It functions as a line of credit with a maximum amount of funds available of \$25,000,000. A portion of the proceeds will be used to pay the cost of issuance and certain program expenses of the Bond Bank. On June 13, 2023 the outstanding interest and principal was refunded by a portion of the proceeds from the Bond Bank's Series 2023 B Circle City Forward Bonds.

## REQUESTS OF INFORMATION

This financial report is designed to provide a general overview of the Bond Bank's finances. Questions concerning any of this information should be addressed to the Indianapolis Local Public Improvement Bond Bank, 200 East Washington Street, Suite 2342, Indianapolis, IN 46204. Additional information is available at [www.indianapolisbondbank.com](http://www.indianapolisbondbank.com).

# THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

## STATEMENTS OF NET POSITION December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Current Assets:		
Cash and equivalents	\$ 7,295,923	\$ 7,382,897
Cash and equivalents-restricted	254,096,494	203,896,324
Interest receivable	69,677,073	66,746,172
Investments held by trustee, at fair value	16,172,359	16,172,359
Loans receivable from qualified entities	203,385,940	238,727,465
Receivables and advances to qualified entities-net of allowance for doubtful accounts of \$0 in 2022 and 2021	698,677	531,953
Prepaid expenses and other assets	127,800	102,734
Total Current Assets	551,454,266	533,559,904
Noncurrent Assets:		
Long term restricted investments	123,197,331	152,760,341
Loans receivable from qualified entities	4,124,679,178	3,835,520,556
Total Noncurrent Assets	4,247,876,509	3,988,280,897
<b>TOTAL ASSETS</b>	4,799,330,775	4,521,840,801
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding of debt-net	580,406	660,082
Accumulated decrease in fair value of hedging derivatives	-	17,425,538
Deferred outflows of resources related to pensions	133,878	142,062
Total Deferred Outflows of Resources	714,284	18,227,682
<b>LIABILITIES</b>		
Current Liabilities:		
Interest payable	69,635,884	66,676,128
Accounts payable and accrued expenses	487,217	284,386
Deferred revenue - current	407,100	424,335
Funds held for qualified entities	393,901,373	368,689,929
Notes payable - current	854,033	52,205,441
Bonds payable - current	202,401,907	191,087,024
Total Current Liabilities	667,687,514	679,367,243
Noncurrent Liabilities:		
Notes payable	1,081,973	345,000
Bonds payable	4,123,921,093	3,835,496,164
Deferred revenue	388,990	796,090
Derivative instrument-rate swap	-	17,425,538
Derivative instrument-pension liability	312,545	158,428
Total Noncurrent Liabilities	4,125,704,601	3,854,221,220
Total Liabilities	4,793,392,115	4,533,588,463
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	60,842	252,529
<b>NET POSITION</b>	\$ 6,592,102	\$ 6,227,491

See accompanying notes.

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Interest	\$ 143,134,240	\$ 143,414,098
Fees	3,140,055	3,033,104
Other	91,742	4,624
Total Operating Revenues	146,366,037	146,451,826
<b>OPERATING EXPENSES</b>		
Interest	143,058,275	143,399,373
Administrative costs	1,462,534	1,256,354
Total Operating Expenses	144,520,809	144,655,727
<b>OPERATING INCOME</b>	1,845,228	1,796,099
<b>OTHER FINANCING USES</b>		
Allowance and expenditures for the City	900,995	1,396,020
Allowance and expenditures for Union Station	579,622	533,276
Total Other Financing Uses	1,480,617	1,929,296
<b>INCREASE (DECREASE) IN NET POSITION</b>	364,611	(133,197)
<b>NET POSITION</b>		
Beginning of Year	6,227,491	6,360,688
End of Year	\$ 6,592,102	\$ 6,227,491

*See accompanying notes.*

# THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

## STATEMENTS OF CASH FLOWS Years Ended December 31, 2022 and 2021

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Fees received	\$ 2,715,720	\$ 4,253,529
Cash payments for salaries, administrative and other expenses	(1,193,027)	(1,235,042)
Net Cash Provided By Operating Activities	1,522,693	3,018,487
<b>INVESTING ACTIVITIES</b>		
Maturities of loans to qualified entities	375,555,709	620,140,786
Issuance of loans to qualified entities	(629,372,807)	(640,727,421)
Decrease in investments	29,563,010	7,733,716
Interest received on loans and investments	140,203,339	145,080,761
Net Cash Provided By (Used In) Investing Activities	(84,050,749)	132,227,842
<b>NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from debt issuance	629,246,087	640,571,712
Deferred loss on refunding of debt	79,676	92,131
Deferred outflows of resources related to pensions	8,184	(19,057)
Derivative instrument-pension liability	154,117	(211,872)
Deferred inflows of resources related to pensions	(191,687)	150,221
Principal payments to reduce indebtedness	(380,120,709)	(620,255,786)
Transfers and expenditures for qualified entities	23,564,103	(5,152,293)
Interest paid on bonds and notes payable	(140,098,519)	(144,919,786)
Net Cash Provided By (Used In) Non-Capital Financing Activities	132,641,252	(129,744,730)
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	50,113,196	5,501,599
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	211,279,221	205,777,622
End of Year	\$ 261,392,417	\$ 211,279,221
<b>CASH AND EQUIVALENTS</b>		
Cash and equivalents	\$ 7,295,923	\$ 7,382,897
Cash and equivalents-restricted	254,096,494	203,896,324
	\$ 261,392,417	\$ 211,279,221
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 1,845,228	\$ 1,796,099
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in prepaid expenses and other assets	(25,066)	445
Change in accounts payable and accrued expenses	202,831	16,243
Change in deferred revenue	(424,335)	1,220,425
Interest income	(143,134,240)	(143,414,098)
Interest expense	143,058,275	143,399,373
Net Cash Provided By Operating Activities	\$ 1,522,693	\$ 3,018,487

See accompanying notes.

# THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

## NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2022 and 2021

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations:** The Indianapolis Local Public Improvement Bond Bank (the Bond Bank) was created in 1985 under applicable State of Indiana statutes. The Bond Bank is an instrumentality of the City of Indianapolis (City) but is not a City agency and has no taxing power. It has separate corporate and sovereign capacity and its board is composed of five directors appointed by the Mayor of the City. The Bond Bank is authorized to buy and sell securities for the purpose of providing funds to the following:

- City of Indianapolis, including all special taxing districts
- Health and Hospital Corporation of Marion County
- Indianapolis Public Transportation Corporation (IndyGo)
- Capital Improvement Board of Managers (Marion Co., IN)
- Marion Co. Convention & Recreational Facilities Authority
- Charter Schools (Sponsored by the Mayor's Office of Education)
- Marion County, Indiana
- Indianapolis Airport Authority
- Indianapolis-Marion Co. Building Authority
- Fort Harrison Reuse Authority
- Citizens Energy Group

The Bond Bank enables the qualified entities to issue debt, in some circumstances, at a lower cost of borrowing and on more favorable terms than would be possible by financing on their own. To accomplish its purpose, the Bond Bank may issue its own bonds or notes. It also has general powers to enter into, make, and perform contracts of every lawful kind to accomplish its purpose. Bonds and notes are issued by the Bond Bank to provide funds to loan to the qualified entities and are limited obligations of the Bond Bank. They are secured and payable solely from principal and interest payments received by the Bond Bank on loans to qualified entities (evidenced by bonds and notes issued by the qualified entities) that were made from proceeds of the issuance of particular bonds or notes, and in certain issues, from designated funds and earnings held in trust. Owners of the Bond Bank bonds and notes have a claim solely against the payments received on the respective loans to qualified entities made by the Bond Bank with proceeds from the issuance of particular bonds or notes (and other funds held in trust when applicable) and have no claims or rights against any other assets held by the Bond Bank. Indiana statutes permit the Bond Bank to invest in securities authorized by its respective fiduciary documents. These investments include obligations of the U.S. Treasury and U.S. agencies, commercial paper, certificates of deposit, repurchase agreements, passbook savings, money market deposit accounts, guaranteed investment contracts and negotiable order of withdrawal accounts. Repurchase agreements are required to be fully collateralized by interest-bearing obligations as determined by the current market value computed on the day the agreement is effective.

The Bond Bank was established to develop infrastructure, promote education and tourism, and assist in the economic development of the City of Indianapolis. Accordingly, financial support is provided to certain city initiatives and properties. Such support indirectly maintains the credit rating of the Bond Bank, and helps it achieve its statutory purpose. Board approved financial support expenditures represent support of historical city properties and economic development initiatives.

**Basis of Presentation:** The Bond Bank is accounted for as a Proprietary Fund. The financial statements of the Bond Bank have been prepared on the accrual basis of accounting and using the economic resources measurement focus. Accordingly, the Bond Bank recognizes revenue in the period earned and expenses in the period incurred. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Estimates:** Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Cash Equivalents:** The Bond Bank considers all investments in commercial paper, certificates of deposit, and money market deposits with original maturities of three months or less to be cash equivalents.

**Investments:** The Bond Bank categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Changes in the fair value of investments are included in the statement of revenues, expenses and changes in net position.

**Loans to Qualified Entities:** Loans to qualified entities are recorded at cost and adjusted for amortization of discounts/premiums on a basis approximating a constant return rate over the remaining life of the loan.

**Deferred Outflows of Resources:** The Bond Bank reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its statement of net position.

**Deferred Inflows of Resources:** The Bond Bank's statement of net position reports a separate section for deferred inflows of resources, which reflects an increase in net position that applies to future periods.

**Debt Disclosures for Direct Borrowings:** In accordance with GASB Statement No. 88, the Bond Bank discloses unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**Pension Plan:** The employees of the Bond Bank participate in the Indiana Public Retirement System (INPRS). The Bond Bank recognizes its proportionate share of the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense. Deferred outflows and inflows represent changes in the Bond Bank's allocated proportion from the previous year; differences between the Bond Bank's contributions to the Plan and its proportionate share, actual Plan investment earnings and expected amounts, and expected and actual experience on the Plan included in determining pension expense; and the impact of changes in assumptions on the net pension liability, all of which are being amortized into pension expense over four and a half years. Deferred outflows of resources also include contributions made to the Plan between the Plan's measurement date for the net pension liability and the end of the Bond Bank's fiscal year.

**Interest Rate Swaps:** The Bond Bank uses interest rate swaps to protect against the potential of rising interest rates. The interest rate swaps are reported at fair value on the statement of net position; however, changes in fair value are deferred until the termination or expiration of the instruments. The accumulated decrease in the fair value of the interest rate swaps are reported as a deferred outflow of resources.

**Original Issue Premiums and Discounts:** Original issue premiums and discounts on bonds are amortized using a method that approximates the effective interest method over the life of the bonds to which they relate.

**Bond Issuance Costs:** Bond issuance costs are expensed as incurred.

**Income Taxes:** The Bond Bank is exempt from federal and state income taxes.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Defeasance of Debt:** Subject to specific covenants with bond or note holders, the Bond Bank considers debt to be defeased when cash or other assets are deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on a specific obligation. The related liability and assets held in trust for the related bonds are removed from the financial statements. The difference between the cost of escrowed funds to defease debt and the net carrying amount of defeased debt is amortized as a component of interest expense over the life of the new debt or the defeased debt, whichever is shorter.

**New Accounting Principles:** In 2020, the GASB issued Statement No 92: “*Omnibus 2020*”. The statement is effective for fiscal years beginning after June 15, 2022, with earlier adoption encouraged. The statement enhances comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing issues that have been identified during implementation and application of certain GASB statements and addresses a variety of topics including post employment benefit plans and terminology used to refer to derivative.

In 2022, the GASB issued Statement No 100: “*Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*”. The statement is effective for fiscal years beginning after June 15, 2023, with earlier adoption encouraged. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods and changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement apply to implementation of a new pronouncement in the absence of specific transition provisions and require the aggregate amount of adjustments to and restatements of beginning balances by displayed by reporting unit in the financial statements. The statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice.

In 2022, the GASB issued Statement No 101: “*Compensated Balances*”. The statement is effective for fiscal years beginning after December 15, 2023, with earlier adoption encouraged. The statement better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures.

The effect of implementation of these Statements has not yet been determined.

**Subsequent Events:** The Bond Bank has evaluated the financial statements for subsequent events occurring through July 27, 2023, the date the financial statements were available to be issued. See Note 12.

## NOTE 2 - DEPOSITS AND INVESTMENTS

Proceeds of certain note and bond issues are invested with various banks in their capacity as trustees under trust agreements executed concurrently with the indentures and are pledged to the repayment of certain notes payable and bonds payable. The Bond Bank Act permits funds to be invested as provided in trust indentures executed by the Bond Bank and based on resolutions of its Board of Directors.

As of December 31, 2022 and 2021, the Bond Bank held certain financial assets that are required to be measured at fair value on a recurring basis. The guaranteed investment contracts are considered to be a Level 3 in the fair value hierarchy defined in Note 1. All remaining assets are considered to be Level 1.

The Bond Bank's deposits and investments at December 31, 2022, are summarized as follows:

	<b>Cost</b>	<b>Fair Value</b>
U.S. Government agency obligations	\$ 272,502,478	\$ 257,109,402
Money market funds	120,184,408	120,184,423
Guaranteed investment contracts	16,172,359	16,172,359
Cash	7,295,923	7,295,923
Total Deposits and Investments	<u>\$ 416,155,168</u>	<u>\$ 400,762,107</u>

The Bond Bank's deposits and investments at December 31, 2021, are summarized as follows:

	<b>Cost</b>	<b>Fair Value</b>
U.S. Government agency obligations	\$ 188,398,032	\$ 185,102,522
Money market funds	171,554,139	171,554,143
Guaranteed investment contracts	16,172,359	16,172,359
Cash	7,382,897	7,382,897
Total Deposits and Investments	<u>\$ 383,507,427</u>	<u>\$ 380,211,921</u>

### Deposits with Financial Institutions

Custodial risk is the risk that in the event of bank failure, the Bond Bank's deposits may not be returned to it. The Bond Bank's cash is insured by Federal Deposit Insurance Corporation (FDIC). From time to time, certain cash balances maintained by the Bond Bank exceed federally insured limits. As of December 31, 2022 and 2021, the Bond Bank had cash balances of \$6,817,743 and \$6,908,864, respectively, with custodial risk.

The 2019 A Bond Trust Indenture provides for the establishment and maintenance of a Debt Service Reserve Account for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the bonds. A Reserve Policy was put in place upon the closing of the Debt Service Reserve Agreement dated September 30, 2019. The Reserve Policy was to be held by U.S. Bank National Association, as trustee on the Bonds. The trustee, in turn, released the funds held in the "Bond Issuance Expense Account" to make payment to cover the cost of Reserve Policy upon the closing of the Agreement. The Debt Service Reserve Fund was fully funded at closing and remained funded until the completion of projects were certified and the springing surety went into effect in October 2022. Upon effectiveness, the funds held in the Debt Service Reserve Fund were released to the qualified entity. As of December 31, 2022 and 2021, total current and non-current restricted investments amounted to \$37,277,975 and \$38,427,091. All investments are reported at fair value as reported by the external fiscal agent.

### Investments

Investments are restricted for repayment of bonds and notes payable issued under the respective programs (see Note 4). Funds deposited under investment agreements with banks and insurance companies earn a fixed interest rate and generally expire upon extinguishment of the debt issues to which they relate. Investments are also restricted to authorized investments per the applicable trust indentures.

## NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Funds deposited under investment agreements with banks and insurance companies are unsecured. As of December 31, 2022, the Bond Bank had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Government agency obligations	\$ 257,109,402	\$ 146,924,430	\$ 61,799,151	\$ 48,385,821	
Money market funds	120,184,423	120,184,423			
Guaranteed investment contracts	16,172,359	3,160,000	13,012,359		
	<u>\$ 393,466,184</u>	<u>\$ 270,268,853</u>	<u>\$ 74,811,510</u>	<u>\$ 48,385,821</u>	

### Custodial Credit Risk of Investments

Custodial credit risk is the risk that the Bond Bank will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the Bond Bank and are held by either the counterparty or the counterparty's trust department or agent but not in the Bond Bank's name.

### Credit Risk Disclosure

The following table provides information on the credit ratings associated with the Bond Bank's investments at December 31, 2022:

<u>Credit Ratings</u>	<u>S&amp;P</u>	<u>Fitch</u>	<u>Moody's</u>	<u>Fair Value</u>
U.S. Government agency obligations	AAA	AAA	Aaa	\$ 257,109,402
Money market funds	AAA	AAA	Aaa	120,184,423
FSA Cap Mgmt Serv LLC GIC	AA+	AA+	Aa3	16,172,359
Total Rated Investments				<u>\$ 393,466,184</u>

### Concentration of Credit Risk

There are no limits on the amount that may be invested in any one issuer. The following shows an investment in an issuer that represents 5% or more of the total investments at December 31, 2022:

Bank of New York Cash Reserve	19%
U.S. Government	65%
Dreyfus Treasury and Agency Cash Management	6%

### NOTE 3 - LOANS TO QUALIFIED ENTITIES

The Board of Directors of the Bond Bank authorizes all purchases of qualified obligations. Prior to presentation to the Board of Directors, Bond Bank management and independent consultants make an evaluation of each purchase. Repayment of these obligations by the qualified entities is funded by many sources, including property tax revenues and user fees. Loans to qualified entities, registered to the Bond Bank, are either serial, term or serial and term maturities.

The Bond Bank's loans to qualified entities at December 31, 2022 and 2021, are as follows:

	2022	2021
City of Indianapolis Redevelopment District Subordinate Tax Increment Revenue and Refunding Bonds Series 1999 A, maturing February 1, 2023 to 2029, yields on capital appreciation bonds ranging from 5.78% to 5.82%.	\$ 179,970,000	\$ 208,315,000
City of Indianapolis, Pension Bonds of 2013, Series A (also known as 2005, Series A, prior to the partial refunding) bearing interest rate at 5.28%, matured and was paid off January 15, 2022.	-	4,635,000
Health and Hospital Corporation of Marion County Series 2005, maturing January 1, 2023 to 2025, with interest ranging from 4.50% to 5.00%.	5,535,000	7,560,000
Citizens Energy Group (formally City of Indianapolis, Waterworks District) Net Refunding Revenue Bonds, Series 2006 A, (also known as 2011 C) bearing interest rate at 5.50%, matured and was paid off January 1, 2022.	-	7,795,000
Citizens Energy Group (formally City of Indianapolis, Waterworks District) Net Revenue Refunding Bonds, Series 2007 B, (also known as 2011 D) maturing January 1, 2023 to 2025, with interest at 5.25%.	57,195,000	70,410,000
City of Indianapolis, Taxable Economic Development Revenue Bonds, Series 2007 C, maturing June 1, 2023 to 2035, with interest at 5.90%.	55,390,000	57,635,000
City of Indianapolis, Taxable Economic Development Revenue Bonds, 2007, maturing February 1, 2023 to 2027, with interest at 6.21%.	1,940,000	2,305,000
City of Indianapolis, Taxable Economic Development Revenue Bonds, Series 2007 (PRF Accelerator) bearing interest rate at 6.20%, matured and was paid off February 1, 2023.	515,000	1,000,000
Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010 A, issued by the Health and Hospital Corporation of Marion County, IN, maturing January 15, 2023 to 2040 with interest ranging from 5.85% to 6.00%.	154,200,000	158,245,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010 B, issued by the Indianapolis-Marion County Building Authority, maturing January 15, 2023 to 2040 with interest ranging from 5.00% to 6.12%.	373,875,000	387,730,000
City of Indianapolis, Redevelopment District Tax Increment Revenue Bonds, Series 2010 A, maturing February 1, 2023 to 2025, with interest at 5.00%.	1,598,120	2,184,184
Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010 A, issued by the City of Indianapolis, IN, maturing February 1, 2023 to 2025, with interest ranging from 4.00% to 4.13%.	6,020,000	7,875,000
City of Indianapolis, Economic Development Tax Increment Revenue Bonds, Series 2010 D, maturing February 1, 2023 to 2035, with interest ranging from 4.25% to 5.15%.	3,665,000	3,865,000
City of Indianapolis, Indianapolis Airport Authority Bonds, Series 2010 L, remarketed on October 1, 2012, January 14, 2015, August 3, 2017, July 29, 2021, partially refunded and remarketed on August 22, 2019 by the Indianapolis Airport Authority Revenue Refunding Bonds, Series 2019 B and August 25, 2022 by the Indianapolis Airport Authority Revenue Refunding Bonds, Series 2022 A, maturing January 1, 2030 to 2037, bearing interest at 5.20%.	83,085,000	152,840,000
City of Indianapolis, Redevelopment District Tax Increment Revenue Multipurpose Bonds, Series 2011 A, maturing February 1, 2023 to August 1, 2024, bearing interest rate at 5.00%.	6,680,000	10,455,000
City of Indianapolis, Economic Development Tax Increment Revenue Bonds, Series 2011 C, maturing February 1, 2022 to 2036, with interest ranging from 5.00% to 5.75%, refunded February 24, 2022 by City of Indianapolis Economic Development Tax Increment Revenue Bonds, Series 2022 B.	-	19,980,000
City of Indianapolis, Stormwater District Bonds, Series 2011, amended August 4, 2015, maturing January 1, 2023 to 2041, with interest ranging from 4.00% to 5.00%.	12,330,000	12,760,000
City of Indianapolis, Economic Development District Taxable Special Program Refunding Bonds, Series 2012 I (formally 2004 B), maturing April 1, 2023 to 2030, with interest ranging from 2.75% to 3.60%.	3,965,000	4,395,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
City of Indianapolis, Economic Development District Special Program Refunding Bonds, Series 2012 J (formally 2004 C), maturing April 1, 2023 to 2039, with interest ranging from 4.00% to 5.00%.	14,115,000	14,420,000
Indianapolis-Marion County Building Authority Qualified Obligation Bonds, Series 2013 A, maturing January 15, 2023 to 2040, bearing interest at 5.00%, refunded April 18, 2023 by Indianapolis-Marion County Building Authority Wishard Hospital Project Refunding Bonds, Series 2023 A.	33,235,000	34,360,000
City of Indianapolis, Indiana, Stormwater District, Refunding Revenue Bonds of 2013, Series A, maturing January 1, 2023 to 2026, with interest ranging from 3.25% to 5.00%.	17,385,000	21,240,000
Indianapolis-Marion County Building Authority Bonds, Series 2013 (also known as 2003 B) bearing interest at 4.50%, matured and was paid off January 15, 2023.	905,000	1,770,000
City of Indianapolis, Redevelopment District Tax Increment Revenue Bonds, Series 2013 A, maturing February 1, 2029, with interest at 5.00%, refunded November 3, 2022 by City of Indianapolis, Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2022, Series B.	-	21,930,000
City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2013 A, maturing February 1, 2030, with interest at 5.00%, refunded November 3, 2022 by City of Indianapolis, Indiana, Economic Development Tax Increment Revenue Refunding Bonds, Series 2022 E.	-	14,270,000
City of Indianapolis, Redevelopment District Tax Increment Revenue Bonds, Series 2013 A, maturing February 1, 2030, with interest at 5.00%, refunded November 3, 2022 by City of Indianapolis, Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2022, Series A.	-	3,915,000
City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2013 B, maturing February 1, 2030, with interest at 5.00%, refunded November 3, 2022 by City of Indianapolis, Indiana, Economic Development Tax Increment Revenue Refunding Bonds, Series 2022 F.	-	1,865,000
City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2014 A, 2014 C, and 2014 D, maturing February 1, 2023 to 2031, with interest at 5.00%.	40,340,000	41,485,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
City of Indianapolis, Indiana Taxable Economic Development Tax Increment Revenue Bonds, Series 2014 B and 2014 E, maturing February 1, 2023 to 2024, with interest ranging from 3.25% to 3.43%.	1,260,000	1,860,000
City of Indianapolis, Indiana Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2014, maturing February 1, 2023 to 2029, with interest ranging from 3.25% to 4.50%.	5,465,000	6,300,000
Indianapolis Airport Authority Series 2014 A Refunding Bonds, maturing January 1, 2023 to 2034, with interest ranging from 4.00% to 5.00%.	144,290,000	151,130,000
City of Indianapolis, Indiana IndyRoads Revenue Bonds, Series 2015 A, partially refunded on October 13, 2020 by City of Indianapolis, Indiana IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020 B, maturing January 1, 2023 to 2025, with interest at 5.00%	5,390,000	7,020,000
City of Lawrence, Indiana Fort Harrison Reuse Authority Fort Harrison Military Base Reuse District Tax Increment Revenue Bonds, 2015 A, maturing August 1, 2027 to February 1, 2035, with interest ranging from 3.25% to 4.00%.	6,920,000	6,920,000
City of Lawrence, Indiana Fort Harrison Reuse Authority Fort Harrison Military Base Reuse District Tax Increment Revenue Refunding Bonds, 2015 B, maturing February 1, 2023 to August 1, 2027, with interest at 4.00%.	3,480,000	3,945,000
City of Indianapolis, Indiana IndyRoads Revenue Bonds, Series 2015 B, partially refunded on October 13, 2020 by City of Indianapolis, Indiana IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020 B, maturing January 1, 2023 to 2026, with interest at 5.00%	6,775,000	8,270,000
City of Indianapolis Redevelopment District Tax Increment Revenue Bonds 2015, maturing February 1, 2023 to 2030 with interest at 3.25%.	894,000	990,000
Indianapolis Airport Authority Series 2015 A Refunding Bonds, maturing January 1, 2023 to 2033, with interest from 4.00% to 5.00%.	178,690,000	178,690,000
Indianapolis Airport Authority Refunding Revenue Bonds, Series 2016 A, maturing January 1, 2023 to 2036, with interest ranging from 3.89% to 5.00%.	67,070,000	89,085,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
City of Indianapolis Redevelopment District Refunding Bonds, Series 2016 A, maturing February 1, 2023 to 2038, with interest ranging from 3.00% to 5.00%.	46,630,000	48,700,000
City of Indianapolis, Indiana Consolidated City General Obligation Bonds, Series 2017 A, maturing January 1, 2023 to 2038, with interest ranging from 3.13% to 5.00%.	15,720,000	17,135,000
City of Indianapolis, Indiana Metropolitan Thoroughfare District General Obligation Bonds, Series 2017 A, maturing January 1, 2023 to 2032, with interest ranging from 3.13% to 5.00%.	19,115,000	20,580,000
City of Indianapolis, Indiana Parks District General Obligation Bonds, Series 2017 A, maturing January 1, 2023 to 2028, with interest at 5.00%.	3,235,000	3,690,000
City of Indianapolis, Indiana Public Safety Communications Systems and Computer Facilities District, General Obligation Bonds, Series 2017 A, maturing January 1, 2024 to 2028, with interest at 5.00%.	7,835,000	7,835,000
City of Indianapolis, Indiana Taxable Public Safety Communications Systems and Computer Facilities District Bonds, Series 2017 B, maturing January 1, 2023 to 2024, with interest ranging from 2.85% to 3.05%.	4,090,000	6,105,000
City of Indianapolis, Indiana, PILOT Revenue Refunding Bonds, Series 2017 A, maturing January 1, 2023 to 2040, interest at 5.00%.	143,135,000	148,010,000
Fort Harrison Reuse Authority Refunding Bonds, Series 2017, maturing February 1, 2023 to 2033, with interest at 3.08%.	6,465,000	7,010,000
Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2018 A, maturing January 15, 2023 to 2028, with interest at 5.00%.	16,610,000	19,200,000
City of Indianapolis, Indiana IndyRoads Revenue Bonds, Series 2018 A, partially refunded on October 13, 2020 by City of Indianapolis, Indiana IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020 B, maturing January 1, 2023 to 2029, with interest ranging from 4.00% to 5.00%.	985,000	1,105,000
Indianapolis Marion County Building Authority Lease Rental Revenue 2019 Bonds, Series A, maturing January 15, 2023 to 2054, with interest ranging from 3.84% to 5.25%	610,645,000	610,645,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Indianapolis Marion County Building Authority Lease Rental Revenue 2019 Bonds, Series B, maturing January 15, 2023 to 2039, with interest ranging from 3.00% to 5.00%.	13,205,000	13,745,000
City of Indianapolis, Stormwater District Notes, Series 2019 A, maturing March 1, 2022, with interest at 2.70%, refunded February 24, 2022 by City of Indianapolis, Indiana Stormwater District Revenue Bonds of 2022 (Green Bonds).	-	45,105,441
City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2019 C, maturing February 1, 2023 to 2040, with interest ranging from 3.00% to 5.00%.	28,585,000	29,575,000
Indianapolis Airport Authority Revenue Refunding Bonds, Series 2019 B, maturing January 1, 2023 to 2035, with interest at 5.00%.	134,790,000	140,930,000
City of Indianapolis, Indiana IndyRoads Revenue Bonds, Series 2019 A, partially refunded on October 13, 2020 by City of Indianapolis, Indiana IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020 B, maturing January 1, 2023 to 2029, with interest at 5.00%	8,900,000	9,940,000
City of Indianapolis, Indiana, Stormwater District, Refunding Revenue Bonds of 2019, Series F, maturing January 1, 2027 to 2041, with interest ranging from 4.00% to 5.00%.	50,000,000	50,000,000
City of Indianapolis, General Obligation Bonds, Series 2019 A, maturing January 15, 2023 to 2033, with interest at 2.01%.	11,800,000	12,805,000
Indianapolis Airport Authority Revenue Bonds, Series 2019 C, maturing January 1, 2023 to 2050, with interest ranging from 4.00% to 5.00%.	66,380,000	67,030,000
City of Indianapolis Public Safety Communications Systems and Computer Facilities District Refunding Bonds, Series 2020 A, maturing January 1, 2023 to 2029, with interest at 1.88%.	28,025,000	32,555,000
City of Indianapolis, Limited Recourse Refunding Notes, Series 2020 A, bearing interest at 2.20%, refinanced on February 1, 2022 by City of Indianapolis, Economic Development North Midtown Tax Increment District Revenue Bonds, Series 2022 C, and cash contribution from the City of Indianapolis Redevelopment District.	-	7,100,000
City of Indianapolis Redevelopment District Refunding Bonds, Series 2020 B, maturing January 15, 2023 to 2025, with interest at 0.93%.	22,200,000	22,200,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
City of Indianapolis Redevelopment District Refunding Bonds, Series 2020 C, bearing interest at 1.58%, matured and was paid off January 15, 2023.	2,200,000	11,200,000
City of Indianapolis, Indiana IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020 A, maturing January 1, 2025 to 2041, with interest ranging from 4.00% to 5.00%.	50,000,000	50,000,000
City of Indianapolis, Indiana IndyRoads Metropolitan Thoroughfare District, Series 2020 B Refunding Bonds, maturing January 1, 2023 to 2040, with interest ranging from 0.50% to 2.47%.	132,935,000	134,855,000
Marion County Convention and Recreational Facilities Authority Excise Taxes Lease Rental Revenue Bonds, Series 2021, maturing June 1, 2029 to 2041, with interest ranging from 4.00% to 5.00%.	284,150,000	284,150,000
Marion County Convention and Recreational Facilities Authority Excise Taxes Rental Revenue Refunding Bonds, Series 2021, maturing June 1, 2023 to 2027, bearing interest at 5.00%.	100,025,000	117,260,000
Marion County, Indiana Excise Taxes Revenue Bonds, Series 2021, maturing June 1, 2028 to 2029, bearing interest at 5.00%.	22,925,000	22,925,000
City of Indianapolis, Indiana, Stormwater District Notes, Series 2021, maturing November 1, 2024, with interest at SOFR plus 11.48 basis points as of December 31, 2022 and 79% of 1 month LIBOR +26 basis points as of December 31, 2021.	1,081,973	345,000
City of Indianapolis, Indiana, Economic Development Revenue Refunding Bonds, Series 2021 A, bearing interest at 5.00%, maturing February 1, 2024 to 2036.	72,950,000	72,950,000
City of Indianapolis, Indiana, Taxable Economic Development Revenue Refunding Bonds, Series 2021 B, bearing interest at 1.00%, maturing February 1, 2024.	115,000	115,000
Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2021 A, bearing interest at 4.00%, maturing January 15, 2023 to 2033.	19,240,000	20,690,000
City of Indianapolis Parks District G.O. Bonds, Series 2021 A, maturing January 15, 2023 to 2041, with interest ranging from 3.00% to 5.00%.	20,695,000	20,695,000

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
City of Indianapolis Civil City District G.O. Bonds, Series 2021 A, maturing January 15, 2023 to 2041, with interest ranging from 3.00% to 5.00%.	15,570,000	15,570,000
City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2022 A, maturing February 1, 2023 to 2042, bearing interest at 2.31%.	18,225,000	-
City of Indianapolis, Indiana, Economic Development Tax Increment Revenue Bonds, Series 2022 B, maturing February 1, 2023 to 2047, with interest ranging from 4.00% to 5.00%.	127,785,000	-
City of Indianapolis, Indiana Stormwater District Revenue Bonds of 2022 (Green Bonds), maturing January 1, 2024 to 2052, with interest ranging from 4.00% to 5.00%.	50,000,000	-
City of Indianapolis, Economic Development North Midtown Tax Increment District Revenue Bonds, Series 2022 C, maturing February 1, 2023 to 2025, bearing interest at 2.25%.	2,888,924	-
Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2022 A, maturing January 15, 2023 to 2034, bearing interest at 5.00%.	25,860,000	-
Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2022 B, maturing January 15, 2023 to 2042, with interest ranging from 4.00% to 5.00%.	38,565,000	-
Indianapolis-Marion County Building Authority Bond Anticipation Notes, Series 2022 A, with interest at 79% of daily SOFR plus 25 basis points, refunded June 13, 2023 by Indianapolis-Marion County Building Authority Refunding Revenue Bonds, Series 2023 A.	854,033	-
City of Indianapolis, Indiana Economic Development Tax Increment Revenue Bonds, Series 2022 D, maturing February 1, 2031 to 2039, bearing interest ranging at 3.77%.	19,530,000	-
Indianapolis Airport Authority Revenue Refunding Bonds, Series 2022 A, maturing January 1, 2024 to 2033, with interest at 2.79%.	69,755,000	-
Indianapolis Airport Authority Revenue Bonds, Series 2022 B-1, maturing January 1, 2028 to 2053, with interest ranging from 5.00% to 5.25%.	81,950,000	-

**NOTE 3 - LOANS TO QUALIFIED ENTITIES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Indianapolis Airport Authority Revenue Bonds, Series 2022 B-2, maturing January 1, 2025 to 2053, with interest ranging from 5.00% to 5.25%.	67,245,000	-
Indianapolis Airport Authority Revenue Bonds, Series 2022 B-3, maturing January 1, 2025 to 2032, with interest ranging from 4.90% to 5.18%.	25,445,000	-
City of Indianapolis, Indiana, Economic Development Tax Increment Revenue Refunding Bonds, Series 2022 E, maturing February 1, 2023 to 2030, bearing interest at 3.28%.	14,460,000	-
City of Indianapolis, Indiana, Economic Development Tax Increment Revenue Refunding Bonds, Series 2022 F, maturing February 1, 2023 to 2030, bearing interest at 3.28%.	1,890,000	-
City of Indianapolis, Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2022, Series A, maturing February 1, 2023 to 2030, bearing interest at 3.28%.	3,970,000	-
City of Indianapolis, Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2022, Series B, maturing February 1, 2023 to 2029, bearing interest at 3.28%.	22,220,000	-
City of Indianapolis Civil City District Government Obligation Bonds, Series 2022 A, maturing January 15, 2035 to 2043, with interest ranging from 5.25% to 5.50%.	11,500,000	-
City of Indianapolis Civil City District Taxable Government Obligation Bonds, Series 2022 B, maturing January 15, 2024 to 2035, with interest ranging from 4.80% to 5.34%.	12,000,000	-
	<u>4,026,557,050</u>	<u>3,801,204,625</u>
Plus: Unamortized discount/premium	301,508,068	273,043,396
	<u>4,328,065,118</u>	<u>4,074,248,021</u>
Less: Current Portion of Loans Receivable	<u>(203,385,940)</u>	<u>(238,727,465)</u>
Long-term Portion of Loans Receivable	<u>\$ 4,124,679,178</u>	<u>\$ 3,835,520,556</u>

**NOTE 4 - BONDS AND NOTES PAYABLE**

The faith, credit, and taxing power of the City of Indianapolis or any political subdivision thereof are not pledged to the payment of principal and interest on these obligations. However, certain series of Bond Bank bonds were fully insured at December 31, 2022 and 2021, by private insurance policies. All of the bonds issued listed below are either serial or serial and term maturities.

#### NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)

The Bond Bank's bonds payable at December 31, 2022 and 2021, are summarized as follows:

	<b>2022</b>	<b>2021</b>
Series 1999 E Refunding Bonds, maturing February 1, 2023 to 2029, yields on capital appreciation bonds ranging from 5.78% to 5.82%.	\$ 179,970,000	\$ 208,315,000
Series 2006 A Bonds, bearing interest at 5.50%, matured and was paid off January 1, 2022.	-	7,795,000
Series 2007 B Bonds, maturing January 1, 2023 to 2025, with interest at 5.25%. The carrying value of the debt represents \$57,195,000 and \$70,410,000 of the Series 2007 B Bonds outstanding at December 31, 2022 and 2021, net of unamortized gain on defeasance of \$7,482 and \$16,386 at December 31, 2022 and 2021, respectively.	57,202,482	70,426,386
Series 2007 C (Indianapolis Colts, Inc. Project), maturing June 1, 2023 to 2035, with interest at 5.90%.	55,390,000	57,635,000
Glendale Mall Taxable Bonds, 2007 G, maturing February 1, 2023 to 2027, with interest at 6.21%.	1,940,000	2,305,000
Series 2007 K Bonds, bearing interest at 6.20%, matured and was paid off February 1, 2023.	515,000	1,000,000
Series 2010 A Bonds, maturing January 15, 2023 to 2040, with interest ranging from 5.85% to 6.00%.	154,200,000	158,245,000
Series 2010 B Bonds, maturing January 15, 2023 to 2040, with interest ranging from 5.00% to 6.12%.	373,875,000	387,730,000
Series 2010 C Bonds, maturing February 1, 2023 to 2025, with interest at 5.00%.	1,598,120	2,184,184
Series 2010 D Bonds, maturing February 1, 2023 to 2025, with interest ranging from 4.00% to 4.13%.	6,020,000	7,875,000
Series 2010 E Bonds, maturing February 1, 2023 to 2035, with interest ranging from 4.25% to 5.15%.	3,665,000	3,865,000
Series 2010 L Bonds, remarketed October 1, 2012, January 14, 2015, August 3, 2017, July 29, 2021 and partially refunded and remarketed on August 22, 2019 by the Indianapolis Local Public Improvement Bond Bank Bonds Series, Series 2019 D, and August 25, 2022 by the Indianapolis Local Public Improvement Bond Bank Bonds Series 2022 F, maturing January 1, 2030 to 2037, bearing interest at 5.20%	83,085,000	152,840,000

**NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Series 2011 C Bonds, maturing February 1, 2023 to August 1, 2024, with interest at 5.00%.	6,680,000	10,455,000
Series 2011 F Bonds, maturing February 1, 2022 to 2036, with interest ranging from 5.00% to 5.75%, refunded February 24, 2022 by Indianapolis Local Public Improvement Bond Bank Bonds Series 2022 B.	-	19,980,000
Series 2012 I Bonds, maturing April 1, 2023 to 2030, with interest ranging from 2.75% to 3.60%.	3,965,000	4,395,000
Series 2012 J Bonds, maturing April 1, 2023 to 2039, with interest ranging from 4.00% to 5.00%.	14,115,000	14,420,000
Series 2013 A Bonds, maturing January 15, 2023 to 2040, with interest at 5.00%, refunded April 18, 2023 by Indianapolis Local Public Improvement Bond Bank Bonds Series 2023 A.	33,235,000	34,360,000
Series 2013 B Bonds, bearing interest at 2.47%, matured and was paid off January 15, 2022.	-	9,275,000
Series 2013 D Bonds, maturing January 1, 2023 to 2026, with interest ranging from 3.25% to 5.00%.	17,385,000	21,240,000
Series 2013 E Bonds, bearing interest at 2.14%, matured and was paid off January 15, 2023.	925,000	1,830,000
Series 2013 F Bonds, maturing February 1, 2029 to 2030, with interest at 5.00%, refunded November 3, 2022 by Indianapolis Local Public Improvement Bond Bank Bonds Series 2022 H.	-	41,980,000
Series 2014 A Bonds, maturing February 1, 2023 to 2031, with interest at 5.00%.	40,340,000	41,485,000
Series 2014 B Bonds, maturing February 1, 2023 to 2024, with interest ranging from 3.25% to 3.43%.	1,260,000	1,860,000
Series 2014 C Bonds, maturing February 1, 2023 to 2029, with interest ranging from 3.25% to 4.50%.	5,465,000	6,300,000
Series 2014 D Bonds, maturing January 1, 2023 to 2034, with interest ranging from 4.00% to 5.00%.	144,290,000	151,130,000
Series 2015 A Bonds, partially refunded on October 13, 2020 by Indianapolis Local Public Improvement Bond Bank Bonds, Series 2020 E, maturing January 1, 2023 to 2025, with interest at 5.00%	5,390,000	7,020,000

**NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Series 2015 B Bonds, maturing January 1, 2023 to 2025, with interest ranging from 2.75% to 5.00%. The carrying value of the debt represents \$5,090,000 and \$7,000,000 of the Series 2015 B Bonds outstanding at December 31, 2022 and 2021, respectively, net of unamortized loss on defeasance of \$27,394 and \$60,952 at December 31, 2022 and 2021, respectively.	5,062,606	6,939,048
Series 2015 C Bonds, maturing August 1, 2027 to February 1, 2035, with interest ranging from 3.25% to 4.00%.	6,920,000	6,920,000
Series 2015 D Bonds, maturing February 1, 2023 to August 1, 2027, with interest at 4.00%.	3,480,000	3,945,000
Series 2015 E Bonds, partially refunded on October 13, 2020 by Indianapolis Local Public Improvement Bond Bank Bonds, Series 2020 E, maturing January 1, 2023 to 2026, with interest at 5.00%	6,775,000	8,270,000
Series 2015 F Bonds, maturing February 1, 2023 to 2030, with interest at 3.25%.	894,000	990,000
Series 2015 H Bonds, maturing January 1, 2023 to 2041, with interest ranging from 4.00% to 5.00%. The carrying value of the debt represents \$12,330,000 and \$12,760,000 of the Series 2015 H Bonds outstanding at December 31, 2022 and 2021, respectively, net of unamortized loss on defeasance of \$560,494 and \$615,517 at December 31, 2022 and 2021, respectively.	11,769,506	12,144,483
Series 2015 I Bonds, maturing January 1, 2023 to 2033, with interest ranging from 4.00% to 5.00%.	178,690,000	178,690,000
Series 2016 A Bonds, maturing January 1, 2023 to 2036, with interest ranging from 3.89% to 5.00%.	67,070,000	89,085,000
Series 2016 B Bonds, maturing February 1, 2023 to 2038, with interest ranging from 3.00% to 5.00%.	46,630,000	48,700,000
Series 2017 A Bonds, maturing January 15, 2023 to 2038, with interest ranging from 3.13% to 5.00%.	45,905,000	49,240,000
Series 2017 B Bonds, maturing January 15, 2023 to 2024, with interest ranging from 2.85% to 3.05%.	4,090,000	6,105,000
Series 2017 C Bonds, maturing January 1, 2023 to 2040, with interest at 5.00%.	143,135,000	148,010,000
Series 2017 D Bonds, maturing February 1, 2023 to 2033, with interest at 3.08%.	6,465,000	7,010,000

**NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Series 2018 A Bonds, maturing January 15, 2023 to 2028, with interest at 5.00%.	16,610,000	19,200,000
Series 2018 B Bonds, partially refunded on October 13, 2020 by Indianapolis Local Public Improvement Bond Bank Bonds, Series 2020 E, maturing January 1, 2023 to 2029, with interest ranging from 4.00% to 5.00%.	985,000	1,105,000
Series 2019A Bonds, maturing February 1, 2023 to 2054, with interest ranging from 3.84% to 5.25%.	610,645,000	610,645,000
Series 2019 B Bonds, maturing January 15, 2023 to 2039, with interest ranging from 3.00% to 5.00%.	13,205,000	13,745,000
Series 2019 C Bonds, maturing February 1, 2023 to 2040, with interest ranging from 3.00% to 5.00%.	28,585,000	29,575,000
Series 2019 D Bonds, maturing January 1, 2023 to 2035, with interest at 5.00%.	134,790,000	140,930,000
Series 2019 E Bonds, partially refunded on October 13, 2020 by Indianapolis Local Public Improvement Bond Bank Bonds, Series 2020 E, maturing January 1, 2023 to 2029, with interest at 5.00%	8,900,000	9,940,000
Series 2019 F Bonds, maturing January 1, 2027 to 2041, with interest ranging from 4.00% to 5.00%.	50,000,000	50,000,000
Series 2019 G Bonds, maturing January 15, 2023 to 2033, with interest at 2.01%.	11,800,000	12,805,000
Series 2019 I Bonds, maturing January 1, 2023 to 2050, with interest ranging from 4.00% to 5.00%.	66,380,000	67,030,000
Series 2020 A Bonds, maturing January 1, 2023 to 2029, with interest at 1.88%.	28,025,000	32,555,000
Series 2020 B Bonds, maturing February 1, 2023 to 2025, with interest at 0.93%.	22,200,000	22,200,000
Series 2020 C Bonds, bearing interest at 1.58%, matured and was paid off February 1, 2023.	2,200,000	11,200,000
Series 2020 D Bonds, maturing January 1, 2025 to 2041, with interest ranging from 4.00% to 5.00%.	50,000,000	50,000,000

**NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Series 2020 E Bonds, maturing January 1, 2023 to 2040, with interest ranging from 0.50% to 2.47%.	132,935,000	134,855,000
Series 2021 A Bonds, maturing June 1, 2023 to 2041, with interest ranging from 4.00% to 5.00%.	407,100,000	424,335,000
Series 2021 B Bonds, maturing February 1, 2024 to 2036, with interest at 5.00%.	72,950,000	72,950,000
Series 2021 C Bonds, maturing February 1, 2024, with interest at 1.00%.	115,000	115,000
Series 2021 D Bonds, maturing January 15, 2023 to 2033, with interest at 4.00%.	19,240,000	20,690,000
Series 2021 E Bonds, maturing February 1, 2023 to 2041, with interest ranging from 3.00% to 5.00%.	36,265,000	36,265,000
Series 2022 A Bonds, maturing February 1, 2023 to 2042, with interest at 2.31%.	18,225,000	-
Series 2022 B Bonds, maturing February 1, 2023 to 2047, with interest ranging from 4.00% to 5.00%.	127,785,000	-
Series 2022 C Stormwater Bonds, maturing January 1, 2024 to 2052, with interest ranging from 4.00% to 5.00%.	50,000,000	-
Series 2022 C Midtown Bonds, maturing February 1, 2023 to 2025, with interest at 2.25%.	2,888,924	-
Series 2022 D Bonds, maturing January 15, 2023 to 2042, with interest ranging from 4.00% to 5.00%.	64,425,000	-
Series 2022 E Bonds, maturing February 1, 2031 to 2039, with interest at 3.77%.	19,530,000	-
Series 2022 F Bonds, maturing January 1, 2024 to 2033, with interest at 2.79%.	69,755,000	-
Series 2022 G Bonds, maturing January 1, 2025 to 2053, with interest ranging from 4.90% to 5.25%.	174,640,000	-
Series 2022 H Bonds, maturing February 1, 2023 to 2030, with interest at 3.28%.	42,540,000	-

**NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)**

	<b>2022</b>	<b>2021</b>
Series 2022 I Bonds, maturing January 15, 2035 to 2043, with interest ranging from 5.25% to 5.50%.	11,500,000	-
Series 2022 J Bonds, maturing January 15, 2024 to 2035, with interest ranging from 4.80% to 5.34%.	12,000,000	-
	<u>4,023,615,638</u>	<u>3,752,134,101</u>
Plus: Deferred charges	580,406	660,083
	<u>4,024,196,044</u>	<u>3,752,794,184</u>
Plus: Unamortized discount/premium	302,126,956	273,789,004
	<u>4,326,323,000</u>	<u>4,026,583,188</u>
Less: Current Portion of Bonds of Payable	<u>(202,401,907)</u>	<u>(191,087,024)</u>
Long-term Portion of Bonds Payable	<u>\$ 4,123,921,093</u>	<u>\$ 3,835,496,164</u>

The Bond Bank's notes payable at December 31, 2022 and 2021, are summarized as follows:

	<b>2022</b>	<b>2021</b>
Series 2019 A Notes, maturing March 1, 2022, with interest at 2.70%, refunded February 24, 2022 by Indianapolis Local Public Improvement Bond Bank Stormwater District Revenue Bonds 2022.	\$ -	\$ 45,105,441
Series 2020 A Notes, bearing interest at 2.20%, refinanced on February 1, 2022 by Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022 C (Midtown), and cash contribution from the City of Indianapolis Redevelopment District.	-	7,100,000
Series 2021 A Notes, maturing November 1, 2024, with interest at SOFR plus 11.48 basis points as of December 31, 2022 and 79% of 1 month LIBOR +26 basis points as of December 31, 2021.	1,081,973	345,000
Series 2022 A Notes, with interest at 79% of daily SOFR plus 25 basis points, refunded June 13, 2023 by Indianapolis Local Public Improvement Bond Bank Bonds Series 2023 B.	854,033	-
	<u>1,936,006</u>	<u>52,550,441</u>
Less: Current Portion of Notes Payable	<u>(854,033)</u>	<u>(52,205,441)</u>
Long-term Portion of Notes Payable	<u>\$ 1,081,973</u>	<u>\$ 345,000</u>

#### NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)

Scheduled principal payments due on bonds and notes payable outstanding at December 31, 2022, are summarized as follows:

Payable In	Principal	Interest	Debt Service
2023	\$ 203,255,940	\$ 172,243,984	\$ 375,499,924
2024	221,082,757	168,782,369	389,865,126
2025	209,477,353	159,860,702	369,338,055
2026	201,290,000	151,525,325	352,815,325
2027-2031	1,032,151,000	625,483,974	1,657,634,974
2032-2036	914,285,000	394,591,457	1,308,876,457
2037-2041	711,835,000	200,598,062	912,433,062
2042-2046	209,260,000	99,028,955	308,288,955
2047-2051	207,930,000	49,838,418	257,768,418
2052-2056	115,565,000	7,579,843	123,144,843
	<u>4,026,132,050</u>	<u>2,029,533,089</u>	<u>6,055,665,139</u>
Plus: Unamortized discount on bonds	302,126,956	-	302,126,956
	<u>\$ 4,328,259,006</u>	<u>\$ 2,029,533,089</u>	<u>\$ 6,357,792,095</u>

During 2019, the Bond Bank's Series 2019 A Notes were issued to purchase the City of Indianapolis, Indiana, Anticipation Notes, Series 2019 (Stormwater Project). It functions similar to a line of credit with a maximum amount of funds available of \$50 million. The notes bear interest of 2.70%. As of December 31, 2021, \$45,105,441 was outstanding. On February 24, 2022, the Bond Bank's Series 2022 C Stormwater Bonds were issued for a total of \$50 million and the proceeds were used to refund the 2019 A Notes and continue to fund the Stormwater project.

During 2020, the Bond Bank's Note Series 2020 A were issued in the amount of \$7,100,000 to purchase City of Indianapolis, Limited Recourse Refunding Notes, bearing interest at 2.20% and maturing February 1, 2022. On January 28, 2022, the Bond Bank's Series 2022 C Midtown Bonds were issued for a total of \$3.45 million and the proceeds, together with a cash contribution from the City of Indianapolis Redevelopment District, were used to refund the 2020 A Notes and continue to fund the Broad Ripple project.

During 2020, the Bond Bank's Series 2020 B Notes were issued to purchase the Indianapolis Public Transportation Corporation Taxable Tax Anticipation Time Warrants of 2020. It functions similar to a line of credit with a maximum borrowing amount of \$20,000,000, bears interest at a variable rate and matured on December 31, 2021.

During 2021, the Bond Bank's Series 2021 A Notes were issued to purchase the City of Indianapolis, Indiana, Stormwater District Notes, Series 2021. It functions similar to a line of credit with a maximum amount of funds available of \$50 million. The notes bear interest of SOFR plus 11.48 basis points as of December 31, 2022 (79% of one month LIBOR + 26 basis points as of December 31, 2021). As of December 31, 2021, \$345,000 was outstanding. During 2022, \$736,972 was drawn and \$1,081,973 was outstanding as of December 31, 2022. The notes mature November 1, 2024.

During 2022, the Bond Bank's Series 2022 A Notes were issued to purchase the Indianapolis-Marion County Building Authority Bond Anticipation Notes, Series 2022 A. It functions similar to a line of credit with a maximum amount of funds available of \$25 million. The notes bear interest of SOFR plus 25 basis points. During 2022, \$854,033 was drawn and outstanding as of December 31, 2022. On June 13, 2023, the Bond Bank's Series 2023 B Circle City Forward Bonds were issued for a total of \$92.67 million and the proceeds were used to refund the 2022 A Notes and continue to fund the Circle City Forward Phase II project.

#### NOTE 4 - BONDS AND NOTES PAYABLE (CONTINUED)

During 2021, the Bond Bank's Series 2021 A Bonds were issued for \$424.3 million and the proceeds of Series 2021 A bonds were used to refund the 2011 D, 2011 I, 2011 K and 2012 B bonds, refund the 2019 B and 2020 C notes and continue to fund the Marion County Convention and Recreational Facilities Authority Bankers Life Fieldhouse project. The cash flow difference between the debt service on the refunded bonds and the new debt was \$41,721,457 and the net present value savings amounted to \$14,269,401.

During 2021, the Bond Bank's Series 2021 B and C Bonds were issued for a total of \$73 million and the proceeds were used to refund the 2011 A bonds, and continue to fund the CityWay 1 project. The cash flow difference between the debt service on the refunded bonds and the new debt was \$9,886,134 and the net present value savings amounted to \$9,765,313.

During 2022, the Bond Bank's Series 2022 B Bonds were issued for a total of \$127.79 million and the proceeds were used to refund the 2011 F bonds and continue to fund the Elanco and bridge projects. The cash flow difference between the debt service on the refunded bonds and the new debt was \$5,879,897 and the net present value savings amounted to \$4,174,967.

During 2022, the Bond Bank's Series 2022 F Bonds were issued for \$69.76 million and the proceeds were used to refund the 2010 L-1 and 2010 L-2 variable SWAP rate portion of the outstanding 2010 L bond and continue to fund the Indianapolis Airport Authority project. The cash flow difference between the debt service on the refunded bonds and the new debt was \$9,747,851 and the net present value loss amounted to \$1,405,852.

During 2022, the Bond Bank's Series 2022 H Bonds were issued for a total of \$42.54 million and the proceeds were used to refund the 2013 F bonds, and continue to fund the CityWay 1 project. The cash flow difference between the debt service on the refunded bonds and the new debt was \$4,799,872 and the net present value savings amounted to \$3,672,819.

The Bond Bank's bonds and notes payable rollforward schedules at December 31, 2022 and 2021, are summarized as follows:

	<u>BONDS</u>	<u>NOTES</u>
<b>Total Outstanding Debt at December 31, 2020</b>	\$ 3,860,523,787	\$ 198,293,916
Total Additions 2021	554,520,000	18,976,525
Total Deductions 2021	<u>(455,535,786)</u>	<u>(164,720,000)</u>
Outstanding Debt	3,959,508,001	52,550,441
Add: Change In Unamortized Discount/Premium	<u>67,075,187</u>	-
<b>Total Outstanding Debt at December 31, 2021</b>	<u>\$ 4,026,583,188</u>	<u>\$ 52,550,441</u>
Total Additions 2022	594,422,570	6,485,565
Total Deductions 2022	<u>(323,020,709)</u>	<u>(57,100,000)</u>
Outstanding Debt	4,297,985,049	1,936,006
Add: Change In Unamortized Discount/Premium	<u>28,337,951</u>	-
<b>Total Outstanding Debt at December 31, 2022</b>	<u>\$ 4,326,323,000</u>	<u>\$ 1,936,006</u>

## NOTE 5 - DIRECT BORROWINGS AND DIRECT PLACEMENTS

Bond Bank's outstanding notes and loans from direct borrowings and direct placements related to governmental activities of \$228,494,093 contain a provision that in an event of default, outstanding amounts become immediately due if the Bond Bank is unable to make payment.

Changes in long-term obligations for the year ended December 31, 2022, are as follows:

	Balance at January 1, 2022	Increases	Decreases	Balance at December 31, 2022	Due within One Year
Governmental activities:					
General obligation bonds	\$ 267,960,000	\$ 23,500,000	\$ (21,485,000)	\$ 269,975,000	\$ 13,905,000
Notes from direct placements	146,359,625	156,535,565	(73,547,064)	229,348,126	19,029,725
Total	<u>\$ 414,319,625</u>	<u>\$ 180,035,565</u>	<u>\$ (95,032,064)</u>	<u>\$ 499,323,126</u>	<u>\$ 32,934,725</u>

The 2019 A Notes operate similar to a line of credit with a maximum borrowing amount of \$50,000,000. As of December 31, 2021, \$45,105,441 was outstanding. On February 24, 2022, the Indianapolis Stormwater District Revenue Bonds of 2022 were issued for a total of \$50 million and the proceeds were used to refund the outstanding balance of the 2019 A notes.

The 2021 A Notes operate similar to a line of credit with a maximum borrowing amount of \$50,000,000 with an outstanding balance of \$1,081,973 and \$345,000 as of December 31, 2022 and 2021, respectively.

The 2022 A Notes operate similar to a line of credit with a maximum borrowing amount of \$25,000,000 with an outstanding balance of \$854,033 as of December 31, 2022.

The Bond Bank's debt is collateralized primarily by the following repayment sources:

- Distributive shares of public safety and components of local income taxes of the City of Indianapolis and/or Marion County
- Tax incentive Funds
- Revenues from respective qualified entities
- Ad Valorem property and vehicle taxes
- Lease revenues
- Local option income tax revenues
- Excise revenues
- Parking garage revenues
- PILOT revenues (payment in lieu of tax)

Upon the occurrence of an event of default, the trustee shall notify the owners of all bonds and notes then outstanding of such event of default by registered or certified mail, and if such default continues for thirty days after written notice the Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the bonds and notes then outstanding, including enforcement of any rights of the Bond Bank or the trustee under the qualified obligations.

**NOTE 5 - DIRECT BORROWINGS AND DIRECT PLACEMENTS (CONTINUED)**

Debt service requirements on bonds and notes payable outstanding at December 31, 2022, are summarized as follows:

Year Ending December 31,	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 13,905,000	\$ 13,529,383	\$ 19,029,725	\$ 5,331,128
2024	13,145,000	13,414,762	20,530,832	5,641,027
2025	12,705,000	12,746,310	12,556,569	5,294,567
2026	14,545,000	12,017,242	7,345,000	5,097,543
2027-2031	69,805,000	48,482,523	102,641,000	19,460,593
2032-2036	71,010,000	29,746,557	53,640,000	4,567,301
2037-2041	71,540,000	9,111,913	12,485,000	853,889
2042-2046	3,320,000	185,076	1,120,000	12,936

**NOTE 6 - DEFEASED DEBT**

The outstanding balance of defeased debt which is not included in the financial statements amounted to \$172,840,720 as of December 31, 2022 and \$135,352,500 as of December 31, 2021.

**NOTE 7 - VARIABLE RATE DEMAND BONDS**

As of December 31, 2021, \$152,840,000 was included in long-term debt related to Series 2010 L variable rate demand bonds. On August 25, 2022, these bonds were partially refunded by the Bond Bank Refunding Bonds, Series 2022 F (Indianapolis Airport Authority Project). The proceeds of the Bond Bank Series 2022 F Bonds were used to refund the Bond Bank's, Series 2010 L-1 and Series 2010 L-2 Bonds, and to pay associated costs to irrevocably terminate the interest rate swaps. As of December 31, 2022, outstanding principal on variable rate debt amounted to \$83,085,000, maturing at various dates from January 1, 2030 through January 1, 2037. The bonds are payable solely from the revenues and assets pledged to the payment thereof pursuant to the Bond Trust Indentures. The redemption schedule for these bonds is included in the bond redemption schedule.

**NOTE 8 - RETIREMENT PLAN*****Plan Description***

The Bond Bank contributed to the Public Employees' Retirement Fund (PERF), which is administered by INPRS as a cost-sharing, multiple-employer defined benefit plan. PERF was established to provide 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. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Defined Contribution Plan (My Choice Plan).

## **NOTE 8 - RETIREMENT PLAN (CONTINUED)**

The PERF Hybrid Plan consists of two components: the defined benefit (PERF DB) component, funded by the employer, plus a defined contribution (PERF DC) component, funded by an employer and a member for the use of the member that supplements the defined benefit at retirement. The My Choice Plan, is a defined contribution plan funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. Upon employment, employees are eligible to enroll membership in either the PERF Hybrid Plan or the My Choice Plan within the first 60 days of employment. If an election is not made within this period, the employee is automatically and irrevocably enrolled in the My Choice Plan.

The PERF DC and My Choice Plan consists of the member's contributions, set by statute at 3 percent of compensation as defined by IC 5-10.2-3-2 for PERF plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of a member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

The Bond Bank elected to contribute 1% of enrolled members' eligible compensation to the My Choice Plan and match 0% of member contributions to the plan. Employer contribution rates are set annually by the INPRS Board of Trustees and are subject to a five-year vesting schedule. There was one employee enrolled in this plan as of December 31, 2022 and 2021.

Investments in the members' PERF DC accounts and My Choice Plan are individually directed and controlled by plan participants who direct the investment of their account balances among eight investment options, with varying degrees of risk and return potential. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. Members may make changes to their investment directions daily and investments are reported at fair value.

### ***Retirement Benefits – Defined Benefit Pension***

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 member's PERF DC account. Pension benefits (PERF DB only) vest after 10 years of creditable service. The vesting period is eight years for certain elected officials. Members are immediately vested in their PERF DC.

At retirement, a member may choose to annuitize their PERF DC account, rollover all or part of PERF DC to any qualified retirement plan, elect to defer distribution up to 100% of account to age 70 ½, or receive a distribution (full or partial). Members who are no longer in a PERF-covered position and have completely separated from their employer for at least 30 days, may take disbursement of the balance of their PERF DC in the form of a distribution or roll over to another qualified retirement plan.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. For PERF members who serve as an elected official, the highest one year (total of four consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

## NOTE 8 - RETIREMENT PLAN (CONTINUED)

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member 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. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). 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. For the year ended June 30, 2021, the Legislature authorized a 1.00% COLA effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits are currently scheduled to be granted for fiscal year 2023.

The PERF Hybrid Plan also provides disability and survivor benefits. A member 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 member 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, or the actuarial equivalent.

Upon the death in service of a member 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 member 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 member 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 in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

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/>.

### ***Significant Actuarial Assumptions***

The total pension liability is determined by INPRS actuaries as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented as follows:

Asset valuation date: June 30, 2022

Liability valuation date and method: June 30, 2021 – The TPL as of June 30, 2022 was determined based on an actuarial valuation prepared as of June 30, 2021 rolled forward one year to June 30, 2022, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.

## NOTE 8 - RETIREMENT PLAN (CONTINUED)

Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2021 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.
Investment rate of return:	6.25%
COLA:	Members in pay were granted a 1.00% COLA on January 1, 2022 and no COLA on January 1, 2023. Thereafter, the following COLAs, compounded annually, were assumed:  0.4% beginning on January 1, 2024 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039
Future salary increases, including inflation:	2.65% - 8.65% based on service
Inflation:	2.00%

The long-term return expectation for the defined benefit retirement plan has been determined by using a building-block approach and assumes 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.

	Target Allocation	Geometric Basis Long-term Expected Real Rate of Return
Private equity	20.0%	3.6%
Private Markets	15.0%	7.7%
Fixed income – Ex inflation-linked	20.0%	1.4%
Fixed income – Inflation-linked	15.0%	(0.3%)
Commodities	10.0%	0.9%
Real estate	10.0%	3.7%
Absolute return	5.0%	2.1%
Risk parity	20.0%	3.8%
Cash and Cash Overlay	N/A	(1.7%)

**NOTE 8 - RETIREMENT PLAN (CONTINUED)**

Total pension liability for the Plan was calculated using the discount rate of 6.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.25 percent). Based on those assumptions, the Plan's fiduciary net position were projected to be available to make all projected future benefit payments of current Plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the Plan.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the Plan calculated using the discount rate of 6.25 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

<b>1% Decrease (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase (7.25%)</b>
<u>\$528,002</u>	<u>\$312,545</u>	<u>\$132,837</u>

***Investment Valuation and Benefit Payment Policies***

The pooled and non-pooled investments are reported at fair value by INPRS. Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or auto-distributed by the fund when certain criteria are met.

***Funding Policy***

The State is obligated by statute to make contributions to the PERF Hybrid Plan or the My Choice Plan.

Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During the fiscal years ended June 30, 2022 and 2021, all participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State. For the My Choice Plan, all participating employers were also required to contribute 11.2 percent of covered payroll. In accordance to IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less than 3 percent and not be greater than the normal cost of the fund which was 4.7 percent for the fiscal years ended June 30, 2022 and 2021, and any amount not credited to the member's account shall be applied to the pooled assets of the PERF Hybrid Plan.

**NOTE 8 - RETIREMENT PLAN (CONTINUED)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2022, the Bond Bank reported a liability of \$312,545 for its proportionate share of the net pension liability. The Bond Bank's proportionate share of the net pension liability was based on the Bond Bank's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2022 measurement date was 0.0000991.

For the year ended December 31, 2022, the Bond Bank recognized pension expense of \$39,601, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(362). At December 31, 2022, the Bond Bank reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,740	\$ 1,189
Net differences between project and actual earnings on pension plan investments	38,571	-
Changes of assumptions	42,333	13,372
Changes in proportion and differences between the Bond Bank's contributions and proportionate share of contributions	8,313	46,281
Total recognized in pension expense based on table	\$ 95,957	\$ 60,842
Pension contribution subsequent to measurement date	37,921	-
Total	<u>\$ 133,878</u>	<u>\$ 60,842</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2023	\$ 3,654
2024	7,758
2025	(17,098)
2026	40,801
	<u>\$ 35,115</u>

## **NOTE 8 - RETIREMENT PLAN (CONTINUED)**

### ***Deferred Compensation Plan***

During 2022, The Bond Bank enrolled in the City of Indianapolis and Marion County, Indiana Deferred Compensation Plan ("Plan") which was adopted under the provision of Internal Revenue Code ("IRC") Section 457. The deferred compensation plan is available to all employees of the Bond Bank. Under this plan, employees may elect to make deferrals where a portion of their salaries are contributed to the Plan, either as pre-tax deferrals or as Roth deferrals. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseen 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. The Bond Bank has elected to make a 100% matching contribution to employees up to but not exceeding \$1,200 per calendar year. As of December 31, 2022, the employer contribution amounted to \$3,000.

## **NOTE 9 - MATERIAL AGREEMENTS**

The Bond Bank pays the annual property management and insurance costs for Union Station on behalf of the City of Indianapolis. Property management and insurance cost of \$579,622 and \$533,276 in 2022 and 2021, respectively, were paid under the terms of this one-year agreement. The property management agreement renews annually and has been in effect since 2001.

In 2018, the Bond Bank entered into an agreement to pay legal costs totaling \$157,000 for the Broad Ripple Parks P3 Assessment on behalf of the Indianapolis Department of Parks and Recreation. Legal costs totaling \$13,657 in 2021 were paid under the terms of this agreement. The contract agreement expired on June 30, 2021.

In 2018, the Bond Bank entered into an agreement to pay legal costs with a maximum of \$450,000 for the CJC Professional Office Building on behalf of the City of Indianapolis. Legal costs totaling \$25,520 in 2021 were paid under the terms of this agreement. The contract agreement expired on December 31, 2021.

In 2021, the Bond Bank entered into an agreement to pay costs for outreach campaign for downtown Indianapolis with a maximum of \$75,000 for the Monumental Voices project on behalf of the City of Indianapolis. Costs totaling \$58,898 were incurred and paid under the terms of this agreement. The contract agreement expired on October 1, 2021.

In 2021, the Bond Bank entered into an agreement to pay compensation costs for drafting and implementation of a small cell wireless ordinance with a maximum of \$25,000 to River Oaks Communication Corporation on behalf of the City of Indianapolis. Costs totaling \$24,999 were incurred and paid under the terms of this agreement. The contract agreement expired on December 31, 2021.

In 2021, the Bond Bank entered into an agreement to reimburse Develop Indy for costs incurred for a retail market analysis and optimization study for the properties known as Circle Centre Mall and Claypool Court with a maximum of \$155,000. Costs totaling \$80,000 and \$75,000 were incurred and paid under the terms of this agreement as of December 31, 2022 and 2021, respectively.

In 2022, the Bond Bank entered into an agreement to reimburse Visit Indy for costs incurred for advertising and marketing expenses associated with the NBA 2K while in the City of Indianapolis with a maximum of \$250,000. Costs totaling \$250,000 were incurred and paid under the terms of this agreement as of December 31, 2022.

## **NOTE 9 - MATERIAL AGREEMENTS (CONTINUED)**

In 2022, the Bond Bank agreed to pay for legal services in connection with Downtown Indianapolis Redevelopment efforts. Costs totaling \$34,013 were incurred and paid under the terms of this agreement as of December 31, 2022.

Various recurring costs related to certain organizations, sponsorships, and awards are also funded by the Bond Bank. They amounted to \$536,814 and \$1,197,946 in 2022 and 2021, respectively.

## **NOTE 10 - CONTINGENCIES**

In September 2019, the Bond Bank was awarded loss recoveries from a litigation settlement in the amount of \$340,792. The full amount is to be paid in varying installments at the discretion of the defendant. As the actual amount to be received is not estimable due to the unknown solvency of the defendant, revenue will be recognized as received. As of December 31, 2022 and 2021, the Bond Bank received \$910 and \$4,620, respectively.

In the normal course of business, there may be various claims and suits involving the Bond Bank. Management is of the opinion that these matters, if any, will not have a material adverse effect on the Bond Bank's net position at December 31, 2022.

## **NOTE 11 - CONCENTRATION OF CREDIT RISK**

The Bond Bank has loans to qualified entities, all of whom are located in Marion County, Indiana.

## **NOTE 12 - SUBSEQUENT EVENTS**

In April 2023, the Bond Bank issued Series 2023 A in the amount of \$32,765,000 to purchase the Indianapolis-Marion County Building Authority Wishard Hospital Project Refunding Bonds, Series 2023 A, the proceeds of which will be used to refund the outstanding Wishard Hospital Project Bonds, Series 2013 A. The bonds bear interest at a rate of 4.07% and mature on January 15, 2040.

In June 2023, the Bond Bank issued Series 2023 B in the amount of \$92,665,000 to purchase the Indianapolis-Marion County Building Authority Lease Rental Revenue Bonds, Series 2023 A, the proceeds of which will be used to refund the outstanding principal and interest due on the Indianapolis Local Public Improvement Bond Bank Note, Series 2022A. The bonds bear interest ranging from 4.13% to 5.25% and mature on February 1, 2052.

In June 2023, the Bond Bank issued Series 2023 C in the amount of \$93,700,000 to purchase the Indianapolis Airport Authority Refunding Revenue Bonds, Series A, the proceeds of which, together with other available Authority moneys, will be used to refund the Bond Bank's Series 2010 L-3, 2010 L-4 and Series 2010 L-5 Bonds and terminate the Authority's associated swaps with JP Morgan Chase as counterparty. The bonds bear interest at a rate of 3.83% and mature on January 1, 2037.

Payables and receivables listed in Notes 3 and 4 have been paid subsequent to year end in accordance with schedules maturities.

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK**

**SCHEDULE OF THE BOND BANK'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (UNAUDITED)**

**PUBLIC EMPLOYEE'S RETIREMENT FUND  
Last 10 Fiscal Years\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Bond Bank's proportion of the net position liability	0.00991%	0.01204%	0.01226%
Bond Bank's proportionate share of the net pension liability	\$ 312,545	\$ 158,428	\$ 370,300
Bond Bank's covered-employee payroll	\$ 570,319	\$ 663,819	\$ 661,952
Bond Bank's proportionate share of the net pension liability as a percentage of its covered-employee payroll	54.8%	23.9%	55.9%
Plan fiduciary net position as a percentage of the total pension liability	82.5%	92.5%	81.5%

\*The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2020 for GASB Statement No. 68 purposes.

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK**  
**SCHEDULE OF THE BOND BANK'S CONTRIBUTIONS (UNAUDITED)**

**PUBLIC EMPLOYEE'S RETIREMENT FUND**  
**Last 10 Fiscal Years\***

	2022	2021	2020
Contractually required contribution	\$ 62,482	\$ 72,330	\$ 72,386
Contributions in relation to the contractually required contribution	\$ 62,482	\$ 72,330	\$ 72,386
Contribution deficiency	\$ -	\$ -	\$ -
Bond Bank's covered-employee payroll	\$ 570,319	\$ 663,819	\$ 661,952
Contributions as a percentage of covered-employee payroll	11.0%	10.9%	10.9%

\*The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2020 for GASB Statement No. 68 purposes.



**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

**To the Board of Directors  
Indianapolis Local Public Improvement Bond Bank  
Indianapolis, Indiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Indianapolis Local Public Improvement Bond Bank (the "Bond Bank"), which comprise the statements of net position as of December 31, 2022 and 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated July 27, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Bond Bank's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bond Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of Bond Bank's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

### ***Compliance and Other Matters***

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

### ***Bond Bank's Response to Findings***

The Bond Bank's responses to the findings identified in our audit are described in the Audit Wrap Up report. The Bond Bank's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

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

Somerset CPAs PC

Indianapolis, Indiana  
July 27, 2023