



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

January 14, 2025

Board of Directors  
Indianapolis Marion County Building Authority  
Marion County, Indiana


We have reviewed the audit report of Indianapolis Marion County Building Authority, which was opined upon by Forvis Mazars, LLP, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of Indianapolis Marion County Building Authority as of June 30, 2024, 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner






**Indianapolis-Marion County  
Building Authority  
(A Component Unit of the  
Consolidated City of  
Indianapolis-Marion County)**

**Independent Auditor's Report and  
Financial Statements**

June 30, 2024 and 2023



**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Contents**  
**June 30, 2024 and 2023**

---

**Independent Auditor’s Report**..... 1

**Management’s Discussion and Analysis** ..... 4

**Financial Statements**

    Statements of Net Position..... 8

    Statements of Revenues, Expenses and Changes in Net Position ..... 9

    Statements of Cash Flows ..... 10

    Notes to Financial Statements ..... 12

**Required Supplementary Information**

    Schedule of Authority’s Proportionate Share of the Net Pension Liability ..... 25

    Schedule of Authority Contributions..... 26

**Supplementary Information**

    Schedule of Statement of Net Position Information ..... 27

    Schedule of Revenues, Expenses and Changes in Net Position Information ..... 29

**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 - Independent Auditor’s Report**..... 30

## Independent Auditor's Report

Board of Directors and Board of Trustees  
Indianapolis-Marion County Building Authority  
Indianapolis, Indiana

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the Indianapolis-Marion County Building Authority (Authority), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024 and 2023, and the changes in financial 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***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 opinions. 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 *Government Auditing Standards* 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 *Government Auditing Standards*, 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 Authority'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 Authority'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.

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of statement of net position information and the schedule of revenues, expenses and changes in net position information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of statement of net position information and the schedule of revenues, expenses and changes in net position information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

***Forvis Mazars, LLP***

**Indianapolis, Indiana  
November 13, 2024**

**Indianapolis-Marion County Building Authority  
(A Component Unit of the Consolidated City of Indianapolis-Marion County)  
Management's Discussion and Analysis  
(Unaudited)**

---

***Introduction***

The following management's discussion and analysis provides an overview of the financial position and activities of the Indianapolis-Marion County Building Authority for the year ended June 30, 2024, with selected comparative information for the years ended June 30, 2023 and 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

By agreement with the Board of Directors and Board of Trustees, the Indianapolis-Marion County Building Authority (Authority) exists for the primary purpose to finance, acquire, construct, improve, renovate, equip, operate, maintain and manage land, governmental buildings and communication systems for governmental entities within Marion County.

***Overview of the Financial Statements***

The Authority's financial report includes three financial statements: the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows. These statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles.

The statements of net position present information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference in these financial statement elements being reported as net position as of June 30, 2024, 2023, and 2022. Following the statements of net position are the statements of revenues, expenses and changes in net position, which provide the Authority's results of operations. The statements of cash flows provide details on the Authority's sources and uses of cash.

***Financial Highlights***

The Authority experienced an increase in net position of \$1,625,101 for fiscal year 2024, as compared to an increase in net position of \$1,877,345 for fiscal year 2023. Net Operating Income decreased by \$548,050 from 2023, partially offset by an increase in Nonoperating Income of \$295,806 due to an increase in Interest Income.

In 2023, the Authority was heavily involved with the continued development of certain projects (designated Indy 3.0) for the City and County. The Authority's purchases of furnishings, equipment and capital items associated with these projects are fully reimbursed by the City and County.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**Condensed Statements of Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets and Deferred Outflows of Resources			
Current assets	\$ 32,712,965	\$ 53,136,711	\$ 13,566,832
Capital assets, net	348,467	152,347	210,383
Deferred outflows of resources - pension	<u>2,741,328</u>	<u>2,882,177</u>	<u>1,627,737</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 35,802,760</u>	<u>\$ 56,171,235</u>	<u>\$ 15,404,952</u>
Liabilities and Deferred Inflows of Resources			
Current liabilities	\$ 21,046,592	\$ 43,263,270	\$ 5,771,628
Long-term liabilities	4,084,498	3,731,299	985,570
Deferred inflows of resources - pension	<u>46,520</u>	<u>176,617</u>	<u>1,525,050</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,177,610</u>	<u>47,171,186</u>	<u>8,282,248</u>
Net Position			
Net investment in capital assets	348,467	152,347	210,383
Unrestricted	<u>10,276,683</u>	<u>8,847,702</u>	<u>6,912,321</u>
Total net position	<u>10,625,150</u>	<u>9,000,049</u>	<u>7,122,704</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 35,802,760</u>	<u>\$ 56,171,235</u>	<u>\$ 15,404,952</u>

The statements of net position indicate a decrease in current assets of approximately \$20 million from June 30, 2023 to June 30, 2024. The decrease in fiscal year 2024 is primarily due to the spending of a significant portion of the approximately \$37 million received in fiscal 2023 as advance payments from the City of Indianapolis and Marion County, Indiana for identified expenditures at the CJC facilities as well as additional capital projects related to Indy 3.0.

Total assets and deferred outflows of resources decreased approximately \$20 million between June 30, 2023 to June 30, 2024. The decrease for fiscal year 2024 is due to the above-mentioned change in current assets.

Current liabilities decreased by approximately \$22 million between June 30, 2023 to June 30, 2024. The decrease in fiscal year 2024 was due to the significant spend of a portion of the \$37 million noted above. This spend reduced the outstanding Current Liability created when the \$37 million was received in fiscal 2023.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 32,690,781	\$ 29,341,846	\$ 26,331,306
Operating expenses	31,480,901	27,583,916	23,685,379
Total nonoperating revenues (expenses), net	<u>415,221</u>	<u>119,415</u>	<u>(229,390)</u>
Increase in Net Position	<u>\$ 1,625,101</u>	<u>\$ 1,877,345</u>	<u>\$ 2,416,537</u>

Operating revenues increased approximately \$3 million from fiscal year 2023 to fiscal year 2024 due to an increase in the normal course of business.

Operating expenses increased by approximately \$4 million from fiscal year 2023 to fiscal year 2024 somewhat outpacing the increase in operating revenue discussed above.

**Condensed Statements of Cash Flows**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net cash provided by operating activities	\$ 1,821,871	\$ 29,345	\$ 3,110,332
Net cash provided by (used in) noncapital financing activities	(126,794)	(435,205)	176,676
Net cash provided by (used in) capital and related financing activities	(21,258,265)	38,580,368	(378,845)
Net cash provided by investing activities	<u>542,015</u>	<u>101,531</u>	<u>1,633</u>
Increase (Decrease) in Cash	<u>\$ (19,021,173)</u>	<u>\$ 38,276,039</u>	<u>\$ 2,909,796</u>

The condensed statements of cash flows show a decrease in cash of approximately \$19 million in fiscal year 2024. The decrease in fiscal year 2024 is primarily due to the spending of a significant portion of the approximately \$37 million received in fiscal 2023 as advance payments from the City of Indianapolis and Marion County, Indiana. Expenditures were identified and incurred for CJC facilities as well as additional capital projects related to Indy 3.0 during fiscal 2024.

**Capital Assets and Debt Administration**

**Capital Assets**

The Authority holds certain equipment used for maintenance of the facilities operated under contractual relationships. Buildings and facilities for which the Authority contractually maintains and operates are not recorded within the financial statements of the Authority as they do not in-substance own the facilities. Additional information related to the Authority's capital assets can be seen within Note 3 of the financial statements.

**Long-Term Debt**

The Authority had one bond issuance recorded related to the financing of certain portions of the Arrestee Processing Center in Indianapolis, which was paid in full during 2023. Under the applicable agreements, the Authority was obligated to transfer full ownership of this property to the Consolidated City of Indianapolis-Marion County, upon liquidation of the related bonded indebtedness. Additional information related to the Authority's long-term debt can be seen within Note 6 of the financial statements.

**Indianapolis-Marion County Building Authority  
(A Component Unit of the Consolidated City of Indianapolis-Marion County)  
Management's Discussion and Analysis  
(Unaudited)**

---

***Economic Factors That Will Affect the Future***

Throughout 2024, 2023, and 2022, the Authority continued to expand operations, including managing the Community Justice Campus developed in Indianapolis, which substantially began operating during 2022. This has resulted in a significant increase in annual revenues and expenditures and significantly increased full time employees to provide the necessary services to the constituents of the Authority. The Authority continues to refine procedures to efficiently and effectively provide the necessary services throughout the City of Indianapolis and Marion County.

***Requests for Information***

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, your inquiries should be directed to Indianapolis Marion County Building Authority, 200 E. Washington Street, Suite 311, Indianapolis, Indiana 46204.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
<b>Unrestricted Assets</b>		
Cash and cash equivalents	\$ 13,875,340	\$ 11,543,512
Amounts receivable for alterations and improvements	2,037,085	3,498,930
Grants and capital advance receivable	111,792	392,592
Materials and supplies	1,083,077	965,426
Prepaid insurance and service contracts	366,730	144,309
Total unrestricted current assets	<u>17,474,024</u>	<u>16,544,769</u>
<b>Restricted Assets</b>		
Restricted cash for the Community Justice Campus (CJC) and Indy 3.0 expenditures	15,238,941	36,591,942
<b>Noncurrent Assets</b> - capital assets, net of accumulated depreciation	348,467	152,347
<b>Deferred Outflows of Resources</b> - pension	<u>2,741,328</u>	<u>2,882,177</u>
Total assets and deferred outflows of resources	<u>\$ 35,802,760</u>	<u>\$ 56,171,235</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>Current Liabilities</b>		
<b>Payable From Unrestricted Assets</b>		
Accounts payable	\$ 8,944,329	\$ 8,182,699
Accrued liabilities	831,343	966,353
Total current liabilities - unrestricted	<u>9,775,672</u>	<u>9,149,052</u>
<b>Payable From Restricted Assets</b>		
Unearned revenue for CJC and Indy 3.0 expenditures	<u>11,270,920</u>	<u>34,114,218</u>
<b>Long-Term Liabilities</b> - net pension liability	<u>4,084,498</u>	<u>3,731,299</u>
<b>Deferred Inflows of Resources</b> - pension	<u>46,520</u>	<u>176,617</u>
<b>Net Position</b>		
Net investment in capital assets	348,467	152,347
Unrestricted	<u>10,276,683</u>	<u>8,847,702</u>
Total net position	<u>10,625,150</u>	<u>9,000,049</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 35,802,760</u>	<u>\$ 56,171,235</u>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Management and maintenance fees	\$ 31,688,089	\$ 27,687,333
Contractual payments	250,000	50,000
Other income	752,692	1,604,513
Total operating revenues	<u>32,690,781</u>	<u>29,341,846</u>
<b>Operating Expenses</b>		
Air conditioning and heating repairs and maintenance	3,374,160	3,131,410
Building Authority office	1,310,437	1,345,243
Custodial	2,587,011	2,313,548
Electrical system - repairs and maintenance	1,727,041	1,397,310
Elevators	774,779	725,189
General building expense	5,665,382	4,699,324
Insurance	2,562,241	2,663,045
Plumbing - repairs and maintenance	286,153	173,370
Professional services	386,527	290,424
Painting and decorating	119,332	150,161
Structural maintenance	1,340,526	968,937
Utilities	5,956,716	5,501,577
Payroll taxes and retirement plan benefits	1,857,259	1,507,807
Depreciation	55,418	58,036
Nonrecurring repairs and replacements	501,674	765,389
Miscellaneous	2,976,245	1,893,146
Total operating expenses	<u>31,480,901</u>	<u>27,583,916</u>
<b>Operating Income</b>	<u>1,209,880</u>	<u>1,757,930</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	542,015	112,257
Interest expense	-	(17,835)
CJC and Indy 3.0 furnishings and capital reimbursement	34,291,313	19,728,436
CJC and Indy 3.0 furnishings and capital costs	(34,291,313)	(19,728,436)
Reimbursement of tenant alterations	5,275,029	2,813,752
Tenant alteration costs	(5,401,823)	(2,788,759)
Total nonoperating revenues (expenses), net	<u>415,221</u>	<u>119,415</u>
<b>Increase in Net Position</b>	1,625,101	1,877,345
<b>Net Position, Beginning of Year</b>	<u>9,000,049</u>	<u>7,122,704</u>
<b>Net Position, End of Year</b>	<u>\$ 10,625,150</u>	<u>\$ 9,000,049</u>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers and users	\$ 33,386,470	\$ 27,969,965
Cash payments to vendors for goods and services	(22,009,782)	(18,916,882)
Cash payments for employees services	(9,554,817)	(9,023,738)
Net cash provided by operating activities	<u>1,821,871</u>	<u>29,345</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Reimbursement of tenant alterations	5,275,029	2,813,752
Tenant alteration costs	(5,401,823)	(2,788,759)
Financing agreement payments received	-	483,000
Interest paid on long-term debt	-	(38,198)
Principal payments on long-term debt	-	(905,000)
Net cash used in noncapital financing activities	<u>(126,794)</u>	<u>(435,205)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition of capital assets	(251,538)	-
Advance payments for CJC and Indy 3.0 expenditures	-	37,277,296
Reimbursement received for CJC and Indy 3.0 furnishings and capital	34,998,197	19,320,949
Expenditures for CJC and Indy 3.0 furnishings and capital	(56,004,924)	(18,017,877)
Net cash provided by (used in) capital and related financing activities	<u>(21,258,265)</u>	<u>38,580,368</u>
<b>Cash Flows From Investing Activity</b> - interest received on cash and cash equivalents	<u>542,015</u>	<u>101,531</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(19,021,173)	38,276,039
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>48,135,454</u>	<u>9,859,415</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 29,114,281</u>	<u>\$ 48,135,454</u>
<b>Cash and Cash Equivalents, End of Year, Consist of:</b>		
Unrestricted cash and cash equivalents	\$ 13,875,340	\$ 11,543,512
Restricted cash equivalents for CJC and Indy 3.0 expenditures	<u>15,238,941</u>	<u>36,591,942</u>
Total cash and cash equivalents at year end	<u>\$ 29,114,281</u>	<u>\$ 48,135,454</u>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

**(Continued)**

	<u>2024</u>	<u>2023</u>
<b>Reconciliation of Gain From Operations to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Operating income	\$ 1,209,880	\$ 1,757,930
Items not requiring (providing) cash		
Depreciation of capital assets	55,418	58,036
Accretion	-	(2,528)
Changes in operating assets and liabilities:		
Accounts and grants receivable	1,035,761	(1,112,200)
Material, supplies and other assets	(340,072)	(257,153)
Deferred outflows of resources - pension	140,849	(1,254,440)
Deferred inflows of resources - pension	(130,097)	(1,348,433)
Accrued liabilities	(135,010)	(521,032)
Accounts payable	(368,057)	(36,564)
Net pension liability	353,199	2,745,729
	<u>1,821,871</u>	<u>29,345</u>
Net cash provided by operating activities	<u>\$ 1,821,871</u>	<u>\$ 29,345</u>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 1. Nature of Organization and Summary of Significant Accounting Policies**

***Organization***

Indianapolis-Marion County Building Authority (Authority) is a body corporate and politic created April 7, 1953, by concurrent resolution of the Board of Commissioners of Marion County, the County Council of Marion County and the Common Council of the City of Indianapolis, pursuant to chapter 54 of the 1953 Act of the Indiana General Assembly. The original Act has been amended and codified and is now Indiana Code 36-9-13 et. seq. The purpose of the Authority is to finance, acquire, construct, improve, renovate, equip, operate, maintain and manage land, governmental buildings and communication systems for governmental entities within Marion County. The Authority has no stockholders or equity holders, and all bond and note loan proceeds, rentals and other revenues must be disbursed for specific purposes in accordance with provisions of Indiana Code 36-9-13 et. seq. and several trust indentures and loan agreements executed for the security of the holders of the bonds and notes.

The Authority is an independent joint building authority under the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. Accordingly, for financial reporting purposes, the Authority is considered to be a component unit of the Consolidated City of Indianapolis-Marion County.

A five-member Board of Trustees appoints the five members of the Board of Directors, the governing body of the Authority. Two of the trustees are appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County; one is appointed by the Mayor of the City of Indianapolis in his capacity as the municipal executive of Indianapolis and two are appointed by the Mayor of Indianapolis in his capacity as the county executive of Marion County.

***Basis of Accounting and Presentation***

The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific, investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses.

The financial statements consist of a single-purpose business-type activity and the Authority follows standards set by GASB. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

***Use of Estimates***

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

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

***Cash Equivalents***

The Authority considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted of money market mutual funds.

***Materials and Supplies***

The stockroom inventory of materials and supplies is carried at cost, determined on a first-in, first-out (FIFO) basis, not to exceed market value, based on a physical inventory at each year-end date.

***Capital Assets***

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets acquired by the Authority for which ownership transfers to the owner of the facility or property are not capitalized on the financial statements of the Authority but are expensed as the financial benefit of those assets lies with the owner and user of the facility. The Authority's capital assets include equipment used by the Authority for maintenance of facilities under contractual relationships. The estimated useful life used by the Authority for vehicles, groundskeeping equipment, shop equipment and office equipment/furniture is 7 years.

***Capital Asset Impairment***

The Authority evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. No asset impairments were recognized during the years ended June 30, 2024 and 2023.

***Compensated Absences***

Substantially all employees receive compensation for paid time off (PTO). PTO earned is based on length of service. Vacation leave which has been earned but not paid has been accrued.

***Cost-Sharing Defined-Benefit Pension Plan***

The Authority participates in a cost-sharing multiple-employer defined-benefit pension plan (Plan). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

***Management Fee and Maintenance Fee Income***

The Authority is authorized to enter into management contracts with eligible governmental entities. As of June 30, 2024, the Authority has entered into management contracts which expire on various dates through 2054. The contracts provide for the construction, operation and/or maintenance of various facilities for use by departments and other entities of the City of Indianapolis (City) and Marion County (County). The City and the County advance funds to the Authority for construction of the facilities and, with respect to all of the properties, designates the Authority as its manager and agent for the purpose of maintaining and managing the facilities. The Authority manages and maintains various facilities that are owned and/or under the control of the City and County and receives payments based on approved budgets and charged to cover the cost of operation and maintenance of the facilities. Agreements between the Authority and the City or County provide for annual adjustments based upon operating expense budgets for the facilities and contain periodic renewals.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

***Unearned Revenue***

Maintenance fees and rental payments received in advance of the period to which they relate, as well as funds received in advance for furnishes and capital costs for City or County properties, are recorded as unearned revenue.

***Deferred Outflows of Resources***

The Authority reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its statement of net position.

***Deferred Inflows of Resources***

The Authority reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statement of net position.

***Net Position***

Net position of the Authority is classified in three components on its statement of net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets.

Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Authority, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.

Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

**Note 2. Deposits and Investment Income**

As of June 30, 2024 and 2023, all cash and cash equivalents holdings were cash deposits.

The above amounts are reflected as cash and cash equivalents in the statements of net position as follows:

	<u>2024</u>	<u>2023</u>
Unrestricted cash and cash equivalents	\$ 13,875,340	\$ 11,543,512
Restricted cash for CJC and Indy 3.0 expenditures	<u>15,238,941</u>	<u>36,591,942</u>
Total cash and cash equivalents	<u>\$ 29,114,281</u>	<u>\$ 48,135,454</u>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**Deposits**

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

The Authority's cash deposits are insured up to \$250,000 per each Federal Deposit Insurance Corporation (FDIC) insured institution. Any cash deposits in excess of the \$250,000 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

**Investment Income**

Investment income for the years ended June 30, 2024 and 2023 consisted of:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 542,015	\$ 101,531
Interest recognized on unearned financing receivable	-	10,726
	<u>\$ 542,015</u>	<u>\$ 112,257</u>

**Note 3. Capital Assets**

Capital assets activity for the years ended June 30, 2024 and 2023 was:

	<u>2024</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Vehicles and groundskeeping equipment	\$ 406,247	\$ 251,538	\$ -	\$ -	\$ 657,785
Less: Accumulated depreciation for vehicles and groundskeeping equipment	253,900	55,418	-	-	309,318
	<u>\$ 152,347</u>	<u>\$ 196,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,467</u>
	<u>2023</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Vehicles and groundskeeping equipment	\$ 406,247	\$ -	\$ -	\$ -	\$ 406,247
Less: Accumulated depreciation for vehicles and groundskeeping equipment	195,864	58,036	-	-	253,900
	<u>\$ 210,383</u>	<u>\$ (58,036)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,347</u>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 4. Retirement Plan**

***Plan Description***

The Authority contributes to the Public Employees' Retirement Fund of Indiana (PERF), a cost-sharing, multiple-employer defined-benefit retirement plan established in accordance with IC 5-10.3. PERF is administered by the Indiana Public Retirement System (INPRS) and is governed by the INPRS Board of Trustees (INPRS Board). PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. All full-time Authority employees are eligible to participate in this plan. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF. This report may be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687.

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA). The DC Account was originally available only to employees of the State of Indiana, but effective July 1, 2016, employees of political subdivisions may also be eligible to participate.

There are two aspects to the PERF Hybrid Plan defined-benefit structure. The first portion is the monthly defined-benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the DC Account that supplements the defined-benefit at retirement.

***Funding Policy***

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

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2024 and 2023, the Authority contributed 11.20% of employee compensation to the plan. The DC account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the Authority has elected not to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their DC Account ASA. An employee's contribution and interest credits belong to the employee and do not belong to the state or the Authority.

***Retirement Benefits***

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

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

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

An employee who has reached: (1) age 65 and has at least ten years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to \$2,000 are included as part of the employee's salary.

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

The monthly pension benefits for employees in pay status may be increased periodically by a cost-of-living adjustment (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.

***Disability and Survivor Benefits***

The PERF Hybrid Plan also provides disability and survivor benefits. An employee who has at least five years of creditable service and becomes disabled while in active service, on leave, receiving workers' compensation benefits or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

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

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

***Contributions***

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the Authority, contribution rates and amounts determined by the June 30, 2023 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2024. The Authority's approved contribution rate from July 1, 2023 through June 30, 2024 was 11.20% and was unchanged from fiscal year 2023. For the years June 30, 2024 and 2023, contributions to the pension plan from the Authority were \$888,954 and \$814,930, respectively.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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

At June 30, 2024 and 2023, the Authority reported a liability of \$4,084,498 and \$3,731,299 for its proportionate share of the net pension liability. The 2024 net pension liability was measured as of June 30, 2023, and the 2023 net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those respective dates. Member census data as of the year preceding the measurement date was used in developing each actuarial valuation. Standard actuarial roll forward techniques were then used to project the total pension liability to the measurement date. Wages reported by the Authority relative to the collective wages of the plan served as the basis to determine the Authority's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2024 (June 30, 2023 measurement date), the Authority's proportion was 0.11573%, which was an decrease of 0.00258% from its proportion of 0.11831% as of June 30, 2023 (June 30, 2022 measurement date).

For the years ended June 30, 2024 and 2023, the Authority recognized pension expense of \$1,252,905 and \$957,786, respectively. At year end, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 83,568	\$ -
Changes of assumptions	222,736	-
Net differences between projected and actual earnings on pension plan investments	936,178	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	609,892	46,520
Authority's contributions subsequent to the measurement date	888,954	-
<b>Total</b>	<b>\$ 2,741,328</b>	<b>\$ 46,520</b>

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 80,460	\$ 14,191
Changes of assumptions	505,386	159,637
Net differences between projected and actual earnings on pension plan investments	460,482	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	1,020,919	2,789
Authority's contributions subsequent to the measurement date	814,930	-
Total	<u>\$ 2,882,177</u>	<u>\$ 176,617</u>

At June 30, 2024 and 2023, the Authority reported \$888,954 and \$814,930, as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred inflows and outflows of resources at June 30, 2024, related to pensions will be recognized in pension expense as follows:

2025	\$ 781,641
2026	289,212
2027	607,486
2028	127,515
	<u>\$ 1,805,854</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.0%
Salary increases	2.65% - 8.65% average, including inflation
Ad hoc cost of living adjustments	varies
Long-term expected rate of return	6.25%, net of pension plan investment expense

Mortality rates for the June 30, 2023 and 2022 valuations were based on the Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2023 and 2022 valuations were based on the results of an actuarial experience study for the period June 30, 2014 through June 30, 2019.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

The long-term expected rate of return on pension plan investments was 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20%	3.7%
Private equity	15%	6.4%
Fixed income - ex-inflation linked	20%	2.2%
Fixed income - inflation linked	15%	0.5%
Commodities	10%	1.1%
Real estate	10%	3.4%
Absolute return	5%	1.6%
Risk parity	20%	5.9%
Leverage offset	-15%	0.0%
	100%	

***Discount Rate***

The discount rate used to measure the total pension liability was 6.25% for the years ended 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, PERF's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

***Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The Authority's proportionate share of the net pension liability at June 30, 2024 has been calculated using a discount rate of 6.25%. The following presents the Authority's proportionate share of the June 30, 2024 net pension liability (asset) calculated using a discount rate of 1% higher and 1% lower than the current rate.

	<u>1% Decrease (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
Authority's proportionate share of the net pension liability	\$ 6,656,435	\$ 4,084,498	\$ 1,940,012

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERF financial report.

**Note 5. Financing Agreement**

Pursuant to a Master Lease Agreement dated December 31, 1996, with amendments and addendums through July 31, 2003, the Authority had leased the Arrestee Processing Center (APC) to the County. Under the lease agreement, the County had the option to purchase the leased facility at a price equal to the amount required to provide for payment or redemption of all related outstanding bonds of the Authority, otherwise, ownership of the APC automatically transferred to the County upon full redemption of the underlying bonds. The County was obligated to pay the expenses of the Authority and to insure and maintain the leased facilities. This lease provided for fixed annual rentals, payable in semiannual installments of \$483,000. The County's required payment obligations were payable from and secured by a pledge of certain taxes to be received annually by the County. The final payment of \$483,000 was paid by the County during 2023.

**Note 6. Long-Term Obligations**

The following is a summary of long-term obligation transactions for the Authority for the years ended June 30, 2024 and 2023:

	<u>2024</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Net pension liability	\$ 3,731,299	\$ 1,168,129	\$ (814,930)	\$ 4,084,498	\$ -

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt (bonds payable)*	\$ 905,000	\$ -	\$ (905,000)	\$ -	\$ -
Unamortized premium on bonds payable	2,528	-	(2,528)	-	-
Unearned revenue on financing receivable	10,726	-	(10,726)	-	-
Net pension liability	985,570	3,508,302	(762,573)	3,731,299	-
	<u>\$ 1,903,824</u>	<u>\$ 3,508,302</u>	<u>\$ (1,680,827)</u>	<u>\$ 3,731,299</u>	<u>\$ -</u>

\*The Arrestee Processing Center bonds of 2003 matured on January 15, 2023.

**Note 7. Risk Management**

The Authority is exposed to various risks of loss from torts; thereof, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. The Authority purchases commercial insurance policies for all risks of loss. Certain of these policies allow for deductibles, which range from \$10,000 to \$50,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years.

**Note 8. Conduit Debt Obligations**

In March 2010, the Authority issued \$106,250,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Bonds, Series 2010 B-1, and \$359,330,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Bonds, Series 2010 B-2 (collectively, the Series 2010B Bonds) for the purpose of financing the acquisition, construction and equipping of certain hospital and healthcare facilities for Health and Hospital Corporation of Marion County, Indiana (Corporation). In April 2013, the Authority issued an additional \$42,460,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Bonds, Series 2013 A (the Series 2013A Bonds). In April 2023, the Authority issued an additional \$32,765,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Refunding Bonds, Series 2023 (the Series 2023 Bonds) for the purpose of refunding the Series 2013A Bonds. The Series 2010B and 2023 Bonds are special limited obligations of the Authority, payable solely from, and secured by, a pledge of lease rental revenues to be received by the Authority from the Corporation in accordance with a Master Lease agreement, Amendment and Addendums between the two entities, dated March 1, 2010; December 31, 2012; and April 1, 2023. The lease rentals are payable from ad valorem property taxes to be levied on all taxable property within Marion County, Indiana, to the extent other revenues of the Corporation are not sufficient to fund such payments. The Series 2010B Bonds and Series 2023 Bonds do not constitute a debt or pledge of the faith and credit of the Authority and are therefore not reported in the Authority's financial statements. At June 30, 2024, approximately \$375 million in bonds remain outstanding.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

In April 2019, the Authority issued \$610,645,000 in Indianapolis-Marion County Building Authority Community Justice Campus Bonds, Series 2019A for the purpose of financing the acquisition, construction and equipping of certain courthouse and jail facilities for City of Indianapolis, Indiana (City) and the County of Marion, Indiana (County). Also, in April 2019, the Authority issued \$13,745,000 in Indianapolis-Marion County Building Authority Community Justice Campus Bonds, Series 2019B for the purpose of financing the acquisition and construction of an assessment and intervention center for the City and County. The Series 2019A and 2019B Bonds are collectively referred to as the 2019 Bonds. In June 2023, the Authority issued \$92,665,000 in Indianapolis-Marion County Building Authority Lease Rental Revenue Bonds, Series 2023A for the purpose of financing the acquisition, construction, and equipping, and operating certain government buildings and systems and referred to as Circle City Forward Phase II Project. The Series 2019 and 2023A Bonds are special limited obligations of the Authority, payable solely from, and secured by, a pledge of lease rental revenues to be received by the Authority from the City and County in accordance with a Master Lease agreement, between the Authority and the City and County, dated April 1, 2019 and June 1, 2023, respectively. The lease rentals are payable from ad valorem property taxes to be levied on all taxable property within Marion County, Indiana, to the extent other revenues of the City and County are not sufficient to fund such payments. The Series 2019 and 2023 Bonds do not constitute a debt or pledge of the faith and credit of the Authority and are therefore not reported in the Authority's financial statements. At June 30, 2024, approximately \$698 million in bonds remain outstanding.

## **Note 9. Commitments and Contingencies**

### ***Litigation***

The Authority is periodically involved in certain litigation which is considered by management to be incidental to the conduct of Authority operations. In the opinion of management, the ultimate outcome of these matters, in the aggregate, is not currently expected to have a material adverse effect upon the financial position, changes in financial position and cash flows of the Authority.

## **Note 10. Community Justice Campus**

In addition to the bonds issued by the Authority in 2019 (as discussed in Note 8), the Authority is heavily involved with the development of the Community Justice Campus (CJC) for the City and County. During 2020, the Authority began performing certain functions related to the CJC as a result of a memorandum of understanding between the Authority and the City, including providing resources to manage the operations of components of CJC as they are opened. Additionally, during 2021 through 2024, the Authority purchased furnishings and equipment associated with certain facilities within the CJC, which are being reimbursed by the City and County. Nonoperating revenue and expenses included within the statement of revenue, expenses and changes in net position for 2024 and 2023 for these furnishings was \$22,464,713 and \$18,217,841, respectively. A management and operating agreement was entered into between the Authority and the Consolidated City of Indianapolis and Marion County for operating and maintaining the CJC through 2054.

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 11. Indy 3.0**

In addition to the bonds issued by the Authority in 2023 (as discussed in Note 8), the Authority is heavily involved with the development of the certain projects associated with Indy 3.0 for the City and County. During 2023 through 2024, the Authority purchased furnishings, equipment and capital items associated with certain facilities related to Indy 3.0, which are being reimbursed by the City and County. Nonoperating revenue and expenses included within the statement of revenue, expenses and changes in net position for 2024 and 2023 for these expenditures was \$11,826,600 and \$1,510,595.

## **Required Supplementary Information**

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Schedules of Required Supplementary Information**  
**Schedule of Authority's Proportionate Share of the Net Pension Liability**  
**Indiana Public Employees' Retirement Fund of Indiana (PERF)**  
**Last 10 Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	0.11573%	0.11831%	0.07490%	0.06860%	0.06075%	0.05653%	0.05726%	0.06043%	0.05765%	0.05649%
Authority's proportionate share of the net pension liability	\$ 4,084,498	\$ 3,731,299	\$ 985,570	\$ 2,071,990	\$ 2,007,826	\$ 1,920,350	\$ 2,554,680	\$ 2,742,582	\$ 2,348,025	\$ 1,484,521
Authority's covered payroll	\$ 7,274,159	\$ 6,808,684	\$ 4,129,747	\$ 3,703,664	\$ 3,165,062	\$ 2,884,234	\$ 2,808,098	\$ 2,896,284	\$ 2,757,303	\$ 2,757,770
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	56%	55%	24%	56%	63%	67%	91%	95%	85%	54%
Plan fiduciary net position as a percentage of the total pension liability	81%	82%	93%	81%	80%	79%	77%	75%	77%	74%

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

**Notes to Schedule:**

Benefit changes: none

Changes in actuarial methods: none

Changes of assumptions: none

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Schedules of Required Supplementary Information**  
**Schedule of Authority Contributions**  
**Indiana Public Employees' Retirement Fund of Indiana (PERF)**  
**Last 10 Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 888,954	\$ 814,930	\$ 762,573	\$ 462,531	\$ 414,231	\$ 354,487	\$ 320,895	\$ 314,507	\$ 324,384	\$ 302,614
Contributions in relation to the contractually required contribution	<u>888,954</u>	<u>814,930</u>	<u>762,573</u>	<u>462,531</u>	<u>414,231</u>	<u>354,487</u>	<u>320,895</u>	<u>314,507</u>	<u>324,384</u>	<u>302,614</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 8,262,707	\$ 7,274,159	\$ 6,808,684	\$ 4,129,747	\$ 3,703,664	\$ 3,165,062	\$ 2,884,234	\$ 2,808,098	\$ 2,896,284	\$ 2,757,303
Contributions as a percentage of covered payroll	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%

\*The amounts presented for each fiscal year were determined as of June 30.

## **Supplementary Information**

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Schedule of Statement of Net Position Information**  
**June 30, 2024**

	Total	City-County Building	Arrestee Processing Center	Riverside and Belmont Garages	Marion County Jail	Marion County Jail II	Public Safety Training Academy	Juvenile Justice Complex	Public Safety Properties	Department of Metropolitan Development Properties	City Market	Assessment & Intervention Center	Central Utility Plant	Adult Detention Center	Courts
<b>Current Assets</b>															
<b>Unrestricted Assets</b>															
Cash and cash equivalents	\$ 13,875,340	\$ 4,782,049	\$ 48,188	\$ 543,011	\$ 1,074,419	\$ 101,073	\$ 303,616	\$ 515,605	\$ 418,444	\$ 158,337	\$ 127,203	\$ 312,697	\$ 2,299,344	\$ 2,558,837	\$ 632,517
Amounts receivable for alterations and improvements	2,037,085	1,813,873	2,265	-	-	31,667	-	-	-	-	-	-	189,280	-	-
Grants and capital advance receivable	111,792	111,792	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and supplies	1,083,077	1,083,077	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance and service contracts	366,730	81,660	578	13,825	10,992	-	9,754	14,805	15,473	5,347	-	5,688	24,979	78,797	104,832
Total unrestricted current assets	17,474,024	7,872,451	51,031	556,836	1,085,411	132,740	313,370	530,410	433,917	163,684	127,203	318,385	2,513,603	2,637,634	737,349
<b>Restricted Assets</b>															
Restricted cash for CJC and Indy 3.0 expenditures	15,238,941	14,703,933	535,008	-	-	-	-	-	-	-	-	-	-	-	-
<b>Noncurrent Assets</b>															
Capital assets, net of accumulated depreciation	348,467	96,929	-	-	-	-	-	-	-	-	-	-	29,565	221,973	-
<b>Deferred Outflows of Resources</b>															
	2,741,328	2,741,328	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ 35,802,760	\$ 25,414,641	\$ 586,039	\$ 556,836	\$ 1,085,411	\$ 132,740	\$ 313,370	\$ 530,410	\$ 433,917	\$ 163,684	\$ 127,203	\$ 318,385	\$ 2,543,168	\$ 2,859,607	\$ 737,349

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Schedule of Statement of Net Position Information**  
**June 30, 2024**

(Continued)

	Total	City-County Building	Arrestee Processing Center	Riverside and Belmont Garages	Marion County Jail	Marion County Jail II	Public Safety Training Academy	Juvenile Justice Complex	Public Safety Properties	Department of Metropolitan Development Properties	City Market	Assessment & Intervention Center	Central Utility Plant	Adult Detention Center	Courts
<b>Current Liabilities</b>															
<b>Payable From Unrestricted Assets</b>															
Accounts payable	\$ 8,944,329	\$ 7,588,437	\$ 1,506	\$ 27,919	\$ 31,286	\$ 1,398	\$ 45,456	\$ 75,902	\$ 71,203	\$ 5,883	\$ 980	\$ 14,191	\$ 471,568	\$ 319,996	\$ 288,604
Accrued liabilities	831,343	831,343	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities - unrestricted	9,775,672	8,419,780	1,506	27,919	31,286	1,398	45,456	75,902	71,203	5,883	980	14,191	471,568	319,996	288,604
<b>Payable From Restricted Assets</b>															
Unearned revenue for CJC and Indy 3.0 expenditures	11,270,920	10,735,912	535,008	-	-	-	-	-	-	-	-	-	-	-	-
<b>Long-Term Liabilities</b>															
Net pension liability	4,084,498	4,084,498	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deferred Inflows of Resources</b>															
Total liabilities and deferred inflows of resources	25,177,610	23,286,710	536,514	27,919	31,286	1,398	45,456	75,902	71,203	5,883	980	14,191	471,568	319,996	288,604
<b>Net Position</b>															
Net investment in capital assets	348,467	96,929	-	-	-	-	-	-	-	-	-	-	29,565	221,973	-
Unrestricted	10,276,683	2,031,002	49,525	528,917	1,054,125	131,342	267,914	454,508	362,714	157,801	126,223	304,194	2,042,035	2,317,638	448,745
Total net position	10,625,150	2,127,931	49,525	528,917	1,054,125	131,342	267,914	454,508	362,714	157,801	126,223	304,194	2,071,600	2,539,611	448,745
Total liabilities, deferred inflows of resources and net position	\$ 35,802,760	\$ 25,414,641	\$ 586,039	\$ 556,836	\$ 1,085,411	\$ 132,740	\$ 313,370	\$ 530,410	\$ 433,917	\$ 163,684	\$ 127,203	\$ 318,385	\$ 2,543,168	\$ 2,859,607	\$ 737,349

**Indianapolis-Marion County Building Authority**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**Schedule of Revenues, Expenses and Changes in Net Position Information**  
**Year Ended June 30, 2024**

	Total	City-County Building	Arrestee Processing Center	Riverside and Belmont Garages	Marion County Jail	Marion County Jail II	Public Safety Training Academy	Juvenile Justice Complex	Public Safety Properties	Department of Metropolitan Development Properties	City Market	Assessment & Intervention Center	Central Utility Plant	Adult Detention Center	Courts
<b>Operating Revenues</b>															
Management and maintenance fees	\$ 31,688,089	\$ 9,526,298	\$ -	\$ 1,097,724	\$ 1,517,071	\$ -	\$ 842,636	\$ 1,532,203	\$ 1,601,803	\$ 452,406	\$ 123,833	\$ 412,762	\$ 4,438,070	\$ 5,524,152	\$ 4,619,131
Contractual payments	250,000	50,000	-	-	-	-	-	-	-	-	-	-	-	-	200,000
Other income	752,692	752,692	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	32,690,781	10,328,990	-	1,097,724	1,517,071	-	842,636	1,532,203	1,601,803	452,406	123,833	412,762	4,438,070	5,524,152	4,819,131
<b>Operating Expenses</b>															
Air conditioning and heating repairs & maintenance	3,374,160	1,044,518	12,504	99,491	204,978	-	96,073	207,715	174,103	1,896	26,000	30,566	839,637	336,157	300,522
Building Authority office	1,310,437	522,495	9,396	65,856	76,020	-	58,273	86,128	72,144	13,083	3,743	16,415	50,074	205,199	131,611
Custodial	2,587,011	941,939	(706)	134,951	28,029	-	107,224	212,444	265,943	6,280	2,300	45,465	32,631	97,299	713,212
Electrical system - repairs and maintenance	1,727,041	451,048	15,600	80,456	71,054	-	37,060	79,600	124,366	10,762	5,148	70,764	224,050	368,794	188,339
Elevators	774,779	204,942	541	2,965	16,053	-	2,646	6,575	5,874	11,625	-	3,274	3,142	206,522	310,620
General building expense	5,665,382	3,481,801	7,448	84,671	91,859	10,728	54,173	82,405	72,668	20,989	7,771	28,890	1,218,027	304,253	199,699
Insurance	2,562,241	(456,266)	36,831	186,024	198,914	-	140,327	200,033	209,030	91,381	15,960	52,395	627,595	578,451	681,566
Plumbing - repairs and maintenance	286,153	(247,775)	6,436	13,504	23,848	-	16,880	19,755	25,301	5,539	6,962	9,460	50,330	211,102	144,811
Professional services	386,527	188,258	-	8,800	-	-	5,524	6,273	9,237	300	-	7,520	67,026	29,829	63,760
Painting and decorating	119,332	(301,633)	3,696	31,187	28,248	-	28,623	29,688	21,801	1,610	2,472	7,104	3,647	98,655	164,234
Structural maintenance	1,340,526	321,745	7,705	38,522	67,585	-	41,304	52,390	51,329	5,370	2,784	13,153	178,364	300,490	259,785
Utilities	5,956,716	1,517,891	-	200,282	527,020	-	152,152	339,935	396,667	-	-	23,977	516,129	1,727,835	554,828
Payroll taxes and retirement plan benefits	1,857,259	668,353	12,396	78,804	91,812	-	59,496	84,516	89,556	45,636	10,314	15,864	296,640	194,676	209,196
Depreciation	55,418	53,919	-	1,499	-	-	-	-	-	-	-	-	-	-	-
Nonrecurring repairs and replacements	501,674	31,874	-	(2)	-	-	-	5,042	-	-	-	-	-	169,126	295,634
Miscellaneous	2,976,245	1,500,220	1,800	32,664	17,771	-	55,355	34,831	101,534	243,185	65	7,843	272,633	35,627	672,717
Total operating expenses	31,480,901	9,923,329	113,647	1,059,674	1,443,191	10,728	855,110	1,447,330	1,619,553	457,656	83,519	332,690	4,379,925	4,864,015	4,890,534
<b>Operating Income (Loss)</b>	1,209,880	405,661	(113,647)	38,050	73,880	(10,728)	(12,474)	84,873	(17,750)	(5,250)	40,314	80,072	58,145	660,137	(71,403)
<b>Nonoperating Revenues (Expenses)</b>															
Investment income	542,015	103,648	9,263	25,872	43,569	4,294	15,965	29,832	24,734	7,733	4,386	11,211	103,183	114,019	44,306
CJC and Indy 3.0 furnishings and capital reimbursement	34,291,313	34,291,313	-	-	-	-	-	-	-	-	-	-	-	-	-
CJC and Indy 3.0 furnishings and capital costs	(34,291,313)	(34,291,313)	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of tenant alterations	5,275,029	5,217,677	-	-	-	-	-	-	-	-	-	-	57,352	-	-
Tenant alteration costs	(5,401,823)	(5,331,542)	-	-	-	-	-	-	-	-	-	-	(70,281)	-	-
Total nonoperating revenues, net	415,221	(10,217)	9,263	25,872	43,569	4,294	15,965	29,832	24,734	7,733	4,386	11,211	90,254	114,019	44,306
<b>Increase (Decrease) in Net Position</b>	1,625,101	395,444	(104,384)	63,922	117,449	(6,434)	3,491	114,705	6,984	2,483	44,700	91,283	148,399	774,156	(27,097)
<b>Net Position, Beginning of Year</b>	9,000,049	1,732,487	153,909	464,995	936,676	137,776	264,423	339,803	355,730	155,318	81,523	212,911	1,923,201	1,765,455	475,842
<b>Net Position, End of Year</b>	\$ 10,625,150	\$ 2,127,931	\$ 49,525	\$ 528,917	\$ 1,054,125	\$ 131,342	\$ 267,914	\$ 454,508	\$ 362,714	\$ 157,801	\$ 126,223	\$ 304,194	\$ 2,071,600	\$ 2,539,611	\$ 448,745

## **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***

### **Independent Auditor's Report**

Board of Directors and Board of Trustees  
Indianapolis-Marion County Building Authority  
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 (*Government Auditing Standards*), the financial statements of Indianapolis-Marion County Building Authority (Authority), which comprise the Authority's statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority’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*.

***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 Authority’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.

***Forvis Mazars, LLP***

**Indianapolis, Indiana  
November 13, 2024**