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December 1, 2015

Mr. Matthew Kimmick
City of Indianapolis Controller
200 East Washington St., Suite 2222
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We have reviewed both the Annual Financial and Single Audit (as required by OMB Circular A-133) audit reports prepared by BKD LLP, Independent Public Accountants, for the period January 1, 2014 to December 31, 2014. In our opinion, the audit reports were prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the Annual Financial Report present fairly the financial condition of the City of Indianapolis, as of December 31, 2014, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the Single Audit Report on pages 12-16. Findings 2014-001 and 2014-002 describe material weaknesses and Finding 2014-003 describes a significant deficiency over internal control over financial reporting that are required to be reported in accordance with Government Auditing Standards. They are referenced in the 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.

Finding 2014-004 is a significant deficiency in the internal control over period of availability requirements for the Community Development Block Grant/Entitlement Grants program (CFDA 14.218). It is referenced in the Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.

The Independent Public Accountants' reports are filed with this letter in our office as a matter of public record.

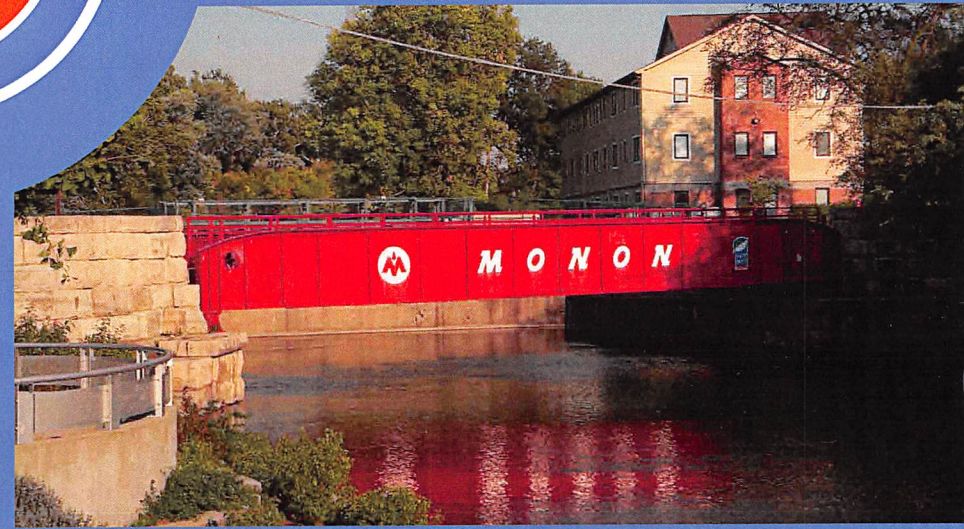
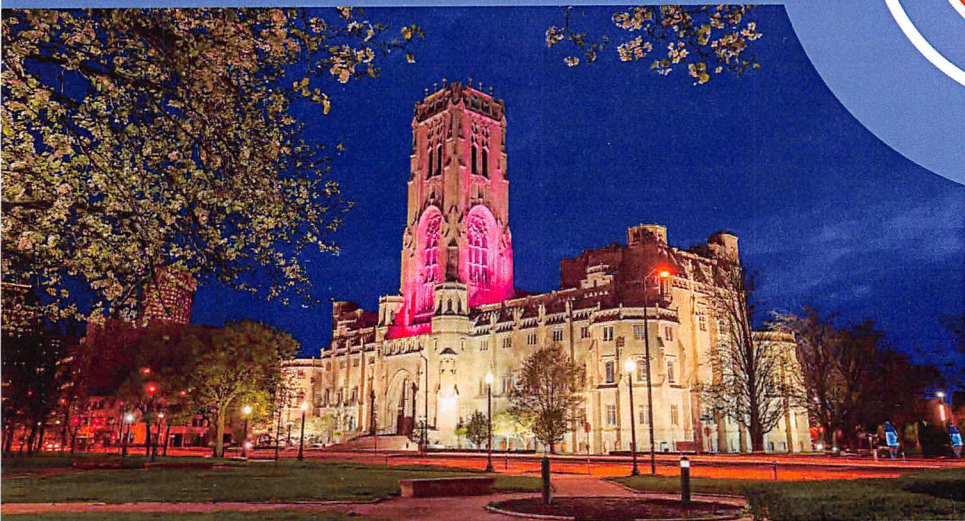
Handwritten signature of Paul D. Joyce in blue ink.

Paul D. Joyce, CPA
State Examiner



Indianapolis

Gregory A. Ballard, Mayor; Matthew R. Kimmick, Controller



City of Indianapolis, Indiana

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

Comprehensive Annual Financial Report

Year Ended December 31, 2014

Comprehensive Annual Financial Report Cover Photo Descriptions

Top Left: Indianapolis is known for great service, great accessibility, and great landmarks. Second only to Washington D.C. in the United States for monuments, Indianapolis features wonderful spaces throughout downtown to remember heroes of our past. Inside White River State Park (forefront,) visitors are greeted by the NCAA Hall of Champions and National Headquarters, two world-class museums, and the U.S. Medal of Honor Memorial. These landmarks are all situated along a 1.5 mile canal that serves as a recreation corridor through downtown Indy.

Top Right: The Indianapolis Arts Garden sits 17 feet above the intersection of The Cultural Trail, Illinois and Washington Streets in the heart of downtown. Connecting the Conrad, Hyatt Regency and Embassy Suites Hotels to the Circle Center Mall and onto the Convention Center, this glass domed landmark plays host to musical groups, weddings, and other events.

Bottom Left: The Indianapolis Scottish Rite Cathedral in downtown Indianapolis is a magnificent example of Tudor-Gothic architecture and is the home of member activities as well as being available for rent by community organizations, weddings, ceremonies, receptions and business groups. Listed on the National Register of Historic Places, architect George F. Schreiber, located in downtown Indianapolis, Indiana, United States. It is owned by and home to the Valley of Indianapolis Scottish Rite, Northern Masonic Jurisdiction, an affiliated body of Freemasonry. It was built between 1927 and 1929 at the cost of \$2.5 million. The Cathedral is one of the largest Masonic buildings in the world, and has been described as one of the finest examples of Neo-Gothic architecture in the United States

Bottom Right: No matter the weather, someone is enjoying the Monon Trail during the day. In 2005, the Monon Trail was used more than 1.2 million times, making this urban greenway perhaps one of the busiest in the nation. Originally built in 1847, the rail-trail pioneered in Indiana an already nation-wide vision: converting railways to greenways for recreation and commuter use. The Monon links commercial districts, schools, parks, the state fairgrounds and a dozen residential neighborhoods. The Monon Trail – completed in 2003 – measures approximately 10.4 miles from The Indianapolis Cultural Trail downtown to 96th Street, where it connects with the 5.2-mile Monon Greenway in Carmel. It also has direct connections to the Fall Creek Greenway and the Central Canal Towpath, which leads to the White River Wapahani Trail.

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

City of Indianapolis, Indiana

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

Year Ended December 31, 2014

Office of Finance and Management

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Introductory Section

Introductory Section

June 30, 2015

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

I submit to you the Comprehensive Annual Financial Report (“CAFR”) of the City of Indianapolis (“City”) for the fiscal year ended December 31, 2014. The City is a component unit of the Consolidated City of Indianapolis – Marion County Reporting Entity. This report was prepared by the Office of Finance and Management (“OFM”). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Controller of the City of Indianapolis. The data, as presented, is accurate in all material respects. It is presented in a manner designed to set forth the financial position and results of operations of the City. Disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs are included.

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

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor’s reports on internal control and compliance with applicable laws and regulations, is included in a separate report.

This report contains all funds of the City. The City operates under an elected Mayor and City-County Council (29 members) form of government. The City provides services in public safety, public works, health and welfare, cultural and recreation, urban redevelopment and housing, and economic development.

ECONOMIC CONDITION AND OUTLOOK

In 2014, the primary economic development goals for the City of Indianapolis were to assist our existing businesses and attract new businesses within our targeted cluster industries to bring high-wage jobs to Indianapolis. In addition to these goals, the city, in partnership with the Indy Chamber, began long term economic development planning through the Metro Indy Economic Growth Strategy. This planning is complemented by the Global Cities Initiative, a joint project of The Brookings Institution and JPMorgan Chase. Both plans will begin implementation in 2015.

In support of the main economic development goals for the city, 12,061 job commitments (5,021 new jobs/6,480 current and retained jobs) and over \$300 million in capital investment from 55 companies were announced in 2014. These successes were realized due to the partnership between the Mayor's Office and the Indy Chamber.

Targeted industry clusters for the City of Indianapolis complement the natural progression of industry in Indianapolis: life sciences, advanced manufacturing, digital technology, motorsports, logistics, and clean energy. Companies in these industries accounted for nearly 60 percent of the new and retained job announcements in 2014. Advanced manufacturing was the highest growth industry with more than 3,000 new and retained job commitments, followed by information technology with more than 2,000 new and retained jobs and logistics with nearly 1,300 new and retained job commitments. The average hourly wage for all new job commitments was \$23.72 in 2014.

The City managed to secure job commitments from local Indianapolis-based companies with plans for expansion, totaling 6,480 jobs. The average wage for these retained jobs was \$20.61 per hour.

The commitment from companies to add and retain more than 12,000 jobs and invest more than \$300 million in Indianapolis is a testament to the fact that the City continues to be a great place to live and do business. Companies benefit from the City's stable, affordable and pro-growth economic environment, overall low cost of doing business, skilled workforce, and central location.

Lowe's, Cummins, and Interactive Intelligence were amongst the largest projects in 2014.

Lowe's Home Centers, the world's second largest home improvement retailer, announced the company's plans to locate a Customer Support Center in Indianapolis, creating up to 1,000 new jobs by 2016. Lowe's plans to invest \$20.5 million to purchase, renovate and equip a 140,000 square-foot office facility at Intech Park 12 on the northwest side of Indianapolis. The new Customer Support Center will support stores and internet sales, delivery services and repair services for Lowe's customers across the United States. The facility is expected to be operational in the first quarter of 2015 and will complement the company's existing Customer Support Centers located in Wilkesboro, North Carolina and Albuquerque, New Mexico.

Cummins Inc. announced plans for the company to locate its global distribution business headquarters from Columbus, Indiana and consolidate existing Indy-based employees in a new downtown office building. The global distribution business is one of Cummins' four business units. The company plans to build its new Indianapolis office center on approximately four acres that previously housed Market Square Arena. The company's initial plan for the site includes an office building with ground floor retail, a training center, public greenspace and a parking garage on parcels bordered by Market, Alabama, Washington, and New Jersey Streets. The building will initially house up to 400 employees with future expansion possible.

Interactive Intelligence Group Inc., a global provider of business communications software and services, announced the company's plans to expand its headquarters in Indianapolis, creating up to 430 new high-wage jobs by 2016. The homegrown-Hoosier company is in negotiations to lease and equip a new 112,000 square-foot office building with a total cost of approximately \$28 million to be constructed on its campus on the northwest side of Indianapolis. The company currently occupies nearly 300,000 square feet spanning four buildings. Construction began in 2014 with the new facility expected to open its doors in the third quarter of 2015.

LONG-TERM FINANCIAL PLANNING

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

During 2013, the City Controller worked with the County Auditor and County Treasurer to validate property owners who were receiving a homestead deduction on single family homes, which also caps the property tax liability at 1%. In Indiana, state law allows for one homestead deduction per property owner, even if the property owner has several single family properties. Those property owners with multiple homestead deductions were notified by the County to validate the homestead deduction or they would have this deduction removed. This verification process increased base assessed value in 2014 by approximately \$2 billion and resulted in additional one-time property tax revenue of \$18 million. The increase in assessed value will result in higher property tax revenue through lower circuit breaker impacts in 2015 and beyond.

The City collected \$298 million in net property tax revenue in 2014. The City expects to collect \$288 million in net property tax revenue in 2015. This year over year decrease is a result of the additional \$18 million in one-time property tax revenue received in 2014. Adjusting for the one-time benefit, the City expects property tax revenue to exceed 2014 property tax revenue by approximately \$7.7 million or 2.7% in 2015. The Circuit breaker impact is estimated to be \$27 million in 2015, approximately 9.4% of certified property tax levies. This represents a substantial decrease from the \$33.7 million loss in property tax revenue experienced in 2014. This decrease is a result of the additional assessed value being added in 2015 as a result of the homestead verification project.

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

Maximum liability equals 1% of parcel AV – homesteads;

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

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

One of Mayor Ballard's top priorities, since first taking office in 2008, has been reducing the City's outstanding general obligation debt. He believes that maintaining the City's AAA credit rating is integral to our on-going economic development and business attraction efforts. The drive to lower our general obligation debt position is, in part, motivated by this economic goal. Furthermore, the Mayor views this as generally good public finance policy. As these bonds are retired, property tax rates are reduced which both: 1) eases the tax burden on local property owners; and 2) mitigates the adverse effects of the property tax caps.

From the year-end 2008 level of \$319 million in outstanding principal debt on property-tax funded general obligation bonds, the City will have paid down this balance to \$127 million at the end of 2014 (excluding general obligation debt to be repaid by Citizens Energy Group (CEG) as discussed in the notes to the financial statements).

In Indiana, the State Department of Revenue serves as the collection agent for all County income taxes. Thus, each county relies on annual distributions of county income tax revenues from the State. The State Budget Agency, in collaboration with the State Department of Revenue, administers these annual distributions. These annual distributions are shared by the county government and all townships and municipalities located within the county, including the City. For Marion County, OFM is responsible for determining the proper allocation of county income tax revenues to all eligible entities. OFM works very closely with the State Budget Agency to track and forecast income tax collections from Marion County residents.

For 2014, total income tax revenue distributed to the City was \$165 million which includes the three components of the income taxes: County Option Income Tax ("COIT"), Public Safety Income Tax ("PSIT") and the Local Option Income Tax Levy Freeze ("LOIT" Levy Freeze). In 2013, total City income taxes distributed were \$154 million. In 2014, the Marion County Income Tax Council voted to increase the PSIT rate from 0.35% to 0.50%. This increase is effective for 2015, and it is estimated to increase the City's share of PSIT revenue by \$16 million in 2015 and beyond. Certified 2015 City income taxes will be \$207 million, an increase of \$42 million from the prior year. Of this increase, \$16 million is attributable to the PSIT rate increase, \$15 million is a result of the State distributing our full amount, \$8 million is attributable to the shifting of income tax distributions to other funding priorities, and \$3 million is attributable to organic growth in income tax revenue.

The effects of economic events on income tax collections are not revealed in annual distributions to counties until two years later. With this said, Marion County certified income tax distributions have shown organic growth in 2014, and this is anticipated to continue in 2015 and beyond.

As part of the long-term financial planning for the City, the City Controller has developed a 5 year financial plan focusing on available funds over the next 5 years. The 5 year financial plan will provide projections of major revenue sources such as property taxes, income taxes, other major miscellaneous revenues sources and the impact of the circuit breaker. In addition, the plan makes various assumptions for major expenditures such as personnel costs, contractual obligations and capital needs. The 5 year financial plan will be updated annually starting in 2015 in order to project major swings in fund balances, revenues or expenditures. In 2014 the City's investment policy was amended in accordance with State statute to allow for up to 25% of investments to be in securities of more than two years and less than or equal to five years. This will allow for greater rates of return while maintaining low levels of risk.

RELEVANT FINANCIAL POLICIES

Internal Control Structure

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

Budgetary Control

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

MAJOR INITIATIVES

In 2013, the Indiana General Assembly passed Senate Enrolled Act 621-2013. Senate Enrolled Act 621 provided that City budgets must be allocated on a semiannual basis as designated by the City Controller. In addition, if revenues are less than budgeted expenditures, the City Controller can reduce City agency budgets to create a balanced budget. In 2014, the City implemented a quarterly allotment system within the City's financial accounting system. The City will continue this in 2015. While the City has not taken all actions allowed by SEA 621, the City did impose management reserves in 2014. This places a percentage of each agency and department's budget into reserve and does not allow for expenditure unless it is released by the Controller. The City will continue this in 2015.

With the sale of the City's water utility and the wastewater collection and treatment facilities to Citizens Energy Group Inc. ("CEG") in August of 2011, 2012 provided the opportunity to fully utilize the proceeds from the sale to engage in many RebuildIndy projects throughout the City. During 2014, the City spent \$35 million on infrastructure projects such as rebuilding bridges, repaving roads, upgrading sidewalks and curbs and other projects. This on-going investment has helped the City reduce the deferred maintenance of our vast infrastructure while spending one-time funding directly associated with infrastructure improvements. As 2012 saw the bulk of the RebuildIndy projects funded with sale proceeds, project construction continued through 2014 but has been substantially reduced in 2015 as remaining funds have been exhausted.

CEG, as required by the sale, continued to reimburse the City for the annual debt service associated with past wastewater system investments, until the remaining principal balance is paid off in 2018. Also, CEG continued to provide payment-in-lieu-of-taxes ("PILOT") to the City on wastewater treatment assets which were acquired during the sale.

Focusing on fiscal stability, the City continues to maintain a AAA credit rating by showing solid cash reserves, including the Fiscal Stability fund which has a balance of approximately \$80 million at the end of 2014. The Fiscal Stability Fund was established by law and has the sole purpose of supporting a solid credit rating for the City. In order to fund public safety operations in 2014, the City loaned itself \$7 million from the fiscal stability fund as part of the 2014 adopted budget. The City loaned itself an additional \$8 million in 2014 to address critical infrastructure needs necessitated by the polar vortex in 2014. These loans will be repaid by the end of 2015. During 2014, the City was contemplating using \$2 million for investment in an Early Childhood Education program. At the end of 2014, no funds had been appropriated. As the Fiscal Stability Fund represents a long term investment for the City, and with the City's recent change in investment policy, we are exploring investment options for these funds that will yield higher future returns.

Finally, the City continues to identify ways to create efficiencies and improve the delivery of services to the City with limited resources. The Office of Audit and Performance (OAP) works closely with City agencies and the City administration to create opportunities to reduce expenditures or new revenue opportunities. Along with OAP's work, the City has found ways to reduce liabilities such as workers' compensation claims and unemployment claims in order to reduce cost and provide appropriate coverage where applicable. In 2014, the City implemented a pay card program which eliminated the need to print paper checks for employees. In addition, the City is working to do more with less by taking on current operations with a smaller workforce.

OTHER INFORMATION

Audit Committee

The City's Audit Committee was formalized by City-County Council ordinance to provide an independent review body for the audit activities of the City. At December 31, 2014, the Audit Committee members were:

Mr. William Sheldrake, Chairperson	President, Policy Analytics, LLC
Mr. Brandon Dickinson	Director of Enterprise Development, City of Indianapolis – Marion County
Mr. David Reynolds	Indiana General Assembly
Ms. Lisa Dandridge	Midwest ISO
Ms. Pamela Hickman	City-County Councillor, City of Indianapolis – Marion County
Mr. Jack Sandlin	City-County Councillor, City of Indianapolis – Marion County
Ms. Patricia Polis McCrory	Katz and Korin, PC

Certificate of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Indianapolis for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

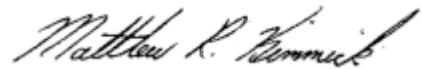
A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

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

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

Respectfully submitted,



Matthew R. Kimmick

Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Indianapolis
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF INDIANAPOLIS
ORGANIZATION OF LOCAL GOVERNMENT AND TAXING DISTRICTS

Introduction

The City of Indianapolis (“City”) was originally incorporated in 1832. It is the largest city in the State of Indiana (“State”) and the 14th largest city in the nation with a population of 848,788 and a metropolitan area population of approximately 1.8 million people. The City encompasses a land area of 402 square miles. The City, located at the geographic center of the State, is the State capital and also serves as the physical, economic, and cultural capital. Indianapolis has a stable and diversified economy with employment rates and income levels consistently above the national averages.

Form of Government

On January 1, 1970, the governments of the City and that of Marion County (“County”) were unified and their form of service delivery consolidated, thereby extending the City’s boundaries to generally coincide with those of the County. Four municipalities (Beech Grove, Lawrence, Speedway, and Southport) located within the County boundaries were specifically excluded from most functions of the consolidated City by the consolidating act. The consolidated government provides for a Mayor and a 29–member legislative council. The City-County Council consists of 25 councillors elected from single-member districts and four councillors elected at large. Because the Mayor’s powers extend to the entire county, residents of the Town of Speedway and the Cities of Beech Grove, Lawrence, and Southport, the municipalities not affected by the reorganization, vote for the Mayor as Chief County Executive as well as for the councillors at large.

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

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

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

	<u>Map</u>		<u>Map</u>
Civil City	2	Flood Control District	1
Consolidated County	1	Metropolitan Thoroughfare District	1
Redevelopment District	2	Police Special Service District	5
Solid Waste Collection Special Service District	7	Fire Special Service District	6
Solid Waste Disposal Special Service District	2	Park District	1
Sanitary District	8	Public Safety Communications & Computer Facilities District	1

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

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

Other Governmental Units

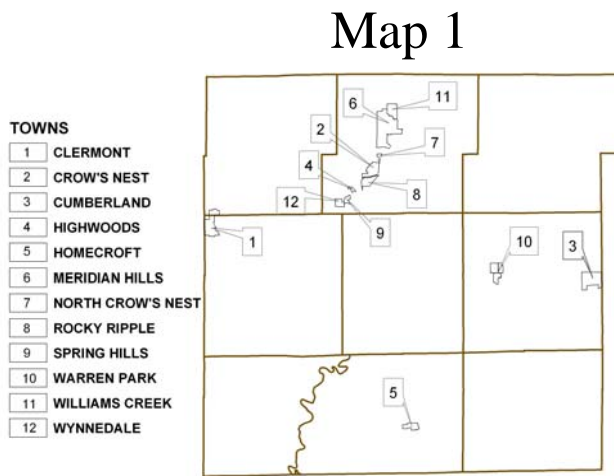
The consolidated City of Indianapolis is within the boundaries of Marion County, as are the following:

- **Marion County** as a governmental unit provides services such as courts, sheriff, tax assessment, collection, etc., not otherwise provided by other governmental units.
- The **Capital Improvement Board of Managers of Marion County** (“CIB”) is a separate and distinct municipal corporation with territory coterminous to the territory of Marion County. The CIB is authorized to finance, construct, equip, operate, and maintain any capital facilities or improvements of general public benefit or welfare, which would tend to promote cultural, recreational, public, or civic well-being of the community. The CIB operates facilities used for sports, recreation, and convention activities in downtown Indianapolis. The **Marion County Convention and Recreational Facilities Authority** was created in 1985 under applicable State statutes to provide certain financing for projects of the Board.
- The **Indianapolis Airport Authority** (“Airport Authority”) and the **Health and Hospital Corporation of Marion County** (“HHC”) are separate and distinct municipal corporations with territory coterminous to the territory of Marion County. The Airport Authority was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in and bordering on Marion County. HHC was given the mandate to provide preventative and curative health programs for the residents of the County, including indigent health care.
- The **Indianapolis-Marion County Building Authority** (“Building Authority”) is a separate and distinct municipal corporation that acts as landlord for the City-County Building. The County pays 58% and the City pays 42% of the total lease rental. The Building Authority also has outstanding bonds payable from lease rentals (which are paid from taxes levied) from the County for the Marion County Jail, Juvenile Justice Complex and Arrestee Processing Center.

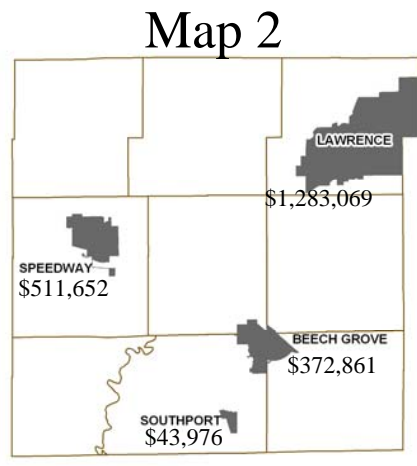
- The **Indianapolis Public Transportation Corporation** (“IndyGo”) is a separate and distinct municipal corporation with territory coterminous to the territory of the consolidated Civil City of Indianapolis. IndyGo provides public transportation service within the County.
- The **Indianapolis Marion County Public Library** is a separate and distinct municipal corporation, the territory of which includes the property in Marion County, excluding the City of Beech Grove and the Town of Speedway.

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

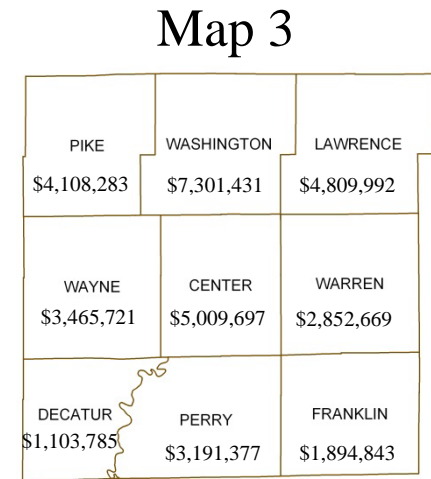
See page XIII for the Unigov Organizational Chart and page XIV for the City of Indianapolis Organizational Chart.



**MARION COUNTY
AND OTHER
INCLUDED TOWNS**
Marion County \$33,971,641



**CONSOLIDATED
CITY OF INDIANAPOLIS**
City of Indianapolis \$31,760,083
Excluded Cities and Towns \$2,211,558



TOWNSHIPS

NOTE: See Statistical Schedule 13 on pages 140, 141, and 142 of Section III of this annual report. The assessed valuation figures are for March 1, 2013 valuations for taxes collectible in 2014.

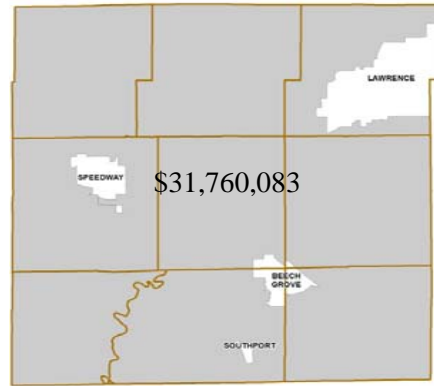
Map 4



LIBRARIES

Beech Grove	\$350,490
Speedway	\$511,652
Marion County Libraries	\$33,109,498

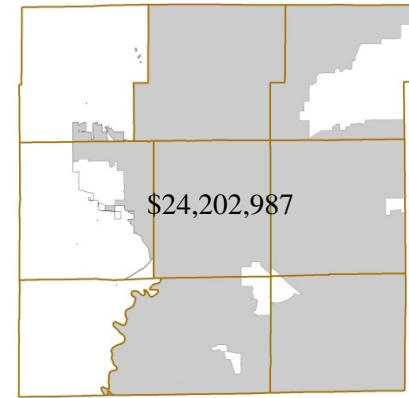
Map 5



INDIANAPOLIS

POLICE SERVICE DISTRICT

Map 6

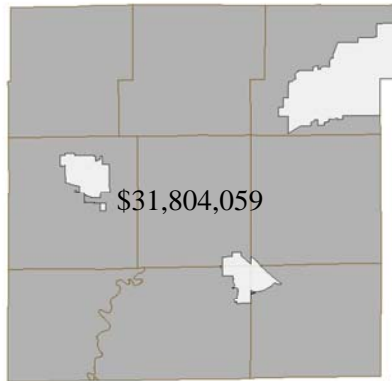


INDIANAPOLIS

FIRE SERVICE DISTRICT

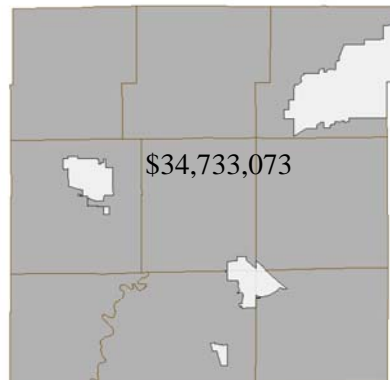
(Outside of this district, townships and excluded cities and towns provide the fire service)

Map 7



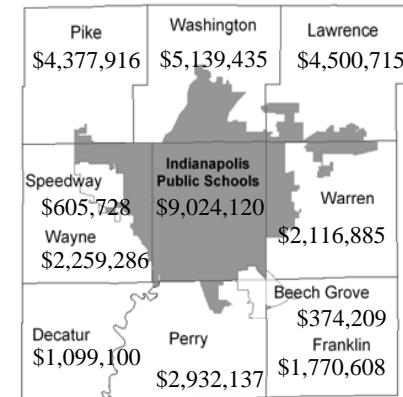
**INDIANAPOLIS SOLID WASTE
SPECIAL SERVICE DISTRICT**

Map 8



**INDIANAPOLIS
SANITARY DISTRICT**

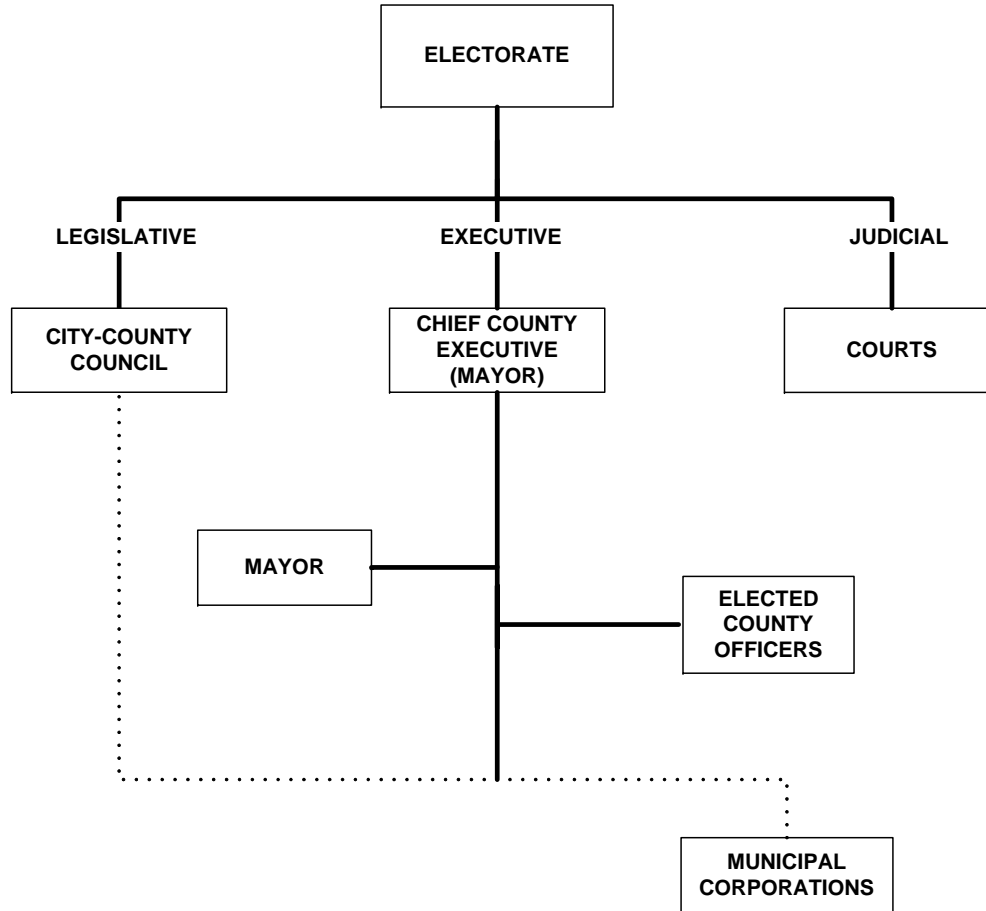
Map 9



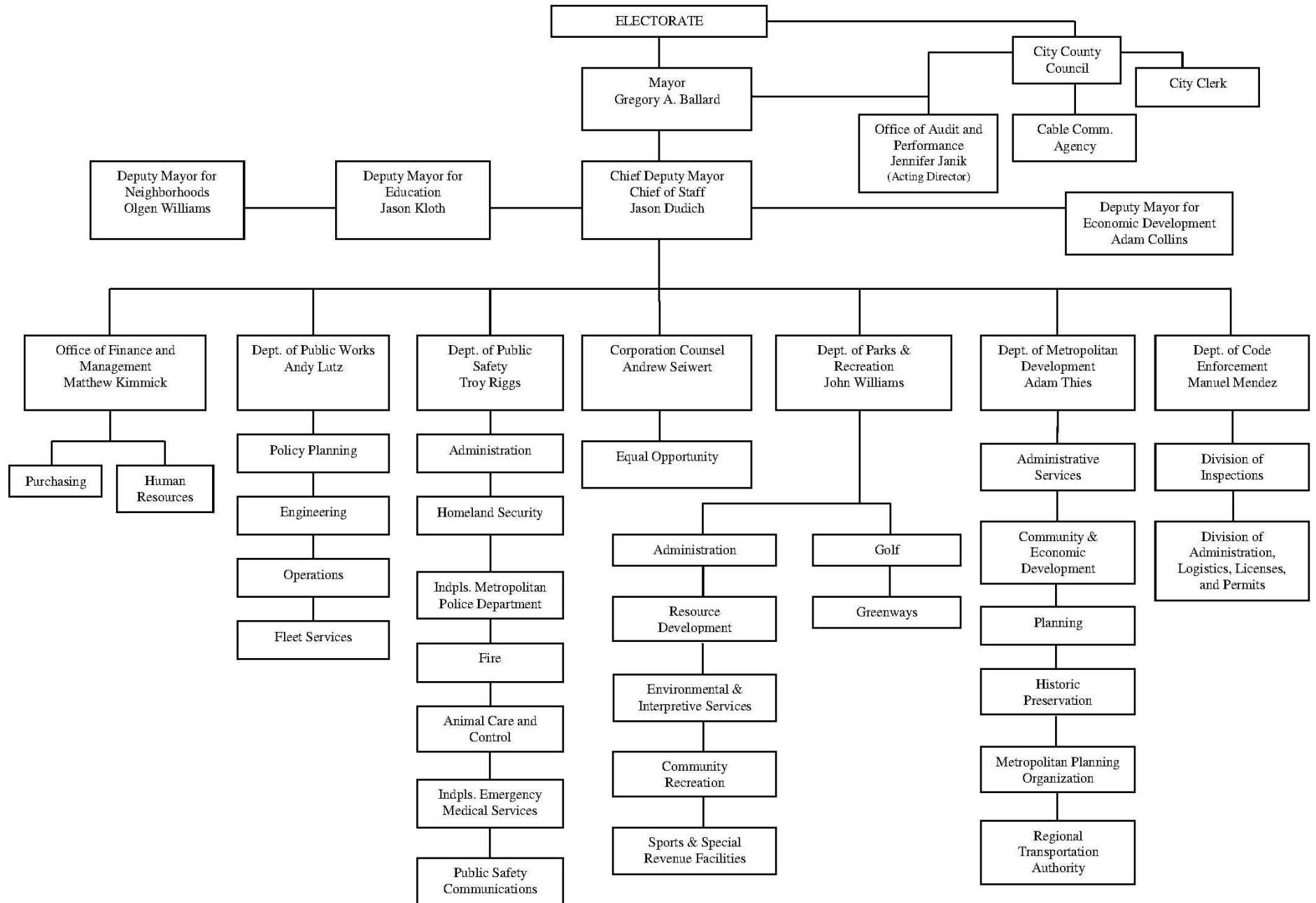
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 on pages 140, 141, and 142 of Part III of this annual report. The assessed valuation figures are for March 1, 2013 valuations for taxes collectible in 2014.

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



City of Indianapolis Organization Chart
December 31, 2014



CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS
December 31, 2014

ELECTED OFFICIALS*

Name	Title	Service	Occupation
Gregory A. Ballard	Mayor	7	Mayor and Chief County Executive
Maggie Lewis	City-County Council President	7	Executive Director, Dove Recovery House for Women
John Barth	City-County Council Vice President	3	Vice President of Compliance and Regulatory Affairs
Zach Adamson	City-County Councillor	3	Owner, Just Hair
Virginia J. Cain	City-County Councillor	11	Homemaker and Community Organizer
Stephen J. Clay	City-County Councillor	3	Senior Pastor, Messiah Missionary Baptist Church
Jose Evans	City-County Councillor	7	CEO, Evans & Associates
Aaron Freeman	City-County Councillor	5	Self-Employed Attorney at Law
William Gooden	City-County Councillor	3	Attorney
Monroe Gray, Jr.	City-County Councillor	23	Retired
Pamela Hickman	City-County Councillor	3	Retired, Co-owner, Patora Fine Jewelers
Jason Holliday	City-County Councillor	3	Account Executive, Ray's Trash Service
Ben Hunter	City-County Councillor	7	Public Safety Director, Butler University
LaKeisha Jackson	City-County Councillor	1	Executive Director, Pathway Resource Center
Robert Lutz	City-County Councillor	8	Self-Employed Attorney at Law
Angela Mansfield	City-County Councillor	11	Attorney and Certified Public Accountant
Frank Mascari	City-County Councillor	3	Jeweler, Spalding Jewelry
Janice McHenry	City-County Councillor	7	Retired
Michael McQuillen	City-County Councillor	7	Owner, PoliticalParade.com
Jeff Miller	City-County Councillor	3	Capgemini Consulting
Mary Bridget Moriarty Adams	City-County Councillor	27	Human Resources Manager, Marion County Assessor's Office
William C. Oliver	City-County Councillor	11	Retired
Vop Osili	City-County Councillor	3	Architect/Principal, A+X Design and Development
Marilyn Pfisterer	City-County Councillor	11	Retired
Leroy Robinson	City-County Councillor	3	Administrator – Dean of Students, MSD Pike Township
Jack Sandlin	City-County Councillor	5	Consultant, Jack Sandlin & Associates
Christine Scales	City-County Councillor	7	Retired
Jefferson Shreve	City-County Councillor	2	Business Owner

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)
December 31, 2014

Name	Title	Service	Occupation
Joseph Simpson	City-County Councillor	3	Director of Administration, Indiana Legal Services
Kip Tew	City-County Councillor	1	Attorney, Krieg DeVault
Claudia O. Fuentes	Ex-Officio City Treasurer	3	Marion County Treasurer

* The term of office for all elected officials expires December 31, 2015 except for the Marion County Treasurer, whose term expires December 31, 2016.

APPOINTED OFFICIALS

Name	Position	Number of Years in This Position	Number of Years Associated with City of Indianapolis – Marion County
Jason Dudich	Chief Deputy Mayor/Chief of Staff	1	4
Olgen Williams	Deputy Mayor for Neighborhoods	7	7
Jason Kloth	Deputy Mayor for Education	3	3
Adam Collins	Deputy Mayor for Economic Development	1	6
Matthew Kimmick	Controller-Office of Finance and Management	1	1
Andrew Seiwert	Corporation Counsel	2	16
Adam Thies	Director of Metropolitan Development	3	3
Andy Lutz	Director of Public Works	1	8
Troy Riggs	Director of Public Safety	3	3
John Williams	Director of Parks and Recreation	3	14
Manuel Mendez	Director of Code Enforcement	1	6
NaTrina Debow	Clerk of the City-County Council	3	10
Jennifer Janik	Acting Director of Office of Audit and Performance	1	6

CERTIFIED PUBLIC ACCOUNTANTS

BKD, LLP

CONSOLIDATED CITY OPERATIONS

EXECUTIVE & LEGISLATIVE

The Mayor is the chief executive officer of the consolidated City. The Mayor may serve unlimited four-year terms and enjoys wide appointive powers, including the right to name deputy mayors, department heads, and many board and commission members (the deputy mayor and department director appointments are subject to approval by a majority of the City-County Council). The Mayor also appoints the Controller and the Corporation Counsel for the consolidated City.

The Mayor controls the major administrative functions of the consolidated City through five departments as follows: Metropolitan Development, Public Works, Public Safety, Code Enforcement, and Parks and Recreation, each headed by a director, and through special taxing and service districts. Transactions for the Mayor's office are accounted for in the Consolidated County Subfund of the General Fund. The Mayor heads a cabinet of appointed Deputy Mayors, Corporation Counsel, Controller, and Department Directors. The Office of Audit and Performance is independent of any City department, as is the Office of the Corporation Counsel and the Office of Finance and Management. These divisions report directly to the Mayor.

City-County Council

The Council staff provides efficient and economical administrative support to the local legislative branch of government. The Council is responsible for adoption of appropriations and tax rates supporting the City and County annual budgets, and reviews and recommends the five Municipal Corporations' annual budgets. The Council also confirms appointments of individuals to the positions of Deputy Mayor and Directors of Unigov Departments. They also enact legislation and appoint individuals to various boards and commissions of local government. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

Cable Communications Agency

The Cable Communications Agency oversees cable franchise compliance and contractual obligations, as well as prepares and supervises renewal of franchise agreements. Through WCTY/Channel 16 and Government TV2, the Cable Communications Agency provides City-County government information to Marion County citizens and supplements public safety education. Agency staff makes recommendations for the best usage of communications equipment through research of new communication models and technologies. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

Office of the Corporation Counsel

The Office of the Corporation Counsel provides legal counseling and representation for all agencies of City and County government and is headed by Corporation Counsel who is appointed by the Mayor. The Office of the Corporation Counsel is divided into four sections: Counseling, City Prosecutor, Equal Opportunity, and Litigation. Transactions for this Office are accounted for in the Consolidated County Subfund of the General Fund. The responsibilities of the Office are governed by Indiana statute, which vests the Office with the authority to represent and defend the City and County and its officers in causes of action in which they are parties by virtue of their official capacity and to compromise litigation and effect settlement of pending litigation. In addition, the Office furnishes legal advice and formal opinions and conducts legal proceedings. The City Prosecutor's Office, also a part of the Office of the Corporation Counsel, initiates legal action for the purpose of enforcing City ordinances. The preparation of nonfiscal ordinances for introduction before the City-County Council and the drafting of legislative proposals in the Indiana General Assembly are also functions of the Office of the Corporation Counsel.

Office of Finance and Management

The Office of Finance and Management is charged with the fiscal management of City and County government. Appointed by the Mayor, the City Controller ensures that financial assets of the government are protected. The office is responsible for the annual City and County budgets, financial reporting, accounting policy for the City and County, cash management, disposal of surplus assets, and federal audit relationships with transactions accounted for in the Consolidated County Subfund of the General Fund.

The Division of Purchasing, which reports to the City Controller, acts as the central purchasing agent for all City and County government offices with transactions accounted for in the Consolidated County Subfund of the General Fund. The division has responsibility for obtaining all necessary materials, equipment, and services.

The Human Resources division reports to the City Controller. This division is responsible for all personnel-related functions for the City, the County, the police department, and the fire department. The Human Resources division provides analysis of personnel changes, recommendations for pay grades, performance reviews of employees, and upkeep of employee information, benefits, and job status.

DEPARTMENT OF METROPOLITAN DEVELOPMENT (“DMD”)

The Department of Metropolitan Development’s primary objectives are to provide improved service delivery through effective communications, collaboration, and developmental assistance to promote partnership between the public and City government to facilitate quality housing and economic growth throughout the county. The department follows policy established by the Metropolitan Development Commission and coordinates the activities of its operating divisions: Administrative Services, Community Economic Development, Planning, Metropolitan Planning Organization, Neighborhood Services, Historic Preservation Commission, and Regional Transportation Authority. The Metropolitan Development Commission is the policy-making body of the Department of Metropolitan Development and receives staff support from the department. The Commission is composed of nine members, four of whom are appointed by the Mayor, three by the City-County Council, and two by the Board of County Commissioners.

Division of Administrative Services

The Division of Administrative Services provides managerial and financial support to other divisions in the Department of Metropolitan Development. Financial staff also offers financial management support, in the form of budgeting, financial reporting, payroll, and accounts payable/receivable management to the other department divisions consistent with established policies by federal, state, and local regulations. Transactions for this division are accounted for in the Redevelopment subfund of the General Fund.

Division of Community Economic Development

The Community Economic Development division has the responsibility of administering all U.S. Department of Housing and Urban Development grants, with transactions accounted for in the Federal and State Grants Special Revenue Funds and the Consolidated County and Redevelopment subfunds of the General Fund. The division supports activities of community development, affordable housing, neighborhood capacity building, human services, neighborhood strategic programming, and capital improvements projects. The division also administers the Abandoned Property program to return abandoned properties to the tax rolls. Additionally, the division promotes economic development by leveraging private and public resources in support of developing affordable housing and new employment opportunities in neighborhoods, as well as managing department-owned properties throughout the City. The division also administers brownfield redevelopment activities to identify and remove environment waste that allows for further economic development of those sites.

Division of Planning

The Division of Planning has wide-ranging responsibilities in areas of social, physical, and economic planning. It analyzes present community conditions and makes projections of future development, recommending various plans for private and public action. The division processes all land use petitions for public hearing and reviews, revises, and updates zoning ordinances to reflect the needs of the community. Transactions are accounted for in the Federal Grants Special Revenue Fund and the Consolidated County subfund of the General Fund.

Metropolitan Planning Organization

The division is responsible for transportation planning activities as the Metropolitan Planning Organization (MPO) for the Indianapolis Urbanized Area. Transactions are accounted for in the Federal Grants Special Revenue Fund and the Consolidated County and Transportation subfunds of the General Fund.

Indianapolis Historic Preservation Commission

The Indianapolis Historic Preservation Commission is a semi-autonomous agency of City-County government, charged with the responsibility of designating and administering local historic areas, both districts and individual structures; promoting the preservation and re-use of historic structures; and offering technical assistance to Marion County residents and property owners. Indianapolis Historic Preservation Commission transactions are accounted for in the Federal Grants Special Revenue Fund and the Consolidated County subfund of the General Fund.

DEPARTMENT OF CODE ENFORCEMENT (“DCE”)

DCE efficiently enforces land use requirements, business licensing, and environmental laws and facilitates responsible development, through permits, licenses, inspections, and enforcement efforts. This comprehensive strategy results in a safer environment as well as an improvement in the quality of life for the citizens of the Consolidated City of Indianapolis-Marion County.

Department Structure

DCE comprises two divisions, each with its own operational goals and activities while being unified by a common vision.

Administration, Logistics, Licenses, and Permits Division

This division provides service through the following bureaus: the Bureau of Administration and Financial Services provides administrative support for DCE and is responsible for providing financial and operational support; the Bureau of Logistical Services is responsible for DCE facilities management, technology management, document management, and information systems management; and the Bureau of Licenses and Permit Services is responsible for issuance of licenses, registrations, and permits. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

Inspections Division

This division provides service through the following bureaus: the Bureau of Construction Services performs inspections in construction areas for the purpose of securing safe construction in addition to ensuring proper safety and maintenance of existing structures and infrastructure; the Bureau of Environmental Services is responsible for conducting inspections and enforcing applicable provisions of statutes and/or ordinances relating to the protection of the environment; and the Bureau of Property Safety and Maintenance Services performs inspections and enforces provisions relating to the development, condition, maintenance, and/or use of real estate. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

DEPARTMENT OF PUBLIC WORKS (“DPW”)

The Department of Public Works (DPW) is responsible for the following: street and traffic signal maintenance, trash collection and disposal, flood control maintenance, snow removal, and environmental remediation. DPW also has responsibility for the acquisition and maintenance of vehicles and heavy equipment used by City and County agencies. Park maintenance and forestry are also included in DPW’s set of responsibilities and duties. The department has four major divisions: Policy and Planning, Engineering, Operations, and Fleet Services. During 2011, the responsibility for the City’s sanitary sewer collection system and water treatment facilities were transferred to Citizen’s Energy Group (CEG). This arrangement was effective August 26, 2011. Portions of the monetary proceeds, resulting from this transaction were approved, by the City-County Council, to establish the Rebuild Indy Fund. This fund will be used in future years to fund capital improvements. DPW is also responsible for the contractual relationship with ParkIndy for the management of parking meters. Portions of the monetary proceeds, resulting from this transaction were approved, by City-County Council, to be used to fund capital improvements.

The Board of Public Works is the supervisory and policy-making body of DPW. The board consists of seven members and meets twice per month. The Director of DPW serves as the chair of the board; three members are appointed by the Mayor and three by the City-County Council. Appointees serve one-year terms at the pleasure of the appointing authority. The board reviews the department budget, holds any hearings required by law, and approves the award of all contracts.

Policy and Planning Division

The Administrative Services section manages the administration for the entire department. This includes financial and budget planning, asset management, and contractual agreements. The section also monitors the financial aspects of the Indianapolis Resource Recovery Facility. Administrative transactions are accounted for in the Consolidated County Subfund of the General Fund, the Stormwater subfund of the General Fund, and the Federal Grants Special Revenue Fund. The section's services include the general services for budget preparation, contract administration, general accounting services, goods procurement, payroll management, data management and entry, property management, and personnel coordination and management.

The Administrative Services Section has three main areas of responsibility:

1. *Financial Services.* This section provides purchasing, accounting, and financial reporting services to all areas within the department.
2. *Business Services.* This section provides the necessary administrative functions for the department in the areas of data management, payroll, revenue collection and accounting, and other administrative services and processes.
3. *Contract Services.* This section provides administrative support and review for service contracts with the department. This section manages the processes involved with procurement and contract execution, including the Board of Public Works. The day-to-day management of the contracts remains with the operational areas responsible for solid waste removal, mowing, and street sweeping.

The Strategic Planning section assists DPW and the City by arranging and executing public meetings, media services, public speaking, departmental presentations, and neighborhood coordination. Jointly, they provide public access to the many programs administered by the Engineering and Operations Divisions and throughout DPW. This section disseminates information through the media, written publications, correspondence, and by telephone on engineering projects. This section also provides neighborhood services and citizen's relations services.

As an outgrowth of the Strategic Planning section, the Office of Sustainability was established in 2008. This office and the SustainIndy initiative, which has strong ties to the City's environmental agenda, is housed and budgeted in DPW. The charge of SustainIndy includes public-private coordination of environmentally responsible actions that impact community awareness, economic development, and quality of life in Indianapolis for today and in the future. More information regarding this initiative can be found at <http://www.sustainindy.org>.

The Office of Environmental Services (OES) was restructured during 2009, with the management of air quality, water and land pollution abatement, and environmental remediation projects being redistributed to the State of Indiana's Department of Environmental Management (IDEM) and then recently created City Department of Code Enforcement. In 2011, the former OES staff involved with water quality was moved to CEG. The remaining former OES staff members, who are primarily involved with managing the hazardous household waste and other land pollution abatement programs, are now with the Solid Waste section. The transactions of this division are accounted for in the Solid Waste Collection, Park, and Consolidated County subfunds of the General Fund.

Engineering Division

The Engineering division plans, designs, constructs, reconstructs, and maintains all streets, storm sewers, roads, bridges, and thoroughfares. The department is also responsible for access control, traffic control, and street lights on the same. Excluded from the Department's control are:

1. Interstate, U.S., and State routes under the jurisdiction of the Indiana Department of Transportation; and
2. Local streets within the other incorporated cities and towns within the County.

This section's general services include development of programs and projects, inventories, transportation studies, design contract administration, service contract negotiation, construction contract management, pavement management, review and approval of private development projects, and providing technical expertise to other divisions and agencies. Transactions for this section are recorded in the City and County Cumulative Capital Projects Funds and the Transportation, Storm Water Management, and Rebuild Indy subfunds of the General Fund. In 2014, the Engineering Division was transferred responsibility for Parks and Recreation Cumulative Capital funds.

The Engineering Administration Section provides the necessary administrative support for implementation of the department's programs to expand and protect the City's transportation, sanitation, and storm water networks.

The Construction Services Section provides the necessary project scope and design criteria and determines the project schedule. Consultant selection is also a primary task for this group. This section also provides the technical expertise to accomplish all design and construction contract management for the transportation and flood control projects. This section is responsible for supervising and administering all construction contracts for transportation and storm water network improvements.

The Environmental Engineering Section provides services including the development of programs and projects, inventories, studies, design contract administration, and service contract negotiation related to the drainage programs of the City. This also includes the review and approval of private development projects and providing technical expertise to other divisions and agencies.

The Transportation Engineering Section provides services including the development of programs and projects, inventories, transportation studies, design contract administration, and service contract negotiation related to the transportation programs of the City. This also includes construction contract management, pavement management, review and approval of private development projects, and providing technical expertise to other divisions and agencies.

Since 2008, there was some blending of the Engineering and Operations Division. While the divisions of Engineering and Operations still exist, the functional organization has experienced engineers leading the transportation and storm water programs. The range of responsibilities is from planning, design, and construction to planned and reactive maintenance of roads and sewers. There is now better coordination and planning for resources involved with the City's infrastructure assets.

Operations Division

The Solid Waste Services section is responsible for collecting trash from five of the twelve solid waste districts. The section also monitors the financial and technical aspects of the resource recovery waste districts. Approximately 150,000 tons of trash is collected annually. Household refuse is disposed of at the Indianapolis Resource Recovery Facility where the waste is burned and steam is generated. The steam is sold to a local power company. The Solid Waste Management section also monitors the financial and technical aspects of the resource recovery facility's operations. Other waste, such as construction debris, is taken to the Southside Landfill. Other services of the Solid Waste Management include the removal of dead animal carcasses from the public right of way and operation of drop-off recycling programs. Section transactions are accounted for in the Solid Waste Collection and the Solid Waste Disposal subfunds of the General Fund.

The Maintenance Services Section has six main areas of responsibility:

1. *Traffic Operations*. Responsible for the implementation and operation of all traffic control features of the transportation network. Ensures traffic safety and guides motorists throughout the City through signals, signs, and pavement markers.
2. *Street Maintenance*. Responsible for the maintenance of all roads, bridges, and other transportation facilities under the City's jurisdiction. Also responsible for preventative maintenance and snow and ice removal on City streets.
3. *Grass and Weeds*. Responsible for mowing of levees and parkways.
4. *Building and Grounds*. Responsible for maintaining DPW facilities and the Monon Trail.

5. *Customer Services.* Responds within three days to citizen complaints that are called into the Mayor’s Action Center such as cave-ins, flooding and drainage problems, street and sidewalk problems, illegal dumping, and utility locates. Customer Services also works closely with the utility companies and other City and County departments.
6. *Park Maintenance and Forestry.* Maintains the grounds and facilities of the City’s park system. Also manages the urban canopy, through the Forestry Section.

The section’s general services include road and bridge maintenance and reconstruction, resurfacing, curb and sidewalk replacement and repair, street repair, weed control, mowing, road side drainage, shoulder maintenance, pavement joint maintenance, guard rail installation and repair, emergency maintenance functions (barricading and temporary repairs), snow and ice removal, litter pick-up in the downtown area, traffic signal installation, modernization and maintenance, pavement markings, and traffic sign manufacturing and installation. Transactions for this section are recorded in the Transportation, Solid Waste Collection, Storm Water Management, Consolidated County and Park General subfunds of the General Fund, and the Parking Special Revenue Fund.

Fleet Services Division

The Indianapolis Fleet Services (IFS) is responsible for the maintenance, fueling, monitoring, and repair of all vehicles and other equipment owned by the City and has all powers and duties necessary for operation of a municipal garage. IFS also maintains and supplies fuel for vehicles and equipment owned by a number of other governmental agencies on a contractual basis. Transactions for this Division are accounted for in the Consolidated County subfund of the General Fund. The costs associated with maintaining and fueling city-owned vehicles and equipment are charged back to the departments that own the equipment.

DEPARTMENT OF PUBLIC SAFETY (“DPS”)

This department maintains order and protects the rights and property of the citizens of Indianapolis. The director retains responsibility for major policy decisions, budgeting, long-range planning, and the day-to-day coordination of six departmental divisions: Fire, Metropolitan Police, Homeland Security, Animal Care and Control, Public Safety Communications, and Indianapolis Emergency Medical Services. The director of the Department of Public Safety serves as the Mayor’s appointee on many commissions and councils at the national, state, and local levels in order to coordinate the activities of Public Safety Department divisions with various other state and local criminal justice agencies.

The director appoints the Metropolitan Police, Fire, Public Safety Communications and Emergency Medical Services Chiefs for the consolidated City. The director also supervises the hiring, promotion, affirmative action, and discipline of all department divisions with the advice and assistance of two statutory boards and several non-statutory citizen boards and committees. The statutory boards include a five-member Board of Public Safety, a six-member Fire Merit Board, and a seven-member Police Merit Board. Transactions for this division are recorded in the Consolidated County subfund of the General Fund.

The Board of Public Safety is comprised of the Director of Public Safety and four other members, two of whom are appointed by the Mayor and two others by the City-County Council. Board members serve one-year terms at the pleasure of the Mayor or the Council.

The board studies issues related to the Department of Public Safety, which the director brings before the members; it also indicates areas requiring further study to the director. The board approves the award and amendment of contracts by the department for purchase or lease of capital equipment or other property where the contract is required to be bid under Indiana Code 36-1-12. The board also approves the employment of persons engaged by the department to render professional or consulting services.

In addition, the Citizens Police Complaint Office functions out of the Director's Office and staffs three civilian employees and is governed by the Citizens Police Complaint Review Board.

Indianapolis Metropolitan Police Department ("IMPD")

This division is primarily responsible for enforcement of laws to protect life and property while creating and maintaining active police/community partnerships and assisting citizens in identifying and solving problems to improve the quality of life in their neighborhoods. The IMPD was established January 1, 2007 through the consolidation of the Indianapolis Police Department and the law enforcement force of the Marion County Sheriff. On January 1, 2007, IMPD assumed all law enforcement functions for the consolidated City. Transactions are accounted for in the Metropolitan Police sub-fund of the General Fund, which is funded from the consolidated City district that includes the entire County except for the excluded cities and towns. A portion of police operations are funded through Special Revenue Funds, the Federal Grants Special Revenue Fund, and the City Cumulative Capital Projects Fund. The Police Special Service District exists only for the purpose of the police pensions.

Indianapolis Fire Department ("IFD")

This division's services include fire prevention, firefighting, and emergency rescue. The division also administers immediate first aid services, inspects buildings, investigates suspected cases of arson, gives fire and safety instructions, and provides fire and rescue training for other fire departments. The division is funded from a special service district of the consolidated City and coordinates fire protection with the Township and Volunteer Fire Departments of the District. Transactions are accounted for in the Fire subfund of the General Fund, the Federal Grants Special Revenue Fund, and the City Cumulative Capital Projects Fund.

Division of Homeland Security

This division functions as the local Homeland Security agency. It coordinates all government and non-government organizations that deal with emergency situations, and provides unique civil preparedness skills and capabilities not available under other organizations. Transactions are accounted for in the Consolidated County, Metropolitan Police, and Fire subfunds of the General Fund, the Federal Grants Special Revenue Fund, and the City Cumulative Capital Projects Fund.

Animal Care and Control Division

This division is responsible for protecting the public from injuries, property damage, and disease caused by stray animals. Transactions are accounted for in the Consolidated County sub-fund of the General Fund. The division has the authority to capture, impound, and destroy stray animals, including wildlife.

Public Safety Communications ("PSC")

This division is responsible for providing, operating, and maintaining the critical communications, data systems, and infrastructure used by emergency first responders in Marion County. PSC also is responsible for the operation of the Computer Aided Dispatch ("CAD") system, Records Management Systems ("RMS"), a paging system, and a Firehouse alerting System. In support of our customers, and the systems that they use, we provide a 24 / 7 Customer Service Desk with personnel that are trained to mitigate problems at the customer level. Transactions are accounted for in the Public Safety Communications subfund of the General Fund.

Indianapolis Emergency Medical Services (“IEMS”)

This division was formed to continue and advance high-quality emergency medical services care and create efficiencies for these services in Marion County. IEMS is the primary provider of ambulance and emergency medical services in Marion County. The division was formed through a collaborative effort between the Department of Public Safety and the Health and Hospital Corporation of Marion County. IEMS began operations on December 26, 2010.

DEPARTMENT OF PARKS AND RECREATION (“DPR”)

DPR (Indy Parks and Recreation) provides clear leadership and well-defined direction for enhancing the quality of life for Indianapolis and Marion County residents by offering park and recreation resources that 1) provide and/or facilitate quality recreation and leisure opportunities; 2) encourage and support natural and cultural resource stewardship and environmental education; 3) include safe, clean and well-maintained park facilities for the community’s use and enjoyment; and 4) promote and facilitate mutually beneficial countywide partnerships. Indy Parks and Recreation offers recreational opportunities at regional, community, neighborhood, and nature parks, as well as at schools and other facilities. The parks system includes eight greenways, 24 recreation centers, 21 aquatic centers, 13 golf courses, 568 sports fields and courts, and 126 playgrounds. City ordinances and state statutes are enforced by Indy Parks and Recreation to protect public parklands and facility use. DPR’s organization consists of seven divisions including Administration, Community Recreation, Sports and Special Revenue Facilities, Golf, Environmental and Interpretive Services, Resource Development, and Greenways. Transactions for this department are recorded in the Parks Fund, Consolidated County Fund, Parks Special Recreation Non-Reverting Fund, City Cumulative Capital Fund and the Federal and State of Indiana Grants Special Revenue Funds.

Administration Division

Administration provides departmental level leadership, management, and oversight of the business operating elements. The Administration Division includes a variety of functions essential to the organization including finance, marketing and public relations, grants, alliances and partnerships, and a variety of other special projects. This division facilitates and coordinates the implementation of cross-divisional activities.

Community Recreation Division

The Community Recreation Division provides recreational services and opportunities to Marion County residents. Community Recreation’s core areas include community centers, neighborhood parks, arts services, day camps, and after-school, therapeutic and senior programs.

Sports and Special Revenue Facilities Division

The Sports and Special Revenue Facilities Division provides sports programs and special facilities combined with educational opportunities for volunteers, coaches, and staff. The facilities include indoor and outdoor aquatic centers, sports courts and fields, ice rink, Velodrome, skate park, and BMX track.

Golf Division

The Golf Division offers golf opportunities for people of all ages and physical abilities throughout the Indianapolis community. This division manages municipal courses as well as plans and oversees capital improvements at each course. It manages course operating contracts, service contracts, and course management contracts.

Environmental and Interpretive Services Division

The Environmental and Interpretive Services Division provides quality environmental education and interpretive programs to the community through nature centers and the hub naturalist program.

Resource Development Division

Resource Development steers the direction of the department through resource planning, capital asset development, and sustainable strategic tactics. In addition to the planning tasks, this division is also responsible for land acquisition and real estate management.

Greenways Division

The Greenways Division manages, improves, and maintains the greenways system within Marion County to provide recreational and fitness opportunities, promote open space conservation, link neighborhoods with parks and other community assets, and provide environmental education for the public concerning the greenways system.

Financial Section

Financial Section

Independent Auditor's Report

Mr. Matthew Kimmick, Controller and the Audit Committee
City of Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Indianapolis Housing Agency, the sole discretely presented component unit of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Indianapolis Housing Agency, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Indianapolis as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1.Q. to the financial statements, in 2014, the City adopted Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary, pension benefit and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 the City's internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
June 29, 2015

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CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2014

This Comprehensive Annual Financial Report presents an analysis of the financial activities of the City of Indianapolis (“City”) for the year ended December 31, 2014 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the City’s financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City’s assets exceeded its liabilities at December 31, 2014 by \$271.2 million, which represents the total net position of the City’s governmental activities. Included in this net position amount is a \$505.4 million unrestricted deficit due mainly to an unfunded net pension obligation of \$391.4 million and an unfunded postemployment benefit obligation of \$128.3 million. Without these unfunded obligations, the net position amount would be an unrestricted deficit of \$14.3 million. The State of Indiana, in 2008, agreed to reimburse the cities and towns of Indiana for pension costs for members of the pre-1977 pensions plans effective January 1, 2009. Therefore, although unfunded, the pension benefits will be covered by the State of Indiana. In regards to the unfunded postemployment benefit obligation, there is no intent by the City or legal requirement to fund this long-term liability beyond the annual payments required by existing labor agreements. See footnote 14 to the financial statements for further discussion of the City’s pension plans. See footnote 13 to the financial statements in regards to other postemployment benefits.
- On a government-wide basis, for 2014, the City’s total expenses were \$861.3 million or \$91.5 million more than the \$769.8 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2014, the City’s governmental funds reported combined ending fund balances of \$498.0 million. Of this amount, \$2.3 million was nonspendable, \$303.0 million was restricted, \$38.0 million was committed, \$83.9 million was assigned, and \$70.4 million was unassigned.
- The unassigned fund balance for the general fund was \$70.8 million or 11.3% of total general fund expenditures. The City’s goal is to maintain an unassigned general fund balance of at least 10% of total general fund expenditures.
- The general fund revenues were \$45.9 million higher than original budget estimates and \$16.4 million higher than the final budget estimate.
- In 2014, the City issued \$62.8 million in governmental activities bond debt which included \$11.4 million for the refunding of bonds, and \$51.4 million for economic development.

OVERVIEW OF FINANCIAL STATEMENTS

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

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Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The City maintains several individual governmental funds according to their type (general, special revenue, debt service, capital projects, and permanent). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Revenue Bond Debt Service Fund, which are considered to be major funds. Individual fund data for each of the nonmajor governmental funds are provided in the form of combining statements as supplementary information.

2. *Proprietary Funds*. Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following type of proprietary funds:
 - *Internal Service Funds* are used to report activities that provide services for certain City programs and activities. The City uses internal service funds to provide for the financing of workers’ compensation, auto liability, employee health insurance, and public liability self-insurance for all City departments, as well as for the centralization of certain payments of awards, refunds, and indemnities.

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3. *Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of individuals or units of other governments. The City is the trustee or fiduciary responsible for assets that can be used for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City’s pension trust funds and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City’s own programs, they are not reflected in the government-wide financial statements.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Additional Supplementary Information

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

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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City’s governmental activities net position at December 31, 2014 and 2013 were \$271.2 million and \$362.7 million, respectively.

		Governmental activities 2014		Governmental activities 2013
Assets:				
Current and other assets	\$	639,839	\$	661,970
Capital assets, net of accumulated depreciation		1,454,004		1,497,183
Total assets		2,093,843		2,159,153
Deferred outflows of resources				
Total assets and deferred outflows of resources	\$	2,104,000	\$	2,169,500
Liabilities:				
Long-term liabilities		1,702,736		1,666,098
Other liabilities		111,657		121,909
Total liabilities		1,814,393		1,788,007
Deferred inflows of resources				
Total liabilities and deferred inflows of resources		1,832,793		1,806,807
Net position:				
Net investment in capital assets		604,736		682,291
Restricted		171,863		122,379
Unrestricted (deficit)		(505,392)		(441,977)
Total net position	\$	271,207	\$	362,693

ANALYSIS OF NET POSITION

As noted earlier, net position may serve as a useful indicator of a government’s financial position. The largest portion of the City’s net position reflects its investments of \$604.7 million in capital assets (e.g., net book value of land, buildings, equipment, and infrastructure), less related outstanding debt used to acquire those assets. The 2013 balance was \$682.3 million. The decrease is primarily due to disposals and depreciation exceeding capital asset additions during 2014. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities. Included in the City’s total net position is \$171.9 million, versus \$122.4 million in 2013, which represents resources that are subject to external restrictions on how they may be used.

All net position generated by governmental activities are either externally restricted, restricted by enabling legislation, or invested in capital assets. Consequently, unrestricted governmental net position showed a \$505.4 million deficit at the end of the year as compared to a \$442.0 million deficit for the prior year. This deficit does not mean the City does not have resources available to pay its bills. Rather, it is the result of having long-term commitments that are greater than currently available resources, mainly net pension obligations of \$391.4 million for police and firefighters hired before May 1, 1977 and postemployment obligation of \$128.3 million. See the earlier discussion in regards to these two long-term liabilities.

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Change in net position. The City’s total revenue (including transfers) on a government-wide basis for 2014 was \$769.8 million and \$806.3 million for 2013. Taxes represent 65% of the City’s revenue (58% for 2013). Another 12% of revenue (11% in 2013) came from fees charged for services, and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues (see chart 2, revenues by source, on the following page). The increase in taxes is primarily due to the elimination of duplicate homestead credits which increased the overall assessed valuation and an increase in income taxes due to the improving economy. The decrease of \$73.0 million in capital grants and contributions can be attributed to the decrease of capital contributions from the State of Indiana for public work projects built on the City’s behalf.

The total cost of all programs and services was \$861.3 million for 2014 (\$837.6 million for 2013). The City’s expenses cover a range of typical City services.

Schedule of Changes in Net Position
For the Year Ended December 31, 2014 and 2013
(dollars in thousands)

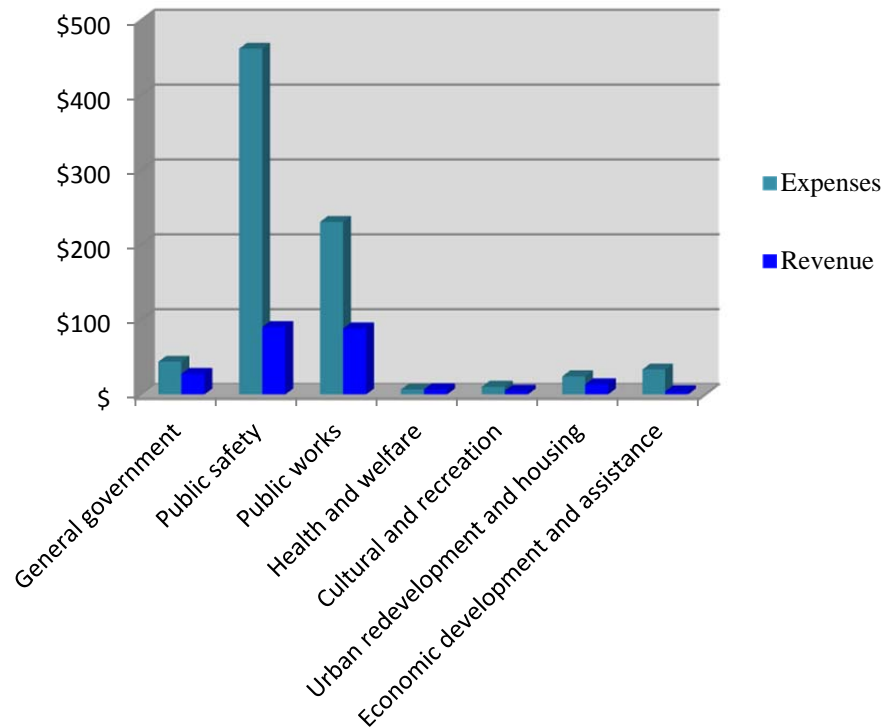
	Governmental activities 2014		Governmental activities 2013
Revenues:			
Program revenues			
Charges for services	\$ 92,171	\$	85,555
Operating grants and contributions	137,828		138,311
Capital grants and contributions	4,845		77,797
General revenues:			
Property tax	297,487		280,883
Other taxes	199,292		187,205
Other general revenues	38,149		36,527
Total revenues	<u>769,772</u>		<u>806,278</u>
 Expenses:			
General government	43,599		36,467
Public safety	461,873		447,016
Public works	230,470		204,217
Health and welfare	6,320		6,015
Cultural and recreation	10,130		18,465
Urban redevelopment and housing	24,114		28,124
Economic development and assistance	33,181		41,862
Interest	51,571		55,480
Total expenses	<u>861,258</u>		<u>837,646</u>
Change in net position	(91,486)		(31,368)
Net position, beginning of year, before restatement	362,693		408,350
Adjustment for Implementation of GASB 65	-		(14,289)
Net position, beginning of year, after restatement	362,693		394,061
Net position, ending	<u>\$ 271,207</u>	\$	<u>362,693</u>

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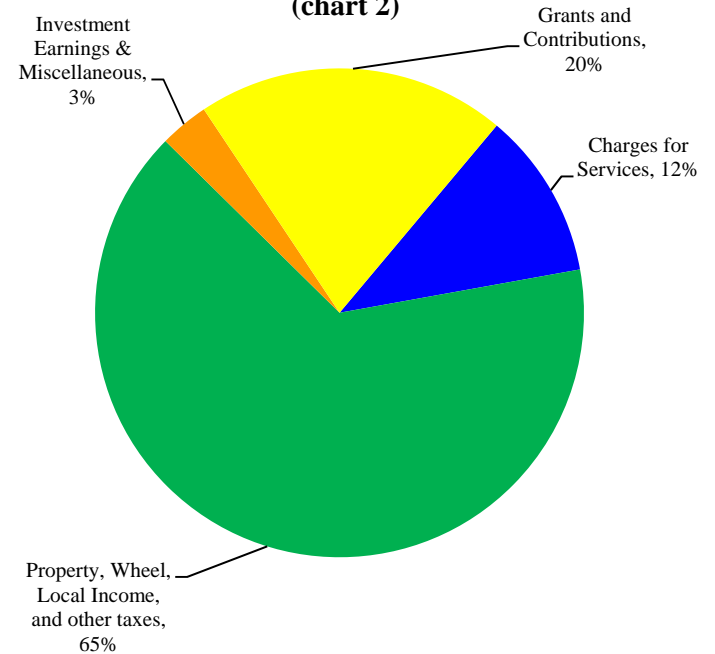
Governmental activities. The City’s governmental activities net position decreased by \$91.5 million compared to a decrease of \$31.4 million in the prior year. Total expenses for governmental activities for 2014 were \$861.3 million, an increase of \$23.6 million from the prior year mainly primarily due to the cost incurred for the effects of the polar vortex in the winter 2013-2014. Total revenues for governmental activities for 2014 were \$769.8 million, a decrease of \$36.5 million from the prior year. Capital grants and contributions decreased \$73.0 million primarily due to public works projects paid for by the State and donated to the City that occurred in 2013. Overall, the City’s taxes increased by \$28.7 million due to the elimination of duplicate homestead credits which impacted property taxes and improved income tax distributions due to the improving economy

The following charts provide the City’s governmental program revenues and expenses by function and revenues by source for 2014. As shown in chart 1, expenses and program revenues, public safety is the largest function of expense. General revenues such as property and income tax are not shown by program, but are included in chart 2, revenues by source, to show their significance. Taxes are used to support program activities city-wide.

Expenses and Program Revenues - Governmental Activities
(In millions) (chart 1)



Revenues by Source - Governmental Activities
(chart 2)



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FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The focus of the City’s governmental funds is to provide information on inflows and balances of resources that are available for spending. An unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year.

At December 31, 2014, the unassigned fund balance of the General Fund was \$70.8 million while the total General Fund balance was \$224.7 million (as compared to \$280.7 million in 2013). As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 11% of total General Fund expenditures and transfers out (as compared to 15% for 2013), while total fund balance represents 36% (45% for 2013) of total General Fund expenditures and transfers out. The fund balance in the City’s General Fund decreased by \$56.0 million or 20% from the prior year fund balance. This was due primarily to the spend down of \$35 million in 2014 from the proceeds of the 2011 sale of the City’s water and wastewater facilities and expenditures for the effects of the polar vortex.

The Revenue Debt Service Fund ended the year with a \$158.4 million fund balance (as compared to \$147.6 million in 2013) which was restricted for debt service. The fund balance for the Revenue Debt Service Fund increased by \$10.7 million due mainly to reduced debt service costs.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for police and firefighters hired before May 1, 1977. At the end of 2014, the net position of these pension funds amounted to \$2.6 million, which represents an increase of \$0.7 million in total net position during the year. Effective January 1, 2009, all pension payments are funded by the State of Indiana. No further funding is required by the City.

The City is the custodian of certain agency funds, and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there are no net assets. At the end of 2014, the combined gross assets of the agency funds totaled \$17.5 million (\$20.5 million in 2013). This amount is composed of activity from the following agency funds: Sanitation 15 Year Law, UAL Personal Property, E-911 Allocation, DPS Retiree Health Insurance, IMPD Confiscated Cash, and Other.

General Fund Budgetary Highlights

The final budget for the City’s general fund represents the original budget plus any adjustments to appropriations during the year. It does not include encumbrances carried over from the prior year. In 2014, there was a \$42.4 million increase in appropriations to the original General Fund budget or less than 8%.

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Excluding prior year encumbrances, the original general fund expenditures budget for 2014 was \$547.1 million. The final General Fund expenditures budget was \$589.5 million. Actual expenditures were \$577.0 million. Of the total \$12.5 million underspent from the final budget, \$4.8 million was in public safety, \$3.3 million was in capital outlay expenditures, and \$2.2 million was in general government. These underspent amounts were due to planned reductions in the budget to fund future budget years. General revenues were originally estimated at \$423.0 million, final estimated at \$452.4 million, and the actual was \$468.8 million, which was \$16.4 million greater than budgeted. Out of the total \$16.4 million, \$9.9 million was in taxes and \$8.0 million was in interest and other operating revenue. The increase in taxes is primarily attributable to higher property tax collection rates than originally estimated, and the increase in interest and other operating revenue is primarily attributable to proceeds from a legal settlement. Further spending reductions would have had to take place had the revenue picture not improved. Actual expenditures were greater than revenues by \$108.1 million. This was primarily due to the spending down of \$43.9 million of proceeds that were recognized in 2011 from the sale of the water and wastewater facilities and costs responding to the polar vortex in the winter of 2013-2014. In addition, the budgetary shortfall was covered by \$35.3 million of transfers from the Public Safety Income Tax Special Revenue fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had a net investment of \$1.5 billion in capital assets at December 31, 2014 (net of accumulated depreciation of \$2.5 billion) in a broad range of capital assets. This amount represents a net decrease for the current year (including additions and deductions) of \$43.2 million.

	Governmental activities 2014	Governmental activities 2013
Land	\$ 55,146	\$ 54,390
Construction in progress	191,469	214,237
Buildings	234,067	229,189
Improvements	91,422	78,843
Equipment	44,658	55,058
Infrastructure	837,242	865,466
Total	<u>\$ 1,454,004</u>	<u>\$ 1,497,183</u>

Major capital asset additions in 2014 for governmental activities included:

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- \$67.1 million of additions to construction in progress, principally infrastructure, and improvements. Reductions to construction in progress were \$89.9 million of which \$72.7 million was transferred into infrastructure and \$17.2 million was transferred into improvements.
- \$18.2 million of additions to improvements, principally the downtown cultural trail and upgrades at parks and recreation facilities.
- \$3.4 million of additions to equipment, principally for public safety and public works vehicles.
- \$78.6 million of additions to infrastructure, principally \$8.5 million for storm sewers, \$64.3 million for streets, curbs and sidewalks, and \$4.9 million for bridges.
- \$17.8 million of additions to buildings for a parking garage and other buildings.

Donated capital assets for governmental activities were \$13.2 million, mainly attributable to the increase of capital contributions from the State of Indiana for public work projects built on the City’s behalf. Depreciation expense for 2014 for governmental activities was \$113.0 million. At December 31, 2014, the City had commitments related to ongoing capital asset construction projects of \$56.6 million.

See footnote 6 to the basic financial statements for more information regarding capital assets.

Long-Term Obligations

At the end of 2014, the City had outstanding long-term debt and other long-term obligations for governmental activities of \$1.70 billion, compared to \$1.68 billion at December 31, 2013 as shown below:

Schedule of Long-term Debt Obligations
(dollars in thousands)

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Governmental activities:		
Serial bonds payable	\$ 156,155	\$ 180,800
Tax increment bonds payable	647,144	626,551
Revenue bonds payable	255,445	260,150
Deferred discounts	—	—
Deferred premiums	40,230	39,393
Long-term notes payable and certificates of participation	40,422	28,732
Capital lease payable	8,549	8,038
Net pension obligation	391,351	398,211
Postemployment benefit obligation	128,285	108,753
Compensated absences	35,155	34,270
	<u> </u>	<u> </u>
Total	\$ <u>1,702,736</u>	\$ <u>1,684,898</u>

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The decrease in serial bonds payable is representative of the current administration commitment to reduce the cost of property tax supported debt to the taxpayers. The increase in the postemployment pension obligation demonstrates the fact that this liability continues to grow with no intent by the City to actually fund this liability on other than a current contractually required basis.

Bonds

On June 26, 2014, the City issued its Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2014 (Fall Creek Project) in the amount of \$11,420. The proceeds from these bonds, together with other available funds on hand, were used to currently refund all of the City’s outstanding Redevelopment District 2004 Series A Bonds and Redevelopment District Notes, Series 2010 B which had outstanding principal amounts of \$10,255 and \$2,800.

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2014A in the amount of \$27,320. The proceeds, along with funds on hands, were used to redeem the Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013B in the principal amount of \$15,000. In addition, the proceeds will finance the construction, renovation, improvement and equipping of a new mixed-use development project, consisting of one more buildings which will provide approximately 235 apartments and ground-floor retail, (collectively, the “Mass Avenue Development Project”). The proceeds will also be used for the acquisition of the real property upon which the existing headquarters of the American Red Cross of Greater Indianapolis is located and the relocation, construction, renovation, improvement and equipping thereon of facilities for the new Indianapolis Fire Department Headquarters and the new Fire Station 7.

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds Taxable, Series 2014B in the amount of \$2,505. The proceeds, along with funds on hands, were used to redeem the Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013 A in the principal amount of \$2,325.

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2014C in the amount of \$17,145. The proceeds are being used to finance certain projects, additions, and improvements within the City, including all or any portion of the acquisition, design, construction, renovation, improvement and equipping of a new 28–story mixed-use development facility, consisting of approximately 300 luxury apartments and approximately 43,000 square feet of lower level retail space, and a parking garage facility containing approximately 550 spaces, (collectively, the “Market Square Arena (“MSA”) Redevelopment Project”).

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2014D in the amount of \$3,320 and its Economic Development Tax Increment Revenue Bonds Taxable, Series 2014E in the amount of \$1,080. The proceeds are being used to finance certain projects, additions, or improvements within the City, including certain local public infrastructure improvements to an area of the City generally comprised of the existing site of the Indianapolis Star Headquarters, including the acquisition, design, construction, renovation, and or equipping of improvements to North Talbot Street, between East New York Street and East Vermont Street, including the design, construction and or equipping of a new dog park for the benefit of surrounding residential users. In addition, proceeds will finance the construction, renovation and or equipping of improvements to the existing parking garage at the southwest corner of North Delaware Street and East Vermont Street. Proceeds will also finance certain public infrastructure improvements to the area of the City generally located along the 500 block of Massachusetts Avenue, including design, construction, renovation, and or equipping of a new multi-story mixed-use development facility, consisting of approximately 64 apartment units and approximately

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2014

15,000 square feet of ground-level retail space and the design, including a new public plaza located between the new mixed-use development facility and the existing Barton Tower site.

Bond ratings. The City’s general obligation bonds are rated AA by Standards & Poor’s, AAA by Fitch, and Aaa by Moody’s. The City’s other debt, principally revenue bonds and notes, are rated to reflect the creditworthiness of the supporting revenue.

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

See footnote 9 to the basic financial statements for more information regarding long-term debt.

ECONOMIC FACTORS AND THE 2015 BUDGET

The 2015 original budget for all annually budgeted funds was \$738.3 million. Revisions of \$43.4 million have been made through June 2015, which were primarily due to increases for public safety of \$15.3 million and for public works of \$13.5 million. In addition, there was an appropriation of \$5.4 million for a new early childhood education initiative.

The 2015 general fund original budget was \$542.7 million, a decrease of 1% from the 2014 original General Fund budget of \$540.1 million. Revisions (\$34.4 million) have been made through June 2015.

Unemployment rates were as follows:

	May 2015	May 2014
City of Indianapolis	n/a	5.3%
State of Indiana	4.8%	5.7%
United States	5.3%	6.1%

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

REQUESTS FOR INFORMATION

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

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Basic Financial Statements

Basic Financial Statements

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2014
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Equity in pooled cash	\$ 114,376	\$ 6,637
Cash and investments with fiscal agents	205,050	17,099
Investments	253,105	—
Property taxes receivable	9,036	—
Accounts receivable, less allowance for uncollectibles	23,711	444
Due from federal and state governments	10,989	1,689
Other assets	—	3,204
Long-term receivables, less allowance for uncollectibles	23,572	6,465
Restricted assets	—	2,958
Capital assets:		
Land	55,146	18,552
Infrastructure, net of accumulated depreciation	837,242	—
Other capital assets, net of accumulated depreciation	370,147	149,528
Construction in progress	191,469	3,021
Total assets	2,093,843	209,597
Deferred outflows of resources - deferred losses on refundings	10,157	—
Total assets and deferred outflows of resources	\$ 2,104,000	\$ 209,597

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2014
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 73,631	\$ 3,494
Accrued interest payable	20,446	—
Unearned revenue	17,580	17
Customer deposits	—	181
Other liabilities	—	542
Long-term liabilities:		
Due within one year	87,071	3,613
Due in more than one year	1,615,665	17,623
Total liabilities	1,814,393	25,470
Deferred inflows of resources - parking meter concession agreement	18,400	—
Total liabilities and deferred inflows of resources	1,832,793	25,470
NET POSITION		
Net investment in capital assets	604,736	156,136
Restricted for:		
Capital projects	54,574	—
Debt service	59,769	—
Section 8 vouchers and VASH	—	495
Other purposes by grantors	14,102	—
Other purposes by contributor – nonexpendable	357	—
Statutory restrictions	43,061	—
Unrestricted (deficit)	(505,392)	27,496
Total net position	\$ 271,207	\$ 184,127

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Activities
Year ended December 31, 2014
(In thousands)

Functions/Programs	Program revenues				Net (expense) revenue and changes in net position	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government	Component Unit
					Governmental activities	Indianapolis Housing Agency
Governmental activities:						
General government	\$ 43,599	\$ 21,785	\$ 6,648	\$ —	\$ (15,166)	\$ —
Public safety	461,873	23,679	62,751	2,825	(372,618)	—
Public works	230,470	38,896	47,119	2,020	(142,435)	—
Health and welfare	6,320	808	5,999	—	487	—
Cultural and recreation	10,130	3,638	1,227	—	(5,265)	—
Urban redevelopment and housing	24,114	1,835	11,538	—	(10,741)	—
Economic development and assistance	33,181	1,530	2,546	—	(29,105)	—
Interest	51,571	—	—	—	(51,571)	—
Total governmental activities	<u>\$ 861,258</u>	<u>\$ 92,171</u>	<u>\$ 137,828</u>	<u>\$ 4,845</u>	<u>(626,414)</u>	<u>—</u>
Component Unit						
Indianapolis Housing Agency	\$ 68,991	\$ 6,425	\$ 56,398	\$ 12,843		6,675
Total component units	<u>\$ 68,991</u>	<u>\$ 6,425</u>	<u>\$ 56,398</u>	<u>\$ 12,843</u>		<u>6,675</u>
General revenues:						
Taxes:						
Property taxes					297,487	—
Wheel taxes					13,250	—
Local income taxes					164,582	—
Other taxes					21,460	—
Grants and contributions not restricted by function					13,165	—
Investment earnings not restricted by function					7,984	—
Miscellaneous					17,000	1,945
Total general revenues					<u>534,928</u>	<u>1,945</u>
Change in net position					(91,486)	8,620
Net position – beginning of year					<u>362,693</u>	<u>175,507</u>
Net position – ending					<u>\$ 271,207</u>	<u>\$ 184,127</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet – Governmental Funds
December 31, 2014
(In thousands)

	<u>General</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in pooled cash	\$ 74,935	\$ 6,937	\$ 28,600	\$ 110,472
Cash and investments with fiscal agents	—	138,709	66,321	205,030
Investments	171,517	14,489	58,946	244,952
Property taxes receivable	7,632	—	1,404	9,036
Accounts receivable, less allowance of \$826	23,004	164	543	23,711
Due from other funds	9,799	—	—	9,799
Due from federal and state governments	196	—	10,793	10,989
Long-term receivables, less allowance of \$26,777	—	—	1,918	1,918
Total assets	<u>\$ 287,083</u>	<u>\$ 160,299</u>	<u>\$ 168,525</u>	<u>\$ 615,907</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Matured bonds and notes payable	\$ —	\$ 1,490	\$ 22,815	\$ 24,305
Matured interest payable	—	455	9,390	9,845
Accounts payable and other accrued liabilities	28,825	—	8,998	37,823
Accrued payroll and payroll taxes	19,852	—	190	20,042
Due to other funds	—	—	3,212	3,212
Unearned revenue	24	—	1,434	1,458
Total liabilities	<u>48,701</u>	<u>1,945</u>	<u>46,039</u>	<u>96,685</u>
Deferred inflows of resources	<u>13,635</u>	<u>—</u>	<u>7,554</u>	<u>21,189</u>
Fund balances:				
Nonspendable	—	—	2,275	2,275
Restricted	32,069	158,354	113,021	303,444
Committed	37,992	—	—	37,992
Assigned	83,902	—	—	83,902
Unassigned	70,784	—	(364)	70,420
Total fund balances	<u>224,747</u>	<u>158,354</u>	<u>114,932</u>	<u>498,033</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 287,083</u>	<u>\$ 160,299</u>	<u>\$ 168,525</u>	<u>\$ 615,907</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Balance Sheet for Governmental Funds
to the Statement of Net Position
December 31, 2014
(In thousands)

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances – total governmental funds	\$	498,033
Capital assets not reported in the fund statements		1,454,004
Net position of internal service funds		(4,816)
Long-term receivable from sale of wastewater collection and treatment facilities assets for future general obligation debt service		21,654
Deferred outflow of resources - loss on refundings		10,157
Deferred inflow of resources - parking meter concession agreement		(18,400)
Long-term liabilities not in the fund statements (excludes matured bonds payable)		(1,678,431)
Other liabilities not in the fund statements		(5,460)
Deferred inflow of resources in the fund statements not in the statement of net position		21,189
Unearned revenue in the statement of net position not in the fund statements		(16,122)
Accrued interest payable not in the fund statements (excludes matured interest payable)		(10,601)
Net position of governmental activities	\$	271,207

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2014
(In thousands)

	<u>General</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 324,222	\$ 82,606	\$ 90,233	\$ 497,061
Licenses and permits	12,010	—	—	12,010
Charges for services	56,726	—	7,223	63,949
Intergovernmental revenues	114,020	122	37,227	151,369
Intragovernmental revenues	3,286	—	—	3,286
Traffic violations and court fees	1,924	—	3,188	5,112
Interest and other operating revenues	24,598	5,239	16,337	46,174
Total revenues	<u>536,786</u>	<u>87,967</u>	<u>154,208</u>	<u>778,961</u>
Expenditures:				
Current:				
General government	22,446	1,592	1,919	25,957
Public safety	419,307	—	10,213	429,520
Public works	111,616	—	2,445	114,061
Health and welfare	489	—	5,752	6,241
Cultural and recreation	11,747	—	1,284	13,031
Urban redevelopment and housing	4,588	—	13,172	17,760
Economic development and assistance	1,408	8,000	19,003	28,411
Debt service:				
Redemption of bonds and notes	1,265	44,028	31,660	76,953
Interest on bonds and notes	939	15,743	31,195	47,877
Bond and note issuance costs	1	387	711	1,099
Payment to refunded bond escrow agent	—	10,525	—	10,525
Operating lease payments and administration	143	763	15,278	16,184
Capital outlays	50,205	—	34,770	84,975
Total expenditures	<u>624,154</u>	<u>81,038</u>	<u>167,402</u>	<u>872,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,368)</u>	<u>6,929</u>	<u>(13,194)</u>	<u>(93,633)</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2014
(In thousands)

	<u>General</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Proceeds of financing from capital lease	\$ 605	\$ —	\$ —	\$ 605
Sales of capital assets	613	—	12	625
Bonds and notes issued	—	—	69,370	69,370
Premium on bonds and notes issued	—	507	5,708	6,215
Refunding bonds issued	—	11,420	—	11,420
Proceeds from restructuring of debt	—	—	212	212
Transfers in	35,280	431	17,427	53,138
Transfers out	<u>(5,102)</u>	<u>(8,573)</u>	<u>(39,463)</u>	<u>(53,138)</u>
Total other financing sources	<u>31,396</u>	<u>3,785</u>	<u>53,266</u>	<u>88,447</u>
Net change in fund balances	(55,972)	10,714	40,072	(5,186)
Fund balances at beginning of year	<u>280,719</u>	<u>147,640</u>	<u>74,860</u>	<u>503,219</u>
Fund balances at end of year	<u>\$ 224,747</u>	<u>\$ 158,354</u>	<u>\$ 114,932</u>	<u>\$ 498,033</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year ended December 31, 2014
(In thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$	(5,186)
Depreciation expense reported in the statement of activities but not in the fund statements		(112,991)
Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of net position		168,491
Donations of capital assets not recorded in the fund statements		6,346
Disposals of capital assets not recorded in the fund statements		(117,060)
Revenues in the statement of activities that do not provide current financial resources and are deferred inflows in the fund statements		21,189
Revenues in the fund statements representing payments on a long-term receivable from sale of wastewater collection and treatment facilities		(7,046)
Revenues in the fund statements but not in the current year statement of activities due to the current financial resources focus of the governmental funds		(21,476)
Remediation settlement expenditures not recorded in the fund statements		(5,460)
Bond and notes issued, including premiums, reported as financing sources in the fund statements but as additions to long-term liabilities in the statement of activities		(87,005)
Bond and note principal payments, and reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities		87,478
Amortization of deferred inflow of resources related to the parking meter agreement reported as income in the statement of activities but not in the fund statements		400
Change in net position of internal service funds reported with governmental activities		(2,503)
Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements		5,188
Increase in compensated absences that is not reported in the fund statements		(885)
Capital appreciation bond interest expense that is reported in the statement of activities but not the fund statements, as there is no cash outflow		(7,861)
Accrued interest on bonds and notes payable through December 31, 2014 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable		(10,601)
Capital lease payments reported as expenditures in the fund statements but as reduction of long-term liabilities in the statement of activities		94
Inception of capital lease recorded as other financing source in the fund statements but not recorded in the statement of activities		(605)
Accrued interest at December 31, 2014 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year		10,679
Net increase in the postemployment benefit obligation that is not reported in the fund statements		(19,532)
Decrease in the net pension obligation that is not reported in the fund statements		<u>6,860</u>
Change in net position of governmental activities	\$	<u><u>(91,486)</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
Proprietary Funds
December 31, 2014
(In thousands)

		Governmental activities – Internal Service Funds
ASSETS		Service Funds
Equity in pooled cash	\$	3,904
Cash with fiscal agents		20
Investments		8,153
Total current assets		12,077
LIABILITIES		
Accounts payable and other current accrued liabilities		10,306
Due to other funds		6,587
Total current liabilities		16,893
NET POSITION		
Unrestricted deficit		(4,816)
Total net deficit	\$	(4,816)

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended December 31, 2014
(In thousands)

		Governmental activities – Internal Service Funds
		<u> </u>
Operating revenues:		
Charges to other funds	\$	26,360
Operating expenses:		
Claims		28,684
Administration		<u>177</u>
Total operating expenses		<u>28,861</u>
Operating loss		<u>(2,501)</u>
Nonoperating expense:		
Investment loss		<u>(2)</u>
Changes in net position		(2,503)
Net deficit, beginning of year		<u>(2,313)</u>
Total net deficit, end of year	\$	<u><u>(4,816)</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2014
(In thousands)

		Governmental activities – Internal Service Funds
		<u> </u>
Cash flows from operating activities:		
Receipts from users	\$	26,376
Payments for administration		(177)
Payments for claims		<u>(24,230)</u>
Net cash provided by operating activities		<u>1,969</u>
Cash flows from investing activities:		
Investment purchases		(2,050)
Interest paid on investments		<u>(2)</u>
Net cash used in investing activities		<u>(2,052)</u>
Net decrease in cash		(83)
Cash, beginning of year		<u>4,007</u>
Cash, end of year	\$	<u><u>3,924</u></u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$	(2,501)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Change in assets and liabilities:		
Decrease in accounts receivable		16
Increase in accounts payable		<u>4,454</u>
Net cash provided by operating activities	\$	<u><u>1,969</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2014
(In thousands)

	ASSETS		Police and Firefighters' Pre-1977 Pension Trust Funds		Agency Funds
Equity in pooled cash		\$	844	\$	5,342
Investments			1,764		11,154
Accounts receivable			—		969
Total assets			2,608	\$	17,465
	LIABILITIES				
Accounts payable and other accrued liabilities			—	\$	17,465
Total liabilities			—	\$	17,465
	NET POSITION				
Net position restricted for pensions		\$	2,608		

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

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

Fiduciary Funds

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

Year ended December 31, 2014

(In thousands)

		Police and Firefighters Pre-1977 Pension Trust Funds
		<u> </u>
ADDITIONS		
State of Indiana pension subsidy	\$	<u>57,926</u>
Total additions		<u>57,926</u>
DEDUCTIONS		
Benefits		<u>57,179</u>
Total deductions		<u>57,179</u>
Net increase in net position		747
Net position – beginning of year		<u>1,861</u>
Net position – end of year	\$	<u><u>2,608</u></u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2014
(Dollars in Thousands)

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The City operates under an elected Mayor/City-County Council (29 members) form of government and provides the following services: public safety (police and fire), culture and recreation, community development and welfare (including planning and zoning), highways and streets, environmental service (solid waste collection and disposal), and general administrative services.

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

Component Units

The City’s financial reporting entity has been determined in accordance with governmental accounting standards defining the reporting entity and identifying entities to be included in its basic financial statements. The Indianapolis Housing Agency (“Housing Agency”) is responsible for the management, operation, maintenance, and administration of public housing and public housing projects. The Housing Agency has a separate Board of Commissioners, which comprises nine members. The Mayor appoints five members while the Council appoints two members. The remaining two members are appointed from the family housing community and one from the senior community. The Housing Agency is included as a discretely presented component unit of the City because it possesses the corporate powers that would distinguish it as being a legally separate entity and because the Mayor and Council appoint a voting majority of the Housing Agency’s governing body and can remove a board member at will.

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

The City’s financial reporting entity also includes the Circle Area Community Development Corporation (“CAC”), which was incorporated on July 22, 1997. CAC is reported as a blended component unit. The purpose of CAC is to benefit, perform, and carry out the charitable, educational, and other public purposes of the City. Specific purposes include encouraging, supporting, and assisting in activities, projects, and programs that promote the social welfare, beautify the public areas, and improve the effectiveness of infrastructure and foster, develop, and maintain economic development and rehabilitation in and around downtown Indianapolis.

Related Organization

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

CITY OF INDIANAPOLIS
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B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its discretely presented component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. However, the City currently has no business-type activities.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year the levy and tax rates are certified. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this basis of accounting, revenues are recognized as they become susceptible to accrual; generally, as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, including taxes other than property taxes, the City considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants, and interest on investments. Bonds and notes issued are recorded as other financing sources, along with any related premium or discounts.

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

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

GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions* (“GASB Statement No. 33”), groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government-mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as local income tax) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Local income tax held by the State of Indiana (“State”) is not recorded as revenue until amounts are approved for distribution by the State since the amounts are not estimable until that time. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance in relation to derived tax revenue nonexchange transactions are reported as liabilities until the period of exchange.

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

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units, and government-mandated nonexchange transactions are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met. For these types of transactions, resources received before eligibility requirements are met (excluding time requirements) are reported as liabilities, while resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources.

Charges for services in the governmental funds, which are exchange transactions and, therefore not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

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

The City reports the following major governmental funds:

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

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

Additionally, the City reports the following fund types:

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

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

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all local taxes. State-shared revenues, such as cigarette taxes, are reported as grants and contributions not restricted to specific functions, unless they are restricted to specific functions, such as gasoline taxes, in which case they are reported as operating grants and contributions.

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

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D. Cash and Investments

Investments, including those held in the City's pension trust funds which are not significant, are stated at fair value. Fair values for investments are determined by closing market prices at year-end as reported by the investment custodian. At December 31, 2014, the City has \$1,203 invested in TrustINDiana, an external investment pool administered by the State. Consistent with the provisions of a 2a-7 like pool as defined by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, the portfolio securities are valued at amortized cost, which approximates fair value. The amortized cost valuation methods involve initially valuing a security at its cost on the date of purchase and thereafter accreting to maturity and discount or amortizing to maturity any premium. The City records its investment in the external pool at its share value. The Indiana Treasurer of State has been designated by State statute as the administrator of the pool and has general oversight over the daily operation of the pool.

When funds pool cash for investments, income from the pooled investments is allocated to the funds based on the participating fund's average daily equity balance. An individual fund's negative position in the pool is reflected as an interfund liability.

E. Receivables

All trade and property tax receivables are shown net of an allowance, if any, for uncollectible balances.

Property taxes are levied as of January 1 on property values assessed as of March 1 of the previous year. The tax levy is divided into two billings due on May 10 and November 10 each year.

Noncurrent portions of long-term receivables in the governmental funds are reported in their respective balance sheets, notwithstanding their measurement focus. The noncurrent portions of receivables that will ultimately result in the recognition of revenue are reported as deferred inflows of resources. Noncurrent portions of other long-term receivables (e.g., loans receivable and nonfinancial assets held for sale) are offset by nonspendable fund balance accounts since they are not considered available spendable resources.

F. Inventory

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

G. Capital Assets

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

The prescribed capitalization levels for the City are as follows:

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

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

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

H. Property Taxes

Property taxes levied for all governmental entities located within the County are collected by the Treasurer of Marion County, Indiana (“Treasurer”). These taxes are then distributed by the Auditor of Marion County, Indiana (“Auditor”) to the City and the other governmental entities at June 30 and December 31 of each year. The City and the other governmental entities can request advances of their portion of the collected taxes from the Treasurer once the levy and tax rates are certified by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment.

The City’s 2014 property taxes were levied based on assessed valuations determined by the Auditor as of the 2013 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2014 property taxes was March 1, 2013 (assessment date); however, the City does not recognize a receivable on the lien date, as the amount of property tax to be collected cannot be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 100% of the true tax value. In 2014, the first half of the year 2014 taxes were due and payable to the Treasurer in May 2014. The second half of the year 2014 taxes was due and payable to the Treasurer in November 2014. Property taxes outstanding at December 31, 2014, net of allowance for uncollectible accounts, are recorded as a receivable in the governmental fund and government-wide financial statements. However, for the governmental fund financial statements, all property tax receivable amounts are recorded as deferred inflows of resources.

I. Unearned Revenue

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

J. Risk Management

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

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The change in claims for 2014 and 2013, including an estimate of incurred but not reported claims, is as follows:

	Risk	Liability	Health	
	Management	Self-Insurance	Insurance	Total
Unpaid claims, December 31, 2012	\$ 2,491	\$ 7,554	\$ 1,636	\$ 11,681
Incurred claims and changes in estimates	6,006	1,092	13,193	20,291
Claims paid	(5,220)	(4,840)	(13,549)	(23,609)
Unpaid claims, December 31, 2013	3,277	3,806	1,280	8,363
Incurred claims and changes in estimates	8,926	1,937	17,821	28,684
Claims paid	(7,654)	(1,779)	(17,308)	(26,741)
Unpaid claims, December 31, 2014	\$ 4,549	\$ 3,964	\$ 1,793	\$ 10,306

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

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

The City has elected to be self-insured through a high-deductible health insurance plan that is offered to current and eligible retired employees. There is a \$175 stop-loss coverage for each employee per annum. The City has contracted with a third party to service its health insurance claims. The City records a liability for the estimated outstanding claims at year-end in the self-insurance fund, which is included in accounts payable and other current liabilities in the statement of net position. The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

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

K. Compensated Absences

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

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated benefit and sick leave days are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. The entire cost of benefit and sick leave is recorded in the government-wide financial statements. Certain amounts have been recorded in the governmental fund financial statements, since such amounts came due (matured, for example, as a result of employee resignations and retirements) during the year ended December 31, 2014.

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L. Estimates and Uncertainties

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

M. Interfund Transactions

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

Transfers

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

Interfund Services Provided/Used

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

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

N. Bond Premiums, Discounts and Issuance Costs

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

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

O. Deferred Outflows and Inflows of Resources

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

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

Deferred inflows of resources are also reported in the fund financial statements for receivables that are not considered available at year-end or for which eligibility requirements have not been met.

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P. Net Position/Fund Balances

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

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

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

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

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

- 1) *Nonspendable* – This consists of resources that are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- 2) *Restricted* – This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.
- 3) *Committed* – This consists of resources that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. The City’s highest level of decision-making authority rests with the Council. Resources are reported as committed by the Council through passage of an ordinance. The Council can modify or rescind a commitment of resources through passage of a new ordinance.
- 4) *Assigned* – This consists of resources constrained by the government’s intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of \$43,285, which have been assigned to cover future purchases.
- 5) *Unassigned* – This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned.

Effective August 2011, the Council established the Fiscal Stability Fund under Fiscal Ordinance No. 11, which is reported in the Consolidated County Subfund of the City’s General Fund. At December 31, 2014, the unassigned fund balance of the Fiscal Stability Fund is \$80,224. Such monies have been set aside by the City-County Council to be maintained as a general reserve until such time the Council takes action to appropriate all or a portion of this amount. The ordinance that created the Fiscal Stability Fund does not dictate the circumstance under which such monies may be spent or provide requirements for any further additions to the fund.

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

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Q. Implementation of GASB Statements No. 67

During 2014, the City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* (“GASB Statement No. 67”). The objective of this statement is to improve financial reporting by state and local governmental pension plans. For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented.

The statement resulted from a comprehensive review of the effectiveness of previously existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27*, as they relate to pension plans that are administered through trusts or equivalent arrangements. Adoption of GASB Statement No. 67 had no effect on net position restricted for pensions or net increase in net position. It did, however, change required footnote disclosures and information required to be reported as required supplementary information.

R. Future Adoption of Accounting Pronouncements

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No 27* (“GASB Statement No. 68”) and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68*. The City intends to implement these GASB Statements, as applicable, on their respective effective dates. The impact of GASB Statement No. 68 on the City’s net position is expected to be significant, resulting from the accrual of the entire unfunded pension obligations of the City.

2. Cash Deposits and Investments

As of December 31, 2014, the City had the following cash deposits and investments:

Cash and investments	\$	367,481
Cash and investments with fiscal agents		205,050
Cash and investments – Fiduciary Funds		<u>19,104</u>
Total cash and investments	\$	<u><u>591,635</u></u>

Deposits

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

The City’s total cash deposits at December 31, 2014 were \$191,820. The City’s cash deposits are insured up to \$250 at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”). Any cash deposits in excess of the \$250 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

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Investments

Indiana statutes authorize the City to invest in United States obligations and issues of federal agencies, Indiana municipal securities, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, certificates of deposit and open-end money market mutual funds. Beginning in 2014, the City may invest in municipal securities issued by an Indiana local government entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any issuer's obligations within twenty years preceding the date of the purchase. At December 31, 2014, the City does not hold any of these securities.

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

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City's investment policy provides that the City seeks to minimize the risk that the market value of securities in its portfolio will decrease due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Beginning in 2014, the City may invest in securities for more than two years and not more than five years in accordance with IC 5-13-9-5.7. Under this policy, investments having maturities of more than two years are limited to 25% of the total portfolio. Below is a segmented time distribution for the City's debt investments at December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	Greater than 10
Government Sponsored-Enterprises:				
Federal Farm Credit Bank	\$ 49,991	\$ —	\$ 49,991	\$ —
Federal Home Loan Bank	84,999	—	84,999	—
Federal Home Loan Bank Discount Notes	10,000	10,000	—	—
Federal Home Loan Mortgage Corporation	45,000	—	45,000	—
Total U.S. Government-sponsored enterprise securities	<u>189,990</u>	<u>10,000</u>	<u>179,990</u>	<u>—</u>
United States Treasury Notes	84,949	—	84,949	—
United States Government-Backed:				
Money Market Mutual Funds	115,127	115,127	—	—
Mutual Funds	357	357	—	—
Money Market Mutual Funds	8,189	8,189	—	—
State External Investment Pool – TrustIndiana	1,203	1,203	—	—
	<u>\$ 399,815</u>	<u>\$ 134,876</u>	<u>\$ 264,939</u>	<u>\$ —</u>

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Credit Risk

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

At December 31, 2014, the City's investments were rated by Moody's and Standard & Poor's as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Ratings Moody's / S&P</u>
U.S. Government-Sponsored Enterprises Securities:		
Federal Farm Credit Bank	\$ 49,991	Aaa /AA
Federal Home Loan Bank	84,999	Aaa /AA
Federal Home Loan Bank Discount	10,000	Aaa /AA
Federal Home Loan Mortgage Corporation	45,000	Aaa /AA
Total U.S. Government-Sponsored Enterprise Securities	189,990	
United States Treasury Notes	84,949	Aaa/AAA
United States Government Backed:		
Money Market Mutual Funds	115,127	Aaa /AAA
Mutual Funds	357	Not Rated
Money Market Mutual Funds	8,189	Aaa/AAA
State External Investment Pool – TrustIndiana	1,203	Not Rated
	\$ 399,815	

Custodial Credit Risk

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

At December 31, 2014, all City investments and all collateral securities pledged against City investments are held by the counterparty's trust department or agent in the City's name except for \$42,333, which is not held in the City's name. The City's investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2014, as their existence is not evidenced by securities that exist in physical book entry form.

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Concentration of Credit Risk

The City policy provides that the City may invest in negotiable certificates of deposit having maturities of less than two years and in multiples of one million dollars providing that market yields on certificates of deposit exceed treasury bills of comparable maturity duration. The City has no investments in negotiable certificates of deposit at December 31, 2014.

At December 31, 2014, the following investments represent more than 5% of total investments:

U.S. Government-Sponsored Enterprise Securities:

Federal Home Loan Bank	24%
Federal Home Loan Mortgage Corporation	11%
Federal Farm Credit Bank	13%

Foreign Currency Risk

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

3. Receivables Disaggregation

Accounts receivable as of December 31, 2014, for the City, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts</u>	<u>Due from Other Governments</u>	<u>Total Accounts Receivable</u>
Governmental Activities:			
General Fund	\$ 6,255	\$ 17,575	\$ 23,830
Revenue Debt Service Fund	—	164	164
Other Nonmajor Governmental Funds	121	422	543
Total receivables	<u>6,376</u>	<u>18,161</u>	<u>24,537</u>
Allowance for uncollectible accounts	(826)	—	(826)
Total governmental activities	<u>\$ 5,550</u>	<u>\$ 18,161</u>	<u>\$ 23,711</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

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4. Due from Federal and State Governments

Amounts due under federal and state grants at December 31, 2014 were as follows:

	<u>Governmental Activities</u>	
	<u>General</u>	<u>Other Nonmajor Governmental</u>
Reimbursements under federal grants:		
Department of Housing and Urban Development (HUD)	\$ 4	\$ 6,344
Department of Justice (DOJ)	—	1,582
Department of Transportation (DOT)	192	1,346
U.S. Environmental Protection Agency (EPA)	—	84
Justice Assistance Grant (DOJ)	—	908
Department of Education (DOE)	—	167
Department of Homeland Security (DHS)	—	215
U.S. Department of Agriculture	—	123
Reimbursements under State of Indiana grants	—	24
	<u>\$ 196</u>	<u>\$ 10,793</u>

At December 31, 2014, the City had available lines of credit or grant authorizations from HUD totaling \$61,629.

5. Long-term Receivables

The City has U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2014 of \$26,427 including accrued interest of \$8,162. The City has provided a reserve of \$26,427 for these receivables given the uncertainty of collection. Many of these loans bear interest at rates ranging from 0% to 10% and mature over the next 30 years. Generally, principal and interest payments are based upon defined net cash flows and are deferred until sufficient cash flow is available. All deferred principal and interest are due at maturity. Loan repayments to the City are restricted for community and economic development purposes that would otherwise be eligible for reimbursement by HUD under Title I of the Housing and Community Development Act of 1974.

The City has loaned Comlux Realty, LLC (“Comlux”) \$6,500 under a Project and Loan Agreement dated August 1, 2011. The loan proceeds were used to finance the construction, acquisition, design, renovation, and equipping of an existing airport hangar building. Over the term of this agreement, which expires in 2021, the City will forgive up to \$500 of the loan if Comlux maintains at least 112 full-time employees at the facilities. During 2014, \$500 of the loan was repaid and \$50 was forgiven. At December 31, 2014, the City has recorded a \$350 reserve against the long-term receivable and the outstanding balance is \$1,350.

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On August 11, 2010, the City entered into two Asset Purchase Agreements with Citizens Energy Group (“CEG”) to sell the City’s water utility and the wastewater collection and treatment facilities. The primary assets sold included the waterworks production and distribution systems, and the wastewater collection and treatment system, including the advanced wastewater treatment facilities. On July 13, 2011, the Indiana Utility Regulatory Commission approved the sale of the City’s water utility and the wastewater collection and treatment facilities to CEG. The sale of the City’s water utility and wastewater collection and treatment facilities to CEG was closed on August 26, 2011.

In connection with the sale, CEG received \$783,085 of net wastewater collection and treatment facilities capital assets with a carrying value of \$783,085 and \$924,537 of net water utility assets with a capital asset carrying value of \$605,439. In return, CEG assumed \$485,483 of wastewater collection and treatment facilities debt (\$434,346 of bonded debt and \$51,137 of bond anticipation notes) and \$951,926 of water utility debt in addition to other water utility and wastewater collection and treatment facilities liabilities. CEG also agreed to fund the future principal and interest payments on general obligation bonds relating to the wastewater collection and treatment facilities (i.e., the sanitary district). At December 31 2014, the outstanding balance of this general obligation debt and the associated long-term receivable is \$28,700 and \$21,654, respectively. The sanitary district general obligations have maturities that extend through January 1, 2018.

During 2013, the City recorded a receivable of \$1,003 in relation to a bond refinancing transaction undertaken by the Bond Bank. The City issued bonds that were then purchased in their entirety by the Bond Bank using proceeds from bonds it concurrently issues to the public market. In this instance, the refinancing transaction only affected one series of bonds that had been previously issued by the Bond Bank. The receivable represents the savings in debt service that are to be passed on to the City by the Bond Bank and realized over the remaining life of the debt. The final principal payment is due January 1, 2018. At December 31 2014, the balance of the long-term receivable is \$918.

The minimum future payments as of December 31, 2014 on long-term receivables are as follows:

	<u>Governmental Activities</u>
	<u>Nonmajor</u>
	<u>Governmental Funds</u>
2015	\$ 362
2016	8,038
2017	7,497
2019	7,875
2019	50
2020-2024	<u>26,527</u>
	50,349
Less: allowance	<u>(26,777)</u>
Total	<u><u>\$ 23,572</u></u>

As of December 31, 2014, the City had a long-term pledge receivable amount outstanding of \$1,290 in relation to Canal Square. This amount is not recorded in the financial statements. The pledge states that these funds shall be returned to the City only if a sale or refinancing occurs. If either event occurs, the City is entitled to full repayment; however, the City is subordinate to the mortgage and also to the investors (to the extent of their capital contributions).

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6. Capital Assets

Following is a summary of changes in capital assets for the City’s governmental activities for the year ended December 31, 2014:

	Balance, January 1, 2014	Additions	Reductions	Balance, December 31, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 54,390	\$ 1,819	\$ 1,063	\$ 55,146
Construction in progress	214,237	67,119	89,887	191,469
Total capital assets not being depreciated	<u>268,627</u>	<u>68,938</u>	<u>90,950</u>	<u>246,615</u>
Capital assets being depreciated:				
Buildings	384,648	17,780	—	402,428
Improvements	162,332	18,217	—	180,549
Equipment	177,059	3,376	4,504	175,931
Infrastructure	2,855,893	78,561	26,320	2,908,134
Total capital assets being depreciated	<u>3,579,932</u>	<u>117,934</u>	<u>30,824</u>	<u>3,667,042</u>
Less accumulated depreciation:				
Buildings	155,459	12,921	19	168,361
Improvements	83,489	5,643	5	89,127
Equipment	122,001	13,755	4,483	131,273
Infrastructure	1,990,427	80,672	207	2,070,892
Total accumulated depreciation	<u>2,351,376</u>	<u>112,991</u>	<u>4,714</u>	<u>2,459,653</u>
Total capital assets being depreciated, net	<u>1,228,556</u>	<u>4,943</u>	<u>26,110</u>	<u>1,207,389</u>
Governmental activities capital assets, net	<u>\$ 1,497,183</u>	<u>\$ 73,881</u>	<u>\$ 117,060</u>	<u>\$ 1,454,004</u>

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Following is a summary of the changes in capital assets for the City's discretely presented component unit, the Housing Agency, for the year ended December 31, 2014:

	<u>Balance, January 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2014</u>
Housing Agency				
Capital assets not being depreciated:				
Land	\$ 18,124	\$ 427	\$ —	\$ 18,552
Construction in progress	643	2,955	576	3,021
Total capital assets not being depreciated	<u>18,767</u>	<u>3,382</u>	<u>576</u>	<u>21,573</u>
Capital assets being depreciated:				
Buildings and improvements	195,031	3,155	—	198,186
Equipment	6,541	440	87	6,894
Total capital assets being depreciated	<u>201,572</u>	<u>3,595</u>	<u>87</u>	<u>205,080</u>
Less accumulated depreciation:				
Buildings and improvements	45,901	5,416	—	51,317
Equipment	3,592	693	50	4,235
Total accumulated depreciation	<u>49,493</u>	<u>6,109</u>	<u>50</u>	<u>55,552</u>
Total capital assets being depreciated, net	<u>152,079</u>	<u>(2,514)</u>	<u>37</u>	<u>149,528</u>
Total Housing Agency	<u>\$ 170,846</u>	<u>\$ 868</u>	<u>\$ 613</u>	<u>\$ 171,101</u>

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2014 as follows:

Governmental Activities:

General government	\$ 752
Public safety	10,232
Public works	86,335
Cultural and recreation	6,235
Urban redevelopment and housing	4,316
Economic development and assistance	5,121
	<u>\$ 112,991</u>

Depreciation expense of \$6,109 was charged to the City's discretely presented component unit, the Housing Agency during 2014.

Construction in progress at December 31, 2014 consists of several ongoing projects. These types of projects include but are not limited to security upgrades, recreational facility improvements, and infrastructure improvements.

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At December 31, 2014, the City’s commitments relating to construction in progress include the following:

	Accrued Expenditures		
	<u>Authorized</u>	<u>Through December 31, 2014</u>	<u>Committed</u>
Department of Code Enforcement	\$ 138	\$ 138	\$ —
Department of Parks and Recreation	4,455	3,940	515
Department of Public Safety	13,741	13,642	99
Department of Public Works	220,630	164,632	55,998
Department of Metropolitan Development	9,153	9,117	36
Total governmental activities	<u>\$ 248,117</u>	<u>\$ 191,469</u>	<u>\$ 56,648</u>

7. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2014 for the City are as follows:

						Total
	<u>Vendors</u>	<u>Third-party Contracts</u>	<u>Due to Other Governments</u>	<u>Claims and Settlements</u>	<u>Accrued Payroll and Taxes</u>	<u>Payables and Other Current Liabilities</u>
Governmental Activities:						
General Fund	\$ 28,798	\$ —	\$ 27	\$ —	\$ 19,852	\$ 48,677
Other Nonmajor Governmental	5,254	2,434	1,310	—	190	9,188
Internal Service Fund	—	—	—	10,306	—	10,306
Adjustment to government-wide	—	—	—	5,460	—	5,460
Total governmental activities	<u>\$ 34,052</u>	<u>\$ 2,434</u>	<u>\$ 1,337</u>	<u>\$ 15,766</u>	<u>\$ 20,042</u>	<u>\$ 73,631</u>

8. Operating Leases and Management Contracts

A. Lessee Arrangements

Marion County Convention and Recreational Facilities Authority (“MCCRFA”)

In 1991, the City entered into a 25-year lease agreement with MCCRFA in relation to the development of a major aircraft maintenance and overhaul center (“Indianapolis Maintenance Center”) on land owned by the Indianapolis Airport Authority (“Airport Authority”). Concurrently, the City leased its interest in the associated site and facilities to the Airport Authority.

The Indianapolis Maintenance Center was operated by United Air Lines, Inc. (“United”) until May 2003, when United vacated the facilities and, through bankruptcy, rejected its lease with the Airport Authority for the site and facilities. Since 2004, a number of companies have entered into leases with the Airport Authority to use a portion of the Indianapolis Maintenance Center facilities for both aviation and non-aviation related businesses. United’s rejection of its lease in bankruptcy and the subsequent re-letting of the facilities does not affect the continuing obligation of the City under its lease agreement with MCCRFA.

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In connection with the above, the City pledged to make annual fixed lease rental payments to MCCRFA in amounts sufficient to fund the debt service requirements on MCCRFA’s Series 1991 Economic Development Lease Rental Revenue Bonds, which were issued to fund MCCRFA’s share of the Indianapolis Maintenance Center project. Such fixed lease rental payments are payable from Marion County Option Income Taxes (“COIT”) or other legally available monies. The City-County Council has covenanted not to take any action to repeal or rescind the COIT or the City’s pledge of fixed lease payments so long as the Commission still owes fixed lease rental payments under its lease with MCCRFA or so long as MCCRFA’s bonds remain outstanding. During 2014, the City paid \$14,220 in fixed lease rental payments in relation to its lease with MCCRFA. The City’s obligation extends through 2016.

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

The City and the County lease the office building and parking lot facilities they share, among other properties, from the Building Authority. The Building Authority is a separate municipal corporation, acting as a joint building authority, whose purpose is to finance, acquire, construct, improve, renovate, equip, operate, maintain, and manage land, governmental buildings, and communication systems for governmental entities within Marion County. Such facilities are sometimes financed by the Building Authority through the issuance of bonded debt. The Building Authority enters into long-term lease agreements, primarily with the City and the County, which provide for sufficient rent to service the debt (Fixed Rentals) and offset budgeted operating costs (Additional Rentals) of the leased facilities. All of the leases contain renewal and purchase options and provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. If the purchase options are not exercised, the leases provide for the transfer, upon expiration of the lease, of ownership of the facilities to the lessee governments free and clear of all obligations of the lease. The governing Indiana statute with respect to each of the Building Authority’s leases provides that the lessee governments shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. The City currently has no Fixed Rental obligations to the Building Authority. During 2014, the City paid \$1,137 in Additional Rentals. The City’s lease agreements with the Building Authority expire on various dates through December 31, 2022.

The City and the County have also entered into a number of management contracts with the Building Authority. Such contracts provide for the construction, operation and/or maintenance of facilities for use by various departments of the City and the County. In some instances, the City and the County advance funds to the Building Authority for construction of new facilities. In other instances, management contracts are established for existing facilities. Under each of their management contracts, the City and the County designate the Building Authority as their agent and manager for purposes of constructing, maintaining and/or managing the facilities. Like Additional Rentals, annual Maintenance Fees are payable to the Building Authority for facilities covered under management contracts and vary each year based on the operating expense budgets for the facilities. During 2014, the City paid the Building Authority \$938 in Maintenance Fees. The City’s management contracts expire on various dates through June 30, 2018.

Other Lessee Arrangements

The City, as lessee, has also entered into various other operating leases for rental of equipment and properties. Total rental expense in relation to these other operating leases was \$2,113 for governmental activities in 2014. The leases expire at various dates through 2035. Minimum future payments on all noncancelable operating leases as of December 31, 2014 are as follows:

	<u>Governmental Activities</u>
2015	\$ 16,152
2016	16,028
2017	1,772
2018	698
2019	686
2020–2024	1,738
2025–2035	182
Total future payments	<u>\$ 37,256</u>

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B. Lessor Arrangements

City Market

In 2007, the City renewed its long-term operating lease with the Indianapolis City Market Corporation (“Market”), a not-for-profit organization formed for the purpose of operating the Indianapolis City Market. The lease was extended through February 28, 2011 and provided for a five-year renewal option at that time. As of June 2015, the renewal option has not been exercised. The Market is to pay an annual rental fee of one dollar, plus 100% of the net cash flow, if any, remaining after the payment of normal costs of operations and maintenance. In 2014, the City contributed additional subsidies to the Market of \$446.

Circle Centre Mall

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

Other Lessor Arrangements

The City is also the lessor in several operating lease agreements with other outside parties. These leases include various properties and portions of property acquired by the City. The cost of the leased property is \$1,642. As of December 31, 2014, the leased property had a carrying amount of \$950 and current year depreciation of \$70. These properties are leased for terms generally ranging from 5 to 99 years (some for \$0 per year). Total rental income amounted to \$1,009 in 2014.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2014 are as follows:

		Governmental Activities
2015	\$	343
2016		314
2017		252
2018		171
2019		72
2020 – 2024		259
Total future receipts	\$	1,411

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9. Long-Term Liabilities

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the City's governmental activities and for its discretely presented component unit, the Housing Agency, for the year ended December 31, 2014:

	Balance, January 1, 2014	Additions	Reductions	Balance, December 31, 2014	Due within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds payable	\$ 180,800	\$ —	\$ 24,645	\$ 156,155	\$ 25,830
Tax increment bonds payable	626,551	70,651	50,058	647,144	34,190
Revenue bonds payable	260,150	—	4,705	255,445	4,935
Unamortized amounts:					
Premiums	39,393	6,215	5,378	40,230	—
Total bonds payable	1,106,894	76,866	84,786	1,098,974	64,955
Notes payable and certificates of participation	28,732	18,000	6,310	40,422	5,289
Capital leases payable	8,038	605	94	8,549	189
Net pension obligation	398,211	51,066	57,926	391,351	—
Postemployment benefit obligation	108,753	19,532	—	128,285	—
Compensated absences	34,270	28,839	27,954	35,155	16,638
Total governmental activities	\$ 1,684,898	\$ 194,908	\$ 177,070	\$ 1,702,736	\$ 87,071
Discretely Presented Component Unit - Housing Agency:					
Capital leases payable	\$ 465	\$ 81	\$ 366	\$ 180	\$ 80
Notes payable	24,592	—	9,807	14,785	2,573
Due to other governmental units	1,756	—	—	1,756	129
Unearned revenue and FSS escrow	3,967	793	475	4,285	808
Compensated absences	221	373	364	230	23
Total discretely presented component unit	\$ 31,001	\$ 1,247	\$ 11,012	\$ 21,236	\$ 3,613

Included in additions to bonds payable is \$7,861 representing accretion on capital appreciation bonds, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount, plus \$62,790 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance amount to the \$70,651 of related additions reflected in the roll forward above.

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B. General Obligation Bonds

The City's general obligation bonds provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations, and pledge the full faith and credit, of the City. General obligation bonds outstanding as of December 31, 2014 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest (All Maturities)</u>	<u>Outstanding</u>
Civil City Bonds:				
Pension Bonds, Series 2005A	02/03/2005	01/15/2022	3.660% – 5.280%	\$ <u>58,560</u>
Total Civil City Bonds				<u>58,560</u>
Redevelopment District Bonds:				
Redevelopment District Refunding Bonds, Series 2009A	08/04/2009	01/01/2015	2.750 – 4.000	<u>265</u>
Total Redevelopment District Bonds				<u>265</u>
Sanitary District Bonds:				
Sanitary District Refunding Bonds, Series 2003A	07/09/2003	01/01/2018	3.000 – 5.500	4,790
Sanitary District Refunding Bonds, Series 2007C	11/08/2007	01/01/2018	5.000	23,395
Sanitary District Refunding Bonds, Series 2009A	08/04/2009	01/01/2015	2.750 – 4.000	<u>515</u>
Total Sanitary District Bonds				<u>28,700</u>
Public Safety Communication System Bonds:				
Computer Facilities District Bonds, Series 2008B	12/18/2008	01/15/2024	2.350 – 5.600	<u>28,350</u>
Total Public Safety Communication System Bonds				<u>28,350</u>

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	<u>Issue Date</u>	<u>Final Maturity date</u>	<u>Interest (All Maturities)</u>	<u>Outstanding</u>
Flood Control District Bonds:				
Flood Control District Refunding Bonds, Series 2003A	07/09/2003	01/01/2018	3.000 – 5.500	\$ 948
Flood Control District Refunding Bonds, Series 2007A	11/08/2007	01/01/2018	5.000	4,635
Flood Control District Refunding Bonds, Series 2009A	08/04/2009	02/01/2015	2.750 – 4.000	<u>180</u>
Total Flood Control District Bonds				<u>5,763</u>
Metropolitan Thoroughfare District Bonds:				
Metropolitan Thoroughfare District Refunding Bonds, Series 2003A	07/09/2003	01/01/2018	3.00 – 5.500	3,644
Metropolitan Thoroughfare District, Series 2003A	07/09/2003	01/01/2018	4.500 – 5.500	1,040
Metropolitan Thoroughfare District, Series 2007A	11/08/2007	01/01/2018	5.000	<u>17,835</u>
Total Metropolitan Thoroughfare District Bonds				<u>22,519</u>
Park District Bonds:				
Park District of 1993 Refunding Bonds, Series 2003A	07/09/2003	01/01/2018	3.000 – 5.500	2,038
Park District Refunding Bonds, Series 2007A	11/08/2007	01/01/2018	5.000	<u>9,960</u>
Total Park District Bonds				<u>11,998</u>
Total general obligation bonds recorded in governmental activities				156,155
Less: matured bonds payable recorded in the debt service funds				<u>(21,255)</u>
				<u>\$ 134,900</u>

All principal and interest payments for the City's general obligation bonds are due on January 1 and July 1 of the respective year. Accordingly, the City appropriates all payments due on January 1 in the year before payment is due and provides the amount in the Debt Service Funds. All serial bond principal and interest payments due January 1, 2015 have been recorded as matured bonds payable and matured interest payable at December 31, 2014 within the fund statements.

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

Years Ending December 31	Redevelopment							
	Civil City		General		Sanitary		Flood Control	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 6,625	\$ 2,892	\$ 265	\$ 5	\$ 7,046	\$ 1,267	\$ 1,473	\$ 253
2016	6,940	2,573	—	—	6,864	919	1,360	182
2017	7,280	2,230	—	—	7,212	564	1,431	111
2018	7,655	1,863	—	—	7,578	191	1,499	38
2019	8,045	1,468	—	—	—	—	—	—
2020 - 2024	22,015	1,769	—	—	—	—	—	—
	<u>\$ 58,560</u>	<u>\$ 12,795</u>	<u>\$ 265</u>	<u>\$ 5</u>	<u>\$ 28,700</u>	<u>\$ 2,941</u>	<u>\$ 5,763</u>	<u>\$ 584</u>

	Metropolitan Thoroughfare				Public Safety			
			Park		Communications System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,223	\$ 1,006	\$ 2,778	\$ 535	\$ 2,420	\$ 1,423	\$ 25,830	\$ 7,380
2016	5,485	735	2,926	391	2,520	1,317	26,095	6,116
2017	5,758	451	3,069	240	2,635	1,204	27,385	4,801
2018	6,053	153	3,225	81	2,765	1,074	28,775	3,400
2019	—	—	—	—	2,905	934	10,950	2,403
2020 - 2024	—	—	—	—	15,105	2,162	37,120	3,932
	<u>\$ 22,519</u>	<u>\$ 2,345</u>	<u>\$ 11,998</u>	<u>\$ 1,247</u>	<u>\$ 28,350</u>	<u>\$ 8,114</u>	<u>\$ 156,155</u>	<u>\$ 28,032</u>

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C. Tax Increment Revenue Bonds

These bonds are issued to provide funds for the construction and maintenance of the City’s infrastructure, such as streets and sidewalks. These bonds will be repaid from amounts levied against the property owners that will benefit by this construction. Tax increment revenue bonds outstanding as of December 31, 2014 are as follows:

	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
Redevelopment District, Series 1999B:				
Capital appreciation	08/12/99	02/01/29	5.650 – 5.820	\$ 241,640
Less: discount				<u>(100,523)</u>
				<u>141,117</u>
Redevelopment District Bonds, Series 2007A	12/13/07	02/01/21	4.000 – 4.125	5,230
Redevelopment District Bonds, Series 2007 (Ameriplex)	12/28/07	02/01/23	6.200	3,675
Redevelopment District Bonds, Series, 2007 (Glendale)	05/10/07	02/01/27	5.450 – 6.210	4,325
Redevelopment District Bonds Series 2008B	05/08/08	02/01/38	3.250 – 5.000	55,185
Redevelopment District Bonds, Series 2009A	09/02/09	02/01/20	3.000 – 5.000	145,780
Redevelopment District Bonds, Series 2009B	09/02/09	02/01/15	1.790 – 3.800	115
Redevelopment District Bonds, Series 2010A	06/03/10	02/01/25	5.000	5,567
Redevelopment District Bonds, Series 2011A	03/10/11	08/01/24	.500 – 5.000	32,625
Redevelopment District Bonds, Series 2011C	05/19/11	02/01/36	4.000 – 5.750	25,425
Redevelopment District Bonds, Series 2010 (Dow AgroSciences)	06/22/10	02/01/25	3.000 – 5.125	17,375
Redevelopment District Bonds, Series 2010 (AIT Laboratories)	11/04/10	02/01/35	2.600 – 5.150	5,045
Redevelopment District Bonds, Series 2012A	09/25/12	08/01/20	3.340	2,300
Redevelopment District Refunding Bonds, Series 2013A	05/16/13	02/01/29	2.000 – 5.000	23,590
Redevelopment District Bonds, Series 2013A	05/16/13	02/01/30	5.000	3,915
Economic Development Revenue Bonds, Series 2011A (North of South)	04/07/11	02/01/36	5.000 – 5.750	81,640
Economic Development Revenue Bonds, Series 2011B Taxable (North of South)	04/07/11	02/01/21	2.913 – 4.813	15,310
Economic Development Revenue Bonds, Series 2013A	05/16/13	02/01/30	5.000	14,270
Economic Development Revenue Bonds, Series 2013B	05/16/13	02/01/30	5.000	1,865
Redevelopment District Refunding Bonds, Series 2014 (Fall Creek Project)	06/26/14	2/1/2029	.450 - 4.500	11,420
Economic Development Revenue Bonds, Series 2014A (Mass. Ave. Project)	09/03/14	2/1/2031	5.000	27,320
Economic Development Revenue Bonds, Series 2014B Taxable (Mass. Ave. Project)	09/03/14	2/1/2024	2.300-3.430	2,505
Economic Development Revenue Bonds, Series 2014C (MSA Project)	09/03/14	2/1/2029	2.000-5.000	17,145
Economic Development Revenue Bonds, Series 2014D Taxable (Pulliam Project)	09/03/14	2/1/2029	5.000	3,320
Economic Development Revenue Bonds, Series 2014E (Pulliam/Millikan Project)	09/03/14	2/1/2020	2.300-2.600	<u>1,080</u>
Total tax increment revenue bonds				<u>\$ 647,144</u>

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

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On June 26, 2014, the City issued its Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2014 (Fall Creek Project) in the amount of \$11,420. The proceeds from these bonds, together with other available funds on hand, were used to current refund all of the City's outstanding Redevelopment District 2004 Series A Bonds and Redevelopment District Notes, Series 2010B, which had outstanding principal amounts of \$10,255 and \$2,800. The refunding resulted in an accounting loss of \$1,160, which has been deferred and is being amortized over the life of the new bonds. As a result of the refunding, the City reduced its total debt service requirements by \$1,592, which resulted in an economic gain (the difference between the present values of the debt services payments on the old debt and the new debt) of \$1,406.

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2014A in the amount of \$27,320. The proceeds, along with funds on hands, were used to redeem the Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013B in the principal amount of \$15,000. In addition, the proceeds will finance the construction, renovation, improvement and equipping of a new mixed-use development project, consisting of one more buildings which will provide approximately 235 apartments and ground-floor retail, (collectively, the "Mass Avenue Development Project"). The proceeds will also be used for the acquisition of the real property upon which the existing headquarters of the American Red Cross of Greater Indianapolis is located and the relocation, construction, renovation, improvement and equipping thereon of facilities for the new Indianapolis Fire Department Headquarters and the new Fire Station 7.

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Taxable Series 2014B in the amount of \$2,505. The proceeds, along with funds on hands, were used to redeem the Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013A in the principal amount of \$2,325.

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2014C in the amount of \$17,145. The proceeds are being used to finance certain projects, additions, and improvements within the City, including all or any portion of the acquisition, design, construction, renovation, improvement and equipping of a new 28-story mixed-use development facility, consisting of approximately 300 luxury apartments and approximately 43,000 square feet of lower level retail space, and a parking garage facility containing approximately 550 spaces, (collectively, the "Market Square Arena ("MSA") Redevelopment Project").

On September 3, 2014, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2014D in the amount of \$3,320 and its Economic Development Tax Increment Revenue Bonds Taxable, Series 2014E in the amount of \$1,080. The proceeds are being used to finance certain projects, additions, or improvements within the City, including certain local public infrastructure improvements to an area of the City generally comprised of the former site of the Indianapolis Star Headquarters, including the acquisition, design, construction, renovation, and or equipping of improvements to North Talbot Street, between East New York Street and East Vermont Street, and including the design, construction and or equipping of a new dog park for the benefit of surrounding residential users. In addition, the proceeds will finance the construction, renovation and or equipping of improvements to the existing parking garage at the southwest corner of North Delaware Street and East Vermont Street. Proceeds will also finance certain public infrastructure improvements to the area of the City generally located along the 500 block of Massachusetts Avenue, including the design, construction, renovation, and or equipping of a new multi-story, mixed-use development facility, consisting of approximately 64 apartment units and approximately 15,000 square feet of ground-level retail space and the design, and including a new public plaza located between the new mixed-use development facility and the existing Barton Tower site.

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

<u>Years Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 34,190	\$ 23,554	\$ 57,744
2016	36,326	22,236	58,562
2017	37,788	20,646	58,434
2018	39,206	18,920	58,126
2019	41,120	17,099	58,219
2020 - 2024	222,602	65,595	288,197
2025 - 2029	203,910	47,227	251,137
2030 - 2034	101,350	17,895	119,245
2035 - 2038	31,175	2,327	33,502
	<u>747,667</u>	<u>235,499</u>	<u>983,166</u>
Less: deferred interest on capital appreciation bonds	(100,523)	—	(100,523)
Total	<u>\$ 647,144</u>	<u>\$ 235,499</u>	<u>\$ 882,643</u>

D. Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at December 31, 2014 are as follows:

	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
Governmental activities:				
Indy Roads Revenue Refunding Bonds, Series 2013	09/25/13	01/01/19	3.000 – 5.000	\$ 7,460
Facilities Revenue Bonds, Series 2006	02/16/06	01/15/21	4.000 – 5.000	9,535
Facilities Revenue Bonds, Series 2007	12/17/07	07/15/21	3.750 – 4.125	2,070
Stormwater District Revenue Bonds, Series 2011	08/10/11	01/01/41	3.580	15,410
Stormwater District Revenue Refunding Bonds, Series 2013	10/16/13	01/01/26	2.000 – 5.000	37,915
PILOT Revenue Bonds, Series 2010A	08/12/10	01/01/40	5.000	159,515
Economic Development Refunding Bonds, Series 2012A	12/20/12	04/01/30	0.60 – 3.0	7,205
Economic Development Refunding Bonds, Series 2012B	12/20/12	04/01/39	2.000 – 5.000	<u>16,335</u>
Total revenue bonds recorded in governmental activities				255,445
Less matured bonds payable recorded in debt service funds				<u>(2,790)</u>
				<u>\$ 252,655</u>

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All principal and interest payments for the City’s revenue bonds are due on January 1 and July 1, January 15 and July 15, or April 1 and October 1 of the respective year. Accordingly, the City appropriates all payments due on January 1 and January 15 in the year before payment is due and provides the amount in the Debt Service Funds. Payments due in April, July, or October will be appropriated in the year due. All revenue bond principal and interest payments due January 1, 2015 and January 15, 2015 have been recorded as matured bonds payable and matured interest payable at December 31, 2014.

Revenue bond debt service requirements to maturity are as follows:

Years Ending December 31	Governmental Activities	
	Principal	Interest
2015	\$ 4,935	\$ 11,644
2016	5,705	11,724
2017	5,910	11,511
2018	6,140	11,282
2019	11,235	10,871
2020 - 2024	53,200	46,769
2025 - 2029	46,920	34,777
2030 - 2034	47,660	24,148
2035 - 2039	60,475	10,967
2040 - 2041	13,265	382
	<u>\$ 255,445</u>	<u>\$ 174,075</u>

At December 31, 2014, \$55,790 of defeased revenue bonds remain outstanding and have been removed from the basic financial statements.

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E. Pledged Revenues

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

Revenue Bond Issue	General Purpose for Debt	Term of Commitment	Pledged Revenue	Principal and Interest for Fiscal Year Ended December 31, 2014	Pledged Revenues for Fiscal Year Ended December 31, 2014	Total Principal and Interest Remaining on Debt
Tax increment revenue	Infrastructure investment in various special taxing districts	Through 2038	Property tax increment	\$ 57,605	\$ 82,319	\$ 818,955
Transportation revenue	Construction, reconstruction, and repair of roads, streets, and sidewalks	Through 2019	Wheel tax and state transportation distributions	1,839	13,250	8,287
Facilities revenue	Improvements and repairs to various city and county-owned buildings	Through 2021	Rent charged back to City and County agencies	1,935	1,956	13,546
Stormwater	Improvements of stormwater handling capabilities	Through 2041	Net revenues of the stormwater system	3,985	4,981	74,928
Economic development	Provide financial incentives and assistance to a private developer for the construction of a downtown hotel	Through 2039	Parking garage fees	1,575	1,575	39,067
PILOT	Construction of certain improvements to the City's public roads, street and sidewalks, and	Through 2040	Payments in lieu of taxes	7,910	4,307	293,697

* The shortfall in 2014 pledged PILOT revenues was covered by accumulated PILOT payments from prior years.

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F. Notes Payable and Certificates of Participation

1. The City has outstanding notes payable related to HUD Section 108 loan proceeds. The notes payable, with an original amount of \$5,700, were issued in 2000 and 2001. Under the terms of the agreement, the City makes principal and interest payments on each February 1 and August 1, with the last payment being due on August 1, 2020. At December 31, 2014, \$1,800 was still outstanding.
2. On April 29, 2010, the City entered into a Master Lease-Purchase Agreement with the Capital Asset Financing Corporation (“CAFCO”). CAFCO is an Indiana Leasing Trust who acts as the lessor of the equipment, with the City as lessee. A trustee has been appointed to collect and disburse all amounts due under the lease agreements. CAFCO issued Certificates of Participation Series, 2010A and 2010B for \$6,010 and \$1,360, respectively. The proceeds from the Certificates were used to purchase vehicles for the City’s Departments of Public Safety and Public Works. The basic rent payments and, consequently, the principal and interest components payable to the owners of the Certificates are payable on June 1 and December 1, with the Certificates fully maturing on June 1, 2018. The outstanding balance of the Certificates at December 31, 2014 is \$1,670.
3. On July 30, 2010, the City issued Redevelopment District Notes, Series 2010C, in the amount of \$2,500. The proceeds from the sale of the Series 2010C Notes, along with \$197 of cash on hand, were used to pay off the Redevelopment District Limited Recourse Notes, Series 2005C, which were outstanding in the amount of \$2,500. Principal and interest amounts are paid from tax increment revenues collected in the Barrington (“HOTIF”) allocation area. The notes bear interest at a per annum rate of 3.92%. The outstanding balance at December 31, 2014 is \$2,500, which will mature on July 30, 2015.
4. On October 8, 2010, the City entered into an agreement with Fifth Third Leasing Company to issue notes in the amount of \$18,800. The proceeds were used to complete energy improvements at various City owned properties. The notes are payable over a 15-year period beginning on January 1, 2013 and fully mature on July 31, 2027. The stated interest rate is 3.23%. The provision of the note agreement guarantees that the City will realize sufficient energy savings to fully cover the note’s debt service. The outstanding balance of the notes at December 31, 2014 is \$17,187.
5. In 2011, the Metropolitan Development Commission of the City entered into an agreement to purchase an existing parking garage known as the Market Development garage for \$18,000 in an installment purchase agreement. The installment agreement is being paid for by parking revenues collected and remitted by a third party operator Denison Parking. Any shortfalls in funding are being funded by the Circle Area Community Development Corporation (CACDC). CACDC acts as the City’s agent in the operating of the parking garage. The installment contract has a balloon payment due on January 15, 2018 of \$15,600. It is anticipated the balance will either be refinanced or the garage will be sold prior to the January 15, 2018 maturity date. The outstanding balance of the note at December 31, 2014 is \$17,265.

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

<u>Years Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 5,289	\$ 1,750
2016	2,363	1,567
2017	2,445	1,479
2018	17,309	924
2019	1,591	397
2020 – 2024	7,416	1,298
2025 – 2029	4,009	196
	<u>\$ 40,422</u>	<u>\$ 7,611</u>
Less matured note payables	<u>(260)</u>	
	<u>40,162</u>	

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G. Capital Leases Payable:

The City enters into financing arrangements for capital assets from time to time, which by for accounting purposes are considered capital lease obligations. At December 31, 2014, the total net book value of capital assets under such leases was \$8,954 and the related capital lease obligations amounted to \$8,549.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2014:

	Governmental Activities
2015	\$ 784
2016	784
2017	784
2018	784
2019	784
2020-2024	3,723
2025-2029	3,800
2030-2034	3,800
2035-2039	2,280
	17,523
Amount representing interest	(8,974)
Present value of net minimum lease payments	\$ 8,549

H. Other Long-Term Liabilities:

1. Net Pension Obligations: As discussed later in these notes, the Police and Firefighters’ Pre-1977 Pension Plans are funded on a “pay-as-you-go” basis.
2. Postemployment Benefit Obligation: As discussed later in these notes, the City provides postemployment healthcare benefits for police officers and firefighters. Civilian employees may continue healthcare coverage but are required to contribute 100% of their annual premium.
3. Compensated Absences Payable: A long-term liability for benefit and sick leave earned but not paid of \$35,155 at December 31, 2014 is recorded in the government-wide statements.

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

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10. Bond Anticipation Notes

On September 30, 2013, the City issued Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013A (“Series 2013A Notes”) in the amount of \$2,325. The proceeds are being used for the relocation, construction, renovation, improvement and equipping of a new headquarters for the Red Cross of Greater Indianapolis to replace the existing headquarters, which will be displaced by the Mass Avenue Development Project. These notes had a maturity date of September 30, 2014. On September 3, 2014 the Series 2013A Notes were redeemed upon issuance of the Economic Development Tax Increment Revenue Bonds, Taxable Series 2014B in the amount of \$2,505.

On November 26, 2013, the City issued Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013B (“Series 2013 B Notes”) in the amount of \$15,000. The Series 2013B Notes were structured as a draw-down loan, which permitted the City to draw down funds as needed to pay project costs. The proceeds are being used for the construction, renovation, improvement and equipping of a new mixed-use development project, consisting of one or more buildings, which will provide approximately 235 apartments and ground-floor retail and include substantial infrastructure improvements (collectively, the “Mass Ave Development Project”). These notes had a maturity date of September 30, 2014. On September 3, 2014 the Series 2013B Notes were redeemed upon issuance of the Economic Development Tax Increment Revenue Bonds, Series 2014A in the amount of \$17,145.

<u>Bond anticipation notes</u>	<u>Balance January 1, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance December 31, 2014</u>
Economic Development Tax Increment Bond Anticipation Note, Series 2013 A	\$ 2,325	\$ —	\$ 2,325	\$ —
Economic Development Tax Increment Bond Anticipation Note, Series 2013 B	15,000	—	15,000	—
	<u>\$ 17,325</u>	<u>\$ —</u>	<u>\$ 17,325</u>	<u>\$ —</u>

11. Conduit Debt

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

As of December 31, 2014, the Council had approved 106 series of Economic Development Revenue Bonds for a total not-to-exceed amount of \$1,361,423. The aggregate principal amount outstanding on the City’s conduit debt issued prior to 2001 cannot be determined. However, the aggregate principal amount outstanding at December 31, 2014 since 2001 is \$245,311.

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12. Fund Balance

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

	<u>General Fund</u>	<u>Revenue Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Permanent fund (principal and interest)	\$ —	\$ —	\$ 357	\$ 357
Long-term receivable	—	—	1,918	1,918
	<u>—</u>	<u>—</u>	<u>2,275</u>	<u>2,275</u>
Restricted for:				
Street maintenance and projects	15,531	—	—	15,531
Sidewalk, curb, and street repair	—	—	8,103	8,103
Stormwater management	16,538	—	—	16,538
Debt service	—	158,354	28,731	187,085
Capital projects	—	—	73,386	73,386
Operating expenditures	—	—	2,798	2,798
Public safety	—	—	3	3
	<u>32,069</u>	<u>158,354</u>	<u>113,021</u>	<u>303,444</u>
Committed to:				
Rebuild Indy projects	37,698	—	—	37,698
Utility monitoring	294	—	—	294
	<u>37,992</u>	<u>—</u>	<u>—</u>	<u>37,992</u>
Assigned to:				
Redevelopment	22,277	—	—	22,277
Solid waste collection	8,443	—	—	8,443
Solid waste disposal	583	—	—	583
Parks and recreation	4,349	—	—	4,349
Stormwater management	3,560	—	—	3,560
Operating expenditures	36,299	—	—	36,299
Public safety	8,391	—	—	8,391
	<u>83,902</u>	<u>—</u>	<u>—</u>	<u>83,902</u>
Unassigned	<u>70,784</u>	<u>—</u>	<u>(364)</u>	<u>70,420</u>
Total fund balance	<u>\$ 224,747</u>	<u>\$ 158,354</u>	<u>\$ 114,932</u>	<u>\$ 498,033</u>

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13. Postemployment Benefits Other Than Pensions

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (“GASB Statement No. 45”), the City recognizes the cost of postemployment healthcare benefits over a period that approximates the employees’ years of service and provides information useful in assessing potential demands on the City’s future cash flows. Recognition of the liability accumulated from prior years is being amortized over 30 years.

A. Plan Description

The City maintains and provides postemployment medical care (“OPEB”) for retired employees through a single-employer defined benefit medical plan, which the City administers. The plan provides medical benefits for eligible retirees, their spouses, and dependents through the City’s group health insurance plans, which cover both active and retired members.

Eligible retirees must meet the following criteria:

Civilian

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

Police

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

Firefighters

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

Benefit provisions are established through negotiations between the City and the union representing the City’s employees and are renegotiated each three-year bargaining period. The plan is not accounted for as a trust fund, because an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report.

B. Funding Policy

Contribution requirements are negotiated between the City and union representatives. For fiscal year 2014, the City contributed \$1,324 to the plan and the active officers’ contributions were \$689. From the contributions paid, 60% of the cost of current year premiums for eligible police and fire retired plan members and their spouses are made. Plan members receiving benefits contribute 40% of their premium costs.

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

C. Annual OPEB Costs and Net OPEB Obligation

The City’s annual OPEB cost is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 and, in accordance therewith, the City has elected to perform an actuarial valuation of the OPEB on a biennial basis. The last actuarial valuation performed by the City was as of December 31, 2013. The next valuation will be completed as of December 31, 2015. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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The City's annual OPEB cost for the current year and the related information are as follows at December 31, 2014:

Annual required contribution	\$	20,975
Interest on net OPEB obligation		4,078
Amortization		<u>(4,197)</u>
Annual OPEB cost (expense)		20,856
Contributions made		<u>(1,324)</u>
Increase in net OPEB obligation		19,532
Net OPEB obligation – beginning of year		<u>108,753</u>
Net OPEB obligation – end of year	\$	<u><u>128,285</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013, and 2012 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2014	\$ 20,856	\$ 1,324	6.35 %	\$ 128,285
2013	22,715	1,607	7.07	108,753
2012	17,691	1,647	9.31	87,645

D. Funded Status and Funding Progress

The funded status of the plan based on the most recent biennial actuarial valuation for the plan, dated as of December 31, 2013, was as follows:

Actuarial accrued liability	\$	161,253
Actuarial value of plan assets		<u>—</u>
Unfunded actuarial accrued liability	\$	<u><u>161,253</u></u>
Funded ratio		0%
Covered payroll	\$	271,716
Unfunded actuarial accrued liability as a percentage of covered payroll		59.35%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the accompanying notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions used for this fiscal year valuation were as follows:

Actuarial valuation date	December 31, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of expected payroll
Amortization period	30 years open
Actuarial Assumptions:	
Discount rate	3.75% effective annual rate
Projected salary increases	2.75%
General inflation rate	2.50%
Healthcare inflation rate	Starting at 6.50% per year and gradually decreasing to 4.50% over a period of 75-85 years, depending on the medical plan

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14. Pension Plans

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

1. Police and Firefighters' Plans

Pre-1977 Plans

Plan Description

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

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

Funding Policy

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

Beginning in 2009, the State began paying the entire annual cost of pension benefits for the police officers and firefighters who are participants of the Pre-1977 plans, including those of the City. Since the City still must pay the benefits under the plans and be reimbursed by the State, these are still considered to be "pay-as-you-go" plans. The payments from the State are estimated each year and any overage or underage is to be adjusted in the next year. The present value of expected future funding to be received from the State of Indiana for pension relief contributions to the City's Police and Firefighters' Pre-1977 Plans totaled \$937,976 as of December 31, 2014. In 2014, the State of Indiana contributed \$57,926 of pension relief to the City's Police and Firefighters' Pre-1977 Plans.

Retirement Benefits

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

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Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

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

Statutory Plan

Plan Description

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

Funding Policy

The INPRS Board has established a funding policy that requires that employee contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the unfunded actuarial accrued liability. Presently, covered employees are annually required to contribute 6% of their compensation over the term of their employment up to 32 years. The City currently pays half of the employee contribution in accordance with its associated labor agreements. This is in addition to the annual employer's contribution determined by INPRS based on a valuation using the entry age normal cost method. The rate of employer contribution is 19.7% of each employee's annual compensation.

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

Beginning January 1, 2009, the Indiana General Assembly assumed responsibility for the total amount of pension, disability and survivor benefits payable to converttees to the Police and Firefighters' Statutory Plan.

Retirement Benefits

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

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Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for the Police and Firefighters' Statutory Plan. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. The INPRS Board approved an employer contribution rate of 19.7% for calendar years 2014, 2013 and 2012, as compared to the actuarially determined contribution rates of 16.52%, 12.59% and 19.8%, respectively, for these same years. The City's contributions to the plan for the years ended December 31, 2014, 2013, and 2012 were \$31,333, \$30,354, and \$30,519, respectively, equal to the annual required contributions and 19.7% of covered payroll for each year.

Deferred Retirement Option Plan

Indiana's Deferred Retirement Option Plan ("DROP"), which was enacted into law in 2002, is available to all participants of the Police and Firefighters' Pre-1977 and Police and Firefighters' Statutory Plans. Those employees who elect to participate must remain in active employment, continue to make contributions to the plan and elect a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. Participating employees remain in the DROP until reaching the applicable mandatory retirement age and may make a DROP election only once in the employee's lifetime. Upon retirement, a DROP participant will receive a DROP frozen benefit to be paid in a lump-sum distribution or in 3 equal installments commencing on the participant's DROP retirement date. The City does not set aside amounts for the DROP participants under the Police and Firefighters' Pre-1977 Plans. As of December 31, 2014, a total of \$45,000 is held under the DROP for participating employers of the Police and Firefighters' Statutory Plan.

2. All Other City Employees' Plan

Plan Description

The City also contributes to the Indiana Public Employees' Retirement Fund ("PERF"), established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by INPRS and is governed by the INPRS Board. PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Except for police and firefighters, all full-time City employees are eligible to participate in this plan. Additionally, all full-time employees of the Housing Agency participate in PERF under the City's employer account. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF. 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' ASA Only Plan ("PERF ASA Only Plan"). However, the PERF ASA Only Plan, which became effective March 1, 2013, only applies to newly hired full-time employees of the State of Indiana who may elect to participate in either the PERF Hybrid Plan or the PERF ASA Only Plan.

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

Prior to July 1, 2013, PERF operated as an agent, multiple-employer defined-benefit pension plan. Effective July 1, 2013, PERF converted to a cost-sharing, multi-employer defined-benefit pension plan. This means the pension obligations to the employees of all participating employers have been pooled and pension plan assets can be used to pay the benefits of the employees of any participating employer. This change did not affect the contribution rate for the City.

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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 2014, the City contributed 10.5% of employee compensation to the plan. The ASA consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the City has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their ASA. An employee's contribution and interest credits belong to the employee and do not belong to the state or the City.

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 ASA. Retirement benefits vest after ten years of creditable service. The vesting period is eight years for certain elected officials. At retirement, an employee may choose to receive a lump-sum payment of the amount credited to the employee's ASA, 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 ASA 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 ASA. A nonvested employee who terminates employment prior to retirement may withdraw his/ her ASA after 30 days, but by doing so, forfeits his/her creditable service. An employee who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

An employee who has reached: (1) age 65 and has at least 10 years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive 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 COLAs. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

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 10 but not more than 14 years of creditable service.

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

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. The City's contributions to PERF for the years ended December 31, 2014, 2013 and 2012, respectively, were \$7,592 (10.5% of employee compensation), \$6,297 (9.0% of employee compensation) and \$5,328 (7.5% of employee compensation) equal to the annual required contributions for each year. Despite the move by PERF to a cost-sharing, multi-employer plan structure effective July 1, 2013, the City elected to continue to report a net pension obligation to PERF of \$11,149 (as determined by a June 30, 2013 actuarial valuation) as of December 31, 2014, in anticipation of recognizing its full proportionate share of the collective net pension liability in accordance with GASB Statement No. 68, for the year ending December 31, 2015.

B. Census Data

Census data for the aforementioned four pension plans are derived from the December 31, 2014 actuarial reports for the Police and Firefighters' Pre-1977 Plans and June 30, 2014 actuarial reports for the Police and Firefighters' Statutory and PERF Plans.

Classes of plan members covered:	Police Pre-1977 Plan	Firefighters' Pre-1977 Plan	Police and Firefighters' Statutory Plan	PERF
Retirees and beneficiaries currently receiving benefits	854	802	— (1)	— (1)
Terminated vested employees not yet receiving benefits	—	—	17	671
Terminated nonvested employees – refund of contributions	—	—	174	614
Current employees:				
Vested	23	16	839	916
Nonvested	—	—	1,582	730
Subtotal	23	16	2,421	1,646
Working for a different participating municipality	—	—	—	724
Total current employees	23	16	2,421	2,370

(1) Retirees and beneficiaries currently receiving benefits are not traceable by employer, since INPRS pays those benefits from a separate plan.

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C. Actuarial Methods and Assumptions

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

<u>Assumptions</u>	<u>Police Pre-1977 Plan</u>	<u>Firefighters' Pre-1977 Plan</u>	<u>Police and Firefighters' Statutory Plan</u>	<u>PERF</u>
Date of valuation	December 31, 2014	December 31, 2014	June 30, 2014	June 30, 2014
Measurement date	December 31, 2014	December 31, 2014	June 30, 2014	June 30, 2014
Actuarial cost method	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll
Rate of return on present and future assets	N/A	N/A	6.75%	6.75%
Money-weighted rate of return	N/A	N/A	13.70%	12.30%
Inflation rate	2.25%	2.25%	3.00%	3.00%
Cost of living increase	2.00%	2.00%	1.40%	1.00%
Salary increase	2.50%	2.50%	3.25%	3.25% - 4.50%
				* Based on PERF experience 2005 – 2010
Mortality	RP-2014 Blue Collar Mortality Tables projected on a generational basis using Scale MP-2014	RP-2014 Blue Collar Mortality Tables projected on a generational basis using Scale MP-2014	2013 IRS Mortality Tables projected for 5 years with Scale AA	2013 IRS Mortality Tables projected for 5 years with Scale AA
Experience period	7/1/10 to 6/30/14	7/1/10 to 6/30/14	7/1/05 to 6/30/10	7/1/05 to 6/30/10
Discount rate	Barclay's 20-year Municipal Bond Index:	Barclay's 20-year Municipal Bond Index:		
2014	2.56%	2.56%	6.75%	6.75%
2013	4.31%	4.31%	6.75%	6.75%
Asset valuation method	N/A	N/A	4-year smoothing of gains/losses on market value with a 20% corridor	4-year smoothing of gains/losses on market value with a 20% corridor
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar
Amortization period	Closed – 30 years	Closed – 30 years	Closed – 30 years	Closed – 30 years

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D. Net Pension Liability of the City - Police and Firefighters' Pre-1977 Plans

In accordance with GASB Statement No. 67, the components of the net pension liability of the City for the Police and Firefighters' Pre-1977 Plans as of December 31, 2014, were as follows:

	Police Pre-1977 Plan	Firefighters' Pre-1977 Plan
Total pension liability	\$ 499,179	\$ 462,248
Plan's fiduciary net position	(1,982)	(626)
City's net pension liability	<u>\$ 497,197</u>	<u>\$ 461,622</u>
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%

The December 31, 2014 actuarial valuations for the Police and Firefighters' Pre-1977 Plans reflect member census data as of December 31, 2013. Standard actuarial techniques were used to roll forward the total pension liability computed as of December 31, 2013 to the December 31, 2014 measurement date. Projected benefit payments, rather than actual benefit payments, were used in the roll forward due to fluctuation in actual benefit payments caused by DROP payments and lump sum death benefits.

The following presents the net pension liability of the City, calculated using the discount rate of 2.56%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.56%) or 1-percentage-point higher (3.56%) than the current rate:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
City's net pension liability Police Pre-1977	\$ 559,236	\$ 497,197	\$ 449,002
City's net pension liability Firefighter's Pre-1977	516,665	461,622	416,703
Total	<u>\$ 1,075,901</u>	<u>\$ 958,819</u>	<u>\$ 865,705</u>

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E. Net Pension Obligations, Annual Pension Cost and Funded Status

Following are the net pension obligations, annual pension cost and funded status for the Police and Firefighters' Pre-1977 Plans and the All Other City Employees' Plan as measured under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* ("GASB Statement No. 27"). As noted earlier in this note, PERF has converted from an agent, multi-employer plan to a cost-sharing, multi-employer plan effective July 1, 2013. Upon conversion to a cost-sharing, multi-employer plan, there is no requirement under GASB Statement No. 27 for a participating employer to report a net pension obligation; however, the City has elected to leave its net pension obligation to PERF on the books until next year, when it will be re-measured and adjusted upon the adoption of GASB Statement No. 68. The net pension obligations for the Police and Firefighters' Pre-1977 Plans were computed in connection with actuarial valuations dated January 1, 2014. The net pension obligation for PERF was computed in connection with an actuarial valuation dated June 30, 2013, which is the most current information available prior to PERF's conversion to a cost-sharing, multi-employer plan.

	<u>Police</u> <u>Pre-1977 Plan</u>	<u>Firefighters'</u> <u>Pre-1977 Plan</u>	<u>Total</u>	<u>PERF</u> <u>June 30, 2013</u>
Actuarial valuation date		January 1, 2014		
Annual required contribution	\$ 31,924	\$ 29,670	\$ 61,594	\$ 8,154
Interest on net pension obligation	9,089	7,593	16,682	677
Adjustment to annual required contribution	<u>(14,825)</u>	<u>(12,386)</u>	<u>(27,210)</u>	<u>(788)</u>
Annual pension cost	26,188	24,878	51,066	8,043
Contributions made	<u>28,762</u>	<u>29,164</u>	<u>57,926</u>	<u>6,926</u>
Increase (decrease) in net pension obligation	<u>(2,574)</u>	<u>(4,286)</u>	<u>(6,860)</u>	<u>1,117</u>
Net pension obligation – beginning of year	<u>210,879</u>	<u>176,183</u>	<u>387,062</u>	<u>10,032</u>
Net pension obligation – end of year	<u>\$ 208,305</u>	<u>\$ 171,897</u>	<u>\$ 380,202</u>	<u>\$ 11,149</u>

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. In accordance with GASB Statement No. 27, historical trend information for the Police and Firefighters' Pre-1977 Plans is presented below:

<u>Fiscal Years Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
Police Pre-1977 Plan:			
2014	\$ 26,188	109.8 %	\$ 208,305
2013	27,936	105.6	210,879
2012	28,125	97.7	212,447
Firefighters' Pre-1977 Plan:			
2014	24,878	117.2	171,897
2013	26,756	109.2	176,183
2012	27,396	102.0	178,637

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The funded status of the Police and Firefighters' Pre-1977 Plans as of the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>(Unfunded) Overfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Police Pre-1977 Plan 1/1/2014	\$ —	\$ 447,995	\$ (447,995)	— %	\$ 1,059	42,304 %
Firefighters Pre-1977 Plan 1/1/2014	—	417,788	(417,788)	—	728	57,388

F. Pension Trust Fund Financial Statements

As separately issued financial statements are not available for the Police and Firefighters' Pre-1977 Plans, summarized financial statements for those funds follow:

Combining Statement of Pension Trust Funds Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
December 31, 2014

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ASSETS			
Equity in pooled cash	\$ 641	\$ 203	\$ 844
Investments	1,341	423	1,764
Total assets	<u>1,982</u>	<u>626</u>	<u>2,608</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 1,982</u>	<u>\$ 626</u>	<u>\$ 2,608</u>

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Combining Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year Ended December 31, 2014

	Pension Trust Funds		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
State of Indiana pension subsidy	\$ 28,762	\$ 29,164	\$ 57,926
Total additions	<u>28,762</u>	<u>29,164</u>	<u>57,926</u>
DEDUCTIONS			
Benefits	28,783	28,396	57,179
Total deductions	<u>28,783</u>	<u>28,396</u>	<u>57,179</u>
Net increase (decrease) in net position	(21)	768	747
Net position (deficit) – beginning of year	2,003	(142)	1,861
Net position – end of year	<u>\$ 1,982</u>	<u>\$ 626</u>	<u>\$ 2,608</u>

15. Contingent Liabilities and Commitments

- A. Various lawsuits are pending against the City. In the opinion of the City's Corporation Counsel, the aggregate potential loss on all outstanding litigation for public liability self-insurance was estimated to be \$3,964 at December 31, 2014. This amount has been accrued for in the Internal Service Fund. Indiana law limits the liability of municipalities to \$700 per person and \$5,000 per occurrence. Additionally, the City is a defendant in various lawsuits for which management has determined that there is a reasonable possibility of an adverse outcome. No accrual has been made in the financial statements for these items, which approximate \$4,175, as the loss is not both probable and estimable.
- B. The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.
- C. Effective December 1, 2008, the City entered into a service agreement with the owner of a resource recovery facility that is in effect until December 31, 2018 with the option of extending the agreement for two additional five-year periods. The City has agreed to deliver a certain amount of "acceptable waste" each year to the facility. The City paid a tipping fee of \$27.00 (not in thousands) per ton for the first three years of the service agreement, which escalates at 2.7% in years four through ten. Beginning in 2014, the tipping fee increased to \$30.04 (not in thousands) per ton. The City also will reimburse the owner of the resource recovery facility for any taxes levied by any governmental entity, other than income taxes, and the leased cost of the facility site. The owner of the resource recovery facility will revenue share 12.5% of its steam revenues, with a minimum guarantee of \$2,474 and a maximum of \$2,642 per year, each to be adjusted over the remaining years of the contract.
- D. The City has entered into operating agreements on a number of City-owned golf courses, which provide for termination payments to be made to the operator if the City cancels the agreements prematurely. These payments are primarily to cover the costs for improvements made to the courses by the operators. The termination payment declines over the term of the agreements. While the City has no intention to do so, if the agreements were terminated at December 31, 2014, the total termination payments due would be \$5,024.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2014
(Dollars in Thousands)

16. Parking Meter Concession Agreement

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

The City receives a share of all revenues generated from the parking meter system. During 2014, the City's monthly share of the revenue was 30% for parking meter revenues collected between \$0 and \$617 and 60% for all such amounts above \$617 (each tier amount is adjusted for inflation annually). Under the agreement, the City must compensate the concessionaire to offset its losses for certain events, which include, but are not limited to, the City's removal or temporary closure of parking meters, material changes in the rules and regulations affecting the parking meters or residential permits and the City's ownership or operation of certain off-street parking developed after the effective date and located within a quarter of a mile of a parking meter space. The City may terminate the concessionaire agreement but would be required to make a termination payment ranging from \$8,000 to \$19,800 based on the date of termination.

At December 31, 2014, \$18,400 is recorded as a deferred inflow of resources in the government-wide statement of net position. The deferred inflow of resources is being amortized using the straight-line method over the 50-year term of the agreement, and in 2014, \$400 was amortized and recognized as revenue in the government-wide statement of activities.

17. Related Party Transactions

The legislative body of the City is the same in several respects as that of the County, and the position of the County Executive is the same as the Mayor of Indianapolis. The County provides certain information systems and telephone services to the City. During 2014, the City incurred approximately \$17,072 in information systems costs and \$1,283 in telephone costs, of which approximately \$1,528 is due to the County at December 31, 2014 for these services. During 2014, the County paid the City \$1,033 for fuel charges. As of December 31, 2014 the County owed the City \$1,705 for court costs. In addition, the City and County both act in capacities of pass through and subrecipient agents for federal and state grants.

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

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

In connection with a Public Safety Support Agreement dated March 1, 2013, between the City and the CIB, the CIB is to pay a portion of the Marion County Admissions Taxes and Marion County Supplemental Auto Rental Excise Taxes it receives on an annual basis to the City to be used for public safety purposes. For the initial 12 months of the agreement, the CIB was to forward 100% of the recently enacted increases in these taxes to the City. Thereafter, the CIB is to pay to the City 25% of the revenue received from these increases, but not to exceed \$3,000 annually. The term of the Public Safety Agreement extends to February 28, 2017 and automatically renews for additional four-year periods until terminated by either party. Under this same agreement, the City agreed to fund up to \$5 million in repairs to be made to an underground parking facility below Hudnut Commons, an open, landscaped public area in downtown Indianapolis.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2014
(Dollars in Thousands)

18. Interfund Transactions and Balances

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. The composition of interfund receivable and payable balances as of December 31, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,212
General Fund	Risk Management Internal Service Fund	6,587
		<u>\$ 9,799</u>

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

Interfund transfers for the year ended December 31, 2014 consisted of the following:

	<u>Transfers In</u>				<u>Total</u>
	<u>Governmental Activities</u>				
	<u>General Fund</u>	<u>Revenue Bond Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>		
<u>Transfers Out</u>					
General Fund	\$ —	\$ 100	\$ 5,002	\$ 5,102	
Revenue Bond Debt Service Fund	—	—	8,573	8,573	
Nonmajor Governmental Funds	35,280	331	3,852	39,463	
Total transfers	<u>\$ 35,280</u>	<u>\$ 431</u>	<u>\$ 17,427</u>	<u>\$ 53,138</u>	

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2014
(Dollars in Thousands)

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

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

Details of the adjustment for these reconciling items between the *fund balance – total governmental funds* and *net position – governmental activities*, as reported in the government-wide statement of net position at December 31, 2014, follow:

Bonds and notes payable and certificates of participation	\$ 1,099,166
Unamortized premiums, net of discounts	40,230
Amounts recorded as matured bonds and notes payable at December 31, 2014	(24,305)
Capital leases payable	8,549
Net pension obligation	391,351
Postemployment benefit obligation	128,285
Compensated absences	35,155
Combined adjustment	<u>\$ 1,678,431</u>

Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Details of the adjustments for these reconciling items between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities*, as reported in the government-wide statement of activities for the year ended December 31, 2014, follow:

Debt issued:

Tax increment bonds, excluding accretion on capital appreciation bonds of \$7,861	\$ 62,790
Note payable	18,000
Unamortized premiums	<u>6,215</u>
Combined adjustment	<u>\$ 87,005</u>

Repayments:

Bond principal, plus increase in matured bonds payable of \$1,760	\$ 81,168
Notes payable and certificates of participation	<u>6,310</u>
Combined adjustment	<u>\$ 87,478</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2014
(Dollars in Thousands)

20. Deficit Fund Balances and Net Position

Negative fund balances by fund are as follows:

Deficit Fund Balances	December 31, 2014
Special Revenue Fund	
Drug Free Community	\$ <u><u>(148)</u></u>
Internal Service Fund	
Risk Management	\$ <u><u>(11,116)</u></u>

The deficit fund balance for the special revenue fund will be covered by future reimbursements from Marion County. The risk management internal service fund and public liability self-insurance negative fund balances will be covered by future charges to City departments.

21. Subsequent Event

On March 12, 2015 the City issued its IndyRoads Revenue Bonds, Series 2015 A (“Series 2015 A Bonds”), for the purpose of financing the construction and reconstruction of certain traffic control, street, road, curb and sidewalk improvements within the jurisdiction of the City. The Series 2015 A Bonds were issued in the amount of \$35,000 to the Bond Bank, which issued its related Series 2015 A Revenue Bonds to the general public for the same amount, and the City’s obligation for the Series 2015 A Bonds is to be funded from certain wheel tax and motor vehicle revenues. The Series 2015 A Bonds mature serially in annual principal installments ranging from \$1,505 to \$3,075 through January 1, 2035 and bear interest at rates ranging from 3.00% to 5.00%.

Required
Supplementary Information

Required
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2014
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Taxes	\$ 314,612	\$ 314,184	\$ 324,063	\$ 9,879
Licenses and permits	1,710	12,103	11,682	(421)
Charges for services	43,228	53,683	55,956	2,273
Intergovernmental revenues	49,112	50,810	49,433	(1,377)
Traffic violations and court fees	283	3,357	1,924	(1,433)
Intragovernmental revenues	3,335	3,366	2,910	(456)
Interest and other operating revenues	10,670	14,885	22,860	7,975
Total revenues	<u>422,950</u>	<u>452,388</u>	<u>468,828</u>	<u>16,440</u>
Expenditures:				
Current:				
General government	22,993	23,014	20,818	2,196
Public safety	357,129	357,699	352,881	4,818
Public works	97,693	114,367	114,899	(532)
Health and welfare	402	587	563	24
Cultural and recreation	13,463	13,115	12,174	941
Urban redevelopment and housing	4,373	5,184	5,044	140
Economic development and assistance	2,556	2,741	1,127	1,614
Capital outlays	48,510	72,769	69,471	3,298
Total expenditures	<u>547,119</u>	<u>589,476</u>	<u>576,977</u>	<u>12,499</u>
Deficiency of revenues under expenditures	<u>(124,169)</u>	<u>(137,088)</u>	<u>(108,149)</u>	<u>28,939</u>
Other financing sources:				
Sale and lease of property	347	860	613	(247)
Transfers in	29,009	29,009	30,260	1,251
Total other financing sources	<u>29,356</u>	<u>29,869</u>	<u>30,873</u>	<u>1,004</u>
Revenues under expenditures and other financing sources	<u>(94,813)</u>	<u>(107,219)</u>	<u>(77,276)</u>	<u>29,943</u>
Fund balance at beginning of year	178,386	241,830	255,587	13,757
Cancellation of purchase orders and other	92,246	36,657	5,591	(31,066)
Fund balance at end of year	<u>\$ 175,819</u>	<u>\$ 171,268</u>	<u>\$ 183,902</u>	<u>\$ 12,634</u>

See notes to required budgetary supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2014
(In thousands)

1. Budgets and Budgetary Accounting

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

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

	<u>General Fund</u>
Original appropriations	\$ 547,119
Revisions	<u>42,357</u>
Revised appropriations	<u><u>\$ 589,476</u></u>

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

B) The City’s procedures in establishing the budget are as follows:

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2014
(In thousands)

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2014
(In thousands)

3. Budget/GAAP Reporting Differences

Adjustments necessary to convert the results of 2014 operations from a budgetary basis to a GAAP basis are as follows:

		<u>General Fund</u>
Revenues over (under) expenditures and other financing sources (uses) (budgetary basis)	\$	(77,276)
Adjustments:		
Accrued revenues		67,876
Accrued expenditures		(66,572)
Transfers, net		—
Encumbrances		55,286
Expenditures from prior year encumbrances		<u>(35,286)</u>
Net change in fund balances (GAAP basis)	\$	<u><u>(55,972)</u></u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pension - Police Pre-1977 Plan
Schedule of Changes in the City's Net Pension Liability and Plan Fiduciary Net Position under GASB 67
(In thousands)

	2014	2013
Total Pension Liability		
Service cost	\$ 430	\$ 244
Interest cost	18,697	22,693
Experience (gains)/losses	—	(4,432)
Assumption changes	61,324	65,959
Plan amendments	—	—
Projected benefit payments	(29,267)	(28,886)
Net change in total pension liability	51,184	55,578
Total pension liability - beginning	447,995	392,417
Total pension liability - ending	499,179	447,995
Plan Fiduciary Net Position		
Employer contributions	\$ 449	\$ (618)
Employee contributions	—	—
Non-employer contributing entity contributions	28,762	29,503
Net investment return	—	—
Actual benefit payments	(29,232)	(27,851)
Administrative and project expenses	—	—
Net change in plan fiduciary net position	(21)	1,034
Plan fiduciary net position - beginning	2,003	969
Plan fiduciary net position - ending	1,982	2,003
Net Pension Liability	\$ 497,197	\$ 445,992

Notes to Schedule

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

Benefit changes: There were no changes in benefits for the year ended December 31, 2014.

Changes in assumptions: The following changes in assumptions were made from the December 31, 2013 valuation.

- The interest rate, which is equal to the Barclay's 20-year Municipal Bond Index as of the valuation date, decreased from 4.31% for the December 31, 2013 valuation to 2.56% for the December 31, 2014 valuation.
- The inflation assumption decreased from 3.00% to 2.25%.
- The future salary increase rate assumption (or cost of living assumption) decreased from 3.25% to 2.50%.
- The mortality assumption was updated from the 2013 IRS Static Mortality Tables projected to 2018 using Scale AA, to the RP-2014 Blue Collar Set Mortality Table with Mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report.
- The assumed withdrawal and disability rates were adjusted to reflect recent experience.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pension - Firefighters' Pre-1977 Plan
Schedule of Changes in Net Pension Liability and Plan Fiduciary Net Position under GASB 67
(In thousands)

	2014	2013
Total Pension Liability		
Service cost	\$ 299	\$ 187
Interest cost	17,406	21,297
Experience (gains)/losses	—	(3,704)
Assumption changes	55,244	59,984
Plan amendments	—	—
Projected benefit payments	(28,489)	(29,490)
Net change in total pension liability	44,460	48,274
Total pension liability - beginning	417,788	369,514
Total pension liability - ending	462,248	417,788
Plan Fiduciary Net Position		
Employer contributions	\$ (865)	\$ 281
Employee contributions	—	—
Non-employer contributing entity contributions	29,163	29,209
Net investment return	—	—
Actual benefit payments	(27,530)	(29,848)
Administrative and project expenses	—	—
Net change in plan fiduciary net position	768	(358)
Plan fiduciary net position - beginning	(142)	216
Plan fiduciary net position - ending	626	(142)
Net Pension Liability	\$ 461,622	\$ 417,930

Notes to Schedule

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

Benefit changes: There were no changes in benefits for the year ended December 31, 2014.

Changes in assumptions: The following changes in assumptions were made from the December 31, 2013 valuation.

- The interest rate, which is equal to the Barclay's 20-year Municipal Bond Index as of the valuation date, decreased from 4.31% for the December 31, 2013 valuation to 2.56% for the December 31, 2014 valuation.
- The inflation assumption decreased from 3.00% to 2.25%.
- The future salary increase rate assumption (or cost of living assumption) decreased from 3.25% to 2.50%.
- The mortality assumption was updated from the 2013 IRS Static Mortality Tables projected to 2018 using Scale AA, to the RP-2014 Blue Collar Set Mortality Table with Mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report.
- The assumed withdrawal and disability rates were adjusted to reflect recent experience.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedule of Net Pension Liability and Related Ratios under GASB 67
(In thousands)

Actuarial valuation date	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a-b)	Fiduciary net position as a % of total pension liability (b/a)	Covered employee payroll (c)	Net pension liability as a percentage of covered payroll ((a-b)/c)
Police Pre-1977 Plan						
12/31/2014	\$ 499,179	\$ 1,982	\$ 497,197	0.40 %	\$ 1,805	27,545.5 %
12/31/2013	447,995	2,003	445,992	0.45	1,891	23,585.0
Firefighters' Pre-1977 Plan						
12/31/2014	462,248	626	461,622	0.14	1,370	33,695.0
12/31/2013	417,788	(142)	417,930	0.03	1,533	27,262.2

Notes to Schedule

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedules of Funding Progress Under GASB 27/50
(In thousands)

<u>Actuarial valuation date</u>	<u>Actuarial value of assets</u>	<u>Actuarial liability (AAL) entry age</u>	<u>Unfunded (overfunded) AAL (UAAL)</u>	<u>Funded ratio</u>	<u>Covered payroll</u>	<u>UAAL as a percentage of covered payroll</u>
Police Pre-1977 Plan						
1/1/2014	\$ —	\$ 447,995	\$ 447,995	— %	\$ 1,059	42,292 %
1/1/2013	—	392,417	392,417	—	1,126	34,851
1/1/2012	—	397,406	397,406	—	1,504	26,423
1/1/2011	—	470,430	470,430	—	1,571	29,947
1/1/2010	—	446,400	446,400	—	1,825	24,459
1/1/2009	—	434,034	434,034	—	1,593	27,246
Firefighters' Pre-1977 Plan						
1/1/2014	—	417,788	417,788	—	728	57,365
1/1/2013	—	369,514	369,514	—	795	46,480
1/1/2012	—	379,065	379,065	—	1,690	22,430
1/1/2011	—	436,557	436,557	—	2,095	20,838
1/1/2010	—	423,741	423,741	—	2,832	14,962
1/1/2009	—	427,480	427,480	—	2,596	16,467

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedules of Funding Progress Under GASB 27/50
(In thousands)

<u>Actuarial valuation date</u>	<u>Actuarial value of assets</u>	<u>Actuarial liability (AAL) entry age</u>	<u>Unfunded (overfunded) AAL (UAAL)</u>	<u>Funded ratio</u>	<u>Covered payroll</u>	<u>UAAL as a percentage of covered payroll</u>
Police and Firefighters' Statutory Plan *						
6/30/2014	\$ 4,625,475	\$ 4,706,997	\$ 81,522	98 %	\$ 734,024	11 %
6/30/2013	4,180,704	4,392,947	212,243	95	706,603	30
6/30/2012	3,786,595	4,122,436	335,841	92	697,111	48
6/30/2011	3,593,787	3,638,956	45,169	99	687,342	7
6/30/2010	3,374,438	3,639,669	265,231	93	675,797	39
6/30/2009	3,265,598	3,332,686	67,088	98	649,018	10
PERF *						
6/30/2014	13,791,261	16,732,223	2,940,962	82	5,080,092	58
6/30/2013	12,947,283	16,145,681	3,198,398	80	4,766,910	67
6/30/2012	12,088,225	15,784,240	3,696,015	77	4,904,052	75
6/30/2011	12,000,586	14,913,147	2,912,561	81	4,818,774	60
6/30/2010	12,357,199	14,506,052	2,148,853	85	4,896,013	44
6/30/2009	12,569,336	13,506,280	936,944	93	4,931,423	19

* The information contained in these two schedules is for each of the cost sharing plans as a whole, of which the City is one participating employer. In order to add context to the scale of the information presented relative to the City, the City's respective covered payrolls as of 12/31/14 (the City's fiscal year end) represent 21.67% of the total covered payroll for the Police and Firefighters' Statutory Plan and 1.42% of the total covered payroll for PERF as of June 30, 2014 (the Plans' fiscal year end).

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Pensions
Schedules of Employer Contributions Under GASB 27/50
(In thousands)

	Police and Firefighters' Statutory Plans *			PERF *		
	Plan year ended June 30	Annual required contribution	Percentage contributed	Annual required contribution	Percentage contributed	
2014	\$	103,425	135 %	\$ 528,562	98 %	
2013		88,287	155	477,342	96	
2012		141,988	96	509,724	78	
2011		133,903	100	483,842	71	
2010		126,558	103	360,183	92	
2009		62,881	102	316,059	102	
	Police (Pre-1977)			Firefighters (Pre-1977)		
Plan year ended December 31	Annual required contribution	Percentage contributed		Annual required contribution	Percentage contributed	
2014	\$	31,924	90 %	\$ 29,670	98 %	
2013		32,832	90	30,873	95	
2012		32,632	84	31,209	90	
2011		37,925	82	35,421	85	
2010		34,328	89	32,887	84	
2009		32,801	88	32,631	84	

* The information contained in these two schedules is for each of the cost sharing plans as a whole, of which the City is one participating employer. In order to add context to the scale of the information presented relative to the City, the City's annual required contribution for calendar year 2014 (the City's fiscal year end) for the Police and Firefighters' Statutory Plan was \$31,333, or 30.30%, of the total annual required contribution of \$103,425 for the plan year ended June 30, 2014 and the City's annual required contribution for calendar year 2014 for PERF was \$7,592, or 1.44%, of the total annual required contribution of \$528,562 for the plan year ended June 30, 2014.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Other Postemployment Benefit Plan
Schedule of Funding Progress Under GASB 45
(In thousands)

Actuarial valuation date	Actuarial value of assets (a)	Accrued liability (b)	Unfunded accrued liability (UAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAL as a percentage of covered payroll ((b-a)/c)
12/31/2014*	\$ —	161,253	\$ 161,253	— %	\$ 271,716	59.35 %
12/31/2013	—	161,253	161,253	—	266,438	60.52
12/31/2012*	—	143,950	143,950	—	265,921	54.13

* In accordance with GASB Statement No. 45, the City has an actuarial valuation completed biennially.

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Additional
Supplementary Information

Additional Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Governmental Funds by Fund Type
December 31, 2014
(In thousands)

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Equity in pooled cash	\$ 4,167	\$ 14,119	\$ 10,314	\$ —	\$ 28,600
Cash and investments with fiscal agents	—	18,696	47,268	357	66,321
Investments	8,698	28,702	21,546	—	58,946
Property taxes receivable	—	857	547	—	1,404
Accounts receivable, less allowance	22	386	135	—	543
Due from federal and state governments	10,268	—	525	—	10,793
Long-term receivables, less allowance	—	918	1,000	—	1,918
Total assets	<u>\$ 23,155</u>	<u>\$ 63,678</u>	<u>\$ 81,335</u>	<u>\$ 357</u>	<u>\$ 168,525</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Matured bonds payable	\$ —	\$ 22,815	\$ —	\$ —	\$ 22,815
Matured interest payable	—	9,390	—	—	9,390
Accounts payable and other accrued liabilities	6,241	197	2,560	—	8,998
Accrued payroll and payroll taxes	190	—	—	—	190
Due to other funds	30	—	3,182	—	3,212
Unearned revenue	1,434	—	—	—	1,434
Total liabilities	<u>7,895</u>	<u>32,402</u>	<u>5,742</u>	<u>—</u>	<u>46,039</u>
Deferred inflows of resources	<u>4,504</u>	<u>1,843</u>	<u>1,207</u>	<u>—</u>	<u>7,554</u>
Fund balances:					
Nonspendable	—	918	1,000	357	2,275
Restricted	10,904	28,731	73,386	—	113,021
Unassigned	(148)	(216)	—	—	(364)
Total fund balances	<u>10,756</u>	<u>29,433</u>	<u>74,386</u>	<u>357</u>	<u>114,932</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,155</u>	<u>\$ 63,678</u>	<u>\$ 81,335</u>	<u>\$ 357</u>	<u>\$ 168,525</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds by Fund Type
Year ended December 31, 2014
(In thousands)

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:					
Taxes	\$ 35,229	\$ 43,724	\$ 11,280	\$ —	\$ 90,233
Charges for services	2,082	4,841	300	—	7,223
Intergovernmental revenues	32,707	1,966	2,554	—	37,227
Traffic violations and court fees	3,188	—	—	—	3,188
Interest and other operating revenues	104	15,523	716	(6)	16,337
Total revenues	<u>73,310</u>	<u>66,054</u>	<u>14,850</u>	<u>(6)</u>	<u>154,208</u>
Expenditures:					
Current:					
General government	1,919	—	—	—	1,919
Public safety	10,213	—	—	—	10,213
Public works	2,445	—	—	—	2,445
Health and welfare	5,752	—	—	—	5,752
Cultural and recreation	1,284	—	—	—	1,284
Urban redevelopment and housing	13,172	—	—	—	13,172
Economic development and assistance	16	—	18,987	—	19,003
Debt service:					
Redemption of bonds and notes	6	30,509	1,145	—	31,660
Interest on bonds and notes	3	31,143	49	—	31,195
Bond and note issuance costs	—	63	648	—	711
Operating lease payments and administration	—	14,746	532	—	15,278
Capital outlays	2,464	—	32,306	—	34,770
Total expenditures	<u>37,274</u>	<u>76,461</u>	<u>53,667</u>	<u>—</u>	<u>167,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,036</u>	<u>(10,407)</u>	<u>(38,817)</u>	<u>(6)</u>	<u>(13,194)</u>
Other financing sources (uses):					
Sale of capital assets	—	—	12	—	12
Bonds and notes issued	—	850	68,520	—	69,370
Premium on bonds and notes issued	—	—	5,708	—	5,708
Proceeds from restructuring of debt	—	212	—	—	212
Transfers in	83	16,901	443	—	17,427
Transfers out	(35,306)	(775)	(3,382)	—	(39,463)
Total other financing sources (uses)	<u>(35,223)</u>	<u>17,188</u>	<u>71,301</u>	<u>—</u>	<u>53,266</u>
Net change in fund balances	813	6,781	32,484	(6)	40,072
Fund balances at beginning of year	9,943	22,652	41,902	363	74,860
Fund balances at end of year	<u>\$ 10,756</u>	<u>\$ 29,433</u>	<u>\$ 74,386</u>	<u>\$ 357</u>	<u>\$ 114,932</u>

General Fund

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund
December 31, 2014
(In thousands)

	General Fund Total	Intrafund Eliminations	Consolidated County	Redevelop- ment	Solid Waste		Public Safety Communications
					Collection	Disposal	
ASSETS							
Equity in pooled cash	\$ 74,935	\$ —	\$ 42,982	\$ 7,013	\$ 3,718	\$ 379	\$ 811
Investments	171,517	—	104,776	14,649	7,766	792	1,694
Property taxes receivable	7,632	—	956	14	1,113	—	—
Accounts receivable	23,830	—	4,358	775	367	1,405	—
Allowance for estimated uncollectibles – accounts receivable	(826)	—	—	—	—	—	—
Due from other funds	9,799	—	9,799	—	—	—	—
Due from federal and state governments	196	—	4	—	—	—	—
Intrafund receivable	—	(14,825)	14,825	—	—	—	—
Total assets	<u>\$ 287,083</u>	<u>(14,825)</u>	<u>\$ 177,700</u>	<u>\$ 22,451</u>	<u>\$ 12,964</u>	<u>\$ 2,576</u>	<u>\$ 2,505</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ 28,825	\$ —	\$ 20,466	\$ 119	\$ 2,804	\$ 609	\$ 16
Accrued payroll and payroll taxes	19,852	—	8,009	36	261	—	114
Intrafund payable	—	(14,825)	—	—	—	—	—
Unearned revenue	24	—	22	—	—	—	—
Total liabilities	<u>48,701</u>	<u>(14,825)</u>	<u>28,497</u>	<u>155</u>	<u>3,065</u>	<u>609</u>	<u>130</u>
Deferred inflows of resources	<u>13,635</u>	<u>—</u>	<u>1,430</u>	<u>19</u>	<u>1,456</u>	<u>1,384</u>	<u>—</u>
Fund balances:							
Restricted	32,069	—	—	—	—	—	—
Committed	37,992	—	37,992	—	—	—	—
Assigned	83,902	—	36,299	22,277	8,443	583	2,375
Unassigned	70,784	—	73,482	—	—	—	—
Total fund balances	<u>224,747</u>	<u>—</u>	<u>147,773</u>	<u>22,277</u>	<u>8,443</u>	<u>583</u>	<u>2,375</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 287,083</u>	<u>\$ (14,825)</u>	<u>\$ 177,700</u>	<u>\$ 22,451</u>	<u>\$ 12,964</u>	<u>\$ 2,576</u>	<u>\$ 2,505</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund
December 31, 2014
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
ASSETS					
Equity in pooled cash	\$ 4,281	\$ 3,859	\$ 1,733	\$ 3,226	\$ 6,933
Investments	8,941	8,060	3,620	6,737	14,482
Property taxes receivable	—	3,483	645	1,421	—
Accounts receivable	12,509	819	200	507	2,890
Allowance for estimated uncollectibles – accounts receivable	—	—	—	—	(826)
Due from other funds	—	—	—	—	—
Due from federal and state governments	192	—	—	—	—
Intrafund receivable	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ 25,923</u>	<u>\$ 16,221</u>	<u>\$ 6,198</u>	<u>\$ 11,891</u>	<u>\$ 23,479</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 1,711	\$ 453	\$ 546	\$ 865	\$ 1,236
Accrued payroll and payroll taxes	489	5,451	442	4,969	81
Intrafund payable	8,000	—	—	6,825	—
Unearned revenue	—	—	—	2	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>2</u>	<u>—</u>
Total liabilities	<u>10,200</u>	<u>5,904</u>	<u>988</u>	<u>12,661</u>	<u>1,317</u>
Deferred inflows of resources	<u>192</u>	<u>4,301</u>	<u>861</u>	<u>1,928</u>	<u>2,064</u>
Fund balance:					
Restricted	15,531	—	—	—	16,538
Committed	—	—	—	—	—
Assigned	—	6,016	4,349	—	3,560
Unassigned	—	—	—	(2,698)	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,698)</u>	<u>—</u>
Total fund balances (deficits)	<u>15,531</u>	<u>6,016</u>	<u>4,349</u>	<u>(2,698)</u>	<u>20,098</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,923</u>	<u>\$ 16,221</u>	<u>\$ 6,198</u>	<u>\$ 11,891</u>	<u>\$ 23,479</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2014
(In thousands)

	General Fund Total	Intrafund eliminations	Consolidated County	Redevelop- ment	Solid Waste		Public Safety Communications
					Collection	Disposal	
Revenues:							
Taxes	\$ 324,222	\$ —	\$ 132,601	\$ 1,238	\$ 31,327	\$ —	\$ 6,499
Licenses and permits	12,010	—	11,591	(1)	—	—	—
Charges for services	56,726	—	13,480	1,529	432	8,724	142
Other intergovernmental revenues:							
Federal revenues	2,468	—	1,150	—	—	—	—
State revenues	105,115	—	2,565	900	—	—	—
Other revenues	6,437	—	1,097	—	—	—	110
Intragovernmental revenue	3,286	—	3,246	—	—	—	—
Traffic violations and court fees	1,924	—	948	—	—	—	—
Interest and other operating revenues	24,598	—	5,548	6,281	554	40	220
Total revenues	<u>536,786</u>	<u>—</u>	<u>172,226</u>	<u>9,947</u>	<u>32,313</u>	<u>8,764</u>	<u>6,971</u>
Expenditures:							
Current:							
General government	22,446	—	22,445	—	—	—	—
Public safety	419,307	—	27,490	—	—	—	6,561
Public works	111,616	—	4,483	—	33,139	7,382	—
Health and welfare	489	—	256	233	—	—	—
Cultural and recreation	11,747	—	1,000	—	—	—	—
Urban redevelopment and housing	4,588	—	3,817	565	—	—	—
Economic development and assistance	1,408	—	41	1,367	—	—	—
Debt service:							
Redemption of bonds and notes	1,265	—	743	3	43	—	—
Interest on bonds and notes	939	—	392	2	22	—	—
Bond and note issuance costs	1	—	—	—	—	—	—
Operating lease payments and administration	143	—	—	2	5	—	—
Capital outlays	50,205	—	33,634	351	148	—	159
Total expenditures	<u>624,154</u>	<u>—</u>	<u>94,301</u>	<u>2,523</u>	<u>33,357</u>	<u>7,382</u>	<u>6,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,368)</u>	<u>—</u>	<u>77,925</u>	<u>7,424</u>	<u>(1,044)</u>	<u>1,382</u>	<u>251</u>
Other financing sources (uses):							
Proceeds of financing from capital lease	605	—	605	—	—	—	—
Sales of capital assets	613	—	427	130	—	—	—
Transfers in	35,280	(154,402)	8,842	—	—	—	—
Transfers out	(5,102)	154,402	(143,217)	(100)	—	—	—
Total other financing sources (uses)	<u>31,396</u>	<u>—</u>	<u>(133,343)</u>	<u>30</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	(55,972)	—	(55,418)	7,454	(1,044)	1,382	251
Fund balances (deficits) at beginning of year	280,719	—	203,191	14,823	9,487	(799)	2,124
Fund balances at end of year	<u>\$ 224,747</u>	<u>\$ —</u>	<u>\$ 147,773</u>	<u>\$ 22,277</u>	<u>\$ 8,443</u>	<u>\$ 583</u>	<u>\$ 2,375</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2014
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
Revenues:					
Taxes	\$ 10,586	\$ 81,914	\$ 18,903	\$ 41,154	\$ —
Licenses and permits	—	18	—	402	—
Charges for services	5,097	626	3,922	2,081	20,693
Other intergovernmental revenues:					
Federal revenues	1,294	—	45	(21)	—
State revenues	41,294	29,706	—	30,650	—
Other revenues	—	2,615	—	2,615	—
Intragovernmental revenue	15	—	—	—	25
Traffic violations and court fees	—	—	—	976	—
Interest and other operating revenues	255	4,271	300	7,058	71
Total revenues	<u>58,541</u>	<u>119,150</u>	<u>23,170</u>	<u>84,915</u>	<u>20,789</u>
Expenditures:					
Current:					
General government	1	—	—	—	—
Public safety	—	165,582	2,209	217,465	—
Public works	46,083	—	8,284	—	12,245
Health and welfare	—	—	—	—	—
Cultural and recreation	—	—	10,747	—	—
Urban redevelopment and housing	206	—	—	—	—
Economic development and assistance	—	—	—	—	—
Debt service:					
Redemption of bonds and notes	1	101	187	102	85
Interest on bonds and notes	—	53	406	54	10
Bond and note issuance costs	—	—	1	—	—
Operating lease payments and administration	2	128	4	—	2
Capital outlays	11,705	527	148	39	3,494
Total expenditures	<u>57,998</u>	<u>166,391</u>	<u>21,986</u>	<u>217,660</u>	<u>15,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>543</u>	<u>(47,241)</u>	<u>1,184</u>	<u>(132,745)</u>	<u>4,953</u>
Other financing sources (uses):					
Proceeds of financing from capital lease	—	—	—	—	—
Sales of capital assets	—	40	16	—	—
Transfers in	—	54,000	—	126,640	200
Transfers out	(10,882)	—	—	(360)	(4,945)
Total other financing sources (uses)	<u>(10,882)</u>	<u>54,040</u>	<u>16</u>	<u>126,280</u>	<u>(4,745)</u>
Net change in fund balance	(10,339)	6,799	1,200	(6,465)	208
Fund balances at beginning of year	<u>25,870</u>	<u>(783)</u>	<u>3,149</u>	<u>3,767</u>	<u>19,890</u>
Fund balances (deficits) at end of year	<u>\$ 15,531</u>	<u>\$ 6,016</u>	<u>\$ 4,349</u>	<u>\$ (2,698)</u>	<u>\$ 20,098</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

	Total General Fund		Consolidated County		Redevelopment		Solid Waste Collection	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ 314,184	\$ 324,063	\$ 131,047	\$ 132,601	\$ 1,138	\$ 1,238	\$ 29,528	\$ 31,327
Licenses and permits	12,103	11,682	11,671	11,263	—	(1)	—	—
Charges for services	53,683	55,956	13,335	13,453	821	1,529	269	407
Other intergovernmental revenues:								
Federal revenues	4,760	2,216	—	1,151	—	—	—	—
State revenues	40,878	40,787	2,336	2,087	750	900	—	—
Other revenues	5,172	6,430	1,071	1,090	—	—	—	—
Traffic violations and court fees	3,357	1,924	2,071	948	—	—	—	—
Intragovernmental revenues	3,366	2,910	3,366	2,870	—	—	—	—
Interest and other operating revenues	14,885	22,860	3,152	4,657	359	5,512	200	554
Total revenues	<u>452,388</u>	<u>468,828</u>	<u>168,049</u>	<u>170,120</u>	<u>3,068</u>	<u>9,178</u>	<u>29,997</u>	<u>32,288</u>
Expenditures:								
Current:								
General government	23,014	20,818	22,947	20,750	67	67	—	—
Public safety	357,699	352,881	22,285	20,104	—	—	—	—
Public works	114,367	114,899	2,858	4,543	—	—	34,987	34,936
Health and welfare	587	563	93	255	494	308	—	—
Cultural and recreation	13,115	12,174	1,000	1,000	—	—	—	—
Urban redevelopment and housing	5,184	5,044	4,819	4,297	148	549	—	—
Economic development and assistance	2,741	1,127	7	47	2,734	1,080	—	—
Capital outlays	72,769	69,471	43,171	41,803	5	1	173	148
Total expenditures	<u>589,476</u>	<u>576,977</u>	<u>97,180</u>	<u>92,799</u>	<u>3,448</u>	<u>2,005</u>	<u>35,160</u>	<u>35,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(137,088)</u>	<u>(108,149)</u>	<u>70,869</u>	<u>77,321</u>	<u>(380)</u>	<u>7,173</u>	<u>(5,163)</u>	<u>(2,796)</u>
Other financing sources (uses):								
Sales of capital assets	860	613	310	427	550	130	—	—
Transfers in (out)	29,009	30,260	(149,000)	(149,200)	(100)	(100)	—	—
Total other financing sources (uses)	<u>29,869</u>	<u>30,873</u>	<u>(148,690)</u>	<u>(148,773)</u>	<u>450</u>	<u>30</u>	<u>—</u>	<u>—</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(107,219)</u>	<u>(77,276)</u>	<u>(77,821)</u>	<u>(71,452)</u>	<u>70</u>	<u>7,203</u>	<u>(5,163)</u>	<u>(2,796)</u>
Fund balances (deficits) at beginning of year	241,830	255,587	166,350	178,810	12,195	13,604	9,995	11,158
Cancellation of purchase orders and other	36,657	5,591	16,400	3,424	5,788	(152)	4,181	614
Fund balances at end of year	<u>\$ 171,268</u>	<u>\$ 183,902</u>	<u>\$ 104,929</u>	<u>\$ 110,782</u>	<u>\$ 18,053</u>	<u>\$ 20,655</u>	<u>\$ 9,013</u>	<u>\$ 8,976</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

	Solid Waste Disposal		Public Safety Communications		Transportation		Metropolitan Police	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ —	\$ —	\$ 6,500	\$ 6,499	\$ 10,500	\$ 10,427	\$ 40,561	\$ 41,154
Licenses and permits	—	—	—	—	—	—	402	402
Charges for services	8,484	8,703	179	102	3,900	4,346	1,822	2,177
Other intergovernmental revenues:								
Federal revenues	—	—	—	—	4,560	1,020	125	—
State revenues	—	—	—	—	37,792	35,370	—	1,887
Other revenues	—	—	101	110	—	—	2,000	2,615
Traffic violations and court fees	—	—	—	—	—	—	1,286	976
Intragovernmental revenues	—	—	—	—	—	15	—	—
Interest and other operating revenues	—	40	—	220	50	237	7,319	7,062
Total revenues	<u>8,484</u>	<u>8,743</u>	<u>6,780</u>	<u>6,931</u>	<u>56,802</u>	<u>51,415</u>	<u>53,515</u>	<u>56,273</u>
Expenditures:								
Current:								
General government	—	—	—	—	—	1	—	—
Public safety	—	—	6,992	6,774	—	—	189,624	188,097
Public works	7,686	7,550	—	—	47,411	46,720	—	—
Health and welfare	—	—	—	—	—	—	—	—
Cultural and recreation	—	—	—	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	217	198	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Capital outlays	—	—	133	119	20,518	19,324	56	41
Total expenditures	<u>7,686</u>	<u>7,550</u>	<u>7,125</u>	<u>6,893</u>	<u>68,146</u>	<u>66,243</u>	<u>189,680</u>	<u>188,138</u>
Excess (deficiency) of revenues over (under) expenditures	<u>798</u>	<u>1,193</u>	<u>(345)</u>	<u>38</u>	<u>(11,344)</u>	<u>(14,828)</u>	<u>(136,165)</u>	<u>(131,865)</u>
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	—	—
Transfers in (out)	—	—	—	—	(2,800)	(2,800)	133,109	133,106
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,800)</u>	<u>(2,800)</u>	<u>133,109</u>	<u>133,106</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>798</u>	<u>1,193</u>	<u>(345)</u>	<u>38</u>	<u>(14,144)</u>	<u>(17,628)</u>	<u>(3,056)</u>	<u>1,241</u>
Fund balances (deficits) at beginning of year	(797)	(883)	1,829	1,824	24,686	19,434	6,163	8,176
Cancellation of purchase orders and other	633	127	173	(86)	(6,485)	1,031	4,718	(1,323)
Fund balances (deficits) at end of year	<u>\$ 634</u>	<u>\$ 437</u>	<u>\$ 1,657</u>	<u>\$ 1,776</u>	<u>\$ 4,057</u>	<u>\$ 2,837</u>	<u>\$ 7,825</u>	<u>\$ 8,094</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Sub-Fund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis

Year ended December 31, 2014

(In thousands)

	Fire		Park		Storm Water Management	
	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:						
Taxes	\$ 77,373	\$ 81,914	\$ 17,537	\$ 18,903	\$ —	\$ —
Licenses and permits	30	18	—	—	—	—
Charges for services	919	620	4,430	3,926	19,524	20,693
Other intergovernmental revenues:						
Federal revenues	—	—	75	45	—	—
State revenues	—	543	—	—	—	—
Other revenues	2,000	2,615	—	—	—	—
Traffic violations and court fees	—	—	—	—	—	—
Intragovernmental revenues	—	—	—	—	—	25
Interest and other operating revenues	3,642	4,270	163	240	—	68
Total revenues	<u>83,964</u>	<u>89,980</u>	<u>22,205</u>	<u>23,114</u>	<u>19,524</u>	<u>20,786</u>
Expenditures:						
Current:						
General government	—	—	—	—	—	—
Public safety	136,163	135,658	2,635	2,248	—	—
Public works	—	—	8,338	8,297	13,087	12,853
Health and welfare	—	—	—	—	—	—
Cultural and recreation	—	—	12,115	11,174	—	—
Urban redevelopment and housing	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Capital outlays	516	513	219	199	7,978	7,323
Total expenditures	<u>136,679</u>	<u>136,171</u>	<u>23,307</u>	<u>21,918</u>	<u>21,065</u>	<u>20,176</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,715)</u>	<u>(46,191)</u>	<u>(1,102)</u>	<u>1,196</u>	<u>(1,541)</u>	<u>610</u>
Other financing sources (uses):						
Sale of capital assets	—	40	—	16	—	—
Transfers in (out)	54,000	54,000	—	—	(6,200)	(4,746)
Total other financing sources (uses)	<u>54,000</u>	<u>54,040</u>	<u>—</u>	<u>16</u>	<u>(6,200)</u>	<u>(4,746)</u>
Revenues over (under) expenditures and other financing sources (uses)	1,285	7,849	(1,102)	1,212	(7,741)	(4,136)
Fund balances (deficits) at beginning of year	1,758	4,020	1,808	2,903	17,843	16,541
Cancellation of purchase orders and other	7,276	419	2,899	142	1,074	1,395
Fund balances (deficits) at end of year	<u>\$ 10,319</u>	<u>\$ 12,288</u>	<u>\$ 3,605</u>	<u>\$ 4,257</u>	<u>\$ 11,176</u>	<u>\$ 13,800</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Executive and Legislative				
Office of the Mayor				
	Consolidated County			
Personal services		\$ 4,000	\$ 3,737	\$ 263
Supplies		9	5	4
Other services and charges		1,006	1,006	—
Capital outlay		1	—	1
Internal charges		(754)	(729)	(25)
Total		<u>4,262</u>	<u>4,019</u>	<u>243</u>
Office of Audit and Performance				
	Consolidated County			
Personal services		672	613	59
Supplies		3	1	2
Other services and charges		132	131	1
Capital outlay		2	2	—
Internal charges		2	—	2
Total		<u>811</u>	<u>747</u>	<u>64</u>
City-County Council				
	Consolidated County			
Personal services		1,250	1,245	5
Supplies		6	3	3
Other services and charges		471	391	80
Capital outlay		3	2	1
Total		<u>1,730</u>	<u>1,641</u>	<u>89</u>
Cable Franchise Board				
	Consolidated County			
Personal services		322	318	4
Supplies		2	2	—
Other services and charges		117	115	2
Capital outlay		15	5	10
Internal charges		4	4	—
Total		<u>460</u>	<u>444</u>	<u>16</u>
Office of the Corporation Counsel				
	Consolidated County			
Personal services		3,091	2,998	93
Supplies		7	7	—
Other services and charges		817	817	—
Capital outlay		2	—	2
Internal charges		(3,206)	(3,038)	(168)
Total		<u>711</u>	<u>784</u>	<u>(73)</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Office of Finance and Management	Consolidated County			
Personal services		\$ 3,962	\$ 3,700	\$ 262
Supplies		14	7	7
Other services and charges		2,520	2,514	6
Capital outlay		11	1	10
Internal charges		2	1	1
Total		<u>6,509</u>	<u>6,223</u>	<u>286</u>
Minority and Women Owned Business	Consolidated County			
Personal services		546	500	46
Supplies		4	2	2
Other services and charges		105	97	8
Internal charges		1	—	1
Total		<u>656</u>	<u>599</u>	<u>57</u>
Total – Executive and Legislative		<u>\$ 15,139</u>	<u>\$ 14,457</u>	<u>\$ 682</u>
Department of Metropolitan Development	Consolidated County			
Personal services		\$ 1,876	\$ 1,670	\$ 206
Supplies		14	5	9
Other services and charges		3,943	3,401	542
Capital outlay		25	6	19
Internal charges		(308)	(268)	(40)
Total		<u>5,550</u>	<u>4,814</u>	<u>736</u>
Department of Metropolitan Development	Transportation			
Personal services		202	186	16
Other services and charges		15	12	3
Internal charges		1	—	1
Total		<u>218</u>	<u>198</u>	<u>20</u>
Department of Metropolitan Development	Redevelopment			
Personal services		585	517	68
Supplies		4	2	2
Other services and charges		2,621	1,342	1,279
Capital outlay		5	1	4
Internal charges		233	143	90
Total		<u>3,448</u>	<u>2,005</u>	<u>1,443</u>
Total – Department of Metropolitan Development		<u>\$ 9,216</u>	<u>\$ 7,017</u>	<u>\$ 2,199</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Code Enforcement	Consolidated County			
Personal services		\$ 8,437	\$ 7,939	\$ 498
Supplies		81	63	18
Other services and charges		6,986	6,981	5
Capital outlay		298	34	264
Internal charges		1,147	1,144	3
Total – Department of Code Enforcement		<u>\$ 16,949</u>	<u>\$ 16,161</u>	<u>\$ 788</u>
Department of Public Works	Consolidated County			
Personal services		\$ 9,943	\$ 9,474	\$ 469
Supplies		17,378	17,338	40
Other services and charges		7,696	7,320	376
Capital outlay		42,807	41,753	1,054
Internal charges		(28,604)	(28,644)	40
Total		<u>49,220</u>	<u>47,241</u>	<u>1,979</u>
Department of Public Works	Transportation			
Personal services		18,488	18,167	321
Supplies		8,791	8,767	24
Other services and charges		13,674	13,434	240
Capital outlay		20,518	19,324	1,194
Internal charges		6,457	6,353	104
Total		<u>67,928</u>	<u>66,045</u>	<u>1,883</u>
Department of Public Works	Park			
Personal services		5,712	5,672	40
Supplies		202	196	6
Other services and charges		1,716	1,715	1
Capital outlay		148	130	18
Internal charges		715	715	—
Total		<u>8,493</u>	<u>8,428</u>	<u>65</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Public Works	Solid Waste Collection			
Personal services		\$ 9,426	\$ 9,383	\$ 43
Supplies		113	105	8
Other services and charges		20,042	20,042	—
Capital outlay		173	148	25
Internal charges		5,406	5,406	—
Total		<u>35,160</u>	<u>35,084</u>	<u>76</u>
Department of Public Works	Solid Waste Disposal			
Other services and charges		7,210	7,127	83
Internal charges		476	423	53
Total		<u>7,686</u>	<u>7,550</u>	<u>136</u>
Department of Public Works	Storm Water Management			
Personal services		3,158	3,045	113
Supplies		34	11	23
Other services and charges		8,077	8,045	32
Capital outlay		7,978	7,323	655
Internal charges		1,818	1,752	66
Total		<u>21,065</u>	<u>20,176</u>	<u>889</u>
Total – Department of Public Works		<u>\$ 189,552</u>	<u>\$ 184,524</u>	<u>\$ 5,028</u>
Department of Public Safety	Consolidated County			
Personal services		\$ 4,371	\$ 4,294	\$ 77
Supplies		206	161	45
Other services and charges		3,888	3,860	28
Capital outlay		7	—	7
Internal charges		850	811	39
Total		<u>9,322</u>	<u>9,126</u>	<u>196</u>
Department of Public Safety	Public Safety			
Personal services	Communications	2,879	2,879	—
Supplies		116	86	30
Other services and charges		3,947	3,781	166
Capital outlay		133	119	14
Internal charges		50	28	22
Total		<u>7,125</u>	<u>6,893</u>	<u>232</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Public Safety	Fire			
Personal services		\$ 124,840	\$ 124,578	\$ 262
Supplies		1,282	1,194	88
Other services and charges		6,198	6,045	153
Capital outlay		516	513	3
Internal charges		3,843	3,841	2
Total		<u>136,679</u>	<u>136,171</u>	<u>508</u>
Department of Public Safety	Metropolitan Police			
Personal services		160,548	160,526	22
Supplies		871	170	701
Other services and charges		16,298	16,042	256
Capital outlay		56	41	15
Internal charges		11,907	11,359	548
Total		<u>189,680</u>	<u>188,138</u>	<u>1,542</u>
Total – Department of Public Safety		<u>\$ 342,806</u>	<u>\$ 340,328</u>	<u>\$ 2,478</u>
Department of Parks and Recreation	Consolidated County			
Other services and charges		\$ 1,000	\$ 1,000	\$ —
Total		<u>1,000</u>	<u>1,000</u>	<u>—</u>
Department of Parks and Recreation	Park			
Personal services		9,051	7,932	1,119
Supplies		647	532	115
Other services and charges		4,844	4,771	73
Capital outlay		71	69	2
Internal charges		201	186	15
Total		<u>14,814</u>	<u>13,490</u>	<u>1,324</u>
Total – Department of Parks and Recreation		<u>\$ 15,814</u>	<u>\$ 14,490</u>	<u>\$ 1,324</u>
Total – General Fund – by Department and Division		<u>\$ 589,476</u>	<u>\$ 576,977</u>	<u>\$ 12,499</u>

Nonmajor Special Revenue Fund

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

- Parking -** to account for revenue from the concession agreement for parking meters; these receipts are used for the repair of sidewalks, curbs, and streets

- Cable Franchise -
PEG Grants** to account for contributions from the two cable franchise agreements to provide for public purpose grants for the capital costs of Public, Educational, or Governmental (PEG) Access Facilities

- Federal Grants -** to account for all grants received from the U.S. Departments of Housing and Urban Development, Justice, Transportation, Homeland Security, and other miscellaneous federal agencies

- State of Indiana Grants -** to account for all grants received from the State of Indiana

- Public Safety Income Tax -** to account for public safety income tax receipts

- Drug Free Community -** to account for drug free community grants

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Special Revenue Funds
December 31, 2014
(In thousands)

	<u>Parking</u>	<u>Cable Franchise PEG Grants</u>	<u>Federal Grants</u>	<u>State of Indiana Grants</u>	<u>Public Safety Income Tax</u>	<u>Drug Free Community</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS							
Equity in pooled cash	\$ 2,644	\$ 16	\$ 483	\$ 1,022	\$ 2	\$ —	\$ 4,167
Investments	5,521	35	1,008	2,133	1	—	8,698
Accounts receivable	—	—	2	20	—	—	22
Due from federal and state governments	—	—	10,244	24	—	—	10,268
Long-term receivables, less allowance of \$26,427	—	—	—	—	—	—	—
Total assets	<u>\$ 8,165</u>	<u>\$ 51</u>	<u>\$ 11,737</u>	<u>\$ 3,199</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ 23,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ 607	\$ —	\$ 5,030	\$ 486	\$ —	\$ 118	\$ 6,241
Accrued payroll and payroll taxes	—	—	186	4	—	—	190
Due to other funds	—	—	—	—	—	30	30
Unearned revenue	—	—	1,434	—	—	—	1,434
Total liabilities	<u>607</u>	<u>—</u>	<u>6,650</u>	<u>490</u>	<u>—</u>	<u>148</u>	<u>7,895</u>
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>4,451</u>	<u>53</u>	<u>—</u>	<u>—</u>	<u>4,504</u>
Fund balances:							
Restricted	7,558	51	636	2,656	3	—	10,904
Unassigned	—	—	—	—	—	(148)	(148)
Total fund balances (deficits)	<u>7,558</u>	<u>51</u>	<u>636</u>	<u>2,656</u>	<u>3</u>	<u>(148)</u>	<u>10,756</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,165</u>	<u>\$ 51</u>	<u>\$ 11,737</u>	<u>\$ 3,199</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ 23,155</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
Year ended December 31, 2014
(In thousands)

	Parking	Cable Franchise PEG Grants	Federal Grants	State of Indiana Grants	Public Safety Income Tax	Drug Free Community	Total Nonmajor Special Revenue Funds
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 35,229	\$ —	\$ 35,229
Charges for services	2,082	—	—	—	—	—	2,082
Other intergovernmental revenues:							
Federal revenues	—	—	32,249	(42)	—	—	32,207
State revenues	—	—	—	146	—	—	146
Other revenues	—	—	—	—	—	354	354
Traffic violations and court fees	497	—	1,307	1,384	—	—	3,188
Interest and other operating revenues	20	—	51	11	22	—	104
Total revenues	<u>2,599</u>	<u>—</u>	<u>33,607</u>	<u>1,499</u>	<u>35,251</u>	<u>354</u>	<u>73,310</u>
Expenditures:							
Current:							
General government	—	—	1,467	138	—	314	1,919
Public safety	—	—	8,095	2,118	—	—	10,213
Public works	269	—	2,176	—	—	—	2,445
Health and welfare	—	—	5,752	—	—	—	5,752
Cultural and recreation	—	—	1,284	—	—	—	1,284
Urban redevelopment and housing	—	—	13,172	—	—	—	13,172
Economic development and assistance	—	—	16	—	—	—	16
Debt service:							
Redemption of bonds and notes	—	—	6	—	—	—	6
Interest on bonds and notes	—	—	3	—	—	—	3
Capital outlay	621	—	1,738	105	—	—	2,464
Total expenditures	<u>890</u>	<u>—</u>	<u>33,709</u>	<u>2,361</u>	<u>—</u>	<u>314</u>	<u>37,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,709</u>	<u>—</u>	<u>(102)</u>	<u>(862)</u>	<u>35,251</u>	<u>40</u>	<u>36,036</u>
Other financing source uses:							
Transfers in	—	—	83	—	—	—	83
Transfers out	—	—	—	—	(35,306)	—	(35,306)
Total other financing uses	—	—	83	—	(35,306)	—	(35,223)
Net change in fund balances	1,709	—	(19)	(862)	(55)	40	813
Fund balances (deficits) at beginning of year	5,849	51	655	3,518	58	(188)	9,943
Fund balances (deficits) at end of year	<u>\$ 7,558</u>	<u>\$ 51</u>	<u>\$ 636</u>	<u>\$ 2,656</u>	<u>\$ 3</u>	<u>\$ (148)</u>	<u>\$ 10,756</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

	Parking		Federal Grants		State of Indiana Grants		Public Safety Income Tax		Drug Free Community		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:												
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 35,229	\$ 35,229	\$ —	\$ —	\$ 35,229	\$ 35,229
Charges for services	1,700	2,080	349	—	—	—	—	—	—	—	2,049	2,080
Other intergovernmental revenues:												
Federal revenues	—	—	43,244	21,135	181	—	—	—	—	—	43,425	21,135
State revenues	—	—	—	811	—	203	—	—	—	—	—	1,014
Traffic violations and court fees	—	497	1,270	1,305	1,575	1,367	—	—	—	—	2,845	3,169
Interest and other operating revenues	—	20	—	51	13	11	—	22	—	—	13	104
Total revenues	<u>1,700</u>	<u>2,597</u>	<u>44,863</u>	<u>23,302</u>	<u>1,769</u>	<u>1,581</u>	<u>35,229</u>	<u>35,251</u>	<u>—</u>	<u>—</u>	<u>83,561</u>	<u>62,731</u>
Expenditures:												
Current:												
General government	35	—	940	729	217	207	—	—	300	300	1,492	1,236
Public safety	—	—	10,707	8,267	1,695	1,558	—	—	—	—	12,402	9,825
Public works	218	216	1,573	1,051	—	—	—	—	—	—	1,791	1,267
Health and welfare	—	—	8,763	7,308	—	—	—	—	—	—	8,763	7,308
Cultural and recreation	—	—	1,685	1,288	—	—	—	—	—	—	1,685	1,288
Urban redevelopment and housing	—	—	62,722	14,425	—	—	—	—	—	—	62,722	14,425
Economic development and assistance	—	—	10	5	—	—	—	—	—	—	10	5
Capital outlays	193	191	3,088	2,026	164	160	—	—	—	—	3,445	2,377
Total expenditures	<u>446</u>	<u>407</u>	<u>89,488</u>	<u>35,099</u>	<u>2,076</u>	<u>1,925</u>	<u>—</u>	<u>—</u>	<u>300</u>	<u>300</u>	<u>92,310</u>	<u>37,731</u>
Excess (deficiency) of revenues over (under) expenditures	1,254	2,190	(44,625)	(11,797)	(307)	(344)	35,229	35,251	(300)	(300)	(8,749)	25,000
Other financing sources (uses), net:												
Transfers in (out)	—	—	(251)	2	(405)	(454)	(35,309)	(35,306)	350	146	(35,615)	(35,612)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(251)</u>	<u>2</u>	<u>(405)</u>	<u>(454)</u>	<u>(35,309)</u>	<u>(35,306)</u>	<u>350</u>	<u>146</u>	<u>(35,615)</u>	<u>(35,612)</u>
Revenues over (under) expenditures and other financing sources (uses)	1,254	2,190	(44,876)	(11,795)	(712)	(798)	(80)	(55)	50	(154)	(44,364)	(10,612)
Fund balances (deficits) at beginning of year	4,566	5,123	—	—	—	—	50	58	(33)	(242)	4,583	4,939
Cancellation of purchase orders and other	1,462	718	44,876	11,795	712	798	30	(3)	27	236	47,107	13,544
Fund balances (deficits) at end of year	<u>\$ 7,282</u>	<u>\$ 8,031</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ (160)</u>	<u>\$ 7,326</u>	<u>\$ 7,871</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Executive and Legislative				
Mayor's Office	State of Indiana Grants			
Personal services		\$ 91	\$ 90	\$ 1
Supplies		1	—	1
Other services and charges		84	77	7
Capital outlay		4	—	4
Total		<u>180</u>	<u>167</u>	<u>13</u>
City-County Council	State of Indiana Grants			
Other services and charges		40	40	—
Total		<u>40</u>	<u>40</u>	<u>—</u>
Office of Finance and Management	Parking			
Personal services		35	—	35
Total		<u>35</u>	<u>—</u>	<u>35</u>
Office of Finance and Management	Federal Grants			
Personal services		5	4	1
Other services and charges		934	724	210
Total		<u>939</u>	<u>728</u>	<u>211</u>
Office of Finance and Management	Drug Free Community			
Other services and charges		300	300	—
Total		<u>300</u>	<u>300</u>	<u>—</u>
Total - Executive and Legislative		<u>\$ 1,494</u>	<u>\$ 1,235</u>	<u>\$ 259</u>
Department of Metropolitan Development				
	Federal Grants			
Personal services		\$ 2,328	\$ 2,093	\$ 235
Supplies		16	8	8
Other services and charges		68,884	20,031	48,853
Capital outlay		1,216	1,205	11
Internal charges		267	207	60
Total		<u>72,711</u>	<u>23,544</u>	<u>49,167</u>
Total – Department of Metropolitan Development		<u>\$ 72,711</u>	<u>\$ 23,544</u>	<u>\$ 49,167</u>
Department of Public Works				
	Parking			
Personal services		\$ 36	\$ 36	\$ —
Other services and charges		182	180	2
Capital outlay		193	191	2
Total		<u>411</u>	<u>407</u>	<u>4</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Public Works	Federal Grants			
Personal services		\$ 60	\$ 60	\$ —
Supplies		2	2	—
Other services and charges		1,511	989	522
Total		<u>1,573</u>	<u>1,051</u>	<u>522</u>
Total – Department of Public Works		\$ <u>1,984</u>	\$ <u>1,458</u>	\$ <u>526</u>
Department of Public Safety	Federal Grants			
Personal services		\$ 4,834	\$ 4,037	\$ 797
Supplies		1,453	502	951
Other services and charges		4,404	3,113	1,291
Capital outlay		1,872	821	1,051
Internal charges		17	14	3
Total		<u>12,580</u>	<u>8,487</u>	<u>4,093</u>
Department of Public Safety	State of Indiana Grants			
Personal services		734	612	122
Supplies		513	513	—
Other services and charges		449	433	16
Capital outlay		160	160	—
Total		<u>1,856</u>	<u>1,718</u>	<u>138</u>
Total – Department of Public Safety		\$ <u>14,436</u>	\$ <u>10,205</u>	\$ <u>4,231</u>
Department of Parks and Recreation	Federal Grants			
Personal services		\$ 530	\$ 319	\$ 211
Supplies		7	6	1
Other services and charges		1,148	964	184
Total		<u>1,685</u>	<u>1,289</u>	<u>396</u>
Total – Department of Parks and Recreation		\$ <u>1,685</u>	\$ <u>1,289</u>	\$ <u>396</u>
Total – Special Revenue Funds – by Department and Division		\$ <u>92,310</u>	\$ <u>37,731</u>	\$ <u>54,579</u>

Nonmajor Debt Service Funds

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

Civil City -	to account for the accumulation of resources for, and the payment of general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Civil City
Redevelopment District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Redevelopment District and to account for the accumulation of resources for, and the payment of, long-term lease commitments to the Marion County Convention and Recreation Facilities Authority (MCCRFA) for a leasehold interest in the former United Airlines maintenance facility
Public Safety Communications -	to account for the accumulation of resources for, and the payment of, costs associated with the Public Safety Communications System Equipment
Sanitary District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Sanitary District
Flood Control District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Flood Control District
Metropolitan Thoroughfare - District	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Metropolitan Thoroughfare District
Park District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Park District
Economic Development District -	to account for accumulation of resources, and payments of long term bonded debt principal, interest, and related costs of bond issues for certain economic development projects
PILOT -	to account for accumulation of resources, and payments of long-term debt principal, interest, and related costs of debt issued for certain projects for the Department of Public Works

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Debt Service Funds
December 31, 2014
(In thousands)

	Civil City	Redevelopment District	Public Safety Communications	Sanitary District	Flood Control District	Metropolitan Thoroughfare District	Park District	Economic Development District	PILOT	Total Nonmajor Debt Service Funds
ASSETS										
Equity in pooled cash	\$ 1,842	\$ 372	\$ 727	\$ 2,565	\$ 1,256	\$ 2,087	\$ 1,109	\$ 2,881	\$ 1,280	\$ 14,119
Cash and investments with fiscal agents	2	—	—	24	8	30	10	18,622	—	18,696
Investments	3,848	778	1,516	5,357	2,623	4,361	2,316	5,228	2,675	28,702
Property taxes receivable	330	69	132	—	—	213	113	—	—	857
Accounts receivable	97	62	38	—	—	57	32	100	—	386
Long-term receivables, less allowance	—	—	—	355	70	344	149	—	—	918
Total assets	\$ 6,119	\$ 1,281	\$ 2,413	\$ 8,301	\$ 3,957	\$ 7,092	\$ 3,729	\$ 26,831	\$ 3,955	\$ 63,678
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Matured bonds and notes payable	\$ 3,275	\$ 265	\$ 1,195	\$ 7,046	\$ 2,773	\$ 5,223	\$ 2,778	\$ 260	\$ —	\$ 22,815
Matured interest payable	1,483	7	726	732	1,029	599	326	533	3,955	9,390
Accounts payable and other accrued liabilities	1	50	—	111	9	19	7	—	—	197
Total liabilities	4,759	322	1,921	7,889	3,811	5,841	3,111	793	3,955	32,402
Deferred inflows of resources	428	124	170	273	54	535	259	—	—	1,843
Fund balances:										
Nonspendable	—	—	—	355	70	344	149	—	—	918
Restricted	932	835	322	—	22	372	210	26,038	—	28,731
Unassigned	—	—	—	(216)	—	—	—	—	—	(216)
Total fund balances	932	835	322	139	92	716	359	26,038	—	29,433
Total liabilities, deferred inflows of resources and fund balances	\$ 6,119	\$ 1,281	\$ 2,413	\$ 8,301	\$ 3,957	\$ 7,092	\$ 3,729	\$ 26,831	\$ 3,955	\$ 63,678

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
Year ended December 31, 2014
(In thousands)

	Civil City	Redevelopment District	Public Safety Communications	Sanitary District	Flood Control District	Metropolitan Thoroughfare District	Park District	Economic Development District	PILOT	Total Nonmajor Debt Service Funds
Revenues:										
Property taxes	\$ 10,822	\$ 14,491	\$ 4,001	\$ —	\$ —	\$ 6,318	\$ 3,392	\$ 2,377	\$ —	\$ 41,401
Other taxes	804	428	319	—	—	502	270	—	—	2,323
Other intergovernmental revenues:										
State revenues	—	—	—	—	—	—	—	1,966	—	1,966
Charges for services	—	—	—	—	—	—	—	4,841	—	4,841
Interest on investments	—	1	—	4	6	8	4	16	10	49
Other revenues	89	47	31	8,388	2	49	26	3,071	3,771	15,474
Total revenues	11,715	14,967	4,351	8,392	8	6,877	3,692	12,271	3,781	66,054
Expenditures:										
Redemption of bonds and notes	6,475	265	2,365	7,046	3,138	5,222	2,778	3,220	—	30,509
Interest on bonds and notes	2,600	11	1,476	1,423	2,605	1,119	597	13,402	7,910	31,143
Bond issuance costs	—	—	—	—	63	—	—	—	—	63
Operating lease payments and administration	66	14,220	31	2	71	41	32	120	163	14,746
Total expenditures	9,141	14,496	3,872	8,471	5,877	6,382	3,407	16,742	8,073	76,461
Excess (deficiency) of revenues over (under) expenditures	2,574	471	479	(79)	(5,869)	495	285	(4,471)	(4,292)	(10,407)
Other financing sources (uses):										
Bonds and notes issued	—	—	—	—	—	—	—	850	—	850
Proceeds from restructuring of debt	—	—	—	82	16	79	35	—	—	212
Transfers in	—	—	—	—	4,946	—	—	11,419	536	16,901
Transfers out	(443)	—	—	—	—	—	—	(332)	—	(775)
Total other financing sources (uses)	(443)	—	—	82	4,962	79	35	11,937	536	17,188
Net change in fund balances	2,131	471	479	3	(907)	574	320	7,466	(3,756)	6,781
Fund balances (deficits) at beginning of year	(1,199)	364	(157)	136	999	142	39	18,572	3,756	22,652
Fund balances at end of year	\$ 932	\$ 835	\$ 322	\$ 139	\$ 92	\$ 716	\$ 359	\$ 26,038	\$ —	\$ 29,433

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis

Year ended December 31, 2014

(In thousands)

	Civil City		Redevelopment District		Public Safety Communications	
	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:						
Taxes	\$ 10,899	\$ 11,626	\$ 13,924	\$ 14,919	\$ 4,072	\$ 4,320
Charges for services	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Other operating revenues	—	89	—	48	—	31
Total revenues	<u>10,899</u>	<u>11,715</u>	<u>13,924</u>	<u>14,967</u>	<u>4,072</u>	<u>4,351</u>
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service	9,590	9,584	14,538	14,496	3,873	3,872
Total expenditures	<u>9,590</u>	<u>9,584</u>	<u>14,538</u>	<u>14,496</u>	<u>3,873</u>	<u>3,872</u>
Deficiency of revenues under expenditures	<u>1,309</u>	<u>2,131</u>	<u>(614)</u>	<u>471</u>	<u>199</u>	<u>479</u>
Other financing sources (uses), net:						
Bond proceeds	—	—	—	—	—	—
Transfers in (out)	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Revenues over (under) expenditures and other financing sources (uses)	1,309	2,131	(614)	471	199	479
Fund balances (deficits) at beginning of year	(1,311)	(1,202)	552	357	(200)	(169)
Cancellation of purchase orders and other	<u>1,082</u>	<u>—</u>	<u>761</u>	<u>—</u>	<u>370</u>	<u>12</u>
Fund balances (deficits) at end of year	<u>\$ 1,080</u>	<u>\$ 929</u>	<u>\$ 699</u>	<u>\$ 828</u>	<u>\$ 369</u>	<u>\$ 322</u>

(Continued)

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis

Year ended December 31, 2014

(In thousands)

	<u>Sanitary District</u>		<u>Flood Control District</u>		<u>Metropolitan Thoroughfare District</u>	
	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 6,365	\$ 6,820
Charges for services	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Other operating revenues	8,488	8,392	—	8	—	58
Total revenues	<u>8,488</u>	<u>8,392</u>	<u>—</u>	<u>8</u>	<u>6,365</u>	<u>6,878</u>
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service	8,419	8,389	5,860	5,860	6,303	6,303
Total expenditures	<u>8,419</u>	<u>8,389</u>	<u>5,860</u>	<u>5,860</u>	<u>6,303</u>	<u>6,303</u>
Deficiency of revenues under expenditures	<u>69</u>	<u>3</u>	<u>(5,860)</u>	<u>(5,852)</u>	<u>62</u>	<u>575</u>
Other financing sources (uses), net:						
Bond proceeds	—	—	—	—	—	—
Transfers in (out)	—	—	6,200	4,946	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>6,200</u>	<u>4,946</u>	<u>—</u>	<u>—</u>
Revenues over (under) expenditures and other financing sources (uses)	69	3	340	(906)	62	575
Fund balances (deficits) at beginning of year	109	109	(380)	927	2	108
Cancellation of purchase orders and other	<u>(178)</u>	<u>(112)</u>	<u>149</u>	<u>61</u>	<u>703</u>	<u>(23)</u>
Fund balances (deficits) at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 109</u>	<u>\$ 82</u>	<u>\$ 767</u>	<u>\$ 660</u>

(Continued)

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis

Year ended December 31, 2014

(In thousands)

	<u>Revenue</u>		<u>Park District</u>		<u>Economic Development</u>		<u>PILOT</u>		<u>Totals</u>	
	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>
Revenues:										
Taxes	\$ 78,091	\$ 82,549	\$ 3,410	\$ 3,662	\$ 2,713	\$ 2,377	\$ —	\$ —	\$ 119,474	\$ 126,273
Charges for services	—	—	—	—	1,500	1,575	—	—	1,500	1,575
Intergovernmental	235	337	—	—	—	1,966	—	—	235	2,303
Other operating revenues	1,955	5,239	—	31	—	1,266	3,771	3,780	14,214	18,942
Total revenues	<u>80,281</u>	<u>88,125</u>	<u>3,410</u>	<u>3,693</u>	<u>4,213</u>	<u>7,184</u>	<u>3,771</u>	<u>3,780</u>	<u>135,423</u>	<u>149,093</u>
Expenditures:										
Economic development and assistance	335	332	—	—	—	—	—	—	335	332
Debt service	81,291	79,532	3,371	3,371	14,900	14,857	8,086	8,073	156,231	154,337
Total expenditures	<u>81,626</u>	<u>79,864</u>	<u>3,371</u>	<u>3,371</u>	<u>14,900</u>	<u>14,857</u>	<u>8,086</u>	<u>8,073</u>	<u>156,566</u>	<u>154,669</u>
Deficiency of revenues under expenditures	<u>(1,345)</u>	<u>8,261</u>	<u>39</u>	<u>322</u>	<u>(10,687)</u>	<u>(7,673)</u>	<u>(4,315)</u>	<u>(4,293)</u>	<u>(21,143)</u>	<u>(5,576)</u>
Other financing sources (uses), net:										
Bond proceeds	11,927	11,927	—	—	—	—	—	—	11,927	11,927
Transfers in (out)	100	(8,142)	—	—	—	11,087	—	536	6,300	8,427
Total other financing sources (uses)	<u>12,027</u>	<u>3,785</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,087</u>	<u>—</u>	<u>536</u>	<u>18,227</u>	<u>20,354</u>
Revenues over (under) expenditures and other financing sources (uses)	10,682	12,046	39	322	(10,687)	3,414	(4,315)	(3,757)	(2,916)	14,778
Fund balances (deficits) at beginning of year	4,378	3,955	(13)	36	(290)	(544)	3,750	3,757	6,597	7,334
Cancellation of purchase orders and other	<u>(9,815)</u>	<u>(10,678)</u>	<u>387</u>	<u>(12)</u>	<u>11,725</u>	<u>(3,573)</u>	<u>12</u>	<u>—</u>	<u>5,196</u>	<u>(14,325)</u>
Fund balances (deficits) at end of year	<u>\$ 5,245</u>	<u>\$ 5,323</u>	<u>\$ 413</u>	<u>\$ 346</u>	<u>\$ 748</u>	<u>\$ (703)</u>	<u>\$ (553)</u>	<u>\$ —</u>	<u>\$ 8,877</u>	<u>\$ 7,787</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Metropolitan Development	Revenue			
Other services and charges		\$ 335	\$ 332	\$ 3
Total		<u>335</u>	<u>332</u>	<u>3</u>
Non Departmental	Flood Control District			
Other services and charges		5,860	5,860	—
Total		<u>5,860</u>	<u>5,860</u>	<u>—</u>
Non Departmental	Metropolitan Thoroughfare District			
Other services and charges		6,303	6,303	—
Total		<u>6,303</u>	<u>6,303</u>	<u>—</u>
Non Departmental	Park District			
Other services and charges		3,371	3,371	—
Total		<u>3,371</u>	<u>3,371</u>	<u>—</u>
Non Departmental	Public Safety Communicaitons			
Other services and charges		3,873	3,872	1
Total		<u>3,873</u>	<u>3,872</u>	<u>1</u>
Non Departmental	Civil City			
Other services and charges		9,590	9,584	6
Total		<u>9,590</u>	<u>9,584</u>	<u>6</u>
Non Departmental	Redevelopment District			
Other services and charges		14,538	14,496	42
Total		<u>14,538</u>	<u>14,496</u>	<u>42</u>
Non Departmental	Revenue			
Other services and charges		81,291	79,532	1,759
Total		<u>81,291</u>	<u>79,532</u>	<u>1,759</u>
Non Departmental	Sanitary District			
Other services and charges		8,419	8,389	30
Total		<u>8,419</u>	<u>8,389</u>	<u>30</u>
Non Departmental	Economic Development			
Other services and charges		14,900	14,857	43
Total		<u>14,900</u>	<u>14,857</u>	<u>43</u>
Non Departmental	PILOT			
Other services and charges		8,086	8,073	13
Total		<u>8,086</u>	<u>8,073</u>	<u>13</u>
	Total – Debt Service Funds – by Department	\$ <u>156,566</u>	\$ <u>154,669</u>	\$ <u>1,897</u>

Nonmajor Capital Project Funds

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

Redevelopment District:

General - to account for all financial resources related to projects constructed wholly or in part from Redevelopment District bond issue proceeds (except tax increment bonds) and any participating federal and state grants, including any required City local matching funds

Tax Increment - to account for all financial resources related to projects constructed from proceeds of the Redevelopment District Tax Increment bond issues

Economic Development - to account for all financial resources relating to projects funded through economic development bonds of the City

PILOT Revenue Bonds - to account for all financial resources accumulated and payments made for construction, renovation, rehabilitation, and installation, of certain improvements to the City's public roads, street and sidewalks, and other public facilities

Metropolitan Thoroughfare District - to account for all financial resources related to projects constructed wholly or in part from Metropolitan Thoroughfare District bond issue proceeds (except tax increment bonds) and any participating federal and state grants, including any required City local matching funds

Park District - to account for all financial resources related to projects constructed from proceeds of the Park District bond issues

City Cumulative Capital Development - to account for all resources accumulating from a City-wide ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature

County Cumulative Capital Development - to account for all resources accumulating from a County-wide ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature

Tax Revenue Note - to account for all financial resources related to purchases of certain vehicles and other equipment from the proceeds of a tax revenue note

Public Safety Communications - to account for all financial resources related to acquisition of computer hardware and software from proceeds of the Public Safety Communication System and Computer Facilities District bonds

Landmark Building Preservation - to account for all financial resources related to costs of major repairs to certain City properties

(Continued)

Fire Cumulative -

to account for all resources for the fire department accumulating from an ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature

Storm Water -

to account for all financial resources related to expenditures for construction of storm water removal infrastructure

Capital Asset Development -

to account for revenues from operating agreements with outside contractors which are to be used to purchase capital assets for the benefit of the City

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2014
(In thousands)

	<u>Redevelopment District</u>		<u>Economic Development</u>	<u>PILOT Revenue Bonds</u>	<u>Metropolitan Thoroughfare District</u>	<u>Park District</u>	<u>City Cumulative Capital Development</u>	<u>County Cumulative Capital Development</u>
	<u>General</u>	<u>Tax Increment</u>						
ASSETS								
Equity in pooled cash	\$ 315	\$ 1,731	\$ —	\$ —	\$ 853	\$ 6	\$ 5,074	\$ 972
Cash and investments with fiscal agents	—	242	39,214	6,585	—	—	—	—
Investments	658	3,617	—	—	1,782	12	10,600	2,030
Property taxes receivable	—	—	—	—	—	—	428	—
Accounts receivable	—	—	—	—	—	—	111	—
Due from federal and state governments	—	—	—	—	—	—	—	—
Long-term receivables, less allowance	—	1,000	—	—	—	—	—	—
Total assets	<u>\$ 973</u>	<u>\$ 6,590</u>	<u>\$ 39,214</u>	<u>\$ 6,585</u>	<u>\$ 2,635</u>	<u>\$ 18</u>	<u>\$ 16,213</u>	<u>\$ 3,002</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and other accrued liabilities	\$ —	\$ 383	\$ —	\$ 325	\$ —	\$ —	\$ 859	\$ 289
Due to other funds	—	—	—	3,182	—	—	—	—
Total liabilities	—	383	—	3,507	—	—	859	289
Deferred inflows of resources	—	—	—	—	—	—	539	—
Fund balances:								
Nonspendable	—	1,000	—	—	—	—	—	—
Restricted	973	5,207	39,214	3,078	2,635	18	14,815	2,713
Total fund balances	973	6,207	39,214	3,078	2,635	18	14,815	2,713
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 973</u>	<u>\$ 6,590</u>	<u>\$ 39,214</u>	<u>\$ 6,585</u>	<u>\$ 2,635</u>	<u>\$ 18</u>	<u>\$ 16,213</u>	<u>\$ 3,002</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2014
(In thousands)

	<u>Tax Revenue Note</u>	<u>Public Safety Communications</u>	<u>Landmark Building Preservation</u>	<u>Fire Cumulative</u>	<u>Storm Water</u>	<u>Capital Asset Development</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS							
Equity in pooled cash	\$ 22	\$ 205	\$ 8	\$ 1,026	\$ 9	\$ 93	\$ 10,314
Cash and investments with fiscal agents	59	—	—	—	1,168	—	47,268
Investments	45	429	15	2,145	20	193	21,546
Property taxes receivable	—	—	—	119	—	—	547
Accounts receivable	—	—	—	24	—	—	135
Due from federal and state governments	—	525	—	—	—	—	525
Long-term receivables, less allowance \$350	—	—	—	—	—	—	1,000
Total assets	<u>\$ 126</u>	<u>\$ 1,159</u>	<u>\$ 23</u>	<u>\$ 3,314</u>	<u>\$ 1,197</u>	<u>\$ 286</u>	<u>\$ 81,335</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ —	\$ 526	\$ —	\$ 166	\$ 12	\$ —	\$ 2,560
Due to other funds	—	—	—	—	—	—	3,182
Total liabilities	—	526	—	166	12	—	5,742
Deferred inflows of resources	—	525	—	143	—	—	1,207
Fund balances:							
Nonspendable	—	—	—	—	—	—	1,000
Restricted	126	108	23	3,005	1,185	286	73,386
Total fund balances	126	108	23	3,005	1,185	286	74,386
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 126</u>	<u>\$ 1,159</u>	<u>\$ 23</u>	<u>\$ 3,314</u>	<u>\$ 1,197</u>	<u>\$ 286</u>	<u>\$ 81,335</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2014
(In thousands)

	Redevelopment District		Economic Development	PILOT Revenue Bonds	Metropolitan Thoroughfare District	Park District	City Cumulative Capital Development	County Cumulative Capital Development
	General	Tax Increment						
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	8,859	\$ —
Charges for services	—	—	—	—	—	—	300	—
Other intergovernmental revenues:								
Federal revenues	—	—	—	47	—	—	—	7
Other revenues	—	—	—	—	—	—	—	2,500
Interest and other operating revenues	3	55	1	232	8	—	142	235
Total revenues	<u>3</u>	<u>55</u>	<u>1</u>	<u>279</u>	<u>8</u>	<u>—</u>	<u>9,301</u>	<u>2,742</u>
Expenditures:								
Current:								
Economic development and assistance	—	1,347	17,640	—	—	—	—	—
Debt service:								
Redemption of bonds and notes	—	—	—	—	—	—	985	—
Interest on bonds and notes	—	—	—	—	—	—	42	—
Bond and note issuance costs	—	—	648	—	—	—	—	—
Operating lease payments and administration	—	—	532	—	—	—	—	—
Capital outlays	—	921	17,150	2,381	—	—	6,515	2,432
Total expenditures	—	2,268	35,970	2,381	—	—	7,542	2,432
Excess (deficiency) of revenues over (under) expenditures	<u>3</u>	<u>(2,213)</u>	<u>(35,969)</u>	<u>(2,102)</u>	<u>8</u>	<u>—</u>	<u>1,759</u>	<u>310</u>
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	—	—
Bonds, notes, and certificates of participation issued	—	—	68,520	—	—	—	—	—
Premium on bonds issued	—	—	5,708	—	—	—	—	—
Transfers in	—	—	—	—	—	—	443	—
Transfers out	—	(64)	(2,782)	(536)	—	—	—	—
Total other financing sources (uses)	—	(64)	71,446	(536)	—	—	443	—
Net change in fund balances	3	(2,277)	35,477	(2,638)	8	—	2,202	310
Fund balances at beginning of year	970	8,484	3,737	5,716	2,627	18	12,613	2,403
Fund balances at end of year	<u>\$ 973</u>	<u>\$ 6,207</u>	<u>\$ 39,214</u>	<u>\$ 3,078</u>	<u>\$ 2,635</u>	<u>\$ 18</u>	<u>\$ 14,815</u>	<u>\$ 2,713</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2014
(In thousands)

	Tax Revenue Note	Public Safety Communications	Landmark Building Preservation	Fire Cumulative	Storm Water	Capital Asset Development	Total Nonmajor Capital Projects Funds
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ 2,421	\$ —	\$ —	\$ 11,280
Charges for services	—	—	—	—	—	—	300
Other intergovernmental revenues:							
Federal revenues	—	—	—	—	—	—	54
Other revenues	—	—	—	—	—	—	2,500
Interest and other operating revenues	—	2	—	34	1	3	716
Total revenues	<u>—</u>	<u>2</u>	<u>—</u>	<u>2,455</u>	<u>1</u>	<u>3</u>	<u>14,850</u>
Expenditures:							
Current:							
Economic development and assistance	—	—	—	—	—	—	18,987
Debt service:							
Redemption of bonds and notes	—	—	—	160	—	—	1,145
Interest on bonds and notes	—	—	—	7	—	—	49
Bonds and notes issuance costs	—	—	—	—	—	—	648
Operating lease payments and administration	—	—	—	—	—	—	532
Capital outlays	—	660	—	1,037	176	1,034	32,306
Total expenditures	<u>—</u>	<u>660</u>	<u>—</u>	<u>1,204</u>	<u>176</u>	<u>1,034</u>	<u>53,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>(658)</u>	<u>—</u>	<u>1,251</u>	<u>(175)</u>	<u>(1,031)</u>	<u>(38,817)</u>
Other financing sources (uses):							
Sale of capital assets	—	—	—	12	—	—	12
Bonds and notes issued	—	—	—	—	—	—	68,520
Premium on bonds issued	—	—	—	—	—	—	5,708
Transfers in	—	—	—	—	—	—	443
Transfers out	—	—	—	—	—	—	(3,382)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>12</u>	<u>—</u>	<u>—</u>	<u>71,301</u>
Net change in fund balances	<u>—</u>	<u>(658)</u>	<u>—</u>	<u>1,263</u>	<u>(175)</u>	<u>(1,031)</u>	<u>32,484</u>
Fund balances at beginning of year	126	766	23	1,742	1,360	1,317	41,902
Fund balances at end of year	<u>\$ 126</u>	<u>\$ 108</u>	<u>\$ 23</u>	<u>\$ 3,005</u>	<u>\$ 1,185</u>	<u>\$ 286</u>	<u>\$ 74,386</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

	City Cumulative Capital Development		County Cumulative Capital Development		Fire Cumulative		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ 8,339	\$ 8,860	\$ —	\$ —	\$ 2,263	\$ 2,421	\$ 10,602	\$ 11,281
Charges for services	—	300	—	—	—	—	—	300
Other intergovernmental revenues	—	—	—	7	—	—	—	7
Interest and other operating revenues	—	109	—	235	—	29	—	373
Total revenues	<u>8,339</u>	<u>9,269</u>	<u>—</u>	<u>242</u>	<u>2,263</u>	<u>2,450</u>	<u>10,602</u>	<u>11,961</u>
Expenditures:								
Current:								
Public safety	1,787	823	—	—	500	433	2,287	1,256
Public works	575	410	—	—	—	—	575	410
Capital outlays	11,038	10,411	2,500	2,463	1,689	1,684	15,227	14,558
Total expenditures	<u>13,400</u>	<u>11,644</u>	<u>2,500</u>	<u>2,463</u>	<u>2,189</u>	<u>2,117</u>	<u>18,089</u>	<u>16,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,061)</u>	<u>(2,375)</u>	<u>(2,500)</u>	<u>(2,221)</u>	<u>74</u>	<u>333</u>	<u>(7,487)</u>	<u>(4,263)</u>
Other financing sources (uses), net:								
Transfers in (out)	—	—	2,500	2,500	—	—	2,500	2,500
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>2,500</u>	<u>2,500</u>	<u>—</u>	<u>—</u>	<u>2,500</u>	<u>2,500</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(5,061)</u>	<u>(2,375)</u>	<u>—</u>	<u>279</u>	<u>74</u>	<u>333</u>	<u>(4,987)</u>	<u>(1,763)</u>
Fund balances at beginning of year	8,935	10,430	1,193	1,568	1,416	1,677	11,544	13,675
Cancellation of purchase orders and other	<u>2,900</u>	<u>675</u>	<u>608</u>	<u>(748)</u>	<u>537</u>	<u>12</u>	<u>4,045</u>	<u>(61)</u>
Fund balances at end of year	<u>\$ 6,774</u>	<u>\$ 8,730</u>	<u>\$ 1,801</u>	<u>\$ 1,099</u>	<u>\$ 2,027</u>	<u>\$ 2,022</u>	<u>\$ 10,602</u>	<u>\$ 11,851</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Public Works	City Cumulative Capital Improvement			
Other services and charges		\$ 575	\$ 410	\$ 165
Capital outlay		<u>5,477</u>	<u>4,850</u>	<u>627</u>
Total		<u>6,052</u>	<u>5,260</u>	<u>792</u>
Department of Public Works	County Cumulative Capital Improvement			
Capital outlay		<u>2,500</u>	<u>2,463</u>	<u>37</u>
Total		<u>2,500</u>	<u>2,463</u>	<u>37</u>
Total – Department of Public Works		<u>\$ 8,552</u>	<u>\$ 7,723</u>	<u>\$ 829</u>
Department of Public Safety	Fire Cumulative			
Other services and charges		\$ 500	\$ 433	\$ 67
Capital Outlay		<u>1,689</u>	<u>1,684</u>	<u>5</u>
Total		<u>2,189</u>	<u>2,117</u>	<u>72</u>
Department of Public Safety	City Cumulative Capital Improvement			
Supplies		1,508	599	909
Other services and charges		279	224	55
Capital outlay		<u>5,561</u>	<u>5,561</u>	<u>—</u>
Total		<u>7,348</u>	<u>6,384</u>	<u>964</u>
Total – Department of Public Safety		<u>\$ 9,537</u>	<u>\$ 8,501</u>	<u>\$ 1,036</u>
Total – Capital Projects Funds – by Department and Division		<u>\$ 18,089</u>	<u>\$ 16,224</u>	<u>\$ 1,865</u>

Internal Service Funds

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Net Position
December 31, 2014
(In thousands)

	<u>Risk Management</u>	<u>Public Liability Self Insurance</u>	<u>Employee Health Insurance</u>	<u>Total</u>
ASSETS				
Equity in pooled cash	\$ —	\$ 1,550	\$ 2,354	\$ 3,904
Cash and investments with fiscal agents	20	—	—	20
Investments	—	3,236	4,917	8,153
Total current assets	<u>20</u>	<u>4,786</u>	<u>7,271</u>	<u>12,077</u>
LIABILITIES				
Accounts payable and other current accrued liabilities	4,549	3,964	1,793	10,306
Due to other funds	<u>6,587</u>	<u>—</u>	<u>—</u>	<u>6,587</u>
Total current liabilities	<u>11,136</u>	<u>3,964</u>	<u>1,793</u>	<u>16,893</u>
NET POSITION				
Unrestricted (deficit)	<u>\$ (11,116)</u>	<u>\$ 822</u>	<u>\$ 5,478</u>	<u>\$ (4,816)</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended December 31, 2014
(In thousands)

	<u>Risk Management</u>	<u>Public Liability Self Insurance</u>	<u>Employee Health Insurance</u>	<u>Total</u>
Operating revenues:				
Charges to other funds	\$ 5,179	\$ 2,300	\$ 18,881	\$ 26,360
Operating expenses:				
Administration	177	—	—	177
Claims	8,926	1,937	17,821	28,684
Total operating expenses	9,103	1,937	17,821	28,861
Operating income (loss)	(3,924)	363	1,060	(2,501)
Nonoperating revenue (expense):				
Interest on investments	(17)	11	4	(2)
Income (loss)	(3,941)	374	1,064	(2,503)
Change in net position	(3,941)	374	1,064	(2,503)
Total net position (deficit) – beginning of year	(7,175)	448	4,414	(2,313)
Total net position (deficit) – end of year	\$ (11,116)	\$ 822	\$ 5,478	\$ (4,816)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Cash Flows
Year ended December 31, 2014
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Cash flows from operating activities:				
Receipts from users	\$ 5,195	\$ 2,300	\$ 18,881	\$ 26,376
Payments for administration	(177)	—	—	(177)
Payments for claims	(5,143)	(1,779)	(17,308)	(24,230)
Net cash provided by (used in) operating activities	(125)	521	1,573	1,969
Cash flows from investing activities:				
Investment purchases	—	(626)	(1,424)	(2,050)
Investment income (loss)	(17)	11	4	(2)
Net cash used in investing activities	(17)	(615)	(1,420)	(2,052)
Net increase (decrease) in cash	(142)	(94)	153	(83)
Cash, beginning of year	162	1,644	2,201	4,007
Cash, end of year	\$ 20	\$ 1,550	\$ 2,354	\$ 3,924
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (3,924)	\$ 363	\$ 1,060	\$ (2,501)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	16	—	—	16
Increase (decrease) in accounts payable	3,783	158	513	4,454
Net cash provided by (used in) operating activities	\$ (125)	\$ 521	\$ 1,573	\$ 1,969

Fiduciary Funds

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

The City maintains the following Fiduciary Funds:

PENSION TRUST FUNDS

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

AGENCY FUNDS

- Sanitation 15 Year Law -** to account for property owner assessment receipts held by the City as agent for City-approved developer constructed sewer systems Barrett Law projects, with construction costs repaid by the property owners over a period not to exceed 15 years
- UAL Personal Property -** to account for amounts received, that, in accordance with the related bond indenture, are to be transferred to the debt service for the Indianapolis Airport Authority Special Facility Revenue Bonds of 1995
- E-911 Allocation -** to account for assets, obligations, and activities of the E-911 dispatch programs
- DPS Retiree Health Insurance -** to account for assets, obligations, and activities of certain Police and Firefighter Retiree Health Insurance costs
- IMPD Confiscated Cash -** to account for assets, obligations, and activities of amounts, which have been confiscated pending final court disposition
- Other -** to account for all contractor receipts for sanitary Barrett Law project engineering fees held by the City as agent for engineer payment upon project acceptance and for franchise security deposits held by the City as agent for franchised performance

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

Fiduciary Funds

Combining Statement of Pension Trust Funds Net Position

Police and Firefighters' Pre-1977 Pension Trust Funds

December 31, 2014

(In thousands)

	Police Pension	Firefighters Pension	Total
ASSETS			
Equity in pooled cash	\$ 641	\$ 203	\$ 844
Investments	1,341	423	1,764
Total assets	1,982	626	2,608
NET POSITION			
Net position restricted for pensions	\$ 1,982	\$ 626	\$ 2,608

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year ended December 31, 2014
(In thousands)

	Pension Trust Funds		
	Police Pension	Firefighters Pension	Total
ADDITIONS			
State of Indiana pension subsidy	\$ 28,762	\$ 29,164	\$ 57,926
Total additions	<u>28,762</u>	<u>29,164</u>	<u>57,926</u>
DEDUCTIONS			
Benefits	<u>28,783</u>	<u>28,396</u>	<u>57,179</u>
Net increase (decrease) in net position	(21)	768	747
Net position (deficit) – beginning of year	<u>2,003</u>	<u>(142)</u>	<u>1,861</u>
Net position – end of year	<u>\$ 1,982</u>	<u>\$ 626</u>	<u>\$ 2,608</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Police and Firefighters' Pre-1977 Pension Trust Funds
Schedule of Revenues and Expenditures
Budget and Actual – Budgetary Basis
Year ended December 31, 2014
(In thousands)

	Police Pension			Firefighters Pension		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Intergovernmental	\$ 30,561	\$ 28,762	\$ (1,799)	\$ 33,652	\$ 29,164	\$ (4,488)
Total revenues	<u>30,561</u>	<u>28,762</u>	<u>(1,799)</u>	<u>33,652</u>	<u>29,164</u>	<u>(4,488)</u>
Expenditures:						
Personal services	30,703	28,787	1,916	31,815	28,387	3,428
Total expenditures	<u>30,703</u>	<u>28,787</u>	<u>1,916</u>	<u>31,815</u>	<u>28,387</u>	<u>3,428</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(142)</u>	\$ <u>(25)</u>	\$ <u>117</u>	\$ <u>1,837</u>	\$ <u>777</u>	\$ <u>(1,060)</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Agency Funds Net Position
December 31, 2014
(In thousands)

	<u>Sanitation 15 Year Law</u>	<u>UAL Personal Property</u>	<u>E-911 Allocation</u>	<u>DPS Retiree Health Insurance</u>	<u>IMPD Confiscated Cash</u>	<u>Other</u>	<u>Total</u>
ASSETS							
Equity in pooled cash	\$ 98	\$ 2,632	\$ 846	\$ 313	\$ 1,204	\$ 249	\$ 5,342
Investments	205	5,498	1,767	651	2,514	519	11,154
Accounts receivable	—	—	969	—	—	—	969
Total assets	<u>\$ 303</u>	<u>\$ 8,130</u>	<u>\$ 3,582</u>	<u>\$ 964</u>	<u>\$ 3,718</u>	<u>\$ 768</u>	<u>\$ 17,465</u>
LIABILITIES							
Accounts payable and other accrued liabilities	<u>\$ 303</u>	<u>\$ 8,130</u>	<u>\$ 3,582</u>	<u>\$ 964</u>	<u>\$ 3,718</u>	<u>\$ 768</u>	<u>\$ 17,465</u>
Total liabilities	<u>\$ 303</u>	<u>\$ 8,130</u>	<u>\$ 3,582</u>	<u>\$ 964</u>	<u>\$ 3,718</u>	<u>\$ 768</u>	<u>\$ 17,465</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2014
(In thousands)

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
	<u>2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>2014</u>
SANITATION 15 YEAR LAW FUND				
Assets:				
Cash and investments	\$ 303	\$ —	\$ —	\$ 303
Total assets	<u>\$ 303</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 303</u>
Liabilities:				
Accounts payable and other accrued liabilities	\$ 303	\$ —	\$ —	\$ 303
Total liabilities	<u>\$ 303</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 303</u>
UAL PERSONAL PROPERTY				
Assets:				
Cash and investments	\$ 8,130	\$ —	\$ —	\$ 8,130
Total assets	<u>\$ 8,130</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,130</u>
Liabilities:				
Accounts payable and other accrued liabilities	\$ 8,130	\$ —	\$ —	\$ 8,130
Total liabilities	<u>\$ 8,130</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,130</u>
E – 911 ALLOCATION				
Assets:				
Cash and investments	\$ 5,740	\$ 6,036	\$ 9,163	\$ 2,613
Accounts receivable	993	969	993	969
Total assets	<u>\$ 6,733</u>	<u>\$ 7,005</u>	<u>\$ 10,156</u>	<u>\$ 3,582</u>
Liabilities:				
Accounts payable and other accrued liabilities	\$ 6,733	\$ 7,005	\$ 10,156	\$ 3,582
Total liabilities	<u>\$ 6,733</u>	<u>\$ 7,005</u>	<u>\$ 10,156</u>	<u>\$ 3,582</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2014
(In thousands)

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
DPS RETIREE HEALTH INSURANCE				
Assets:				
Cash and investments	\$ 1,491	\$ 3,209	\$ 3,736	\$ 964
Total assets	\$ 1,491	\$ 3,209	\$ 3,736	\$ 964
Liabilities:				
Accounts payable and other accrued liabilities	\$ 1,491	\$ 3,209	\$ 3,736	\$ 964
Total liabilities	\$ 1,491	\$ 3,209	\$ 3,736	\$ 964
IMPD CONFISCATED CASH				
Assets:				
Cash and investments	\$ 3,060	\$ 658	\$ —	\$ 3,718
Total assets	\$ 3,060	\$ 658	\$ —	\$ 3,718
Liabilities:				
Accounts payable and other accrued liabilities	\$ 3,060	\$ 658	\$ —	\$ 3,718
Total liabilities	\$ 3,060	\$ 658	\$ —	\$ 3,718
OTHER				
Assets:				
Cash and investments	\$ 768	\$ —	\$ —	\$ 768
Total assets	\$ 768	\$ —	\$ —	\$ 768
Liabilities:				
Accounts payable and other accrued liabilities	\$ 768	\$ —	\$ —	\$ 768
Total liabilities	\$ 768	\$ —	\$ —	\$ 768
TOTAL – ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 19,492	\$ 9,903	\$ 12,899	\$ 16,496
Accounts receivable	993	969	993	969
Total assets	\$ 20,485	\$ 10,872	\$ 13,892	\$ 17,465
Liabilities:				
Accounts payable and other accrued liabilities	\$ 20,485	\$ 10,872	\$ 13,892	\$ 17,465
Total liabilities	\$ 20,485	\$ 10,872	\$ 13,892	\$ 17,465

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Statistical Section

Statistical Section

CITY OF INDIANAPOLIS
Statistical Section
Table of Contents

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

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

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

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:										
Net investment in capital assets	\$ 964,135	\$ 968,197	\$ 1,009,258	\$ 963,536	\$ 920,186	\$ 961,358	\$ 605,824	\$ 621,413	\$ 682,291	\$ 604,736
Restricted	122,202	193,243	175,864	195,743	214,479	209,948	188,976	124,511	122,379	171,863
Unrestricted (deficit)	<u>(273,286)</u>	<u>(366,071)</u>	<u>(402,821)</u>	<u>(354,287)</u>	<u>(416,849)</u>	<u>(534,850)</u>	<u>(274,303)</u>	<u>(337,574)</u>	<u>(441,977)</u>	<u>(505,392)</u>
Total governmental activities net position	<u>\$ 813,051</u>	<u>\$ 795,369</u>	<u>\$ 782,301</u>	<u>\$ 804,992</u>	<u>\$ 717,816</u>	<u>\$ 636,456</u>	<u>\$ 520,497</u>	<u>\$ 408,350</u>	<u>\$ 362,693</u>	<u>\$ 271,207</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 43,646	\$ 45,133	\$ 46,890	\$ 34,652	\$ 88,824	\$ 65,883	\$ 60,880	\$ 45,395	\$ 36,467	\$ 43,599
Public safety	280,370	281,214	401,015	382,716	395,465	428,230	442,327	448,007	447,016	461,873
Public works	228,881	229,993	234,673	227,589	267,286	276,331	252,332	196,687	204,217	230,470
Health and welfare	4,598	4,962	5,621	5,354	5,112	4,079	4,496	3,890	6,015	6,320
Cultural and recreation	32,892	31,739	38,250	34,296	33,506	30,275	30,705	22,413	18,465	10,130
Urban redevelopment and housing	38,482	40,837	33,207	30,594	34,813	48,407	47,262	31,493	28,124	24,114
Economic development and assistance	11,804	14,126	22,315	26,247	28,491	45,441	79,164	97,983	41,862	33,181
Interest	56,192	63,262	62,178	73,774	74,039	63,280	69,382	55,920	55,480	51,571
Total governmental activities expenses	<u>696,865</u>	<u>711,266</u>	<u>844,149</u>	<u>815,222</u>	<u>927,536</u>	<u>961,926</u>	<u>986,548</u>	<u>901,788</u>	<u>837,646</u>	<u>861,258</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	12,471	13,672	14,025	13,980	14,816	17,712	18,551	20,982	22,245	21,785
Public safety	13,388	16,394	18,486	17,773	20,135	16,911	22,818	27,576	19,698	23,679
Public works	95,148	117,667	144,653	162,167	176,591	181,742	135,233	35,520	37,427	38,896
Health and welfare	952	864	864	901	375	289	31	74	675	808
Cultural and recreation	5,003	5,230	4,968	4,845	4,645	4,179	4,374	3,426	3,129	3,638
Urban redevelopment and housing	1,378	1,667	1,943	2,251	7,187	3,259	3,565	1,357	1,330	1,835
Economic development and assistance	1,450	1,033	966	675	298	477	692	791	1,051	1,530
Operating grants and contributions	113,844	123,417	142,344	107,546	137,557	157,126	161,033	143,556	138,311	137,828
Capital grants and contributions	93,315	63,466	69,657	31,167	32,637	25,652	51,681	30,217	77,797	4,845
Total governmental activities program revenues	<u>336,949</u>	<u>343,410</u>	<u>397,906</u>	<u>341,305</u>	<u>394,241</u>	<u>407,347</u>	<u>397,978</u>	<u>263,499</u>	<u>301,663</u>	<u>234,844</u>
Net (Expense) Revenue	(359,916)	(367,856)	(446,243)	(473,917)	(533,295)	(554,579)	(588,570)	(638,289)	(535,983)	(626,414)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	229,238	221,904	256,969	247,908	274,655	265,801	256,517	277,122	280,883	297,487
Wheel tax	13,396	12,921	12,756	13,432	13,549	11,890	12,193	12,433	12,983	13,250
County option income tax	45,489	57,452	110,426	188,486	117,764	187,880	170,092	174,342	154,273	164,582
Other taxes	18,469	17,769	16,947	19,040	19,841	19,544	20,753	21,998	19,949	21,460
Grants and contributions not restricted by function	6,708	16,945	13,503	4,872	11,916	9,411	8,483	12,745	12,978	13,165
Investment earnings not restricted by function	8,535	18,099	17,967	11,000	3,625	3,743	4,054	3,481	3,416	7,984
Miscellaneous	1,214	5,084	4,607	11,870	4,769	3,950	15,110	24,021	20,133	17,000
Transfers	—	—	—	—	—	—	(18,777)	—	—	—
Special item - termination payment	—	—	—	—	—	(29,000)	—	—	—	—
Special item - gain on sale of water and wastewater utilities	—	—	—	—	—	—	4,186	—	—	—
Total governmental activities general revenues and other changes in net position	<u>323,049</u>	<u>350,174</u>	<u>433,175</u>	<u>496,608</u>	<u>446,119</u>	<u>473,219</u>	<u>472,611</u>	<u>526,142</u>	<u>504,615</u>	<u>534,928</u>
Change in Net Position										
Governmental activities	<u>\$ (36,867)</u>	<u>\$ (17,682)</u>	<u>\$ (13,068)</u>	<u>\$ 22,691</u>	<u>\$ (87,176)</u>	<u>\$ (81,360)</u>	<u>\$ (115,959)</u>	<u>\$ (112,147)</u>	<u>\$ (31,368)</u>	<u>\$ (91,486)</u>

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 12,535	\$ 14,154	\$ 14,459	\$ 14,595	\$ 16,372	\$ 23,693	\$ 31,250	\$ 25,197	\$ 28,022	\$ 28,433
Public safety	64,480	71,887	98,792	70,569	103,991	104,023	104,691	113,605	91,203	89,255
Public works	212,890	216,308	242,473	222,155	233,101	227,920	211,232	85,696	139,321	88,035
Health and welfare	3,106	2,939	3,503	3,755	2,000	2,485	3,678	4,611	7,118	6,807
Cultural and recreation	7,694	8,775	9,333	7,127	7,073	6,663	4,380	4,935	11,527	4,865
Urban redevelopment and housing	26,563	26,986	26,836	19,749	29,841	40,528	38,588	21,638	15,832	13,373
Economic development and assistance	9,681	2,361	2,510	3,355	1,863	2,035	4,159	7,817	8,640	4,076
Total governmental activities program revenues	\$ 336,949	\$ 343,410	\$ 397,906	\$ 341,305	\$ 394,241	\$ 407,347	\$ 397,978	\$ 263,499	\$ 301,663	\$ 234,844

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
General Fund:						
Reserved	\$ 92,086	\$ 73,618	\$ 37,412	\$ 33,865	\$ 48,759	\$ 32,866
Unreserved	125,526	136,643	79,182	83,292	162,602	133,765
Total general fund	<u>\$ 217,612</u>	<u>\$ 210,261</u>	<u>\$ 116,594</u>	<u>\$ 117,157</u>	<u>\$ 211,361</u>	<u>\$ 166,631</u>
All other governmental funds:						
Reserved	\$ 152,398	\$ 179,519	\$ 198,655	\$ 230,856	\$ 307,052	\$ 362,565
Unreserved, reported in:						
Special revenue funds	1,558	511	148	(503)	184	14,442
Capital projects funds	19,132	75,784	100,381	103,328	64,895	87,575
Debt service funds	—	—	—	—	(1,930)	178
Permanent fund	336	345	361	377	376	376
Total all other governmental funds	<u>\$ 173,424</u>	<u>\$ 256,159</u>	<u>\$ 299,545</u>	<u>\$ 334,058</u>	<u>\$ 370,577</u>	<u>\$ 465,136</u>
	<u>2011 (a)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>		
General Fund:						
Nonspendable	\$ —	\$ —	\$ —	\$ —		
Restricted	20,930	34,950	42,256	32,069		
Committed	215,273	134,151	70,457	37,992		
Assigned	51,434	96,691	76,815	83,902		
Unassigned	84,750	82,931	91,191	70,784		
Total General Fund	<u>\$ 372,387</u>	<u>\$ 348,723</u>	<u>\$ 280,719</u>	<u>\$ 224,747</u>		
All other governmental funds:						
Nonspendable	\$ 6,631	\$ 1,872	\$ 3,138	\$ 2,275		
Restricted	403,782	259,101	221,517	271,375		
Committed	1,000	—	—	—		
Assigned	—	—	—	—		
Unassigned	(10,020)	(5,586)	(2,155)	(364)		
Total all other governmental funds	<u>\$ 401,393</u>	<u>\$ 255,387</u>	<u>\$ 222,500</u>	<u>\$ 273,286</u>		

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 308,197	\$ 310,178	\$ 295,784	\$ 445,216	\$ 556,816	\$ 474,935	\$ 458,035	\$ 487,666	\$ 467,820	\$ 497,061
Licenses and permits	8,319	13,097	14,441	15,898	11,887	12,488	14,573	14,632	13,457	12,010
Charges for services	109,272	130,946	158,671	159,169	200,817	198,623	155,277	61,207	58,826	63,949
Intergovernmental revenues	122,092	131,323	158,782	112,674	152,128	168,344	172,171	171,362	164,365	151,369
Intragovernmental revenues	2,962	3,804	3,401	2,497	3,338	2,674	2,929	1,650	4,880	3,286
Traffic violations and court fees	4,320	4,441	4,185	11,309	13,602	6,291	9,514	6,707	5,429	5,112
Interest and other operating revenues	17,465	30,737	44,429	25,631	14,378	15,144	27,394	37,630	31,816	46,174
Total revenues	572,627	624,526	679,693	772,394	952,966	878,499	839,893	780,854	746,593	778,961
Expenditures:										
Current:										
General government	25,694	24,193	25,024	18,190	21,842	42,446	35,980	25,015	21,721	25,957
Public safety	251,297	261,140	343,222	345,965	352,790	388,364	407,409	414,456	416,774	429,520
Public works	116,336	117,032	129,584	131,156	133,258	150,988	174,235	100,806	101,172	114,061
Health and welfare	4,453	4,778	5,430	5,221	4,928	4,053	4,471	3,865	5,973	6,241
Cultural and recreation	26,017	25,501	28,883	28,085	25,431	22,581	23,933	14,579	13,864	13,031
Urban redevelopment and housing	29,827	27,946	28,355	23,962	30,093	44,037	40,733	27,374	24,033	17,760
Economic development and assistance	7,359	1,773	12,614	20,289	24,308	42,111	73,758	95,236	37,981	28,411
Capital outlays	82,928	117,918	194,529	138,879	138,754	226,218	246,409	151,228	105,394	84,975
Debt service:										
Redemption of bonds and notes	64,270	96,412	92,076	78,811	78,607	93,793	80,162	68,114	61,598	76,953
Interest on bonds and notes	48,032	54,514	54,809	63,886	68,255	55,388	57,971	50,892	51,981	47,877
Swap termination payment	—	—	—	—	28,780	—	—	—	—	—
Bond and note issuance costs	1,616	2,026	3,760	1,160	2,758	4,987	4,130	614	5,705	1,099
Advance funding escrow	—	—	—	—	649	—	3,318	—	36,705	10,525
Operating lease payments and administration	19,213	19,054	19,636	15,399	15,167	15,439	15,781	16,339	16,047	16,184
Total expenditures	677,042	752,287	937,922	871,003	925,620	1,090,405	1,168,290	968,518	898,948	872,594
Excess (deficiency) of revenues under expenditures	(104,415)	(127,761)	(258,229)	(98,609)	27,346	(211,906)	(328,397)	(187,664)	(152,355)	(93,633)
Other financing sources (uses):										
Proceeds of financing from capital lease	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,175	\$ —	\$ —	\$ 605
Proceeds from execution of parking meter contract	—	—	—	—	—	20,000	—	—	—	—
Proceeds from restructuring of debt	—	—	—	—	—	—	—	—	85	212
Sales of capital assets	393	455	939	363	645	910	1,574	1,608	795	625
Bond and notes issued	158,971	199,999	198,915	129,675	87,281	229,732	146,495	17,915	5,780	69,370
Premium on bonds and notes issued	—	2,691	5,381	1,647	15,451	11,093	6,810	2,509	11,744	6,215
Refunding bonds issued	—	—	89,410	—	133,775	—	39,000	24,415	86,605	11,420
Payment to refunded bond escrow agent	—	—	(86,697)	—	(133,775)	—	(25,979)	(28,453)	(53,545)	—
Transfers in	44,935	45,313	60,253	82,245	59,105	108,357	141,489	65,313	102,216	53,138
Transfers out	(44,935)	(45,313)	(60,253)	(82,245)	(59,105)	(108,357)	(160,266)	(65,313)	(102,216)	(53,138)
Total other financing sources (uses)	159,364	203,145	207,948	131,685	103,377	261,735	157,298	17,994	51,464	88,447
Special item—sale of wastewater collection and treatment facilities:										
Assumption of bond anticipation note by CEG	—	—	—	—	—	—	51,137	—	—	—
Proceeds from sale of wastewater collection and treatment facilities	—	—	—	—	—	—	262,600	—	—	—
Assumption of additional liabilities by CEG	—	—	—	—	—	—	1,134	—	—	—
Transfer of debt service reserve and unspent bond proceeds to CEG	—	—	—	—	—	—	(1,759)	—	—	—
Total special item	—	—	—	—	—	—	313,112	—	—	—
Net change in fund balances (deficits)	\$ 54,949	\$ 75,384	\$ (50,281)	\$ 33,076	\$ 130,723	\$ 49,829	\$ 142,013	\$ (169,670)	\$ (100,891)	\$ (5,186)
Debt service as a percentage of noncapital expenditures	19%	23%	19%	19%	18%	17%	15%	15%	15%	17%
Debt service expenditures	\$ 112,302	\$ 150,926	\$ 146,885	\$ 142,697	\$ 146,862	\$ 149,181	\$ 138,133	\$ 119,006	\$ 113,579	\$ 124,830
Noncapital expenditures	604,393	657,704	781,184	746,880	809,808	892,858	932,309	803,222	781,499	721,252

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

Fiscal year	Property	Local income tax	Wheel tax	Other (a)	Total taxes
2005	\$ 230,073	\$ 46,236	\$ 13,396	\$ 18,492	\$ 308,197
2006	222,202	57,345	12,921	17,710	310,178
2007	194,501	71,571	12,756	16,956	295,784
2008	243,042	170,651	13,432	18,091	445,216
2009	345,163 (b)	174,560	13,550	23,543	556,816
2010	255,772	187,880	11,890	19,393	474,935
2011	255,230	170,092	12,193	20,520	458,035
2012	279,254	174,342	12,433	21,637	487,666
2013	280,596	154,273	12,978	19,973	467,820
2014	297,905	164,582	13,250	21,324	497,061

(a) Includes financial institution and other local taxes.

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

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

<u>Fiscal year</u>	<u>Residential property</u>	<u>Commercial property</u>	<u>Industrial property</u>	<u>Personal property</u>	<u>Other</u>	<u>Total taxable assessed value (a) (b)</u>	<u>Total direct tax rate</u>	<u>Estimated actual taxable value</u>	<u>Taxable assessed value as a percentage of actual taxable value (a)</u>
2005	\$ 20,253,137	\$ 12,183,743	\$ 1,614,660	\$ 7,229,661	\$ 508,322	\$ 41,789,523	0.9553 %	\$ 41,789,523	100%
2006	20,737,062	11,877,672	1,604,481	7,770,818	482,842	42,472,875	0.9425	42,472,875	100
2007	24,627,515	15,930,401	2,733,130	5,935,716	597,690	49,824,452	0.8746	49,824,452	100
2008	24,790,420	14,694,619	2,598,170	5,454,450	332,284	47,869,943	0.8920	47,869,943	100
2009	18,016,590	14,553,256	2,813,644	5,657,964	324,992	41,366,446	0.8634	41,366,446	100
2010	16,775,664	14,576,670	3,044,559	5,745,524	324,320	40,466,737	0.8673	40,466,737	100
2011	16,287,697	13,923,228	3,221,540	5,449,472	895,749	39,777,686	0.9525	39,777,686	100
2012	15,978,644	13,498,295	3,298,832	5,467,373	868,354	39,111,498	1.0034	39,111,498	100
2013	16,191,259	13,110,440	3,189,252	5,841,671	888,684	39,221,306	0.9802	39,221,306	100
2014	18,171,183	13,464,533	3,103,892	5,972,597	842,391	41,554,596	0.7667	41,554,596	100

Note: Tax-exempt property for 2014 of \$809,730 represents charitable organizations and other deductions. Government property is generally not assessed.

- (a) Represents the assessment (Marion County Auditor's "certified abstract") on March 1 of the prior year for taxes due and payable in the year indicated.
- (b) In 2014, total taxable assessed value includes \$3,820,761 of assessed valuation for Marion County Tax Increment Financing Districts.

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

Fiscal Year	City of Indianapolis			Overlapping rates						Total direct and overlapping rates
	Operating millage	Debt service millage	Total city millage	County direct rates		Total City-County Council approved	Other direct rates			
				County	Municipal corporations		School	State	Other	
2005	0.9184	0.0369	0.9553	0.4163	0.3750	1.7466	1.6744	0.0024	0.0516	3.4750
2006	0.9056	0.0369	0.9425	0.3555	0.3751	1.6731	1.7172	0.1538	0.0523	3.5964
2007	0.8372	0.0374	0.8746	0.5741	0.3420	1.7907	1.8713	0.0024	0.0522	3.7166
2008	0.8683	0.0237	0.8920	0.4847	0.3521	1.7288	1.7668	0.0024	0.0510	3.5490
2009	0.8073	0.0561	0.8634	0.3513	0.3254	1.5401	1.1569	0.0000	0.0578	2.7548
2010	0.8041	0.0632	0.8673	0.3534	0.3282	1.5489	1.3692	0.0000	0.0615	2.9796
2011	0.8807	0.0718	0.9525	0.3665	0.3685	1.6875	1.4065	0.0000	0.0615	3.1555
2012	0.9116	0.0918	1.0034	0.4007	0.3958	1.7999	1.2711	0.0000	0.0670	3.1380
2013	0.9069	0.0733	0.9802	0.3932	0.4314	1.8048	1.4829	0.0000	0.0607	3.3484
2014	0.6795	0.0872	0.7667	0.4034	0.4340	1.6041	1.2889	0.0000	0.0620	2.9550

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

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

Principal taxpayers	2014			Principal taxpayers	2005		
	Taxable assessed value (a)	Rank	Percentage of total city taxable assessed value		Taxable assessed value (b) (c)	Rank	Percentage of total city taxable assessed value
Eli Lilly and Company	\$ 1,135,239	1	2.894 %	Eli Lilly and Company	\$ 962,470	1	2.429 %
Citizens Energy Group	431,328	2	1.100	South Western Bell	395,354	2	0.998
Indianapolis Power and Light Company	327,493	3	0.835	General Motors Corporation	383,445	3	0.968
Federal Express Corporation	226,877	4	0.578	Indianapolis Power and Light Company	355,511	4	0.897
Convention Headquarters Hotels, LLC	174,342	5	0.445	Simon Property Group	244,214	5	0.616
Cw Monument Circle Inc.	163,944	6	0.418	Citizens Energy Group	183,662	6	0.463
Allison Transmission Inc.	113,147	7	0.288	International Truck and Engine	185,425	7	0.468
Castleton Square, LLC	82,090	8	0.209	Federal Express Corporation	153,801	8	0.388
American United Life Insurance Company	80,393	9	0.205	Visteon Corporation	141,448	9	0.357
SVC Manufacturing	72,820	10	0.186	American United Life Insurance Company	120,204	10	0.303
Ingredion Inc.	72,520	11	0.185	Dugan Realty, LLC	112,277	11	0.283
Indiana Bell Telephone Company, Inc.	69,980	12	0.178	Kroger	105,218	12	0.265
HUB Properties GA, LLC	66,820	13	0.170	Rolls-Royce Corporation	101,861	13	0.257
Market Tower Associates, LLC	63,014	14	0.161	Roche Diagnostics Corp.	93,107	14	0.235
Rolls-Royce Corporation	61,221	15	0.156	Marsh Supermarkets, Inc.	91,517	15	0.231
Verizon Wireless	60,292	16	0.154		\$ <u>3,629,514</u>		<u>9.158</u> %
Circle Centre Development Co.	60,013	17	0.153				
DOW Agrosciences, LLC	54,453	18	0.139				
Summit Hospitality 22, LLC	52,767	19	0.135				
NG 211 N Pennsylvania St, LLC	52,099	20	0.133				
	\$ <u>3,420,852</u>		<u>8.722</u> %				

- (a) Represents the March 1, 2013 valuations for taxes due and payable in 2014 as represented by the taxpayer. Amounts in thousands. Net assessed valuation was determined using public records from the Marion County Treasurer's Office.
- (b) Represents the March 1, 2004 valuations for taxes due and payable in 2005 as represented by the taxpayer. Amounts in thousands. Net assessed valuation was determined using public records from the Marion County Treasurer's Office.
- (c) Data presented as originally published in the 2005 Comprehensive Annual Financial Report.

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

Fiscal year ended December 31	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years (a)	Total collections to date	
		Amount	Percentage of levy		Amount (b)	Percentage of levy
2011	\$ 184,301	\$ 175,069	95.0 %	\$ 8,281	\$ 183,350	99.5 %
2012	195,321	185,118	94.8	6,896	192,014	98.3
2013	186,122	179,501	96.4	6,058	185,559	99.7
2014	214,798	198,358	92.3	—	198,358	92.3

- (a) Beginning in 2011, delinquent collections were broken down by original levy year in information provided by the Marion County Treasurer. Data regarding the prior year collections is not available and therefore is not included in this table.
- (b) Tax increment revenues are not included in the collected amounts because there is no separate tax levy for them.

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

Fiscal year	Governmental activities						Percentage of personal income (a)	Per capita (a)
	General obligation bonds (b)	Tax increment bonds	Revenue bonds (b)	Notes payable and certificates of participation	Capital leases	Total Governmental Activities Debt		
2005	\$ 338,642	\$ 468,392	\$ 249,193	\$ 42,648	\$ 2,020	\$ 1,100,895	1.84%	\$ 1,438
2006	320,385	438,863	406,626	47,628	1,112	1,214,614	1.93	1,527
2007	305,051	442,678	567,104	29,239	151	1,344,223	2.03	1,669
2008	319,441	490,169	572,965	27,384	—	1,409,959	2.09	1,773
2009	293,756	517,964	590,715	25,816	—	1,428,251	2.13	1,767
2010	265,900	536,092	728,684	41,335	—	1,572,011	2.30	1,947
2011	218,188	650,409	271,313	37,300	8,175	1,185,385	1.64	1,445
2012	210,616	632,594	264,850	46,150	8,175	1,162,385	1.42	1,392
2013	180,800	626,551	260,150	28,732	8,038	1,104,271	1.33	1,309
2014	157,574	669,880	271,520	40,422	8,549	1,147,945	1.38	1,352

- (a) See schedule 16 for personal income and population data. These ratios are calculated using personal income and population.
- (b) Effective August 26, 2011, the City's water and wastewater utilities were sold to Citizens Energy Group. As part of the sale, CEG assumed \$1,408,369 of revenue bonds and agreed to fund the remaining sanitary district general obligation debt in the amount of \$41,803 as it comes to maturity through 2018.

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

Fiscal year	Net general bonded debt outstanding			Total	Percentage of actual taxable value of property (b)	Per capita (a)
	General obligation bonds	Less: Amounts available in debt service fund				
2005	\$ 338,642	\$ 20,073		\$ 318,569	0.762 %	\$ 416.26
2006	320,385	22,866		297,519	0.700	374.01
2007	305,051	27,282		277,769	0.557	344.85
2008	319,441	26,783		292,658	0.611	367.91
2009	293,756	28,946		264,810	0.640	327.55
2010	265,900	27,681		238,219	0.589	294.98
2011	218,188	(c) 7,935		210,253	0.529	256.27
2012	210,616	(c) 29,816		180,800	0.462	216.57
2013	180,800	(c) 20,275		160,525	0.409	190.33
2014	157,574	(c) 21,255		136,319	0.328	160.60

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

- (a) Population data can be found in schedule 16.
- (b) Property value data can be found in schedule 7.
- (c) As part of the purchase agreement of the wastewater facilities, CEG agreed to fund the remaining sanitary district general obligation debt in the amount of \$41,803 as it comes to maturity through 2018.

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2014
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit		Bonds outstanding (h)
			%	Dollar amount	
Direct Debt:					
City of Indianapolis:					
Civil City	2	\$ 31,760,083	0.67%	\$ 212,793	\$ 58,560
Park District	1	33,971,641	0.67%	227,610	11,998
Redevelopment District	2	31,760,083	(f)	—	265
Flood Control District	1	33,971,641	0.67%	227,610	5,763
Metropolitan Thoroughfare District	1	33,971,641	1.33%	451,823	22,519
Sanitary District	8	34,733,074	4.00%	1,389,323	28,700
Solid Waste Disposal District	7	31,804,059	2.00%	636,081	—
Public Safety Communications and Computer Facilities District	1	33,971,641	0.67%	227,610	28,350
Premium on General Obligation Debt					1,419
Total City General Obligation Debt				\$ 3,372,850	\$ 157,574
Other Direct Debt					
Tax increment bonds					669,880
Revenue bonds					271,520
Note payable and certificate of participations					40,422
Capital leases					8,549
Total City Direct Debt					\$ 1,147,945
Overlapping:					
Marion County	1	33,971,641	0.67%	\$ 227,610	\$ —
Municipal Corporations:					
Indianapolis Airport Authority		33,971,641	0.67%	\$ 227,610	\$ —
Health and Hospital Corporation	1	33,971,641	0.67%	227,610	196,875
Capital Improvement Board of Managers	1	33,971,641	0.67%	227,610	—
Indianapolis-Marion County Building Authority	1	33,971,641	(b)	—	9,360
Indianapolis-Marion County Public Library	4	33,109,498	0.67%	221,834	71,115
Indianapolis Public Transportation Corporation	2	32,132,944	0.67%	215,291	2,925
Total Municipal Corporations				\$ 1,119,955	\$ 280,275
School Districts:					
Beech Grove	9	\$ 374,209	(g)	\$ 35,831	\$ 4,152
Decatur	9	1,099,100	(g)	147,234	2,629
Franklin	9	1,770,608	(g)	251,341	2,130
Indianapolis Public Schools	9	9,024,120	(g)	661,223	20,167
Lawrence	9	4,500,715	(g)	324,008	44,370
Perry	9	2,932,137	(g)	161,869	14,715
Pike	9	4,377,916	(g)	120,428	20,725
Speedway	9	605,728	(g)	12,115	455

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)

Schedule 13
December 31, 2014
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit		Bonds outstanding (h)
			%	Dollar amount	
School Districts (continued):					
Warren	9	\$ 2,116,885	(g)	\$ 115,313	\$ 2,000
Washington	9	5,139,435	(g)	140,754	9,986
Wayne	9	2,259,286	(g)	288,851	15,495
Total School Districts		<u>\$ 34,200,139</u>		<u>\$ 2,258,967</u>	<u>\$ 136,824</u>
Other Cities and Towns:					
Beech Grove	2	\$ 372,861	0.67%	\$ 2,498	\$ 1,755
Cumberland	2	60,311	0.67%	404	1,370
Lawrence	2	1,283,069	0.67%	8,597	3,632
Speedway	2	511,652	0.67%	3,428	831
Total Other Cities and Towns		<u>\$ 2,227,893</u>		<u>\$ 14,927</u>	<u>\$ 7,588</u>
Townships:					
Center	3	\$ 5,009,697	0.67%	\$ 33,565	\$ —
Decatur	3	1,103,785	0.67%	7,395	—
Franklin	3	1,894,843	0.67%	12,695	—
Lawrence	3	4,809,992	0.67%	32,227	1,535
Perry	3	3,191,377	0.67%	21,382	—
Pike	3	4,108,283	0.67%	27,525	5,600
Warren	3	2,852,669	0.67%	19,113	—
Washington	3	7,301,431	0.67%	48,920	—
Wayne	3	3,465,721	0.67%	23,220	755
Total Townships		<u>\$ 33,737,798</u>		<u>\$ 226,042</u>	<u>\$ 7,890</u>
Excluded Library Districts:					
Beech Grove	4	\$ 350,490	0.67%	\$ 2,348	\$ —
Speedway	4	511,652	0.67%	3,428	360
Total Excluded Library Districts		<u>\$ 862,142</u>		<u>\$ 5,776</u>	<u>\$ 360</u>
Ben Davis Conservancy District		\$ 343,463	(c)	\$ —	\$ —
Total overlapping debt					<u>\$ 432,937</u>
Total direct and overlapping debt					<u>\$ 1,580,882</u>

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2014
(In thousands)

- (a) Excludes revenue bonds not payable from ad valorem taxes.
- (b) There is no debt limit for the Indianapolis-Marion County Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Building Authority's enabling legislation.
- (c) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.
- (d) Represents the March 1, 2013 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2014.
- (e) See Introductory Section.
- (f) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (g) A statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
- (h) Governmental activities debt of the overlapping governments is not readily available; only general obligation debt is reported in this column.

CITY OF INDIANAPOLIS
Computation of Legal Debt Margin (a)(c)
Schedule 14
December 31, 2014
(In thousands)

	<u>Assessed value (b)</u>	<u>Debt limit percentage</u>	<u>Debt limit</u>	<u>Bonds outstanding</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
Civil City	\$ 31,760,083	0.67%	\$ 212,793	\$ 58,560	\$ 154,233	27.52%
Park District	33,971,641	0.67%	227,610	11,998	215,612	5.27%
Redevelopment District	31,760,083	(b)	—	265	—	—
Flood Control District	33,971,641	0.67%	227,610	5,763	221,847	2.53%
Metropolitan Thoroughfare District	33,971,641	1.33%	451,823	22,519	429,304	4.98%
Sanitary District	34,733,074	4.00%	1,389,323	28,700	1,360,623	2.07%
Solid Waste Disposal District	31,804,059	2.00%	636,081	—	636,081	—
Public Safety Communications and Computer Facilities District	33,971,641	0.67%	227,610	28,350	199,260	12.46%

(a) No bonding authority payable from ad valorem taxes.

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

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

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

Fiscal year	Wheel tax bonds				
	Wheel tax revenue (a)	Debt service		Coverage	
		Principal	Interest		
2005	\$ 14,406	\$ 4,775	\$ 1,913	2.15	
2006	15,866	5,005	1,701	2.37	
2007	15,712	3,180	1,144	3.63	
2008	13,432	5,480	1,238	2.00	
2009	12,367	5,740	983	1.84	
2010	11,890	3,570	762	2.74	
2011	12,194	1,355	592	6.26	
2012	12,433	1,415	532	6.39	
2013	12,983	1,525	543	6.28	
2014	13,250	1,520	319	7.21	

City cumulative funds (b)	Redevelopment revenue bonds				
	Principal	Debt service		Coverage	
		Principal	Interest		
\$ 520	\$ 390	\$ 107	1.05		
556	400	101	1.11		
522	410	83	1.06		
510	400	70	1.09		
375	440	57	0.75		
475	425	42	1.02		
471	440	26	1.01		
—	455	—	—		
—	—	—	—		
—	—	—	—		

Tax increment revenues (c)	Property tax increment bonds				
	Principal	Debt service		Coverage	
		Principal	Interest		
\$ 56,932	\$ 25,227	\$ 24,207	1.15		
47,348	32,404	24,198	0.84		
32,325	28,065	21,346	0.65		
57,717	28,150	24,298	1.10		
112,951	24,760	24,458	2.29	(d)	
66,615	43,236	22,420	1.01		
60,980	26,975	22,745	1.23	(d)	
74,006	36,009	12,960	1.51		
82,754	29,701	17,729	1.74		
82,319	39,223	18,382	1.43		

Fiscal year	Facilities revenue bonds				
	Charge back (e)	Debt service		Coverage	
		Principal	Interest		
2005	\$ NA	\$ NA	\$ NA	NA	
2006	NA	NA	NA	NA	
2007	1,256	610	712	0.95	
2008	1,593	885	834	0.93	
2009	1,793	1,105	784	0.95	
2010	2,210	1,190	739	1.15	
2011	1,947	1,240	691	1.01	
2012	1,853	1,300	632	0.96	
2013	1,535	1,365	575	0.79	
2014	1,956	1,420	515	1.01	

Parking fees (f)	Economic development bonds				
	Principal	Debt service		Coverage	
		Principal	Interest		
\$ 1,699	\$ —	\$ 1,309	1.30		
1,940	100	1,487	1.22		
1,659	—	1,647	1.01		
2,060	60	1,898	1.05		
2,250	135	1,994	1.06		
1,654	98	1,384	1.12		
1,365	104	1,096	1.14		
1,669	—	1,548	1.08		
1,004	255	749	1.00		
1,575	620	955	1.00		

Net revenues of the stormwater system (g)	Stormwater revenue bonds				
	Principal	Debt service		Coverage	
		Principal	Interest		
\$ NA	\$ NA	\$ NA	NA		
2,063	—	1,650	1.25		
2,651	—	2,121	1.25		
3,814	930	2,121	1.25		
3,818	970	2,084	1.25		
3,825	1,015	2,045	1.25		
4,025	1,190	2,030	1.25		
4,969	1,435	2,540	1.25		
3,341	780	1,893	1.25		
4,981	1,665	2,320	1.25		

Fiscal year	PILOT revenue bonds				
	Payments in lieu of taxes (h)	Debt service		Coverage	
		Principal	Interest (i)		
2005	\$ NA	\$ NA	\$ NA	NA	
2006	NA	NA	NA	NA	
2007	NA	NA	NA	NA	
2008	NA	NA	NA	NA	
2009	NA	NA	NA	NA	
2010	5,574	—	3,054	1.83	
2011	14,214	—	7,910	1.80	
2012	5,264	—	7,910	0.67	
2013	5,875	—	7,910	0.74	
2014	4,307	—	7,910	0.54	

Note: NA stands for not applicable.

- (a) Wheel taxes on vehicles
- (b) City cumulative capital development fund revenue transfers
- (c) Property tax increment revenues collected in TIF districts
- (d) Does not include \$128,210 of refunding bonds from 2009 and \$29,170 from 2011
- (e) Charge back to City-County agencies
- (f) Fees from parking garage
- (g) Improvements of stormwater handling capabilities
- (h) Payments in lieu of taxes wastewater system
- (i) The shortfall in 2014 pledged PILOT revenues was covered by accumulated PILOT payments from prior years.

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

<u>Calendar year</u>	<u>Population (a)</u>	<u>Personal income (thousands of dollars) (b)</u>	<u>Per capita personal income (b)</u>	<u>Median age (c)</u>	<u>Education level in years of schooling (a)</u>	<u>School enrollment (d)</u>	<u>Unemployment rate (e)</u>
2005	765,310	\$ 59,683,000	\$ 36,391	34.80	12	135,705	4.80%
2006	795,484	63,058,000	37,849	35.90	12	137,757	4.40
2007	805,489	66,073,000	38,980	35.50	12	140,546	4.50
2008	795,458	67,449,000	39,318	35.50	12	145,569	5.60
2009	808,466	67,186,598	38,532	35.80	12	159,089	8.50
2010	807,584	68,313,593	38,796	33.60	12	159,865	8.40
2011	820,445	72,160,847	37,232	33.00	12	143,053	8.90
2012	834,852	81,676,417	36,902	33.70	12	146,175	8.30
2013	843,393	83,124,853	38,812	33.90	12	149,697	6.80
2014	848,788	83,124,853 (f)	39,433	34.10	12	130,007	5.90

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Stats Indiana

(d) Indiana Department of Education

(e) Bureau of Labor Statistics

(f) This information will be released by the Bureau of Economic Analysis in August 2015; therefore, prior year numbers were utilized.

CITY OF INDIANAPOLIS
Principal Employers
Schedule 17
December 31, 2014

Employer	2014 (b)		
	Employees	Rank	Percentage of total city employment (a)
St Vincent Hospitals & Health Services	17,398	1	3.87%
Indiana University Health	11,810	2	2.63%
Eli Lilly and Company	10,735	3	2.39%
Community Health Network	10,402	4	2.31%
Wal-Mart	8,830	5	1.97%
Marsh Supermarkets	8,000	6	1.78%
Kroger	7,840	7	1.74%
IUPUI	7,365	8	1.64%
City of Indianapolis/Marion County	7,058	9	1.57%
Fed Ex Express	6,000	10	1.34%

Franciscan St. Francis Health

- (a) Percentage of total City employment is calculated by using total 2014 Employed Labor Force, which can be found at www.stats.indiana.edu.
- (b) Largest employers can be found at www.indypartnership.com (Indy Partnership).
- (c) The 2005 Principal Employer data is unavailable.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government	250	264	268	266	236	206	230	211	200
Protection of People									
Police Department	1,635	1,588	1,593	1,610	1,636	1,624	1,542	1,527	1,549
Fire Department (a)	792	978	1,092	1,116	1,300	1,268	1,221	1,155	1,173
Other (Civilian)	367	385	390	309	291	270	262	348	336
Public Works	647	648	637	618	670	661	683	620	626
Parks and Recreation	160	165	162	150	142	131	114	99	103
Redevelopment	218	227	244	222	227	226	206	204	226
Total full-time City employees	<u>4,069</u>	<u>4,255</u>	<u>4,386</u>	<u>4,291</u>	<u>4,502</u>	<u>4,386</u>	<u>4,258</u>	<u>4,164</u>	<u>4,213</u>

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

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

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

<u>Function/program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government									
Building permits issued	48,858	41,470	34,517	33,619	33,915	34,966	38,803	38,384	39,708
Building inspections conducted	65,314	23,278	33,193	37,224	32,370	32,034	35,509	29,891	31,026
Households assisted with entitlement grants	3,767	4,131	5,168	6,872	3,430	3,090	1,789	2,233	2,100
Police									
Physical arrests	37,740	44,903	52,247	51,944	50,264	60,883	55,965	52,337	42,293
Parking violations	22,335	12,692	10,912	8,575	8,953	7,277	3,778	2,362	3,440
Traffic violations	42,278	43,780	68,937	36,850	20,600	34,434	30,328	36,953	31,684
Fire									
Emergency responses (a)	68,240	65,966	136,198	122,620	154,755	137,476	151,950	150,535	97,140
Dispatched fire runs	52,948	15,783	16,331	18,457	17,236	17,714	18,682	18,744	18,543
Inspections	2,155	4,552	4,663	4,663	6,936	12,524	8,231	10,960	15,228
Refuse collection									
Refuse collected (tons per day)	816	890	1,075	1,048	1,038	997	924	960	975
Leaves collected (tons per year)	10,341	6,762	6,741	7,610	6,044	7,603	4,907	6,359	5,785
Other public works									
Street resurfacing (miles)	99	99	155	237	515	389	139	175	254
Pothole work orders completed (b)	13,246	9,009	12,094	18,590	16,645	23,821	13,410	14,512	21,722
Parks and recreation									
Number of shelter rental reservations	2,150	2,988	2,066	2,514	2,216	2,007	2,279	2,176	2,097
Number of day camp registrations	3,658	3,413	3,128	3,135	3,403	3,428	3,143	3,107	3,213
Community park and facility attendance	5,238,625	7,636,927	6,636,487	6,820,927	6,804,867	6,954,806	7,321,222	7,844,919	5,172,493

(a) The increase in emergency responses is attributable to the township fire departments merging with the Indianapolis Fire Department.

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

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

Function/program	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety									
Police stations	5	6	7	7	6	6	6	6	6
Police vehicles and other rolling stock	1,778	2,057	2,015	2,005	2,309	2,054	2,033	1,908	1,818
Fire stations	26	35	35	38	45	45	44	44	44
Fire vehicles and other rolling stock	178	259	258	277	302	297	282	276	276
Emergency management vehicles and other rolling stock	11	10	9	12	12	14	16	17	20
Animal control vehicles and other rolling stock	28	31	29	27	27	31	27	34	30
Other Public Works									
Streets (miles)	3,161	3,193	3,215	3,233	3,238	3,244	3,299	3,307	3,323
Sidewalks (miles)	2,702	2,705	2,707	2,706	2,707	2,706	2,815	3,097	3,199
Bridges	512	513	512	512	512	512	527	541	541
Traffic signal installations	1,124	1,125	1,125	1,127	1,128	1,128	1,130	1,132	1,136
Miles of storm sewers and drainage	1,478	1,494	1,500	1,513	1,517	1,517	1,525	1,536	1,540
Public works vehicle and other rolling stock	538	551	537	582	546	673	672	652	644
Cultural and Recreation									
Parks	192	192	192	206	207	207	207	207	208
Park properties – acreage	11,018	11,140	11,160	11,140	11,168	11,168	11,161	11,161	11,186
Playgrounds	131	131	127	128	127	127	126	126	126
Golf courses	13	13	13	13	13	13	13	13	13
Swimming pools – outdoors	16	16	16	16	16	16	16	16	16
Swimming pools – indoors	6	6	8	5	5	5	5	5	5
Recreational centers	25	25	25	25	25	25	24	24	24

Sources: Various City department reports.

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

Single Audit Report
Year Ended December 31, 2014

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Year Ended December 31, 2014

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City of Indianapolis
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor	Pass-Through Grantor Number	Program Title	CFDA Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:					
Indiana State Department of Education	N/A	Child and Adult Care Food Program	10.558	\$ -	\$ 201,071
Indiana State Department of Education	N/A	Summer Food Service Program for Children	10.559	-	815,131
		Forest Health Protection	10.680	-	122,971
Total U.S. Department of Agriculture				<u>-</u>	<u>1,139,173</u>
U.S. Department of Commerce					
		Economic Development Support for Planning Organizations	11.302	-	58,342
Total U.S. Department of Commerce				<u>-</u>	<u>58,342</u>
U.S. Department of Housing and Urban Development:					
		Community Development Block Grants/Entitlement Grants	14.218	3,743,859	7,355,977
State of Indiana Office of Community and Rural Affairs	DR2-09-245, DR2-09-084, A192-12-DR2-09-221	Community Development Block Grants/State's Program and Non-Entitlement Grants	14.228	-	160,422
		Emergency Solutions Grants Program	14.231	515,848	559,179
		Supportive Housing Program	14.235	233,204	233,204
		Shelter Plus Care	14.238	1,410,189	1,410,189
		Home Investment Partnerships Program	14.239	2,862,453	3,047,686
		Housing Opportunities for Persons with AIDS	14.241	784,173	810,460
		Continuum of Care Program	14.267	2,578,038	2,651,651
		Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants	14.704	-	260,558
		Lead Hazard Reduction Demonstration Grant Program	14.905	-	501,195
Total U.S. Department of Housing and Urban Development				<u>12,127,764</u>	<u>16,990,521</u>
U.S. Department of Interior:					
Total U.S. Department of Interior				<u>-</u>	<u>20,746</u>
U.S. Department of Justice:					
Indiana State Police	A2-10-100931, A2-14-100016	Missing Children's Assistance	16.543	-	20,785
		National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	7,300
Indiana Criminal Justice Institute	13VS2367, 1779	Crime Victim Assistance	16.575	-	172,585
		Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	-	414,530
		Public Safety Partnership and Community Policing Grants	16.710	-	308,389

See Notes to Schedule of Expenditures of Federal Awards

City of Indianapolis
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor	Pass-Through Grantor Number	Program Title	CFDA Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
Indiana Criminal Justice Institute	10-DJ-057, 1806	Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 1,454,777	\$ 2,212,717
		Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,818	6,818
			Total 16.738	1,461,595	2,219,535
Marion County, Indiana	N/A	Federal Equitable Share Law Enforcement - Forfeitures	16.922	-	832,859
Total U.S. Department of Justice				1,461,595	3,975,983
U.S. Department of Transportation:					
Indiana Department of Transportation	A249-09-320756, A249-11-320139, A249-11-320618,	Highway Planning and Construction	20.205	-	3,382,716
Metropolitan Planning Organization	A249-13-320455, A249-15-G140009	Highway Planning and Construction	20.205	-	113,523
			Total 20.205	-	3,496,239
Indianapolis Public Transportation Corporation (INDYGO)		Federal Transit-Capital Investment Grants	20.500	-	439,637
	D2011-ALTA-013	Alternatives Analysis	20.522	-	39,806
Highway Safety Cluster:					
Indiana Criminal Justice Institute	2577, 3149	State and Community Highway Safety	20.600	-	156,314
Marion County, Indiana Prosecutor's Office	N/A	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	-	36,510
Indiana Criminal Justice Institute	2576, 3148	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	-	246,196
			Total 20.601	-	282,706
Total Highway Safety Cluster				-	439,020
Total U.S. Department of Transportation				-	4,414,702
Environmental Protection Agency:					
		Urban Waters Small Grant	66.440	-	18,985
		Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	-	6,143
		Brownfields Assessment and Cleanup Cooperative Agreements	66.818	-	259,251
Total Environmental Protection Agency				-	284,379

City of Indianapolis
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor	Pass-Through Grantor Number	Program Title	CFDA Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Energy:					
		ARRA - Recovery Act - Energy Efficiency and Conservation Block Grant	81.128	\$ -	\$ 1,468,690
Total U.S. Department of Energy				<u>-</u>	<u>1,468,690</u>
U.S. Department of Education:					
Indiana Department of Education	A58-4-14OT-0036, A58-5-15DL-2218	Twenty-First Century Community Learning Centers	84.287	-	267,792
Total U.S. Department of Education				<u>-</u>	<u>267,792</u>
U.S. Department of Homeland Security:					
Indiana Department of Homeland Security	C44P-4-349B, C44P-5-010B	National Urban Search and Rescue (US&R) Response System	97.025	-	1,385,337
		Emergency Management Performance Grants	97.042	-	84,559
		Assistance to Firefighters Grant	97.044	-	299,625
Indiana Department of Homeland Security	C44P-3-368B	Urban Areas Security Initiative - FFY 2012 Funding	97.067	-	282,012
Indiana Department of Homeland Security	C44P-4-088B	Metropolitan Medical Response System - FFY 2011 Funding	97.067	279,258	279,258
Indiana Department of Homeland Security	C44P-2-404A	State Homeland Security Program (SHSP) - FFY 2011 Funding	97.067	-	5,518
Indiana Department of Homeland Security	C44P-4-332B	State Homeland Security Program (SHSP) - FFY 2013 Funding	97.067	-	8,455
Indiana Department of Homeland Security	C44P-4-522B	FY 2013 Hazardous Materials Team Qualification Program	97.067	-	5,941
		Total 97.067		<u>279,258</u>	<u>2,350,705</u>
		Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	-	2,197,413
Total U.S. Department of Homeland Security				<u>279,258</u>	<u>4,548,118</u>
Total Expenditures of Federal Awards				<u>\$ 13,868,617</u>	<u>\$ 33,168,446</u>

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Notes to Schedule

1. This schedule includes the federal awards activity of the City of Indianapolis, Indiana (City) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. The accompanying schedule of expenditures of federal awards presents the activity of federal awards programs received by the City of Indianapolis, Indiana, a component unit of the Consolidated City of Indianapolis - Marion County. The City's reporting entity is defined in Note 1 to the City's financial statements. For the purposes of the schedule of expenditures of federal awards, federal awards include grants, contracts and loans entered into directly between the City and agencies and departments of the federal government or passed through other government agencies or other organizations. The City's federal awards are defined as being those administered directly by the City. The schedule of expenditures of federal awards also includes awards under the American Recovery and Reinvestment Act of 2009 (ARRA) and such awards are identified in the program title column.
3. The accompanying schedule does not include expenditures related to federal awards administered by the Indianapolis Housing Agency, a discretely presented component unit of the City because their federal awards programs are reported upon separately.

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

Mr. Matthew Kimmick, Controller and the
Audit Committee
City of Indianapolis, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2015, which contained an "emphasis of matter" paragraph regarding adoption of a new accounting standard and contained a reference to the report of other auditors. Other auditors audited the financial statements of the Indianapolis Housing Agency, a discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the City's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all material weaknesses or significant deficiencies have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-003 to be a significant deficiency.

Compliance and Other Matters

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

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City'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.

We also noted certain matters that we reported to the City's management in a separate letter dated June 29, 2015.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Indianapolis, Indiana
June 29, 2015

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

Mr. Matthew Kimmick, Controller and the
Audit Committee
City of Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Indianapolis (City) with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

The City's basic financial statements include the operations of the Indianapolis Housing Agency (Housing Agency), as a discretely presented component unit, which received \$55,271,412 in federal awards which are not included in the schedule during the year ended December 31, 2014. Our audit, described below, did not include the operations of the Housing Agency because the Housing Agency engaged other auditors to perform an audit in accordance with OMB Circular A-133, *Audit of States, Local Governments, and Non-profit Organizations*.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-004, that we consider to be a significant deficiency.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to our auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 29, 2015, which contained an unmodified opinion on those financial statements. Our report included reference to other auditors who audited the discretely presented component unit of the City. Our audit also included a reference to the adoption of a new accounting standard during 2014. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 basic audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
August 13, 2015

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Summary of Auditor's Results

Financial Statements

1. The opinion expressed in the independent auditor's report was:
 Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

5. The opinions expressed in the independent auditor's report issued on compliance for major federal award programs were:
 Unmodified Qualified Adverse Disclaimer

CDBG - Entitlement Grants (CFDA 14.218)	Unmodified
Edward Byrne Memorial Justice Assistance Grant (CFDA 16.738)	Unmodified
Highway Planning and Construction (CFDA 20.205)	Unmodified
National Urban Search and Rescue Response (CFDA 97.025)	Unmodified
Staffing for Adequate Fire and Emergency Response (CFDA 97.083)	Unmodified

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Year Ended December 31, 2014

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

7. Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	CDBG – Entitlement Grants
16.738	Edward Byrne Memorial Justice Assistance Grant
20.205	Highway Planning and Construction
97.025	National Urban Search and Rescue Response
97.083	Staffing for Adequate Fire and Emergency Response

8. Dollar threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A133 was \$995,053.

9. Auditee qualified as a low-risk auditee as defined in OMB Circular A-133? Yes No

City of Indianapolis
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Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
2014-001	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The City’s internal control environment over financial reporting did not detect adjustments that were needed to prevent the financial statements from being materially misstated. (Material Weakness)</p> <p>Context: The City’s Office of Finance and Management (OFM) is primarily responsible for the financial reporting process. The financial records are maintained on a cash basis throughout the year. At year end, OFM converts the cash basis fund financial statements to the modified accrual basis of accounting. Additionally, a manual conversion process occurs outside the accounting system to convert the fund financial statements to the government-wide financial statements. During the 2014 audit, various adjustments were identified that affected the City’s financial statements.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: The City’s internal control environment did not identify these adjustments because not all account reconciliations, analyses or financial data can be subjected to a timely review. Additionally, the year-end close process requires financial information to be captured that is not being reported on an interim basis. Errors are made in compiling information for financial reporting purposes and/or such information is not communicated timely to OFM by City departments and agencies. These issues are exacerbated by a lack of personnel resources.</p> <p>Recommendation: OFM should establish and maintain an effective review process over financial reporting. Additionally, OFM should improve the processes in place for communicating with individual departments and agencies to ensure that financial information is accurately captured and timely transmitted for financial reporting purposes.</p> <p>Views of Responsible Officials and Planned Corrective Action: Personnel constraints have been a major contributing factor in the amount of audit adjustments that are discovered during the audit process. In addition, we are working with a relatively new accounting system where we continue to implement modules that work in conjunction with the entire enterprise resource planning system. It is very important to point out that we have continued to see the number of audit adjustments decrease substantially each year. The decrease in adjustments can be directly attributed to the financial reporting division implementing detailed review processes.</p>

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Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Reference Number	Finding
2014-002	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: During the course of the audit this year, it was determined that the City’s internal controls within information technology (IT) allow certain users to create and approve a requisition order (RO), create and approve a corresponding purchase order (PO) and modify the vendor master file.</p> <p>In addition, IT personnel have the ability and are requested to post transactional data directly into the accounting system (PeopleSoft) table and no secondary review or reconciliation is required.</p> <p>Lastly, City employees have the ability to log in under a different user-id to approve requisitions they create under their own user-id. (Material Weakness)</p> <p>Context: The City's OFM is primarily responsible for the financial reporting process. In 2012, the City implemented a new accounting and financial reporting system (PeopleSoft) that required new user roles to be established. Subsequent to implementation, a number of users were not identified as having conflicting roles within PeopleSoft.</p> <p>The primary risk in having IT assist with the front-end loading of data into the accounting and payroll systems is the ability to change data during production. By relying on IT to load records directly into the production tables, transactions are bypassing all detective controls such as front-end edit checks, validation and application controls. Further, it appears that there are no detective controls in place subsequent to processing (e.g., approvals, tie-outs, etc.).</p> <p>Passwords for system users are required to be changed every 90 days and, when identified, employees are appropriately reprimanded for using another individual’s user-id and password.</p> <p>Effect: Potential misstatements and/or fraud could occur in the financial statements and not be detected.</p> <p>Cause: The conditions detailed above result primarily from limited in-house IT resources and the disengagement of outside consultants following the completion of the implementation of PeopleSoft, as well as a lack of adequate training during and following the implementation process. Therefore, certain departments, out of habit, have been leaning on the City’s current IT resources to assist them with the front-end functionality of the system. Most of this type of assistance is occurring in the payroll area and consists of uploading the payroll data directly into the accounting system, particularly for the four outside agencies that are not maintaining their accounting and payroll records on PeopleSoft.</p> <p>Recommendations: Management should identify the PeopleSoft roles that should not be assigned in tandem due to the financial segregation of duties risk. This listing should be provided to the IT Security team for use in their security provisioning duties. Once the conflicting roles have been identified, a complete review of user-ids should be performed to correct system access where needed.</p>

City of Indianapolis
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Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Reference Number	Finding
	<p>Additionally, management should confirm the root cause as to why IT is relied upon to process transactions for the business areas. If more training is, in fact, needed, then it should be provided to affected employees. If the need is a result of system limitations, management should then determine a more controlled methodology for posting the transactional data it is currently requesting IT to enter.</p> <p>Management must define and communicate specific roles and responsibilities over the data and system ownership, as well as the administrative policies and procedures associated with the PeopleSoft system, to improve the IT control environment.</p> <p>Lastly, there is a way to connect Windows and PeopleSoft to ensure a user of the computer only signs in to his/her account and cannot access other user's PeopleSoft accounts. This control is currently not in use, but would serve as an additional safeguard against inappropriate use of the PeopleSoft system.</p> <p>Views of Responsible Officials and Planned Corrective Action: From the time we went live with our new Enterprise Resource Planning (ERP) System on January 1, 2012; we have diligently been working to improve the system and its capabilities. Based on the review of our independent auditors and their recommendations herein, we are addressing the issues discovered in the following manner:</p> <ul style="list-style-type: none"> • All efforts were made during the implementation process to see that user roles were defined in a way to provide appropriate segregation of duties. PeopleSoft has very complex processes to establish the security for individuals. We will perform a review of the roles to determine if there are changes that should be made to strengthen our control over segregation of duties. • Since the review of our IT controls was completed, substantial changes have been made to reduce the amount of transactions processed by our IT support staff. We will continue to work to eliminate the need for the assistance of IT in this area. • The City entered into a contract with a consulting firm to assist us in reviewing and documenting all processes and procedures in regards to the PeopleSoft system and the systems that interact with it. They will also provide recommended changes to the processes and procedures. Based on those recommendations and their review, a training curriculum will be designed so that we may offer enterprise-wide training to employees. This training curriculum will help enable us to use the system in the most efficient manner. In addition, the City is creating an ERP management office that will better focus and define the roles and responsibilities over the data and system ownership. • We do not believe the recommended approach has merit. The passwords for PeopleSoft and our network are synchronized. However, it is the policy of the City that utilizing another user's password to log on to our systems is not allowed. Every employee who goes through new hire orientation is educated and must acknowledge that this is the policy of the City; they do this by signing the Acceptable Use policy. In any instance where we have been made aware of violations in policy, immediate action was taken to correct the behavior of the individual. This included providing notice that their access to our financial systems would be terminated upon any additional violations of the acceptable use policy.

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Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Reference Number	Finding
2014-003	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The City’s internal control environment allows certain “super-users” the ability to prepare, approve and post journal entries with no secondary review required. (Significant Deficiency)</p> <p>Context: The City has established permissions within its accounting system (PeopleSoft) that allow certain individuals to prepare, approve and post journal entries within the system without further system or nonsystem approvals.</p> <p>Effect: Potential misstatements and/or fraud could occur in the financial statements and not be detected.</p> <p>Cause: The individuals that have the ability to record journal entries without a secondary review or approval bear the responsibility to prepare the financial statements and work closely with each other in their financial reporting capacity.</p> <p>Recommendation: A secondary review of a complete listing of super-user generated journal entries should be performed on a monthly (or at least quarterly) basis by an individual at least one level above that of the super-user. The listing of journal entries should be generated by someone other than one of the super-users. This review should be performed on a timely basis and the reviewer should sign or initial the listing of journal entries to evidence his/her review and ultimate approval.</p> <p>Views of Responsible Officials and Planned Corrective Action: A report has been designed to aid in the review of PeopleSoft journals that are posted directly to the general ledger without additional approvals. This report identifies journals that are created and posted by the same individual, where there are no additional approvals required. These journals are created by users within the system that have the super-user role; currently, there are only four individuals who have this role. The super-user report is generated weekly and identifies transactions that are created and posted by the same individual from the previous seven days. This report is distributed to the appropriate individuals within the Office of Finance and Management, the Office of Audit and Performance, and the Auditor’s Office. This report is reviewed by each of the recipients and any concerns relating to any entries are brought to the immediate attention of appropriate personnel. This report began being distributed in July of 2015.</p>

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Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding
2014-004	<p>Finding: Period of Availability</p> <p>CFDA No. 14.218 - Community Development Block Grants/Entitlement Grants (CDBG) Department of Housing and Urban Development, Award Number B-14-MC-18-0007</p> <p>Criteria or Specific Requirement: Per 24 CFR part 570.902(a), at 60 days prior to the end of the grantee's current program year, the amount of entitlement grant funds available to the grantee, but undisbursed by the U.S. Treasury must be less than 1.5 times the grant total for its current program year in order to be considered timely spending.</p> <p>Condition: The City's internal controls surrounding timely expenditures of funds did not ensure that undisbursed funds for the current grant year were less than 1.5. (Significant Deficiency)</p> <p>Questioned Costs: None</p> <p>Context: We reviewed the City's draw ratio at November 2, 2014, noting the ratio was 1.71 and therefore exceeded HUD compliance requirements. The City's internal controls were not adequate to ensure CDBG funds were expended timely.</p> <p>Effect: The City did not fulfill timely spending requirements of the grant.</p> <p>Cause: The City did not properly manage disbursements to meet draw ratio requirements.</p> <p>Recommendation: We recommend that the City revise internal policies to more effectively monitor the draw ratio to ensure disbursements are made in a timely manner.</p> <p>Views of Responsible Officials and Planned Corrective Action: We are aware of this finding and have been working on this issue since 2014. As part of our 2015 action plan, we awarded enough funding to cover the 1.5 times plus some. All funds have been awarded and benchmarks have been included in contracts with specific draw dates. Funding will be completed by October 1st so that we meet the November 2nd benchmark for HUD for drawing down funds.</p>

City of Indianapolis
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Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

**Reference
Number**

Finding

No matters are reportable.