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February 29, 2016

Board of Directors
Indianapolis-Marion County Building Authority
200 E. Washington Street, Suite 311
Indianapolis, IN 46204

We have reviewed the audit report prepared by BKD, LLP, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. In our opinion, the audit report was 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 report present fairly the financial condition of the Indianapolis-Marion County Building Authority, as of June 30, 2014 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Indianapolis-Marion County Building Authority

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

Financial Statements

June 30, 2014 and 2013

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
June 30, 2014 and 2013

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Independent Auditor's Report on Financial Statements and Supplementary Information

To the Board of Directors
Indianapolis-Marion County Building Authority
Indianapolis, Indiana

We have audited the accompanying financial statements of the Indianapolis-Marion County Building Authority (Authority), a component unit of the Consolidated City of Indianapolis-Marion County, which comprise the statements of assets, liabilities and accumulated net revenues as of June 30, 2014 and 2013, and the related statements of net revenues and changes in operating and debt service funds for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in Note 1; this includes determining that the basis of accounting described in Note 1 is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and accumulated net revenues of the Indianapolis-Marion County Building Authority as of June 30, 2014 and 2013, and its net revenues and changes in operating and debt service funds for the years then ended, on the basis of accounting described in Note 1 to the financial statements.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2014, the Authority changed its method of accounting for bond issuance costs and reclassified deferred losses on refundings of debt to deferred outflows of resources. Our opinion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the Authority's interpretation of the statute under which it was created and provisions of trust indentures and loan agreements executed for the benefit of holders of Authority bonds and notes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the 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 financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014 on our consideration of the Authority's internal control over financial reporting and 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of the governing body of the Authority, the City of Indianapolis and Marion County, management of the Authority and bondholders and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Indianapolis, Indiana
December 10, 2014

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Assets, Liabilities and Accumulated Net Revenues
June 30, 2014 and 2013

All Properties

Assets and Deferred Outflows of Resources

| | 2014 | 2013 Restated |
|---|---------------|--------------------------|
| Operating Funds | | |
| Current accounts | | |
| Cash and cash equivalents - general | \$ 2,445,331 | \$ 7,526,676 |
| Cash - payroll | 14,414 | 17,115 |
| Office imprest funds | 1,600 | 1,600 |
| | 2,461,345 | 7,545,391 |
| Amounts receivable for tenant alterations and improvements - completed and in process | 204,837 | 171,049 |
| Materials and supplies | 350,457 | 336,108 |
| Prepaid insurance and service contracts | 44,317 | 38,099 |
| | 3,060,956 | 8,090,647 |
| Replacement fund (for nonrecurring general maintenance, improvements or replacements) | | |
| Cash and cash equivalents | 1,896,677 | 2,532,878 |
| Subtotal | 4,957,633 | 10,623,525 |
| Debt Service Funds | | |
| Restricted cash and cash equivalents | 1,294,999 | 1,270,860 |
| Subtotal | 1,294,999 | 1,270,860 |
| Building, Site and Project Costs | | |
| Buildings | 73,433,616 | 92,666,870 |
| Furnishings and equipment | 5,814,643 | 6,128,395 |
| Subtotal | 79,248,259 | 98,795,265 |
| Deferred Outflow of Resources - deferred losses on refundings | 75,068 | 105,096 |
| Total assets and deferred outflow of resources | \$ 85,575,959 | \$ 110,794,746 |

Liabilities and Accumulated Net Revenues

| | 2014 | 2013 Restated |
|---|----------------------|--------------------------|
| Operating Liabilities | | |
| Accounts payable | \$ 748,520 | \$ 778,195 |
| Accrued salaries and wages | 129,752 | 113,393 |
| Accrued vacation | 210,108 | 217,099 |
| Accrued contribution to Indiana Public Employees Retirement Fund | 35,149 | 29,951 |
| Net pension obligation | 383,261 | 347,030 |
| Amounts withheld from employee wages | 40,034 | 42,022 |
| Unearned maintenance fees | 152,475 | 1,203,825 |
| Unearned credit - additional rentals applicable to the succeeding year | - | 4,093,388 |
| Subtotal | <u>1,699,299</u> | <u>6,824,903</u> |
| Bond and Note Indebtedness | | |
| Accrued interest payable | 214,788 | 243,193 |
| Unearned credit - fixed rentals applicable to the succeeding year | 946,000 | 944,500 |
| Serial bonds and notes payable | 9,380,745 | 10,758,513 |
| Subtotal | <u>10,541,533</u> | <u>11,946,206</u> |
| Accumulated Net Revenues | | |
| Operating - unrestricted | 3,043,546 | 3,555,429 |
| Restricted for debt service | 348,999 | 326,360 |
| Net investment in capital assets | 69,942,582 | 88,141,848 |
| Subtotal | <u>73,335,127</u> | <u>92,023,637</u> |
| Total liabilities and accumulated net revenues | <u>\$ 85,575,959</u> | <u>\$ 110,794,746</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Net Revenues and Changes in
Operating and Debt Service Funds
Years Ended June 30, 2014 and 2013

All Properties

| | 2014 | | | |
|--|-----------------------------|----------------------|---------------------|--------------------------------------|
| | Accumulated Net Revenues | Current Accounts | Replacement Fund | Capital and Debt Service Funds |
| Revenues | | | | |
| Rental income - fixed | \$ 1,889,000 | \$ - | \$ - | \$ 1,889,000 |
| Rental income - additional | 8,464,176 | 8,464,176 | - | - |
| Income from investments | 5,370 | 3,837 | 1,533 | - |
| Maintenance fees | 2,407,650 | 2,407,650 | - | - |
| Contractual payments | 100,000 | 100,000 | - | - |
| Other income | 17,048 | 17,048 | - | - |
| | <u>12,883,244</u> | <u>10,992,711</u> | <u>1,533</u> | <u>1,889,000</u> |
| Operating Expenses | <u>11,037,698</u> | <u>11,037,698</u> | <u>-</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | <u>1,845,546</u> | <u>(44,987)</u> | <u>1,533</u> | <u>1,889,000</u> |
| Other Expenses | | | | |
| Interest expense | 490,218 | - | - | 490,218 |
| Nonrecurring repairs | 496,832 | 23,772 | 473,060 | - |
| | <u>987,050</u> | <u>23,772</u> | <u>473,060</u> | <u>490,218</u> |
| Net Revenues (Expenses) | <u>858,496</u> | <u>(68,759)</u> | <u>(471,527)</u> | <u>1,398,782</u> |
| Balances, July 1, as previously reported | 92,023,637 | 54,709,232 | 1,441,829 | 35,872,576 |
| Change in Accounting Principle | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balances, July 1, as restated | <u>92,023,637</u> | <u>54,709,232</u> | <u>1,441,829</u> | <u>35,872,576</u> |
| Add (deduct) | | | | |
| Transfer of excess funds | - | - | - | - |
| Reversion of assets to the City of Indianapolis | (19,547,006) | (19,547,006) | - | - |
| | <u>(19,547,006)</u> | <u>(19,547,006)</u> | <u>-</u> | <u>-</u> |
| Balances, June 30 | <u>\$ 73,335,127</u> | <u>\$ 35,093,467</u> | <u>\$ 970,302</u> | <u>\$ 37,271,358</u> |

2013 - Restated

| Accumulated Net Revenues | Current Accounts | Replacement Fund | Capital and Debt Service Funds |
|-------------------------------------|-----------------------------|-----------------------------|---|
| \$ 3,475,000 | \$ - | \$ - | \$ 3,475,000 |
| 8,719,884 | 8,719,884 | - | - |
| 9,978 | 7,040 | 2,644 | 294 |
| 2,359,498 | 2,359,498 | - | - |
| 100,000 | 100,000 | - | - |
| 17,055 | 17,055 | - | - |
| <u>14,681,415</u> | <u>11,203,477</u> | <u>2,644</u> | <u>3,475,294</u> |
| | | | |
| <u>10,964,008</u> | <u>10,895,993</u> | <u>-</u> | <u>68,015</u> |
| | | | |
| <u>3,717,407</u> | <u>307,484</u> | <u>2,644</u> | <u>3,407,279</u> |
| | | | |
| 603,179 | - | - | 603,179 |
| 474,866 | 27,059 | 447,807 | - |
| <u>1,078,045</u> | <u>27,059</u> | <u>447,807</u> | <u>603,179</u> |
| | | | |
| <u>2,639,362</u> | <u>280,425</u> | <u>(445,163)</u> | <u>2,804,100</u> |
| | | | |
| 91,581,197 | 56,335,253 | 1,865,992 | 33,379,952 |
| <u>(242,078)</u> | <u>-</u> | <u>-</u> | <u>(242,078)</u> |
| | | | |
| <u>91,339,119</u> | <u>56,335,253</u> | <u>1,865,992</u> | <u>33,137,874</u> |
| | | | |
| - | 48,398 | 21,000 | (69,398) |
| <u>(1,954,844)</u> | <u>(1,954,844)</u> | <u>-</u> | <u>-</u> |
| | | | |
| <u>\$ 92,023,637</u> | <u>\$ 54,709,232</u> | <u>\$ 1,441,829</u> | <u>\$ 35,872,576</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization

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

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

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

Basis of Accounting

The accounts of the Authority are maintained on the accrual basis in accordance with resolutions of the Authority and the Authority's interpretation of applicable statutes and the above-mentioned trust indentures and loan agreements. These practices primarily differ from accounting principles generally accepted in the United States of America in that: (1) the leases with the participating governments are treated as operating leases rather than as direct financing leases; (2) depreciation is not provided; (3) costs of subsequent building improvements, equipment additions and major items of repairs and replacements ordinarily capitalized are expensed; and (4) no statement of cash flows is presented.

The Authority prepares special-purpose financial statements. The Authority has not adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments*, which establishes financial reporting standards for state and local governments. Accordingly, the Authority does not provide financial statements in the formats prescribed by this standard, nor does it provide a management's discussion and analysis as required supplementary information.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting noted above requires management to make estimates and assumptions affecting the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimated amounts.

Cash Equivalents

The Authority considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2014 and 2013, cash equivalents consisted of money market mutual funds.

Investments

Investments are stated at fair value.

Depreciation, Improvements, Additions and Major Repairs and Replacements

No provision for depreciation has been included in the accompanying financial statements. Annual fixed rentals and income on interim investment thereof are retained for subsequent retirement of debt related to building and site costs.

The costs of subsequent improvements, equipment additions and major items of repairs and replacements are expensed. Funds to pay such costs are provided from additional rentals of the current year and/or from additional rentals retained as a reserve for such costs.

The Authority has set aside \$1,896,677 and \$2,532,878 of the \$3,043,546 and \$3,555,429 of Operating - Unrestricted Accumulated Net Revenues at June 30, 2014 and 2013, respectively, for nonrecurring general maintenance, improvements or replacements in accordance with various lease agreements, leaving a balance of \$1,146,869 and \$1,022,551 for remaining operating purposes at June 30, 2014 and 2013, respectively.

Interest Capitalization

Interest cost is capitalized on all projects acquired with tax-exempt borrowings from the date of the borrowing until the project is substantially completed and ready for its intended use. The amount capitalized is reduced by interest earned on investments acquired with the proceeds of the borrowing.

Materials and Supplies

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

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Compensated Absences

Substantially all employees receive compensation for vacations and sick leave. Vacation earned is based on length of service. Vacation leave which has been earned but not paid has been accrued. Employees receive sick pay starting on the third consecutive day of illness. Sick leave pay will continue through the seventh calendar day of illness or until the weekly indemnity benefit of the group insurance plan begins payment. Compensation for sick pay is not accrued because benefits are not provided through paid time off or by cash payments at termination or retirement.

Bond Issuance Costs

Bond issuance costs are expensed as incurred.

Unearned Income

Maintenance fees and rental payments received in advance of the period to which they relate are recorded as unearned income.

Original Issue Discounts and Premiums

Original issue discounts and premiums on bonds are accreted over the life of the bonds to which they relates using the interest method or straight-line method which approximates the former.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Adoption of New Accounting Standard

The Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during 2014. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources and recognizes as expenses and revenues certain items that were previously reported as assets and liabilities. With the implementation of GASB Statement No. 65, the Authority eliminated \$242,078 of debt issuance costs, which were previously classified as assets, against the Authority's 2013 beginning accumulated net revenues. In addition, 2013 net revenues increased by \$29,763. The Authority also reclassified \$105,096 of deferred losses on refundings of debt to deferred outflows of resources in the 2013 Statements of Assets, Liabilities and Accumulated Net Revenues.

Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. The reclassifications had no effect on net revenues (expenses).

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Note 2: Deposits, Investments and Investment Income

Cash and investments included in the statements of assets, liabilities and accumulated net revenues consist of the following:

| | 2014 | 2013 |
|-----------------------|--------------|---------------|
| Current accounts | \$ 2,461,345 | \$ 7,545,391 |
| Replacement funds | 1,896,677 | 2,532,878 |
| Total operating funds | 4,358,022 | 10,078,269 |
| Debt service funds | 1,294,999 | 1,270,860 |
| | \$ 5,653,021 | \$ 11,349,129 |

The carrying amount of deposits and investments, by type of investment, are:

| | 2014 | 2013 |
|---------------------------|--------------|---------------|
| Cash deposits | \$ 4,345,038 | \$ 10,064,966 |
| Money market mutual funds | 1,307,983 | 1,284,163 |
| | \$ 5,653,021 | \$ 11,349,129 |

Deposits

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

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

Investments

Indiana statutes authorize the Authority to invest in United States obligations and issues of federal agencies, Indiana municipal securities, secured repurchase agreements fully collateralized by U.S. Government or U.S. Government agency securities, certificates of deposit and open-end money market mutual funds.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

At June 30, 2014 and 2013, the Authority had the following investment securities, all of which mature within one year:

| | 2014 | 2013 |
|---------------------------|--------------|--------------|
| Money market mutual funds | \$ 1,307,983 | \$ 1,284,163 |

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority is limited to investing in securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code, Section 5-13-9-5.6. The Authority's investment policy for interest rate risk requires compliance with the provisions of Indiana statutes. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy for credit risk requires compliance with the provisions of Indiana statutes. Further, Indiana Code Section 5-13-9-2.5 requires that if the Authority invests in money market mutual funds, the underlying securities must be rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service. At June 30, 2014 and 2013, the Authority's investments in money market mutual funds were rated AAA by Standard & Poor's.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral that is in the possession of an outside party. The Authority's investment in money market mutual funds was not subject to custodial credit risk at June 30, 2014 and 2013, as their existence is not evidenced by securities that exist in physical book entry form. The Authority's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

Concentration of Credit Risk - The Authority places no limit on the amount that may be invested in any one issuer.

Foreign Currency Risk - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Authority's investment policy prohibits investments in foreign investments.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Investment Income

Investment income for the years ended June 30, 2014 and 2013 consisted of:

| | 2014 | 2013 |
|------------------------------|-------------|-------------|
| Interest and dividend income | \$ 5,370 | \$ 9,978 |

Note 3: Retirement Plan

Plan Description

The Authority contributes to the Public Employees' Retirement Fund of Indiana (PERF), an agent multiple-employer retirement plan administered by the Indiana Public Retirement System (INPRS), which acts as a common investment and administrative agent for state employees and employees of participating political subdivisions of the State of Indiana in accordance with Indiana Codes 5-10.2 and 5-10.3. The authority to establish or amend benefit provisions rests with the Indiana General Assembly. However, obligations to contribute to the plan are determined by the board of PERF in accordance with actuarial methods. PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing to: Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, Indiana, 46204. Substantially all of the Authority's full-time employees are covered by the plan. The following disclosures represent the most current and available information on the plan through the July 1, 2013 actuarial valuation.

Retirement benefits vest after 10 years of service. Normal retirement is defined as the earliest of: (1) age 65 with 10 years of creditable service; (2) age 60 with 15 years of creditable service; or (3) the sum of age and creditable service equal to 85, but not earlier than age 55. A reduced benefit will be received if an employee takes early retirement between the ages of 50 and 65 and has had 15 or more years of creditable service. Employees may either elect to receive a lump-sum distribution of their annuity savings account balance upon retirement or receive an annuity amount as a monthly supplement to the retirement benefits described above. PERF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute ordinance.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Funding Policy

The Authority contributes an actuarially determined percentage (10.75% and 9.25% for calendar years 2014 and 2013, respectively) of employee payroll to the plan. Required contributions are communicated to the Authority annually by the PERF board and are effective January 1 of each year. This component represents the employer contribution required under the plan. Employees are required to contribute 3% of their annual salary to an annuity savings account, as prescribed by Indiana statutes. Authority employees can make additional voluntary contributions on a pretax basis to PERF in accordance with Internal Revenue Service approval. Accumulated employee contributions and allocated interest income are maintained by PERF in a separate system-wide fund for all members. An employee who leaves employment before qualifying for benefits receives a refund of his or her savings account.

Annual Pension Cost and Net Pension Obligation

Annual required contributions are determined as part of annual July 1 actuarial valuations using the entry age normal level percent of payroll method. The actuarial assumptions used for the actuarial valuation included: (a) 6.75% investment rate of return (net of administrative expenses), (b) 3.25% - 4.5% projected salary increases based upon PERF experience between 2005 and 2010, (c) 1.0% per year cost-of-living adjustments, and (d) 3% inflation rate per year. The actuarial value of the plan's assets is determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

The Authority's annual pension cost and net pension obligation were as follows:

| | |
|---|------------|
| Annual required contribution | \$ 326,577 |
| Interest on net pension obligation | 23,425 |
| Adjustment to annual required contribution | (27,267) |
| Annual pension cost | 322,735 |
| Contributions made | 286,504 |
| Increase in net pension obligation | 36,231 |
| Net pension obligation, June 30, 2012 | 347,030 |
| Net pension obligation, June 30, 2013 (accrued June 30, 2014) | \$ 383,261 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Schedule of Funding Progress

The schedule of funding progress is as follows (dollar amounts in thousands):

| Actuarial Valuation Date, July 1 | Actuarial Value of Assets | Actuarial Accrued Liability AAL Entry Age | Excess of Assets Over (Unfunded) AAL | Funded Ratio | Covered Payroll | Excess/ Unfunded AAL as a Percentage of Covered Payroll |
|--|---------------------------------|---|--|-----------------|--------------------|--|
| 2013 | \$ 2,783 | \$ 5,152 | \$ (2,369) | 54% | \$ 2,732 | 87% |
| 2012 | 2,636 | 5,268 | (2,632) | 50% | 2,902 | 91% |
| 2011 | 2,805 | 4,961 | (2,156) | 57% | 2,846 | 76% |

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the accrued liability for benefits.

Three-Year Trend Information

Following is three-year trend information for the plan (dollar amounts in thousands):

| Fiscal Year Ending June 30 | Annual Pension Cost (APC) | Percentage APC Contributed | Net Pension (Asset) Obligation |
|----------------------------|------------------------------|-------------------------------|--------------------------------------|
| 2013 | \$ 322.7 | 89% | \$ 383.3 |
| 2012 | 281.9 | 66% | 347.0 |
| 2011 | 265.3 | 58% | 250.2 |

Effective July 1, 2013, the Public Employees' Retirement Fund of Indiana became a cost-sharing, multiple-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 does not affect the contribution rate for the Authority.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Note 4: Bond and Note Indebtedness

| | 2014 | 2013 |
|--|--------------|---------------|
| Jail Building Refunding Bonds of 2009 (Taxable) | | |
| Serial bonds, maturing January 1, 2015 to January 1, 2017 in payments ranging from \$800,000 in fiscal year 2015 to \$870,000 in fiscal year 2017. Interest at 4.41 to 5.03%, due semiannually on January 1 and July 1 | \$ 2,500,000 | \$ 3,265,000 |
| Unamortized discount | (16,442) | (23,006) |
| | 2,483,558 | 3,241,994 |
| Arrestee Processing Center Bonds of 2003 | | |
| Serial bonds, maturing January 1, 2015 to January 1, 2023 in payments ranging from \$635,000 in fiscal year 2015 to \$905,000 in fiscal year 2023. Interest at 4.00 to 5.00%, due semiannually on June 30 and December 30 | 6,860,000 | 7,475,000 |
| Unamortized premium | 37,187 | 41,519 |
| | 6,897,187 | 7,516,519 |
| | \$ 9,380,745 | \$ 10,758,513 |

The various serial bonds of the Authority are subject to optional redemption prior to maturity in whole or in part on interest payment dates at 100% of the principal amount, plus accrued interest.

The Arrestee Processing Center Bonds of 2003 maturing on January 1, 2016, January 1, 2020 and January 1, 2023, are subject to redemption from mandatory sinking fund payments beginning in 2014, 2018 and 2021, respectively.

On August 4, 2009, the Authority issued \$6,025,000 in Refunding Bonds to advance refund \$6,175,000 of outstanding 1997 Jail Building Bonds, which were called on September 3, 2009.

As a result of the August 2009 advance refunding, the Authority reduced its total debt service requirements by \$1,078,454, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) in the amount of \$539,760. The Authority recognized an accounting loss of \$222,705 in connection with this refunding that is reflected as a deferred outflow of resources and is being amortized to interest expense on a straight-line basis through January 1, 2017.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Debt service requirements to maturity for all Authority indebtedness at June 30, 2014 follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------|---------------------|---------------------|----------------------|
| 2015 | \$ 1,435,000 | \$ 429,595 | \$ 1,864,595 |
| 2016 | 1,495,000 | 368,915 | 1,863,915 |
| 2017 | 1,565,000 | 301,811 | 1,866,811 |
| 2018 | 725,000 | 230,250 | 955,250 |
| 2019 | 750,000 | 194,000 | 944,000 |
| Thereafter | <u>3,390,000</u> | <u>393,875</u> | <u>3,783,875</u> |
| | <u>\$ 9,360,000</u> | <u>\$ 1,918,446</u> | <u>\$ 11,278,446</u> |

Note 5: Revenues

The Authority leases various facilities under its control to the City of Indianapolis and Marion County for semiannual fixed rentals to cover principal and interest payments on related debt and additional semiannual rentals to cover the cost of operation and maintenance of the facilities. All of the leases provide for annual adjustments to the additional rentals based upon operating expense budgets for the facilities. They also contain lease renewal and purchase options. If these options are not exercised, the leases provide for transfer, upon the expiration of the lease, of ownership of the properties to the lessees free and clear of all obligations of the lease. The governing Indiana statute with respect to each of the Authority's leases provides that the government lessee(s) shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Authority.

All of the assets classified under building, site and project costs in the statements of assets, liabilities and accumulated net revenues are held by the Authority for the purpose of rental or related use.

Future fixed rentals on all of the Authority's leases to be received in each of the next five years and thereafter are as follows:

| | |
|------------|----------------------|
| 2015 | \$ 1,889,000 |
| 2016 | 1,886,000 |
| 2017 | 1,426,000 |
| 2018 | 966,000 |
| 2019 | 966,000 |
| Thereafter | <u>3,381,000</u> |
| | <u>\$ 10,514,000</u> |

Additional rentals aggregated \$8,464,176 and \$8,719,884 for the years ended June 30, 2014 and 2013, respectively. The Authority's Board of Directors will, from time to time, authorize the use of surplus funds from the operations of certain buildings to be used as a credit against future additional rentals.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

The Authority is also authorized to enter into management contracts with eligible governmental entities. As of June 30, 2014, the Authority has entered into management contracts which expire on various dates through June 30, 2018. The contracts provide for the construction, operation and/or maintenance of various facilities for use by departments and other entities of the City of Indianapolis and Marion County. The City and the County advance funds to the Authority for construction of the facilities and, with respect to all of the properties, designates the Authority as its manager and agent for the purpose of maintaining and managing the facilities.

The annual maintenance fees payable to the Authority for the cost of operating, maintaining and managing the facilities covered by management contracts vary each year based on operating expense budgets for the facilities. Maintenance fees aggregated \$2,407,650 and \$2,359,498 for the years ended June 30, 2014 and 2013, respectively.

Note 6: Risk Management

The Authority purchases commercial insurance policies for all risks of loss. Certain of these policies allow for deductibles, which range from \$10,000 to \$100,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note 7: Conduit Debt Obligations

In March 2010, the Authority issued \$106,250,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Bonds, Series 2010 B-1, and \$359,330,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Bonds, Series 2010 B-2 (collectively, the Series 2010B Bonds) for the purpose of financing the acquisition, construction and equipping of certain hospital and healthcare facilities for Health and Hospital Corporation of Marion County, Indiana (Corporation). In April 2013, the Authority issued an additional \$42,460,000 in Indianapolis-Marion County Building Authority Wishard Hospital Project Bonds, Series 2013 A (the Series 2013A Bonds). The Series 2010B and 2013A Bonds are special limited obligations of the Authority, payable solely from, and secured by, a pledge of lease rental revenues to be received by the Authority from the Corporation in accordance with a Master Lease agreement, Amendment and Addendums between the two entities, dated March 1, 2010, December 31, 2012 and April 30, 2013. The lease rentals are payable from ad valorem property taxes to be levied on all taxable property within Marion County, Indiana, to the extent other revenues of the Corporation are not sufficient to fund such payments. The Series 2010B Bonds and Series 2013A Bonds do not constitute a debt or pledge of the faith and credit of the Authority and are therefore not reported in the Authority's financial statements. At June 30, 2014 and 2013, \$502,045,000 and \$505,770,000, respectively, in bonds remain outstanding.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
June 30, 2014 and 2013

Note 8: Commitments and Contingencies

Litigation

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

Supplementary Information

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedule of Assets, Liabilities and Accumulated Net Revenues by Property
June 30, 2014

Assets and Deferred Outflows of Resources

| | Total | City-County Building and Parking Site | Arrestee Processing Center | Riverside & Belmont Garages | Marion County Jail | Marion County Jail II |
|---|----------------------|--|---|--|-----------------------------------|--------------------------------------|
| Operating Funds | | | | | | |
| Cash and cash equivalents - general | \$ 2,445,331 | \$ 737,212 | \$ 59,191 | \$ 150,917 | \$ 95,429 | \$ 106,073 |
| Cash - payroll | 14,414 | 14,414 | - | - | - | - |
| Office imprest funds | 1,600 | 1,600 | - | - | - | - |
| | <u>2,461,345</u> | <u>753,226</u> | <u>59,191</u> | <u>150,917</u> | <u>95,429</u> | <u>106,073</u> |
| Amounts receivable for tenant alterations and improvements - completed and in process | 204,837 | 204,687 | - | 150 | - | - |
| Materials and supplies | 350,457 | 350,457 | - | - | - | - |
| Prepaid insurance and service contracts | 44,317 | 23,646 | 1,866 | 2,173 | 7,130 | - |
| | <u>3,060,956</u> | <u>1,332,016</u> | <u>61,057</u> | <u>153,240</u> | <u>102,559</u> | <u>106,073</u> |
| Replacement fund (for nonrecurring general maintenance, improvements or replacements) | | | | | | |
| Cash and cash equivalents | 1,896,677 | 1,537,410 | - | 263,387 | 95,880 | - |
| Subtotal | <u>4,957,633</u> | <u>2,869,426</u> | <u>61,057</u> | <u>416,627</u> | <u>198,439</u> | <u>106,073</u> |
| Debt Service Funds | | | | | | |
| Restricted cash and cash equivalents | 1,294,999 | - | 802,211 | - | - | 492,788 |
| Building, Site and Project Costs | | | | | | |
| Buildings | 73,433,616 | 29,679,916 | 7,038,708 | - | - | 17,501,491 |
| Furnishings and equipment | 5,814,643 | 800,367 | 5,014,276 | - | - | - |
| | <u>79,248,259</u> | <u>30,480,283</u> | <u>12,052,984</u> | <u>-</u> | <u>-</u> | <u>17,501,491</u> |
| Deferred Outflows of Resources | | | | | | |
| | 75,068 | - | - | - | - | 75,068 |
| Total assets and deferred outflows | <u>\$ 85,575,959</u> | <u>\$ 33,349,709</u> | <u>\$ 12,916,252</u> | <u>\$ 416,627</u> | <u>\$ 198,439</u> | <u>\$ 18,175,420</u> |

| Public Safety Training Academy | Juvenile Justice Complex | Public Safety Properties | Department of Metropolitan Development Properties | Assessor's West District |
|---|---|---|--|-------------------------------------|
| \$ 337,316 | \$ 346,933 | \$ 295,117 | \$ 271,922 | \$ 45,221 |
| - | - | - | - | - |
| - | - | - | - | - |
| 337,316 | 346,933 | 295,117 | 271,922 | 45,221 |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,407 | 2,671 | 2,832 | 2,410 | 182 |
| 338,723 | 349,604 | 297,949 | 274,332 | 45,403 |
| - | - | - | - | - |
| 338,723 | 349,604 | 297,949 | 274,332 | 45,403 |
| - | - | - | - | - |
| 2,326,953 | 16,886,548 | - | - | - |
| - | - | - | - | - |
| 2,326,953 | 16,886,548 | - | - | - |
| - | - | - | - | - |
| \$ 2,665,676 | \$ 17,236,152 | \$ 297,949 | \$ 274,332 | \$ 45,403 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedule of Assets, Liabilities and Accumulated Net Revenues by Property
June 30, 2014

Liabilities and Accumulated Net Revenues

| | Total | City-County Building and Parking Site | Arrestee Processing Center | Riverside & Belmont Garages | Marion County Jail | Marion County Jail II |
|--|----------------------|---|----------------------------------|-----------------------------------|--------------------------|-----------------------------|
| Operating Liabilities | | | | | | |
| Accounts payable | \$ 748,520 | \$ 377,749 | \$ 15,487 | \$ 34,021 | \$ 129,645 | \$ - |
| Accrued salaries and wages | 129,752 | 129,752 | - | - | - | - |
| Accrued vacation | 210,108 | 210,108 | - | - | - | - |
| Accrued contribution to Indiana Public Employees Retirement Fund | 35,149 | 35,149 | - | - | - | - |
| Net pension obligation | 383,261 | 383,261 | - | - | - | - |
| Amounts withheld from employee wages | 40,034 | 40,034 | - | - | - | - |
| Unearned maintenance fees | 152,475 | - | - | - | - | - |
| | <u>1,699,299</u> | <u>1,176,053</u> | <u>15,487</u> | <u>34,021</u> | <u>129,645</u> | <u>-</u> |
| Bond and Note Indebtedness | | | | | | |
| Accrued interest payable | 214,788 | - | 155,025 | - | - | 59,763 |
| Unearned credit - fixed rentals applicable to the succeeding year | 946,000 | - | 483,000 | - | - | 463,000 |
| Serial bonds and notes payable | 9,380,745 | - | 6,897,187 | - | - | 2,483,558 |
| | <u>10,541,533</u> | <u>-</u> | <u>7,535,212</u> | <u>-</u> | <u>-</u> | <u>3,006,321</u> |
| Accumulated Net Revenues | | | | | | |
| Operating - unrestricted | 3,043,546 | 1,693,373 | (109,455) | 382,606 | 68,794 | 46,310 |
| Restricted for debt service | 348,999 | - | 319,211 | - | - | 29,788 |
| Net investment in capital assets | 69,942,582 | 30,480,283 | 5,155,797 | - | - | 15,093,001 |
| | <u>73,335,127</u> | <u>32,173,656</u> | <u>5,365,553</u> | <u>382,606</u> | <u>68,794</u> | <u>15,169,099</u> |
| Total liabilities and accumulated net revenues | <u>\$ 85,575,959</u> | <u>\$ 33,349,709</u> | <u>\$ 12,916,252</u> | <u>\$ 416,627</u> | <u>\$ 198,439</u> | <u>\$ 18,175,420</u> |

2014

| | Public Safety Training Academy | Juvenile Justice Complex | Public Safety Properties | Department of Metropolitan Development Properties | Assessor's West District |
|----|---|--------------------------------|--------------------------------|--|-----------------------------|
| \$ | 29,735 | \$ 69,735 | \$ 77,564 | \$ 12,190 | \$ 2,394 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | 152,475 | - |
| | 29,735 | 69,735 | 77,564 | 164,665 | 2,394 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 308,988 | 279,869 | 220,385 | 109,667 | 43,009 |
| | - | - | - | - | - |
| | 2,326,953 | 16,886,548 | - | - | - |
| | 2,635,941 | 17,166,417 | 220,385 | 109,667 | 43,009 |
| \$ | 2,665,676 | \$ 17,236,152 | \$ 297,949 | \$ 274,332 | \$ 45,403 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedule of Assets, Liabilities and Accumulated Net Revenues by Property
June 30, 2013 - Restated

Assets and Deferred Outflows of Resources

| | Total | City-County Building and Parking Site | Arrestee Processing Center | Riverside & Belmont Garages | Marion County Jail | Marion County Jail II |
|---|-----------------------|---|----------------------------------|-----------------------------------|--------------------------|-----------------------------|
| Operating Funds | | | | | | |
| Cash and cash equivalents - general | \$ 7,526,676 | \$ 3,211,612 | \$ 196,310 | \$ 584,410 | \$ 933,800 | \$ 136,501 |
| Cash - payroll | 17,115 | 17,115 | - | - | - | - |
| Office imprest funds | 1,600 | 1,600 | - | - | - | - |
| | <u>7,545,391</u> | <u>3,230,327</u> | <u>196,310</u> | <u>584,410</u> | <u>933,800</u> | <u>136,501</u> |
| Amounts receivable for tenant alterations and improvements - completed and in process | 171,049 | 171,049 | - | - | - | - |
| Materials and supplies | 336,108 | 336,108 | - | - | - | - |
| Prepaid insurance and service contracts | 38,099 | 21,075 | 1,155 | 1,862 | 7,045 | - |
| | <u>8,090,647</u> | <u>3,758,559</u> | <u>197,465</u> | <u>586,272</u> | <u>940,845</u> | <u>136,501</u> |
| Replacement fund (for nonrecurring general maintenance, improvements or replacements) | | | | | | |
| Cash and cash equivalents | 2,532,878 | 1,625,307 | - | 330,946 | 117,634 | - |
| Subtotal | <u>10,623,525</u> | <u>5,383,866</u> | <u>197,465</u> | <u>917,218</u> | <u>1,058,479</u> | <u>136,501</u> |
| Debt Service Funds | | | | | | |
| Restricted cash and cash equivalents | 1,270,860 | - | 785,821 | - | - | 485,039 |
| Building, Site and Project Costs | | | | | | |
| Buildings | 92,666,870 | 29,679,916 | 7,038,708 | - | 19,233,254 | 17,501,491 |
| Furnishings and equipment | 6,128,395 | 800,367 | 5,014,276 | - | 313,752 | - |
| | <u>98,795,265</u> | <u>30,480,283</u> | <u>12,052,984</u> | <u>-</u> | <u>19,547,006</u> | <u>17,501,491</u> |
| Deferred Outflows of Resources | | | | | | |
| | 105,096 | - | - | - | - | 105,096 |
| Total assets and deferred outflows | <u>\$ 110,794,746</u> | <u>\$ 35,864,149</u> | <u>\$ 13,036,270</u> | <u>\$ 917,218</u> | <u>\$ 20,605,485</u> | <u>\$ 18,228,127</u> |

| 2013 - Restated Public | | Department | | | | | | |
|-------------------------|--------------------------|--------------------------|--|----------------------------|--------------------------|--------------------------|--|--|
| Safety Training Academy | Juvenile Justice Complex | Public Safety Properties | of Metropolitan Development Properties | Duvall Work Release Center | Assessor's West District | Irvington Charter School | | |
| \$ 449,021 | \$ 766,152 | \$ 801,954 | \$ 301,764 | \$ 78,648 | \$ 64,800 | \$ 1,704 | | |
| - | - | - | - | - | - | - | | |
| - | - | - | - | - | - | - | | |
| 449,021 | 766,152 | 801,954 | 301,764 | 78,648 | 64,800 | 1,704 | | |
| - | - | - | - | - | - | - | | |
| - | - | - | - | - | - | - | | |
| 987 | 2,247 | 3,071 | 475 | - | 182 | - | | |
| 450,008 | 768,399 | 805,025 | 302,239 | 78,648 | 64,982 | 1,704 | | |
| 205,586 | 201,875 | 51,530 | - | - | - | - | | |
| 655,594 | 970,274 | 856,555 | 302,239 | 78,648 | 64,982 | 1,704 | | |
| - | - | - | - | - | - | - | | |
| 2,326,953 | 16,886,548 | - | - | - | - | - | | |
| - | - | - | - | - | - | - | | |
| 2,326,953 | 16,886,548 | - | - | - | - | - | | |
| - | - | - | - | - | - | - | | |
| \$ 2,982,547 | \$ 17,856,822 | \$ 856,555 | \$ 302,239 | \$ 78,648 | \$ 64,982 | \$ 1,704 | | |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedule of Assets, Liabilities and Accumulated Net Revenues by Property
June 30, 2013 - Restated

Liabilities and Accumulated Net Revenues

| | Total | City-County Building and Parking Site | Arrestee Processing Center | Riverside & Belmont & Garages | Marion County Jail | Marion County Jail II |
|---|--------------------|--|---|--|-----------------------------------|--------------------------------------|
| Operating Liabilities | | | | | | |
| Accounts payable | \$ 778,195 | \$ 306,474 | \$ 13,186 | \$ 94,776 | \$ 83,578 | \$ - |
| Accrued salaries and wages | 113,393 | 113,393 | - | - | - | - |
| Accrued vacation | 217,099 | 217,099 | - | - | - | - |
| Accrued contribution to Indiana Public Employees Retirement Fund | 29,951 | 29,951 | - | - | - | - |
| Net pension obligation | 347,030 | 347,030 | - | - | - | - |
| Amounts withheld from employee wages | 42,022 | 42,022 | - | - | - | - |
| Unearned maintenance fees | 1,203,825 | - | - | 395,800 | - | - |
| Unearned credit - additional rentals applicable to the succeeding year | 4,093,388 | 2,228,288 | 140,800 | - | 868,850 | 22,250 |
| | <u>6,824,903</u> | <u>3,284,257</u> | <u>153,986</u> | <u>490,576</u> | <u>952,428</u> | <u>22,250</u> |
| Bond and Note Indebtedness | | | | | | |
| Accrued interest payable | 243,193 | - | 167,325 | - | - | 75,868 |
| Unearned credit - fixed rentals applicable to the succeeding year | 944,500 | - | 483,000 | - | - | 461,500 |
| Serial bonds and notes payable | 10,758,513 | - | 7,516,519 | - | - | 3,241,994 |
| | <u>11,946,206</u> | <u>-</u> | <u>8,166,844</u> | <u>-</u> | <u>-</u> | <u>3,779,362</u> |
| Accumulated Net Revenues | | | | | | |
| Operating - unrestricted | 3,555,429 | 2,099,609 | (123,846) | 426,642 | 106,051 | 38,383 |
| Restricted for debt service | 326,360 | - | 302,821 | - | - | 23,539 |
| Net investment in capital assets | 88,141,848 | 30,480,283 | 4,536,465 | - | 19,547,006 | 14,364,593 |
| | <u>92,023,637</u> | <u>32,579,892</u> | <u>4,715,440</u> | <u>426,642</u> | <u>19,653,057</u> | <u>14,426,515</u> |
| Total liabilities and accumulated net revenues | \$ 110,794,746 | \$ 35,864,149 | \$ 13,036,270 | \$ 917,218 | \$ 20,605,485 | \$ 18,228,127 |

2013 - Restated

| | Public Safety Training Academy | Juvenile Justice Complex | Public Safety Properties | Department of Metropolitan Development Properties | Duvall Work Release Center | Assessor's West District | Irvington Charter School |
|----|---|--------------------------------|--------------------------------|--|----------------------------------|-----------------------------|-----------------------------|
| \$ | 45,059 | \$ 130,797 | \$ 78,737 | \$ 21,649 | \$ - | \$ 3,939 | \$ - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | 57,000 | 576,100 | 151,125 | - | 23,800 | - |
| | 307,100 | 526,100 | - | - | - | - | - |
| | 352,159 | 713,897 | 654,837 | 172,774 | - | 27,739 | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | 303,435 | 256,377 | 201,718 | 129,465 | 78,648 | 37,243 | 1,704 |
| | - | - | - | - | - | - | - |
| | 2,326,953 | 16,886,548 | - | - | - | - | - |
| | 2,630,388 | 17,142,925 | 201,718 | 129,465 | 78,648 | 37,243 | 1,704 |
| \$ | 2,982,547 | \$ 17,856,822 | \$ 856,555 | \$ 302,239 | \$ 78,648 | \$ 64,982 | \$ 1,704 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

City-County Building and Parking Site

| | 2014 | | |
|--|-------------------------------------|-----------------------------|-----------------------------|
| | Accumulated Net Revenues | Current Accounts | Replacement Fund |
| Revenues | | | |
| Rental income - additional | \$ 4,713,976 | \$ 4,713,976 | \$ - |
| Income from investments | 2,782 | 1,509 | 1,273 |
| Contractual payments | 100,000 | 100,000 | - |
| Other income | 17,048 | 17,048 | - |
| | <u>4,833,806</u> | <u>4,832,533</u> | <u>1,273</u> |
| Operating Expenses | <u>4,910,326</u> | <u>4,910,326</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | (76,520) | (77,793) | 1,273 |
| Other Expenses | | | |
| Nonrecurring repairs | <u>410,068</u> | <u>-</u> | <u>410,068</u> |
| Net Revenues (Expenses) | (486,588) | (77,793) | (408,795) |
| Balances, July 1 | 32,579,892 | 31,259,231 | 1,320,661 |
| Add (deduct) | | | |
| Transfer of excess funds from Duvall | 78,648 | - | 78,648 |
| Transfer of excess funds from Irvington | 1,704 | - | 1,704 |
| Transfer of excess funds from JJC | - | - | - |
| Reversion of assets to the City of Indianapolis | <u>-</u> | <u>-</u> | <u>-</u> |
| Balances, June 30 | <u>\$ 32,173,656</u> | <u>\$ 31,181,438</u> | <u>\$ 992,218</u> |

| 2013 | | |
|-------------------------------------|-----------------------------|-----------------------------|
| Accumulated Net Revenues | Current Accounts | Replacement Fund |
| \$ 4,940,919 | \$ 4,940,919 | \$ - |
| 5,186 | 2,948 | 2,238 |
| 100,000 | 100,000 | - |
| 17,055 | 17,055 | - |
| <u>5,063,160</u> | <u>5,060,922</u> | <u>2,238</u> |
| 4,935,067 | 4,935,067 | - |
| 128,093 | 125,855 | 2,238 |
| <u>278,266</u> | <u>-</u> | <u>278,266</u> |
| (150,173) | 125,855 | (276,028) |
| 34,636,511 | 33,039,822 | 1,596,689 |
| - | - | - |
| - | - | - |
| 48,398 | 48,398 | - |
| <u>(1,954,844)</u> | <u>(1,954,844)</u> | <u>-</u> |
| <u>\$ 32,579,892</u> | <u>\$ 31,259,231</u> | <u>\$ 1,320,661</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedule of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Arrestee Processing Center

| | 2014 | | |
|--|-------------------------------------|-----------------------------|---|
| | Accumulated Net Revenues | Current Accounts | Capital and Debt Service Funds |
| Revenues | | | |
| Rental income - fixed | \$ 966,000 | \$ - | \$ 966,000 |
| Rental income - additional | 281,600 | 281,600 | - |
| Income from investments | 88 | 88 | - |
| | <u>1,247,688</u> | <u>281,688</u> | <u>966,000</u> |
| Operating Expenses | <u>279,597</u> | <u>279,597</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | 968,091 | 2,091 | 966,000 |
| Other Expenses | | | |
| Interest expense | 317,978 | - | 317,978 |
| Net Revenues (Expenses) | <u>650,113</u> | <u>2,091</u> | <u>648,022</u> |
| Balances, July 1, as previously stated | 4,715,440 | 43,469 | 4,671,971 |
| Change In Accounting Principle | <u>-</u> | <u>-</u> | <u>-</u> |
| Balances, July 1, as restated | <u>4,715,440</u> | <u>43,469</u> | <u>4,671,971</u> |
| Balances, June 30 | <u>\$ 5,365,553</u> | <u>\$ 45,560</u> | <u>\$ 5,319,993</u> |

2013 - Restated

| Accumulated Net Revenues | Current Accounts | Capital and Debt Service Funds |
|-------------------------------------|-----------------------------|---|
| \$ 966,000 | \$ - | \$ 966,000 |
| 271,715 | 271,715 | - |
| 128 | 128 | - |
| <u>1,237,843</u> | <u>271,843</u> | <u>966,000</u> |
| 268,404 | 268,404 | - |
| 969,439 | 3,439 | 966,000 |
| 341,381 | - | 341,381 |
| <u>628,058</u> | <u>3,439</u> | <u>624,619</u> |
| 4,275,525 | 40,030 | 4,235,495 |
| (188,143) | - | (188,143) |
| <u>4,087,382</u> | <u>40,030</u> | <u>4,047,352</u> |
| <u>\$ 4,715,440</u> | <u>\$ 43,469</u> | <u>\$ 4,671,971</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Riverside & Belmont Garages

| | 2014 | | |
|--|-------------------------------------|-----------------------------|-----------------------------|
| | Accumulated Net Revenues | Current Accounts | Replacement Fund |
| Revenues | | | |
| Maintenance fees | \$ 791,600 | \$ 791,600 | \$ - |
| Income from investments | 463 | 274 | 189 |
| | <u>792,063</u> | <u>791,874</u> | <u>189</u> |
| Operating Expenses | <u>793,091</u> | <u>793,091</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | (1,028) | (1,217) | 189 |
| Other Expenses | | | |
| Nonrecurring repairs | 43,008 | - | 43,008 |
| Net Revenues (Expenses) | (44,036) | (1,217) | (42,819) |
| Balances, July 1 | <u>426,642</u> | <u>286,357</u> | <u>140,285</u> |
| Balances, June 30 | <u>\$ 382,606</u> | <u>\$ 285,140</u> | <u>\$ 97,466</u> |

| 2013 | | |
|-------------------------------------|-----------------------------|-----------------------------|
| Accumulated Net Revenues | Current Accounts | Replacement Fund |
| \$ 753,200 | \$ 753,200 | \$ - |
| 882 | 602 | 280 |
| <u>754,082</u> | <u>753,802</u> | <u>280</u> |
| 743,523 | 743,523 | - |
| 10,559 | 10,279 | 280 |
| 88,474 | - | 88,474 |
| (77,915) | 10,279 | (88,194) |
| <u>504,557</u> | <u>276,078</u> | <u>228,479</u> |
| <u>\$ 426,642</u> | <u>\$ 286,357</u> | <u>\$ 140,285</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Marion County Jail

| | 2014 | | |
|--|-------------------------------------|-----------------------------|-----------------------------|
| | Accumulated Net Revenues | Current Accounts | Replacement Fund |
| Revenues | | | |
| Rental income - additional | \$ 1,757,700 | \$ 1,757,700 | \$ - |
| Income from investments | 438 | 367 | 71 |
| | <u>1,758,138</u> | <u>1,758,067</u> | <u>71</u> |
| Operating Expenses | <u>1,775,411</u> | <u>1,775,411</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | (17,273) | (17,344) | 71 |
| Other Expenses | | | |
| Nonrecurring repairs | <u>19,984</u> | <u>-</u> | <u>19,984</u> |
| Net Revenues (Expenses) | (37,257) | (17,344) | (19,913) |
| Balances, July 1 | 19,653,057 | 19,672,094 | (19,037) |
| Add | | | |
| Transfer of excess funds from JJC | - | - | - |
| Reversion of assets to the City of Indianapolis | <u>(19,547,006)</u> | <u>(19,547,006)</u> | <u>-</u> |
| Balances, June 30 | <u>\$ 68,794</u> | <u>\$ 107,744</u> | <u>\$ (38,950)</u> |

| 2013 | | |
|-------------------------------------|-----------------------------|-----------------------------|
| Accumulated Net Revenues | Current Accounts | Replacement Fund |
| \$ 1,735,900 | \$ 1,735,900 | \$ - |
| 850 | 724 | 126 |
| <u>1,736,750</u> | <u>1,736,624</u> | <u>126</u> |
| 1,697,683 | 1,697,683 | - |
| 39,067 | 38,941 | 126 |
| 81,067 | - | 81,067 |
| (42,000) | 38,941 | (80,941) |
| 19,674,057 | 19,633,153 | 40,904 |
| 21,000 | - | 21,000 |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 19,653,057</u> | <u>\$ 19,672,094</u> | <u>\$ (19,037)</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Marion County Jail II

| | 2014 | | |
|--|-------------------------------------|-----------------------------|---|
| | Accumulated Net Revenues | Current Accounts | Capital and Debt Service Funds |
| Revenues | | | |
| Rental income - fixed | \$ 923,000 | \$ - | \$ 923,000 |
| Rental income - additional | 44,500 | 44,500 | - |
| Income from investments | 85 | 85 | - |
| | <u>967,585</u> | <u>44,585</u> | <u>923,000</u> |
| Operating Expenses | <u>52,761</u> | <u>52,761</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | 914,824 | (8,176) | 923,000 |
| Other Expenses | | | |
| Interest expense | <u>172,240</u> | <u>-</u> | <u>172,240</u> |
| Net Revenues (Expenses) | <u>742,584</u> | <u>(8,176)</u> | <u>750,760</u> |
| Balances, July 1, as previously stated | 14,426,515 | 113,047 | 14,313,468 |
| Change in Accounting Principle | <u>-</u> | <u>-</u> | <u>-</u> |
| Balances, July 1, as restated | <u>14,426,515</u> | <u>113,047</u> | <u>14,313,468</u> |
| Balances, June 30 | <u>\$ 15,169,099</u> | <u>\$ 104,871</u> | <u>\$ 15,064,228</u> |

2013 - Restated

| Accumulated Net Revenues | Current Accounts | Capital and Debt Service Funds |
|-------------------------------------|-----------------------------|---|
| \$ 921,000 | \$ - | \$ 921,000 |
| 45,500 | 45,500 | - |
| 137 | 137 | - |
| <u>966,637</u> | <u>45,637</u> | <u>921,000</u> |
| 45,252 | 45,252 | - |
| 921,385 | 385 | 921,000 |
| <u>202,345</u> | <u>-</u> | <u>202,345</u> |
| <u>719,040</u> | <u>385</u> | <u>718,655</u> |
| 13,761,410 | 112,662 | 13,648,748 |
| <u>(53,935)</u> | <u>-</u> | <u>(53,935)</u> |
| <u>13,707,475</u> | <u>112,662</u> | <u>13,594,813</u> |
| <u>\$ 14,426,515</u> | <u>\$ 113,047</u> | <u>\$ 14,313,468</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Public Safety Training Academy

| | Accumulated Net Revenues | |
|--|-------------------------------------|----------------------------|
| | 2014 | 2013 |
| Revenues | | |
| Rental income - additional | \$ 614,200 | \$ 587,100 |
| Income from investments | 368 | 603 |
| | <u>614,568</u> | <u>587,703</u> |
| Operating Expenses | <u>593,045</u> | <u>563,719</u> |
| Net Revenues (Expenses) Before Other Expenses | 21,523 | 23,984 |
| Other Expenses | | |
| Nonrecurring repairs | <u>15,970</u> | <u>-</u> |
| Net Revenues (Expenses) | 5,553 | 23,984 |
| Balances, July 1 | <u>2,630,388</u> | <u>2,606,404</u> |
| Balances, June 30 | <u><u>\$ 2,635,941</u></u> | <u><u>\$ 2,630,388</u></u> |

Note: A cumulative amount of \$234,218 has been designated for major repairs. The amount represents excess funds accumulated from fiscal year ended June 30, 1989 through the current year end date.

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Juvenile Justice Complex

| | 2014 | | |
|--|-----------------------------|---------------------|--------------------------------------|
| | Accumulated Net Revenues | Current Accounts | Capital and Debt Service Funds |
| Revenues | | | |
| Rental income - fixed | \$ - | \$ - | \$ - |
| Rental income - additional | 1,052,200 | 1,052,200 | - |
| Maintenance fees | 114,000 | 114,000 | - |
| Income from investments | 522 | 522 | - |
| | <u>1,166,722</u> | <u>1,166,722</u> | <u>-</u> |
| Operating Expenses | <u>1,135,428</u> | <u>1,135,428</u> | <u>-</u> |
| Net Revenues (Expenses) Before Other Expenses | <u>31,294</u> | <u>31,294</u> | <u>-</u> |
| Other Expenses | | | |
| Interest expense | - | - | - |
| Nonrecurring repairs | 7,802 | 7,802 | - |
| | <u>7,802</u> | <u>7,802</u> | <u>-</u> |
| Net Revenues (Expenses) | 23,492 | 23,492 | - |
| Balances, July 1 | 17,142,925 | 255,788 | 16,887,137 |
| Deduct | | | |
| Transfer of excess funds | - | - | - |
| Balances, June 30 | <u>\$ 17,166,417</u> | <u>\$ 279,280</u> | <u>\$ 16,887,137</u> |

Note: A cumulative amount of \$182,973 has been designated for major repairs. This amount represents excess funds accumulated from fiscal year ended June 30, 1990 through the current year end date.

| 2013 | | |
|-------------------------------------|-----------------------------|---|
| Accumulated Net Revenues | Current Accounts | Capital and Debt Service Funds |
| \$ 1,588,000 | \$ - | \$ 1,588,000 |
| 983,500 | 983,500 | - |
| 105,760 | 105,760 | - |
| 1,110 | 816 | 294 |
| <u>2,678,370</u> | <u>1,090,076</u> | <u>1,588,294</u> |
| | | |
| <u>1,123,377</u> | <u>1,055,362</u> | <u>68,015</u> |
| | | |
| <u>1,554,993</u> | <u>34,714</u> | <u>1,520,279</u> |
| | | |
| 59,453 | - | 59,453 |
| 19,506 | 19,506 | - |
| <u>78,959</u> | <u>19,506</u> | <u>59,453</u> |
| | | |
| 1,476,034 | 15,208 | 1,460,826 |
| | | |
| 15,736,289 | 240,580 | 15,495,709 |
| | | |
| <u>(69,398)</u> | <u>-</u> | <u>(69,398)</u> |
| | | |
| <u>\$ 17,142,925</u> | <u>\$ 255,788</u> | <u>\$ 16,887,137</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Public Safety Properties

| | Accumulated Net Revenues | |
|--|-------------------------------------|--------------------------|
| | 2014 | 2013 |
| Revenues | | |
| Maintenance fees | \$ 1,152,200 | \$ 1,095,390 |
| Income from investments | 441 | 671 |
| | <u>1,152,641</u> | <u>1,096,061</u> |
| Operating Expenses | <u>1,133,974</u> | <u>1,065,624</u> |
| Net Revenues (Expenses) Before Other Expenses | 18,667 | 30,437 |
| Other Expenses | | |
| Nonrecurring repairs | <u>-</u> | <u>7,553</u> |
| Net Revenues (Expenses) | 18,667 | 22,884 |
| Balances, July 1 | <u>201,718</u> | <u>178,834</u> |
| Balances, June 30 | <u><u>\$ 220,385</u></u> | <u><u>\$ 201,718</u></u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Department of Metropolitan Development Properties

| | Accumulated Net Revenues | |
|------------------------------------|-------------------------------------|----------------|
| | 2014 | 2013 |
| Revenues | | |
| Maintenance fees | \$ 302,250 | \$ 293,050 |
| Interest income | 148 | 208 |
| | 302,398 | 293,258 |
| Operating Expenses | 322,196 | 262,774 |
| Net Revenues (Expenses) | (19,798) | 30,484 |
| Balances, July 1 | 129,465 | 98,981 |
| Balances, June 30 | \$ 109,667 | \$ 129,465 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Duvall Work Release Center

| | Accumulated Net Revenues | |
|--------------------------------|-------------------------------------|-------------|
| | 2014 | 2013 |
| Revenues | | |
| Maintenance fees | \$ - | \$ 65,398 |
| Interest income | - | 99 |
| | - | 65,497 |
| Operating Expenses | - | 67,315 |
| Net Revenues (Expenses) | - | (1,818) |
| Balances, July 1 | 78,648 | 80,466 |
| Deduct | | |
| Transfer of excess funds | (78,648) | - |
| Balances, June 30 | \$ - | \$ 78,648 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Assessor's West District

| | Accumulated Net Revenues | |
|--------------------------------|-------------------------------------|-------------|
| | 2014 | 2013 |
| Revenues | | |
| Maintenance fees | \$ 47,600 | \$ 46,700 |
| Interest income | 35 | 48 |
| | 47,635 | 46,748 |
| Operating Expenses | 41,869 | 39,214 |
| Net Revenues (Expenses) | 5,766 | 7,534 |
| Balances, July 1 | 37,243 | 29,709 |
| Balances, June 30 | \$ 43,009 | \$ 37,243 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Schedules of Net Revenues and Changes in Operating and
Debt Service Funds
Years Ended June 30, 2014 and 2013

Irvington Charter School

| | Accumulated Net Revenues | |
|--------------------------------|-------------------------------------|-------------|
| | 2014 | 2013 |
| Revenues | | |
| Rental income - additional | \$ - | \$ 155,250 |
| Interest income | - | 56 |
| | - | 155,306 |
| Operating Expenses | - | 152,056 |
| Net Revenues (Expenses) | - | 3,250 |
| Balances, July 1 | 1,704 | (1,546) |
| Deduct | | |
| Transfer of excess funds | (1,704) | - |
| Balances, June 30 | \$ - | \$ 1,704 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Building, Site and Project Costs
June 30, 2014

| | 2014 |
|---|---------------|
| City-County Building | |
| Building construction and site costs | \$ 25,952,752 |
| Architectural and engineering costs | 1,182,685 |
| Furnishings and equipment | 800,367 |
| General and administrative costs | 817,302 |
| Maintenance and operations costs | 354,011 |
| Financing costs | |
| Interest on Governmental Building Bonds, October 1, 1959 - July 31, 1962 | \$ 3,726,562 |
| Income on investments | (2,510,884) |
| | 1,215,678 |
| Legal advice and counsel | 116,354 |
| Other | 41,134 |
| Total | \$ 30,480,283 |
| Arrestee Processing Center | |
| Building construction and site costs | \$ 4,198,350 |
| Architectural and engineering costs | 631,444 |
| Consultation and advisory services | 990,731 |
| Furnishings and equipment | 5,014,276 |
| General and administrative costs | 153,305 |
| Maintenance and operations costs | 261,267 |
| Financing costs | |
| Interest on APC Bonds of 2003 | \$ 263,455 |
| Interest on APC Anticipation Notes of 2003 | 61,616 |
| Amortization of bond issue costs | 2,170 |
| | 327,241 |
| Income on investments | (54,426) |
| | 272,815 |
| Legal advice and counsel | 144,690 |
| Other legal | 290,611 |
| Other | 95,495 |
| Total | \$ 12,052,984 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Building, Site and Project Costs (Continued)
June 30, 2014

| | | 2014 |
|---|--------------|---------------|
| Marion County Jail II | | |
| Building construction costs | | \$ 16,833,922 |
| Financing costs | | |
| Interest on Jail Building Bonds of 1997 | \$ 1,061,000 | |
| Amortization of discount | 23,712 | |
| Amortization of bond issue cost | 46,402 | |
| Investment income, net of amortization of premiums and discounts | (463,545) | |
| | | 667,569 |
| Total | | \$ 17,501,491 |
| Public Safety Training Academy | | |
| Building renovation costs | | \$ 1,966,556 |
| Architectural and engineering costs | | 159,521 |
| Financing costs | | |
| Interest on Training Academy Bonds of 1988 | \$ 147,550 | |
| Amortization of bond issue costs | 11,649 | |
| Investment income, net of amortization of premiums and discounts | (96,437) | |
| | | 62,762 |
| Legal advice and counsel | | 4,877 |
| Other costs | | 133,237 |
| Total | | \$ 2,326,953 |
| Juvenile Justice Complex | | |
| Building construction costs | | \$ 13,478,236 |
| Project management costs | | 50,508 |
| Architectural and engineering costs | | 1,105,574 |
| Financing costs | | |
| Interest on Detention Center Bonds of 1988 | \$ 2,632,706 | |
| Amortization of bond issue costs | 75,855 | |
| Investment income, net of amortization of premiums and discounts | (1,263,116) | |
| | | 1,445,445 |
| Legal advice and counsel | | 19,381 |
| Other costs | | 787,404 |
| Total | | \$ 16,886,548 |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Operating Fund Expenses - Current Accounts
Years Ended June 30, 2014 and 2013

| | Totals | | City-County Bldg. and Parking Site | |
|--|----------------------|----------------------|---------------------------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Administrative | \$ 22,721 | \$ 4,637 | \$ - | \$ - |
| Air conditioning and heating - repairs and maintenance | 1,243,155 | 1,146,637 | 579,974 | 518,309 |
| Tenant alterations (direct purchases and labor charges only) | 595,172 | 433,979 | 595,172 | 433,979 |
| Building Authority office | 539,374 | 518,788 | 287,618 | 270,483 |
| Custodial | 1,559,940 | 1,645,995 | 913,287 | 997,794 |
| Electrical system - repairs and maintenance | 369,528 | 379,284 | 75,288 | 94,044 |
| Elevators | 236,266 | 236,285 | 177,461 | 181,455 |
| Furnishings | 64,845 | 46,099 | 43,049 | 35,767 |
| Groundskeeping | 422,004 | 362,601 | 55,690 | 74,825 |
| General building expense | 657,885 | 638,582 | 227,126 | 219,273 |
| Parking lot maintenance | 3,573 | 2,278 | 3,573 | 2,278 |
| Insurance | 1,257,757 | 1,247,534 | 494,370 | 425,217 |
| Occupant service | 1,184 | 2,481 | 364 | 2,481 |
| Plumbing - repairs and maintenance | 172,578 | 189,128 | 82,513 | 85,167 |
| Professional services | 95,086 | 118,589 | 35,988 | 57,089 |
| Public service | 93,028 | 104,676 | 93,028 | 104,676 |
| Painting and decorating | 146,745 | 173,091 | 56,621 | 75,228 |
| Security | 7,659 | 8,884 | - | - |
| Structural maintenance | 220,345 | 278,861 | 65,008 | 109,703 |
| Utilities | | | | |
| Electricity | 2,279,163 | 2,371,769 | 1,114,320 | 1,158,604 |
| Steam | 564,668 | 389,534 | 281,547 | 156,120 |
| Gas | 226,329 | 194,494 | - | - |
| Water, sewer and other | 289,774 | 250,243 | 51,261 | 42,040 |
| Telephone service | 23,431 | 26,740 | 15,974 | 19,536 |
| Garage | 27,203 | 16,340 | 1,652 | 5,175 |
| Payroll taxes and retirement plan contributions | 507,548 | 542,443 | 248,705 | 299,803 |
| | <u>11,626,961</u> | <u>11,329,972</u> | <u>5,499,589</u> | <u>5,369,046</u> |
| Revenue for tenant alterations | <u>(589,263)</u> | <u>(433,979)</u> | <u>(589,263)</u> | <u>(433,979)</u> |
| Totals | <u>\$ 11,037,698</u> | <u>\$ 10,895,993</u> | <u>\$ 4,910,326</u> | <u>\$ 4,935,067</u> |

| Arrestee Processing Center | | Riverside & Belmont Garages | | Marion County Jail | | Marion County Jail II | | Public Safety Training Academy | |
|----------------------------|-------------------|-----------------------------|-------------------|---------------------|---------------------|-----------------------|------------------|--------------------------------|-------------------|
| 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| \$ - | \$ - | \$ 3,122 | \$ 3,600 | \$ - | \$ - | \$ - | \$ - | \$ 730 | \$ 650 |
| 16,611 | 16,216 | 74,071 | 67,395 | 236,195 | 211,144 | - | - | 63,608 | 65,432 |
| - | - | - | - | - | - | - | - | - | - |
| 15,212 | 15,690 | 37,854 | 36,848 | 63,684 | 57,326 | - | - | 33,462 | 32,201 |
| 34,308 | 32,595 | 89,212 | 91,041 | 32,090 | 34,537 | - | - | 93,971 | 91,473 |
| 12,151 | 10,921 | 52,300 | 43,745 | 74,965 | 71,519 | - | - | 23,630 | 24,185 |
| 6,437 | 6,356 | 1,791 | 1,969 | 27,658 | 23,243 | - | - | 2,539 | 1,468 |
| - | - | - | - | - | - | - | - | 4,419 | 5,329 |
| 4,105 | 1,800 | 17,223 | 15,236 | 21,611 | 20,767 | - | - | 30,777 | 24,802 |
| 29,800 | 37,457 | 55,595 | 57,180 | 88,579 | 85,658 | 52,761 | 43,602 | 35,910 | 33,210 |
| - | - | - | - | - | - | - | - | - | - |
| 31,239 | 30,924 | 126,299 | 125,872 | 196,223 | 235,164 | - | - | 97,770 | 97,780 |
| - | - | 524 | - | - | - | - | - | 296 | - |
| 5,089 | 5,512 | 9,869 | 9,661 | 25,441 | 30,705 | - | - | 13,476 | 12,114 |
| 6,100 | 8,400 | 12,820 | 13,620 | 16,603 | 18,150 | - | 1,650 | 5,580 | 5,980 |
| - | - | - | - | - | - | - | - | - | - |
| 2,123 | 2,187 | 18,957 | 16,205 | 24,929 | 30,724 | - | - | 15,747 | 14,404 |
| - | - | - | - | - | - | - | - | - | - |
| 4,070 | 5,391 | 17,363 | 17,206 | 53,644 | 53,701 | - | - | 18,140 | 17,427 |
| 69,004 | 68,272 | 128,675 | 125,032 | 411,287 | 405,676 | - | - | 80,478 | 76,360 |
| - | - | - | - | 283,121 | 233,414 | - | - | - | - |
| 14,193 | 12,823 | 91,677 | 68,839 | - | - | - | - | 27,864 | 21,456 |
| 7,349 | 7,160 | 3,644 | 3,506 | 142,745 | 111,439 | - | - | 9,350 | 7,541 |
| 175 | - | 72 | 76 | 2,016 | 2,016 | - | - | 3,098 | 3,107 |
| 14,131 | - | 10,023 | 8,792 | - | - | - | - | - | - |
| 7,500 | 6,700 | 42,000 | 37,700 | 74,620 | 72,500 | - | - | 32,200 | 28,800 |
| 279,597 | 268,404 | 793,091 | 743,523 | 1,775,411 | 1,697,683 | 52,761 | 45,252 | 593,045 | 563,719 |
| - | - | - | - | - | - | - | - | - | - |
| <u>\$ 279,597</u> | <u>\$ 268,404</u> | <u>\$ 793,091</u> | <u>\$ 743,523</u> | <u>\$ 1,775,411</u> | <u>\$ 1,697,683</u> | <u>\$ 52,761</u> | <u>\$ 45,252</u> | <u>\$ 593,045</u> | <u>\$ 563,719</u> |

Indianapolis-Marion County Building Authority
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Operating Fund Expenses - Current Accounts (Continued)
Years Ended June 30, 2014 and 2013

| | Juvenile Justice Complex | | Public Safety Properties | | Department of Metropolitan Develop. Props. | |
|--|-----------------------------|---------------------|--------------------------------|---------------------|--|-------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Administrative | 18,793 | - | - | - | - | - |
| Air conditioning and heating - repairs and maintenance | 147,386 | 131,602 | 120,345 | 111,880 | 1,689 | 2,278 |
| Tenant alterations (direct purchases and labor charges only) | - | - | - | - | - | - |
| Building Authority office | 49,763 | 49,302 | 40,611 | 36,811 | 7,932 | 7,531 |
| Custodial | 229,081 | 229,246 | 163,240 | 162,956 | 961 | 2,395 |
| Electrical system - repairs and maintenance | 42,077 | 39,850 | 78,256 | 70,417 | 8,508 | 12,075 |
| Elevators | 5,838 | 6,062 | 6,881 | 7,026 | 7,171 | 7,283 |
| Furnishings | - | - | 17,184 | 4,157 | - | - |
| Groundskeeping | 22,116 | 17,890 | 49,142 | 36,716 | 216,621 | 167,554 |
| General building expense | 59,600 | 52,692 | 59,332 | 59,271 | 45,209 | 29,937 |
| Parking lot maintenance | - | - | - | - | - | - |
| Insurance | 141,799 | 141,259 | 144,022 | 141,069 | 19,300 | 18,189 |
| Occupant service | - | - | - | - | - | - |
| Plumbing - repairs and maintenance | 15,013 | 20,189 | 16,840 | 17,076 | 3,937 | 3,226 |
| Professional services | 12,995 | 6,000 | 4,400 | 3,700 | 200 | 150 |
| Public service | - | - | - | - | - | - |
| Painting and decorating | 15,894 | 17,528 | 11,084 | 13,314 | 890 | 505 |
| Security | 5,062 | 4,962 | 2,597 | 3,922 | - | - |
| Structural maintenance | 25,409 | 24,800 | 31,621 | 33,786 | 3,490 | 8,063 |
| Utilities | | | | | | |
| Electricity | 196,129 | 189,403 | 274,040 | 264,000 | - | - |
| Steam | - | - | - | - | - | - |
| Gas | 49,017 | 40,807 | 42,044 | 30,346 | - | - |
| Water, sewer and other | 53,424 | 42,054 | 21,195 | 22,972 | - | - |
| Telephone service | 426 | 412 | 449 | 336 | 1,188 | 1,188 |
| Garage | 206 | 804 | 1,191 | 1,569 | - | - |
| Payroll taxes and retirement plan contributions | 45,400 | 40,500 | 49,500 | 44,300 | 5,100 | 2,400 |
| | <u>1,135,428</u> | <u>1,055,362</u> | <u>1,133,974</u> | <u>1,065,624</u> | <u>322,196</u> | <u>262,774</u> |
| Revenue for tenant alterations | - | - | - | - | - | - |
| Totals | <u>\$ 1,135,428</u> | <u>\$ 1,055,362</u> | <u>\$ 1,133,974</u> | <u>\$ 1,065,624</u> | <u>\$ 322,196</u> | <u>\$ 262,774</u> |

| Duvall Work Release Center | | Assessor's West District | | Irvington Charter School | |
|-------------------------------|------------------|-----------------------------|------------------|-----------------------------|-------------------|
| 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| \$ - | \$ - | \$ 76 | \$ 41 | \$ - | \$ 346 |
| - | 5,052 | 3,276 | 3,709 | - | 13,620 |
| - | - | - | - | - | - |
| - | 3,193 | 3,238 | 2,838 | - | 6,565 |
| - | 180 | 3,790 | 3,778 | - | - |
| - | 4,796 | 2,353 | 2,227 | - | 5,505 |
| - | - | 490 | 451 | - | 972 |
| - | - | 193 | 172 | - | 674 |
| - | - | 4,719 | 3,011 | - | - |
| - | 3,645 | 3,973 | 4,188 | - | 12,469 |
| - | - | - | - | - | - |
| - | 9,037 | 6,735 | 6,209 | - | 16,814 |
| - | - | - | - | - | - |
| - | 2,829 | 400 | 400 | - | 2,249 |
| - | 1,200 | 400 | 400 | - | 2,250 |
| - | - | - | - | - | - |
| - | 2,496 | 500 | 500 | - | - |
| - | - | - | - | - | - |
| - | 4,403 | 1,600 | 1,626 | - | 2,755 |
| - | 17,215 | 5,230 | 5,401 | - | 61,806 |
| - | - | - | - | - | - |
| - | 1,912 | 1,534 | 1,121 | - | 17,190 |
| - | 8,912 | 806 | 918 | - | 3,701 |
| - | 5 | 33 | 24 | - | 40 |
| - | - | - | - | - | - |
| - | 2,440 | 2,523 | 2,200 | - | 5,100 |
| - | 67,315 | 41,869 | 39,214 | - | 152,056 |
| - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ 67,315</u> | <u>\$ 41,869</u> | <u>\$ 39,214</u> | <u>\$ -</u> | <u>\$ 152,056</u> |

Other Information

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*

To the Board of Directors
Indianapolis-Marion County Building Authority
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 financial statements of the Indianapolis-Marion County Building Authority (Authority), which comprise the statements of assets, liabilities and accumulated net revenues as of June 30, 2014, and the related statements of net revenues and changes in operating and debt service funds for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2014, which contained “emphasis of matter” paragraphs regarding a change in accounting principle and the basis of accounting used to prepare the financial statements.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BKD, LLP

Indianapolis, Indiana
December 10, 2014