



STATE OF INDIANA
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January 24, 2017

Mr. Fady Qaddoura
City of Indianapolis Controller
200 East Washington St., Suite 2222
Indianapolis, IN 46204

We have reviewed both the Comprehensive 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, 2015 to December 31, 2015. In our opinion, the audit reports were prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the Comprehensive Annual Financial Report present fairly the financial condition of the City of Indianapolis, as of December 31, 2015, 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 11-14. Findings 2015-001 through 2015-003 describe material weaknesses in 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 2015-004 is reporting noncompliance with special tests and provisions requirements of the HOME Investment Partnerships Program CFDA 14.239 resulting in a qualified opinion on compliance for that program. 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 Uniform Guidance.

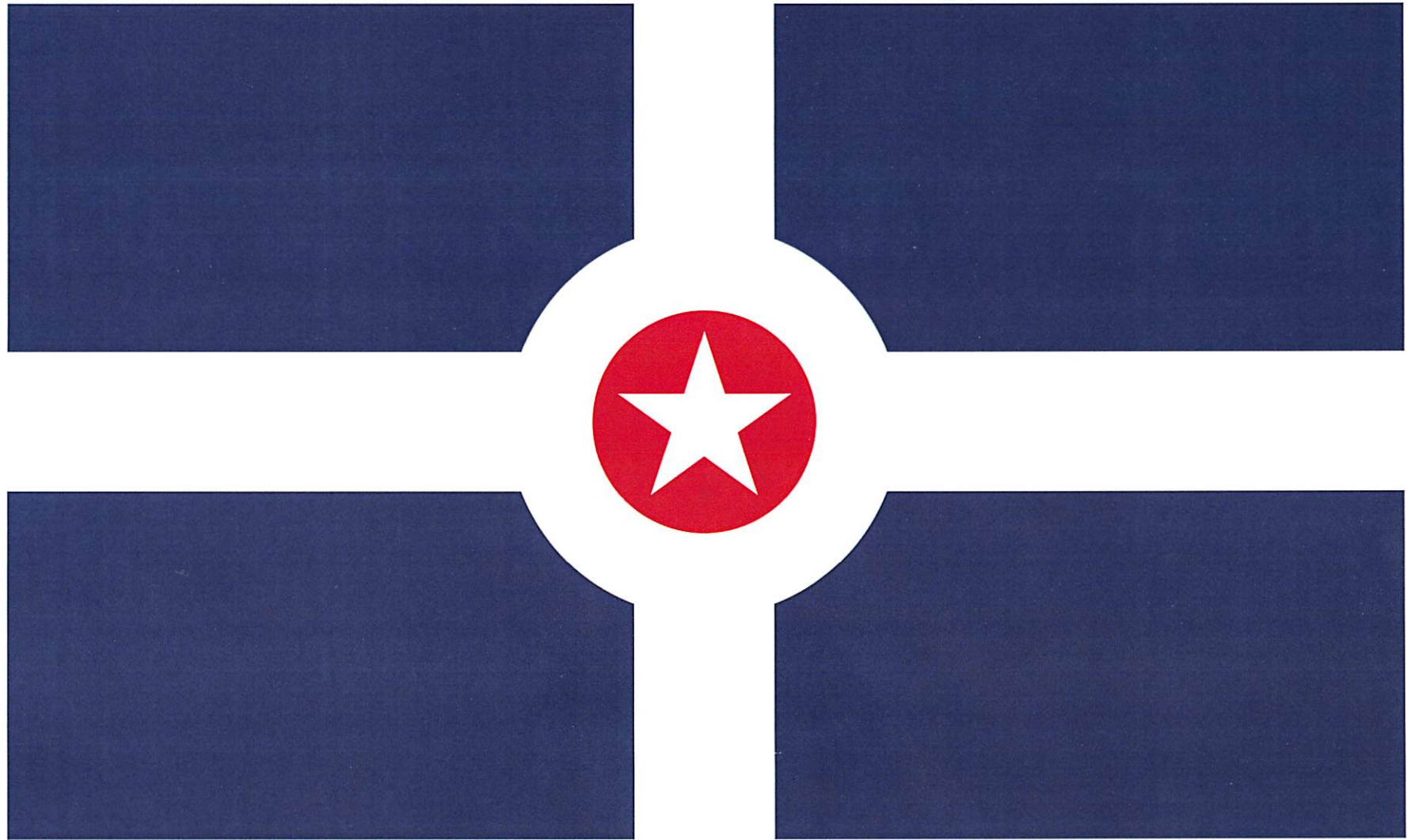
The audit reports are filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

City of Indianapolis, Indiana

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



Comprehensive Annual Financial Report

Year Ended December 31, 2015

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COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

City of Indianapolis, Indiana

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

Year Ended December 31, 2015

Office of Finance and Management

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Introductory Section

Introductory Section



June 30, 2016

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

I submit to you the Comprehensive Annual Financial Report (“CAFR”) of the City of Indianapolis (“City”) for the fiscal year ended December 31, 2015. 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 *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the single audit, including the schedule of 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 2015, the primary economic development goals for the City of Indianapolis were to assist existing businesses and attract new businesses within its targeted cluster industries to bring high-wage jobs to Indianapolis. In addition to these goals, the City, in partnership with the Indy Chamber, began long-term economic development planning through a regional economic development strategy. This strategic planning is complemented by the Global Cities Initiative, a joint project of The Brookings Institution and JPMorgan Chase.

Targeted Industry Success

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

Companies in these targeted industries accounted for nearly 58 percent of the new and retained job announcements in 2015. Advanced manufacturing was the highest growth industry with nearly 4,200 new and retained job commitments, followed by information technology with more than 3,300 new and retained jobs and logistics with nearly 2,200 new and retained job commitments. The average hourly wage for all new job commitments was \$27.85 in 2015.

2015 Job Commitments and Investments

In support of the primary economic development goals for the city, 17,994 job commitments (5,884 new jobs/12,110 current and retained jobs) and over \$830 million in capital investment from 111 companies were announced in 2015. These successes were realized due to the partnership between the Indianapolis Mayor's Office and the Indy Chamber.

The City managed to secure job commitments from local Indianapolis-based companies with plans for expansion, totaling 12,110 jobs. The average wage for these retained jobs was \$27.47 per hour.

The commitment from companies to add and retain nearly 18,000 jobs and invest more than \$830 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 Indy's stable, affordable and pro-growth economic environment, skilled workforce, central location, and overall low cost of doing business.

2015 Projects of Note

Rolls-Royce, announced plans to invest nearly \$600 million in its operations and research in Indianapolis over the next five years, ensuring its future in Indiana for years to come. Rolls-Royce's investment, which is the company's largest investment in the U.S. since buying the former Allison Engine Company in 1995, will be used to modernize and upgrade its Indianapolis operations, enabling the company to become more competitive within the growing aerospace industry.

Appirio, Inc., a global cloud services provider and leader in enterprise crowdsourcing, selected Indianapolis to serve as its corporate headquarters, moving from San Francisco. The company will invest \$7.7 million over the next five years in Indianapolis, building on its continued growth in the area. Earlier in 2015, Appirio renovated and moved in to an additional floor at the Pan American Office Tower,

doubling its footprint to 25,000 square feet to accommodate the company's future growth. Appirio has a goal of employing up to 577 workers by 2020, with average salaries more than 75 percent higher than the state's average wage.

Caito Foods Service, Inc., a processor and distributor of fresh produce and fresh prepared foods, will expand its headquarters in Indianapolis, creating up to 350 new jobs by 2024. The homegrown-Hoosier company will invest more than \$15 million to build a new refrigerated processing center on its campus at 3120 North Post Road on Indianapolis' east side.

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. The increase in assessed value will result in higher property tax revenue through lower circuit breaker impacts in 2016 and beyond.

The City collected \$286 million in net property tax revenue in 2015. The City expects to collect \$288 million in net property tax revenue in 2016. The Circuit breaker impact is estimated to be \$29 million in 2016, approximately 13% of certified property tax levies. This represents a slight increase from the \$27 million loss in property tax revenue experienced in 2015.

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.

The City continued to reduce the outstanding balance of general obligation bonds payable from property taxes during 2015. The outstanding general obligation bonds (minus bonds paid by Citizens Energy Group (“CEG”) as discussed in the notes to the financial statements) decreased from \$127 million at the end of 2014 to \$107 million at the end of 2015.

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 2015, total income tax revenue distributed to the City was \$207 million which includes the three components of the incomes taxes: County Option Income Tax (“COIT”), Public Safety Income Tax (“PSIT”) and the Local Option Income Tax (“LOIT”) Levy Freeze. In 2014, total City income taxes distributed were \$165 million. Of the \$42 million increase, \$16 million is attributable to the Marion County Income Tax Council voting to increase the PSIT rate from 0.35% to 0.50%. In addition, \$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. Certified 2016 City income taxes will be \$214 million, an increase of \$7 million from the prior year. 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 2015, and this is anticipated to continue in 2016 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 (“SEA 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 continued this in 2015. While the City has not taken all actions allowed by SEA 621, the City did impose management reserves in 2015. 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 2016.

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, the City was able to fully utilize the proceeds from the sale to engage in many RebuildIndy projects throughout the City, including 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 was 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 \$78 million at the end of 2015. The Fiscal Stability Fund was established by law and has the primary purpose of supporting a solid credit rating for the City. During 2015, the City used approximately \$2 million for an Early Childhood Education program. The City intends to replenish this amount during 2016.

Finally, the City continues to identify ways to create efficiencies and improve the delivery of services to the City despite limited resources. The Office of Audit and Performance (“OAP”) works closely with City agencies and the City administration to create opportunities to reduce expenditures and identify new revenue sources. Along with OAP’s work, the City has found ways to reduce liabilities 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 become more efficient in service delivery by utilizing technology, business intelligence, and 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, 2015, the Audit Committee members were:

| | |
|---------------------------------|--------------------------------------------------------------|
| Mr. David Reynolds, Chairperson | Indiana General Assembly |
| Ms. Amanda Ortman | Administrator, Mayor’s Action Center |
| Mr. William Sheldrake | President, Policy Analytics, LLC |
| 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 | Harrison and Moberly, LLC |

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, 2014. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

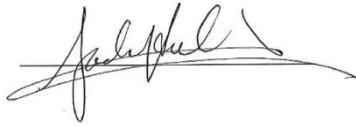
A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

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

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

Respectfully submitted,



Fady Qaddoura

Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Indianapolis
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

A handwritten signature in black ink, which appears to read "Jeffrey R. Egan".

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 862,781 and a metropolitan area population of approximately 1.9 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

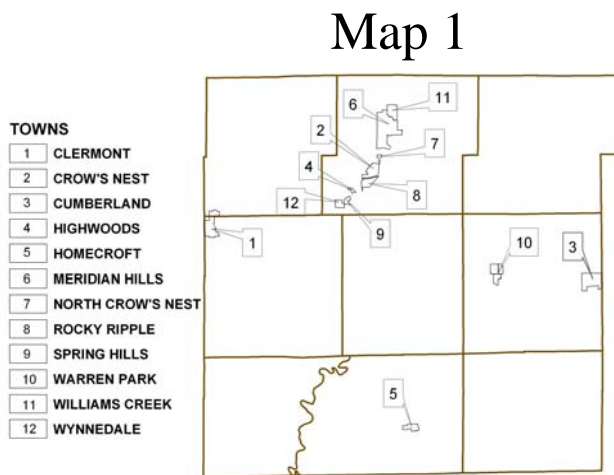
The consolidated City of Indianapolis is within the boundaries of Marion County, as are the following:

- **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.

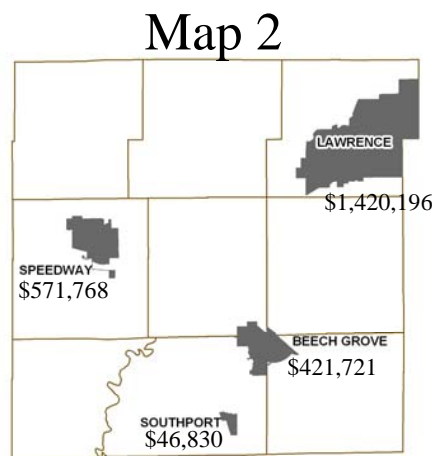
There are also several separate school districts in Marion County. In addition to the general obligation bonds of these school districts, various school building corporations have outstanding bonds payable from lease rentals (which are paid from taxes levied) from school districts for the lease of school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

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



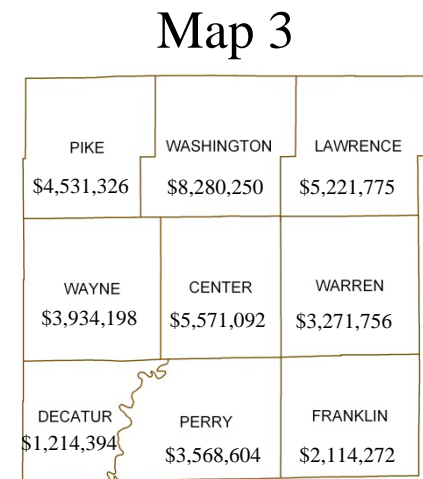
MARION COUNTY AND OTHER INCLUDED TOWNS

Marion County \$37,955,137



CONSOLIDATED CITY OF INDIANAPOLIS

City of Indianapolis \$35,494,623
Excluded Cities and Towns \$2,460,515



TOWNSHIPS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for March 1, 2014 valuations for taxes collectible in 2015.

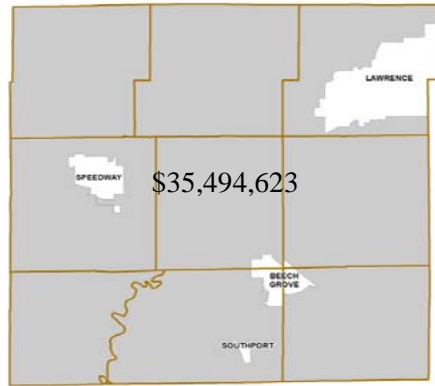
Map 4



LIBRARIES

| | |
|-------------------------|--------------|
| Beech Grove | \$398,053 |
| Speedway | \$571,768 |
| Marion County Libraries | \$36,985,316 |

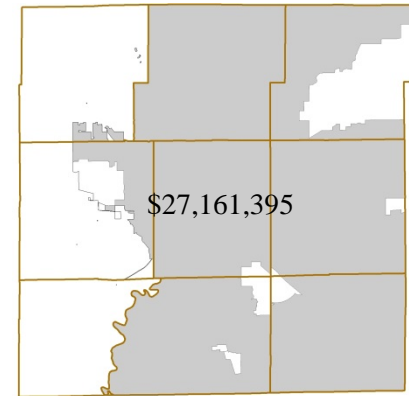
Map 5



INDIANAPOLIS

POLICE SERVICE DISTRICT

Map 6

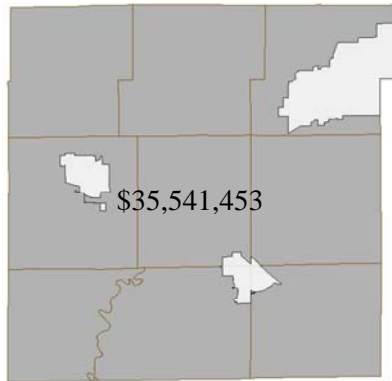


INDIANAPOLIS

FIRE SERVICE DISTRICT

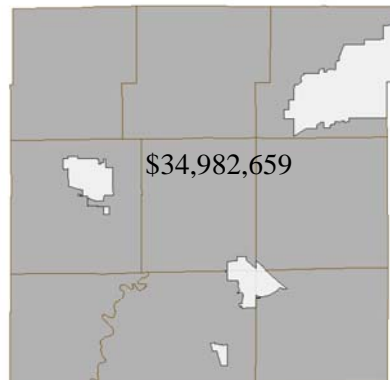
(Outside of this district, townships and excluded cities and towns provide the fire service)

Map 7



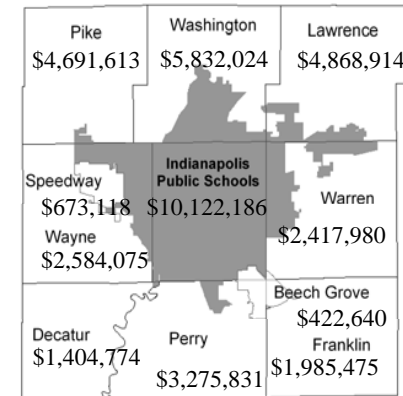
**INDIANAPOLIS SOLID WASTE
SPECIAL SERVICE DISTRICT**

Map 8



**INDIANAPOLIS
SANITARY DISTRICT**

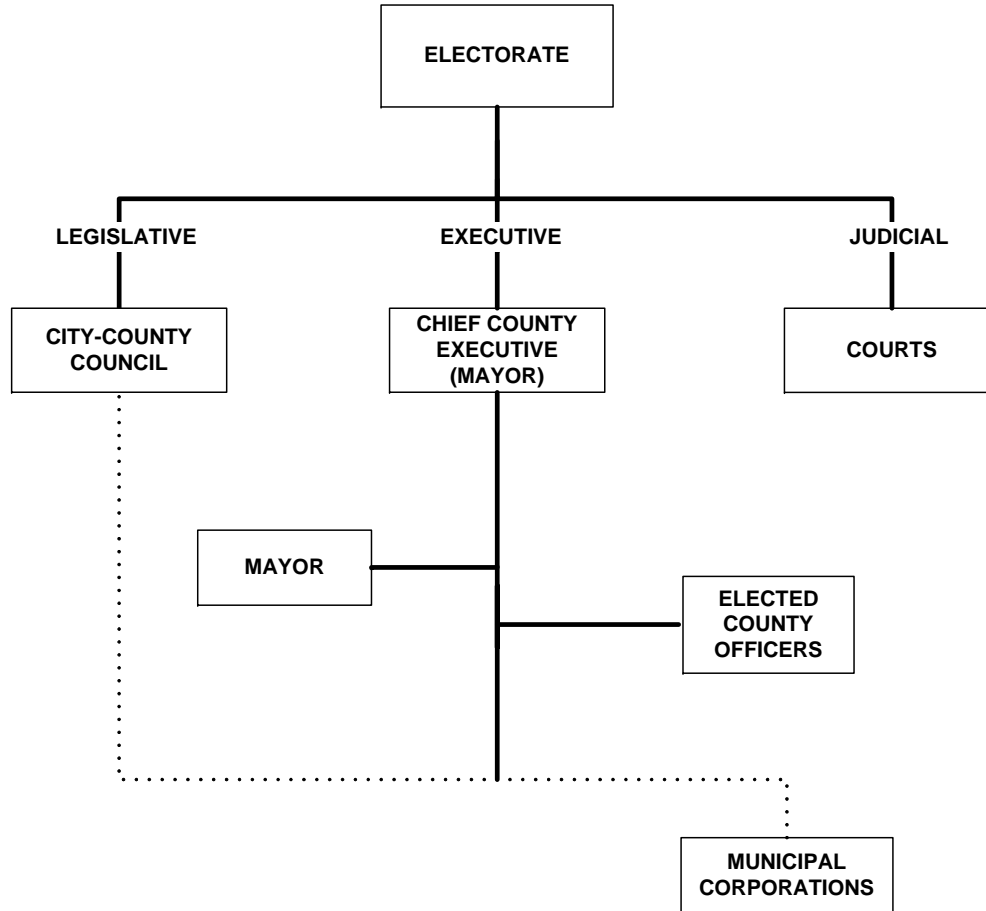
Map 9



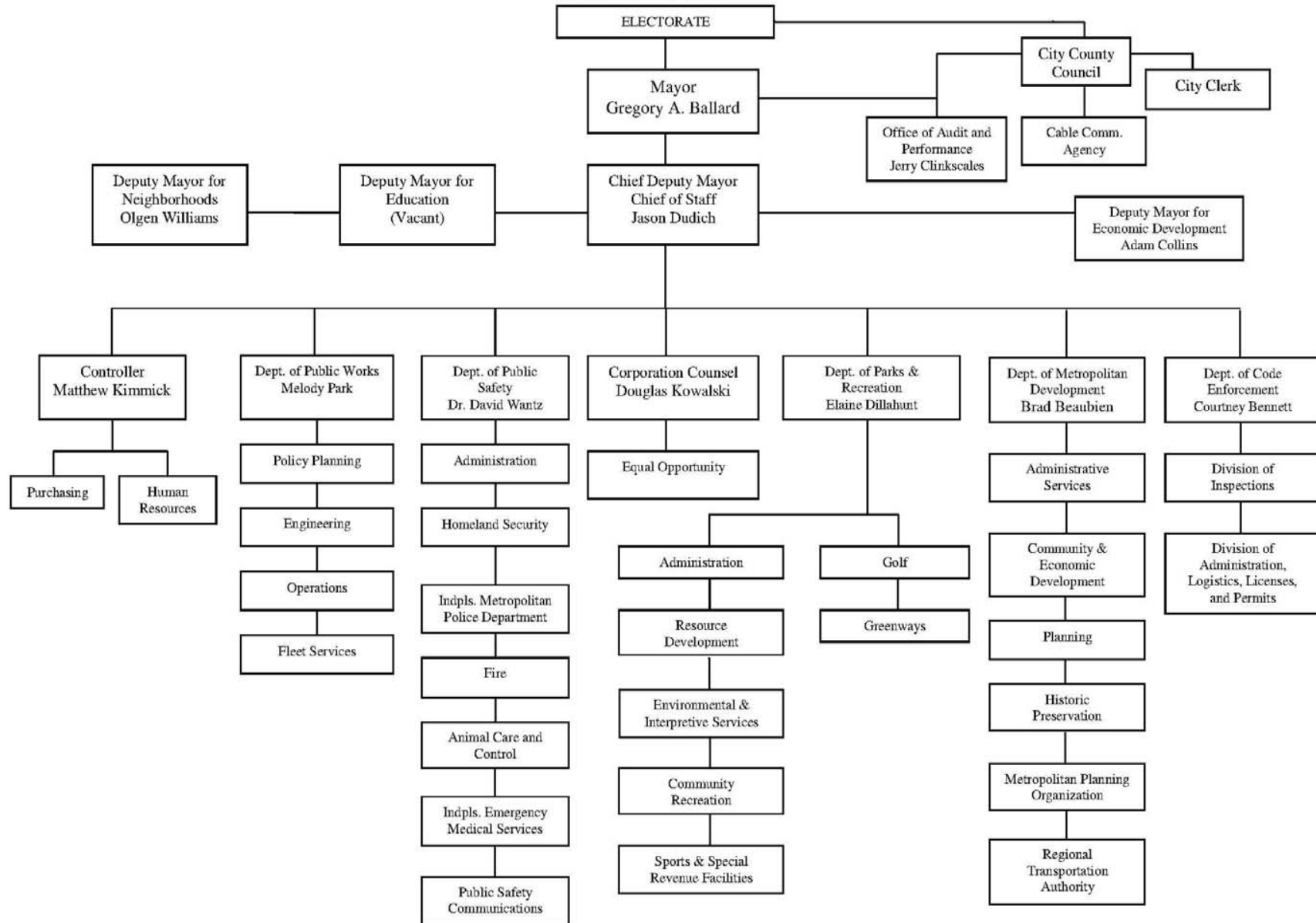
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for March 1, 2014 valuations for taxes collectible in 2015.

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



City of Indianapolis Organization Chart
December 31, 2015



CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS
December 31, 2015

ELECTED OFFICIALS*

| Name | Title | Service | Occupation |
|-----------------------------|------------------------------------|----------------|----------------------------------------------------------|
| Gregory A. Ballard | Mayor | 8 | Mayor and Chief County Executive |
| Maggie Lewis | City-County Council President | 8 | Executive Director, Dove Recovery House for Women |
| John Barth | City-County Council Vice President | 4 | Vice President of Compliance and Regulatory Affairs |
| Zach Adamson | City-County Councillor | 4 | Owner, Just Hair |
| Virginia J. Cain | City-County Councillor | 12 | Homemaker and Community Organizer |
| Stephen J. Clay | City-County Councillor | 4 | Senior Pastor, Messiah Missionary Baptist Church |
| Jose Evans | City-County Councillor | 8 | CEO, Evans & Associates |
| Aaron Freeman | City-County Councillor | 6 | Self-Employed Attorney at Law |
| William Gooden | City-County Councillor | 4 | Attorney |
| Monroe Gray, Jr. | City-County Councillor | 24 | Retired |
| Pamela Hickman | City-County Councillor | 4 | Retired, Co-owner, Patora Fine Jewelers |
| Jason Holliday | City-County Councillor | 4 | Account Executive, Ray's Trash Service |
| Ben Hunter | City-County Councillor | 8 | Public Safety Director, Butler University |
| LaKeisha Jackson | City-County Councillor | 2 | Executive Director, Pathway Resource Center |
| Robert Lutz | City-County Councillor | 9 | Self-Employed Attorney at Law |
| Angela Mansfield | City-County Councillor | 12 | Attorney and Certified Public Accountant |
| Frank Mascari | City-County Councillor | 4 | Jeweler, Spalding Jewelry |
| Janice McHenry | City-County Councillor | 8 | Retired |
| Michael McQuillen | City-County Councillor | 8 | Owner, PoliticalParade.com |
| Jeff Miller | City-County Councillor | 4 | Capgemini Consulting |
| Mary Bridget Moriarty Adams | City-County Councillor | 28 | Human Resources Manager, Marion County Assessor's Office |
| William C. Oliver | City-County Councillor | 12 | Retired |
| Vop Osili | City-County Councillor | 4 | Architect/Principal, A+X Design and Development |
| Marilyn Pfisterer | City-County Councillor | 12 | Retired |
| Leroy Robinson | City-County Councillor | 4 | Administrator – Dean of Students, MSD Pike Township |
| Jack Sandlin | City-County Councillor | 6 | Consultant, Jack Sandlin & Associates |

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)
December 31, 2015

| Name | Title | Service | Occupation |
|--------------------|---------------------------|---------|----------------------------------------------------|
| Christine Scales | City-County Councillor | 8 | Retired |
| Jefferson Shreve | City-County Councillor | 3 | Business Owner |
| Joseph Simpson | City-County Councillor | 4 | Director of Administration, Indiana Legal Services |
| Kip Tew | City-County Councillor | 2 | Attorney, Krieg DeVault |
| Claudia O. Fuentes | Ex-Officio City Treasurer | 4 | 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 | 5 |
| Olgen Williams | Deputy Mayor for Neighborhoods | 8 | 8 |
| VACANT | Deputy Mayor for Education | | |
| Adam Collins | Deputy Mayor for Economic Development | 2 | 7 |
| Matthew Kimmick | Controller-Office of Finance and Management | 2 | 2 |
| Douglas Kowalski | Corporation Counsel | 1 | 3 |
| Brad Beaubien | Director of Metropolitan Development | 1 | 3 |
| Melody Park | Director of Public Works | 1 | 3 |
| Dr. David Wantz | Director of Public Safety | 1 | 1 |
| Elaine Dillahunt | Director of Parks and Recreation | 1 | 33 |
| Courtney Bennett | Director of Code Enforcement | 1 | 4 |
| NaTrina Debow | Clerk of the City-County Council | 4 | 11 |
| Jerry Clinkscales | Director of Office of Audit and Performance | 1 | 1 |

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 of Management (OFM) 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 (DMD) 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 DMD 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 DMD. 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”)

Department of Code Enforcement (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 wastewater treatment facilities were transferred to Citizen’s Energy Group (CEG). This arrangement was effective August 26, 2011. 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 two main areas of responsibility:

1. *Financial Services.* This section provides purchasing, accounting, and financial reporting services to all areas within the department.
2. *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 accounted for 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 has been 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 storm drains. 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 four of the eleven 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 accounted for 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 IFS 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")

The Department of Public Safety (DPS) 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 DPS 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 DPS 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 accounted for 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 DPS, 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. IFD 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. IFD 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 DPS and the Health and Hospital Corporation of Marion County. IEMS began operations on December 26, 2010.

DEPARTMENT OF PARKS AND RECREATION (“DPR”)

It is the responsibility of The Department of Parks and Recreation (DPR) to operate and maintain parks and sports and recreational facilities owned by the consolidated city or the county. 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 is comprised of 208 properties including over 135 miles of trails/greenways, 24 recreation and nature centers, 16 outdoor pools, 20 free public spray grounds, 13 golf courses, 457 sports fields and courts, 154 picnic shelters, and 126 playgrounds. DPR’s organization consists of eight divisions. The DPW manages three divisions on behalf of DPR; Maintenance, Resource Development, and Greenways. Transactions for DPR are accounted for in the Parks Fund, Consolidated County Fund, Parks Special Rec Non Reverting Fund, City Cumulative Capital Fund, and the Federal and State of Indiana Grants Special Revenue Funds.

Administration Division

The Administration Division provides management and support to DPR's lines of business; provides support in areas of human resources and staff development, training, payroll administration, personnel policy and procedures, employee relations and labor negotiations; oversees the administration of all grants; manages all aspects of the department's management information systems; and sponsorships; provides all marketing, promotion and communication needs of the department, including public and media relations, printing, photography, market research, and sponsorships; provides a customer service and community relations operation which includes the issuance of permits and centralized registration; provides support in areas of purchasing, procurement, and stock inventory; is responsible for the preparation of the budget and fiscal ordinances, as well as financial planning and analysis for the department; is responsible for the management of all aspects of the department's accounting and auditing systems, including the monitoring of all cash control systems; administers and coordinates the preparation of all contracts within the department; develops, implements and manages partnership programs for the department; coordinates department relations with the Indianapolis Parks Foundation; develops, implements and manages recreational program initiatives instituted through the mayor or the department director; and develops, implements and manages volunteer services for the department.

Community Recreation Division

The Community Recreation Division establishes and monitors baseline quality maintenance standards for all regional, community, and neighborhood parks; implements an enhancement program to work with organized neighborhood entities to enhance their local parks; provides every neighborhood the opportunity and responsibility to reclaim stewardship of their public spaces; generates significant opportunities for neighborhoods to utilize parks close in proximity to their home that have major amenities not available in a neighborhood park; generates sufficient fee revenue to help offset the cost of the enhanced programs and facilities; coordinates all amenities of the park from a resource management perspective to create additional positive, collaborative, and interactive synergies for program and customer satisfaction; manages and operates programs, services, and facilities at regional, community, and neighborhood parks; draws

patrons from more than a county-wide demographic area and have a revenue enhancement focus, except in areas of limited resources; creates programs and events to provide leisure opportunities in a safe and enjoyable environment for all people; plans, develops, and provides community recreation opportunities for individuals, families, and groups of Indianapolis and Marion County of varied age and backgrounds; organizes activities that represent a wide range of offerings in sports, arts, play, social, environmental, self-improvement, travel, and more; and offers quality recreation programs to those who seek to improve their lives and the greater community good, through participation in physical, social, and creative endeavors, regardless of their ability, economic status, or residence.

Sports and Special Revenue Facilities Division

The sports and special revenue facilities division manages and operates programs and services at sports and special facilities; creates and offers quality sports, aquatic programs, special events, and services in a safe and enjoyable environment for all people; plans, develops, and provides sports and aquatic programs and services for individuals, families, and groups of Indianapolis and Marion County of varied ages and backgrounds; establishes and monitors baseline quality standards for all sports, aquatic, and special facilities; works with organized neighborhood entities to enhance sports, aquatic, and special facilities, and program services; provides every neighborhood the opportunity and responsibility to reclaim stewardship of their public spaces; draws patrons from more than a county-wide demographic area, except in areas of limited resources; and generates sufficient fee revenue to help offset the cost of programs and facilities.

Golf Division

The golf division creates meaningful and enjoyable golfing opportunities for people of all ages and playing abilities; provides competitive playing conditions that meet customer expectations at fair market pricing; provides ancillary golf amenities like driving ranges, pro shops, golf carts, and concessions that meet quality standards; and ensures the golfing customer, the City of Indianapolis, and the golf operators are receiving value for dollars spent.

Environmental and Interpretive Services Division

The environmental and interpretive services division manages and operates nature programs, services, and facilities at nature parks; creates and offers quality nature programs, events, and services in a safe and enjoyable environment for all people; plans, develops, and provides nature programs and services for individuals, families, and groups of Indianapolis and Marion County of varied ages and backgrounds; establishes and monitors baseline quality standards for all nature parks; implements an enhancement program to work with organized neighborhood entities to enhance nature parks and program services; provides every neighborhood the opportunity and responsibility to reclaim stewardship of their public spaces; and generate sufficient fee revenue to help offset the cost of the enhanced programs and facilities.

Resource Development Division

The resource development division manages the scoping, planning, design, and construction of parks and facilities; administers the capital improvement program; manages the design, bidding, and construction of parks facilities; protects and maintains the investment of parks and greenways by setting high standards for design, construction, and project management and adherence to safety and ADA issues; ensures a comprehensive cycle of planning and development which combines public input, professional standards, responsible use of public investment, and process evaluation to promote constant improvement; coordinates the input of all citizens in the planning process and communication of the plan for future park development; develops comprehensive/park master planning; provides long-range and

short-term evaluations of guidelines, park improvements, property acquisitions, and county-wide park and recreation needs; coordinates development of parks based on physical resources and identified community needs; defines park functions and proposed uses; manages inventory of all park properties; coordinates all property transactions for the department; coordinates governmental grants of right-of-way, easement, rights-of-entry, leases, use permits, licenses, and the like; manages exchanges with or transfers to other governmental entities and leases; and provides, coordinates, and manages improvements to park properties.

Greenways Division

The greenways division develops, manages, improves, and maintains the greenways system within Marion County; provides recreation and fitness opportunities; promotes open space conservation; links neighborhoods with each other and parks and other community assets; and provides environmental education for the public concerning the greenways system.

Maintenance Division

The park maintenance division provides stewardship of natural resource areas within the park system; manages and executes maintenance plans for park assets, and other properties; provides physical resources to construct park beautification, forestry, and land improvement services for the departments; provides for the building and grounds maintenance of parks and facilities within the parks system; and coordinates, manages, and conducts all installation and maintenance of athletic field resources of the department.

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Financial Section

Financial Section

Independent Auditor's Report

Mr. Fady Qaddoura, 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, 2015, 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Indianapolis as of December 31, 2015, 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.R. to the financial statements, in 2015, the City adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension information 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016, on our consideration of the City’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 the City’s internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
June 30, 2016

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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, 2015

This Comprehensive Annual Financial Report presents an analysis of the financial activities of the City of Indianapolis (“City”) for the year ended December 31, 2015 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the City’s financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City’s liabilities exceeded its assets at December 31, 2015 by \$345.3 million, which represents the total net deficit of the City’s governmental activities. Included in this net position amount is a \$1,108.0 million unrestricted deficit due mainly to an unfunded net pension obligation of \$977.8 million and an unfunded postemployment benefit obligation of \$146.5 million. Without these unfunded obligations, the net position amount would be an unrestricted deficit of \$16.3 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, these pension benefits which represent \$922 million of the total net pension obligation 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 13 to the financial statements for further discussion of the City’s pension plans. See footnote 12 to the financial statements in regards to other postemployment benefits.
- In 2015, the City adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (“GASB Statement No. 68”), as amended. The 2014 information has not been restated for the adoption of GASB Statement No. 68.
- On a government-wide basis, for 2015, the City’s total expenses were \$842.7 million or \$11.3 million less than the \$854.0 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2015, the City’s governmental funds reported combined ending fund balances of \$522.7 million. Of this amount, \$1.9 million was nonspendable, \$352.9 million was restricted, \$9.2 million was committed, \$79.8 million was assigned, and \$78.9 million was unassigned.
- The unassigned fund balance for the general fund was \$79.2 million or 12.3% 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 unrestricted fund balance was \$168 million or 26.2% of total general fund expenditures. The City’s goal is to maintain an unrestricted general fund balance of 17% of total general fund expenditures. These goals were formally adopted in ordinance by the City-County Council in the second quarter of 2016.
- The general fund revenues were \$8.9 million higher than original budget estimates and \$9.5 million higher than the final budget estimate.
- In 2015, the City issued \$88.1 million in governmental activities bond debt which included \$11.0 million for the refunding of bonds, and \$70.0 million for the metropolitan thoroughfare district to finance the construction and reconstruction of certain street, road, curb, traffic control and sidewalk improvements within the City.

CITY OF INDIANAPOLIS
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Year ended December 31, 2015

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and notes to the basic financial statements, this report presents required supplementary information concerning the City’s budgetary comparisons for the general fund and required supplementary information pertaining to the City’s progress in funding its obligation to provide pension and 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 nonmajor governmental funds, internal service funds, pension trust funds, and agency funds. Also in this section are comparisons of actual to budget for all other annually budgeted funds.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City’s governmental activities net position at December 31, 2015 and 2014 was \$(345.3) million and \$271.2 million, respectively.

Statement of Net Position
(In thousands)

| | | Governmental activities 2015 | | Governmental activities 2014* |
|-----------------------------------------------------|----|---------------------------------------------|----|----------------------------------------------|
| Assets: | | | | |
| Current and other assets | \$ | 692,125 | \$ | 639,839 |
| Capital assets, net of accumulated depreciation | | 1,465,575 | | 1,454,004 |
| Total assets | | <u>2,157,700</u> | | <u>2,093,843</u> |
| Deferred outflows of resources | | 74,199 | | 10,157 |
| Total assets and deferred outflows of resources | | <u>2,231,899</u> | | <u>2,104,000</u> |
| Liabilities: | | | | |
| Long-term liabilities | | 2,372,981 | | 1,702,736 |
| Other liabilities | | 107,120 | | 111,657 |
| Total liabilities | | <u>2,480,101</u> | | <u>1,814,393</u> |
| Deferred inflows of resources | | 97,147 | | 18,400 |
| Total liabilities and deferred inflows of resources | | <u>2,577,248</u> | | <u>1,832,793</u> |
| Net position: | | | | |
| Net investment in capital assets | | 618,860 | | 604,736 |
| Restricted | | 177,408 | | 171,863 |
| Unrestricted (deficit) | | <u>(1,141,617)</u> | | <u>(505,392)</u> |
| Total net position (deficit) | \$ | <u><u>(345,349)</u></u> | \$ | <u><u>271,207</u></u> |

* The prior year balance is not restated to reflect the implementation of GASB Statement No. 68.

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 \$618.9 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 2014 balance was \$604.7 million. The increase is primarily due to capital asset additions exceeding disposals and depreciation during 2015. 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 \$177.4 million, versus \$171.9 million in 2014, which represents resources that are subject to external restrictions on how they may be used.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

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 \$1,141.6 million deficit at the end of the year as compared to a \$505.4 million deficit for the prior year (not restated to reflect the implementation of GASB 68). 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 \$977.8 million for pension obligations and postemployment obligation of \$146.5 million. Implementation of GASB 68 caused the net pension obligation at January 1, 2015 to be restated and increased by \$603.6 million from \$391.4 million to \$995.0 million. See the earlier discussion in regards to these two long-term liabilities.

Change in net position. The City’s total revenue (including transfers) on a government-wide basis for 2015 was \$854.0 million and \$769.8 million for 2014. Taxes represent 62% of the City’s revenue (65% for 2014). Another 12% of revenue (12% in 2014) 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 decrease in property taxes is primarily due to a special program in 2014 that eliminated duplicate homestead credits which created a higher than expected collection of property tax in 2014 and an increase in income taxes due to an increase in the Public Safety Income tax rate. The increase of \$32.5 million in capital grants and contributions can be attributed to the increase 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 \$842.7 million for 2015 (\$861.3 million for 2014). The City’s expenses cover a range of typical City services.

CITY OF INDIANAPOLIS
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Year ended December 31, 2015

The changes in net position for the years ended December 31, 2015 and 2014 are as follows:

Schedule of Changes in Net Position
For the Years Ended December 31, 2015 and 2014
(dollars in thousands)

| | Governmental activities 2015 | Governmental activities 2014* |
|-----------------------------------------------------|---------------------------------------------|----------------------------------------------|
| Revenues: | | |
| Program revenues | | |
| Charges for services | \$ 105,317 | \$ 92,171 |
| Operating grants and contributions | 139,251 | 137,828 |
| Capital grants and contributions | 37,351 | 4,845 |
| General revenues: | | |
| Property tax | 285,649 | 297,487 |
| Other taxes | 241,955 | 199,292 |
| Other general revenues | 44,513 | 38,149 |
| Total revenues | 854,036 | 769,772 |
| Expenses: | | |
| General government | 48,124 | 43,599 |
| Public safety | 412,157 | 461,873 |
| Public works | 214,740 | 230,470 |
| Health and welfare | 7,555 | 6,320 |
| Cultural and recreation | 14,714 | 10,130 |
| Urban redevelopment and housing | 18,354 | 24,114 |
| Economic development and assistance | 75,451 | 33,181 |
| Interest | 51,584 | 51,571 |
| Total expenses | 842,679 | 861,258 |
| Change in net position | 11,357 | (91,486) |
| Net position, beginning of year, before restatement | 271,207 | 362,693 |
| Adjustment for Implementation of GASB 68 | (627,913) | - |
| Net position, beginning of year, after restatement | (356,706) | 362,693 |
| Net position, ending | \$ (345,349) | \$ 271,207 |

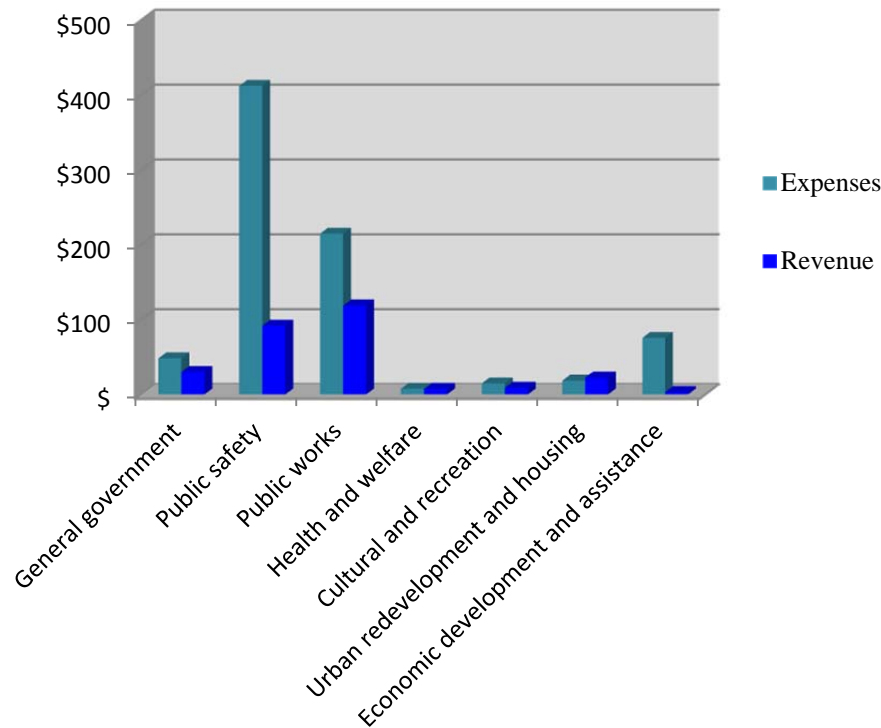
* The prior year is not restated to reflect the implementation of GASB Statement No. 68.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

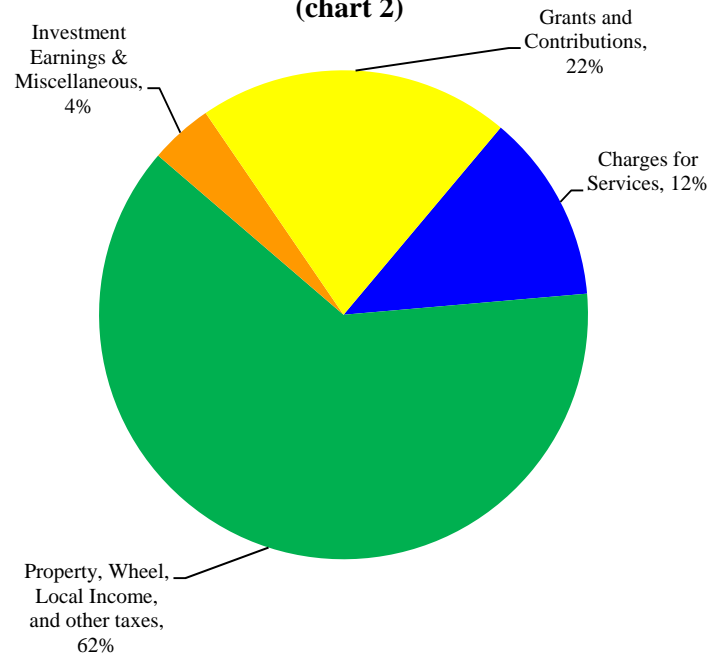
Governmental activities. The City’s governmental activities net position decreased by \$616.6 million compared to a decrease of \$91.5 million in the prior year caused by the effect of implementing GASB 68 for pensions. Total expenses for governmental activities for 2015 were \$842.7 million, a decrease of \$18.6 million from the prior year primarily due to the cost incurred for the effects of the polar vortex in the winter 2013-2014. Total revenues for governmental activities for 2015 were \$854.0 million, an increase of \$84.3 million from the prior year. Capital grants and contributions increased \$32.5 million primarily due to public works projects paid for by the State and donated to the City. Overall, the City’s taxes increased by \$30.8 million primarily due to an increase in the Public Safety Income tax rate from .35% to .50%.

The following charts provide the City’s governmental program revenues and expenses by function and revenues by source for 2015. As shown in chart 1, expenses and program revenues, public safety is the largest function of expense. General revenues such as property tax 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)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

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, 2015, the unassigned fund balance of the General Fund was \$79.2 million while the total General Fund balance was \$203.5 million (as compared to \$224.7 million in 2014). 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 12% of total General Fund expenditures and transfers out (as compared to 11% for 2014), while total fund balance represents 31% (36% for 2014) of total General Fund expenditures and transfers out. The fund balance in the City’s General Fund decreased by \$21.3 million or 9% from the prior year fund balance. This was due primarily to the spend down of \$28.8 million in 2015 from the proceeds of the 2011 sale of the City’s water and wastewater facilities .

The Revenue Debt Service Fund ended the year with a \$138.8 million fund balance (as compared to \$158.4 million in 2014) which was restricted for debt service. The fund balance for the Revenue Debt Service Fund decreased by \$19.6 million due mainly to transfers out for economic development projects in the consolidated Tax Increment Financing (TIF) district.

The Metropolitan Thoroughfare District Capital Projects Fund ended the year with a \$59.8 million fund balance (as compared to \$2.6 million in 2014) which was restricted for capital projects. The fund balance for the Metropolitan Thoroughfare District Capital Projects fund increased by \$57.2 million due to the issuance of the Indy Roads Revenue Bonds Series A and B in the amount of \$70 million. The proceeds will be used to finance the construction and reconstruction of certain street, road, curb, traffic control and sidewalk improvements within the City.

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 2015, the net position of these pension funds amounted to \$1.3 million, which represents a decrease of \$1.3 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 2015, the combined gross assets of the agency funds totaled \$9.9 million (\$17.5 million in 2014). 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 2015, there was a \$40.4 million increase in appropriations during the year to the original General Fund budget or an increase of less than 8%.

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(A Component Unit of the Consolidated City of Indianapolis – Marion County)
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Year ended December 31, 2015

Excluding prior year encumbrances, the original general fund expenditures budget for 2015 was \$542.7 million. The final General Fund expenditures budget was \$583.1 million. Actual expenditures were \$556.6 million. Of the total \$26.5 million underspent from the final budget, \$8.3 million was in public safety, \$4.9 million was in capital outlay expenditures, and \$3.0 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 \$483.8 million, final estimated at \$483.1 million, and the actual was \$492.7 million, which was \$9.5 million greater than budgeted. Out of the total \$9.5 million, \$3.3 million was in taxes and \$7.8 million was in charges for services. The increase in taxes is primarily attributable to the increase in Public Safety Income tax, and the increase in charges for services is primarily attributable to an increase in the Stormwater fee. Actual expenditures were greater than revenues by \$63.9 million. This was primarily due to the spending down of \$28.8 million of proceeds that were recognized in 2011 from the sale of the water and wastewater facilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had a net investment of \$1.5 billion in capital assets at December 31, 2015 (net of accumulated depreciation of \$2.6 billion) in a broad range of capital assets. This amount represents a net increase for the current year (including additions and deductions) of \$11.6 million.

Schedule of Capital Assets

(dollars in thousands)

| | Governmental activities 2015 | Governmental activities 2014 |
|--------------------------|------------------------------------|------------------------------------|
| Land | \$ 53,890 | \$ 55,146 |
| Construction in progress | 201,235 | 191,469 |
| Buildings | 230,154 | 234,067 |
| Improvements | 96,024 | 91,422 |
| Equipment | 44,215 | 44,658 |
| Infrastructure | 840,057 | 837,242 |
| Total | <u>\$ 1,465,575</u> | <u>\$ 1,454,004</u> |

Major capital asset additions in 2015 for governmental activities included:

- \$82.4 million of additions to construction in progress, principally infrastructure, and improvements. Reductions to construction in progress were \$72.6 million of which \$67.0 million was transferred into infrastructure and \$5.6 million was transferred into improvements.
- \$10.3 million of additions to improvements, principally the Vermont Street Plaza and upgrades at parks and recreation facilities.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

- \$12.2 million of additions to equipment, principally for public safety and public works vehicles.
- \$92.3 million of additions to infrastructure, principally \$5.8 million for storm sewers, \$80.0 million for streets, curbs and sidewalks, and \$6.5 million for bridges.
- \$7.3 million of additions to buildings.

Donated capital assets for governmental activities were \$34.5 million, mainly attributable to capital contributions from the State of Indiana for public work projects built on the City’s behalf. Depreciation expense for 2015 for governmental activities was \$112.6 million. At December 31, 2015, the City had commitments related to ongoing capital asset construction projects of \$43.3 million.

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

Long-Term Obligations

At the end of 2015, the City had outstanding long-term debt and other long-term obligations for governmental activities of \$2.37 billion, compared to \$1.70 billion at December 31, 2014 as shown below:

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

| | <u>December 31, 2015</u> | <u>December 31, 2014</u> |
|-----------------------------------------------------------|--------------------------|--------------------------|
| Governmental activities: | | |
| Serial bonds payable | \$ 129,080 | \$ 156,155 |
| Tax increment bonds payable | 629,877 | 647,144 |
| Revenue bonds payable | 319,160 | 255,445 |
| Deferred premiums | 46,625 | 40,230 |
| Long-term notes payable and certificates of participation | 74,633 | 40,422 |
| Capital lease payable | 11,607 | 8,549 |
| Net pension liability | 977,830 | 391,351 |
| Postemployment benefit obligation | 146,539 | 128,285 |
| Compensated absences | 37,631 | 35,155 |
| Total | <u>\$ 2,372,982</u> | <u>\$ 1,702,736</u> |

The increase in revenue bonds was due to the issuance of \$70 million of bonds funded by wheel taxes for road and street improvements. The increase in the net pension obligation is primarily due the impact of GASB 68 on this calculation. The increase in the postemployment benefit 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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

Bonds

On May 20, 2015, the City issued its Economic Development Tax Increment Revenue bonds, Series 2015A (Broad Ripple Project) in the amount of \$6,040. The proceeds will be used to finance certain projects, additions or improvements, including the design, construction, renovation improvement and/or equipping of a new mixed-used development building, consisting of a retail space and residential space, a parking garage facility, a public canal walkway and pedestrian plaza.

On May 20, 2015, the City issued its Redevelopment Tax Increment Revenue bonds, Series 2015A (Tarkington Park Project) in the amount of \$1,060. The proceeds will be used to pay a portion of the cost of the demolition, design, construction, renovation, improvement, installation, upgrading and/or equipping of certain public infrastructure in the existing Tarkington Park and its related facilities.

On August 6, 2015, the City issued its Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2015A (Brokenburr Project) in the amount of \$1,500. The proceeds from these bonds, together with other available funds on hand, were used to currently refund the City’s outstanding Redevelopment District 2010 Series, C Notes, which had outstanding principal amount of \$2,500.

On March 25, 2015, the City issued its Indy Roads Revenue Bonds, Series 2015A in the amount of \$35,000. The proceeds will be used to finance the construction and reconstruction of certain street, road, curb, traffic control and sidewalk improvements within the City.

On September 16, 2015, the City issued its Indy Roads Revenue Bonds, Series 2015B in the amount of \$35,000. The proceeds will be used to finance the construction and reconstruction of certain street, road, curb, traffic control and sidewalk improvements within the City.

On December 11, 2015, the City issued its Facilities Revenue Refunding Bonds, Series 2015K in the amount of \$9,485. The proceeds from these bonds along with funds on hand were used to currently refund all of the City’s outstanding Facilities Revenue Bonds, Series 2006 and 2007 in the outstanding amounts of \$8,345 and \$1,810. The refunding resulted in an accounting loss of \$64, which has been deferred and is being amortized over the life of bonds. As a result of the refundings, we realized an economic gain (the difference between the present values of the debt service payments on the old and the new debt) of \$508.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2015

ECONOMIC FACTORS AND THE 2016 BUDGET

The 2016 original budget for all annually budgeted funds was \$794.6 million. Revisions of \$4.4 million have been made through June 2016, which were primarily due to increases for public safety of \$1.7 million and for public works of \$2.0 million.

The 2016 general fund original budget was \$574.1 million, an increase of 5.8% from the 2015 original General Fund budget of \$542.7 million. Revisions (\$1.9 million) have been made through June 2016.

Unemployment rates were as follows:

| | May 2016 | May 2015 |
|----------------------|----------|----------|
| City of Indianapolis | n/a | 5.2% |
| State of Indiana | 5.0% | 4.8% |
| United States | 4.7% | 5.3% |

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.

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, 2015
(In thousands)

| | Primary Government | Component Unit |
|-----------------------------------------------------------------------|--------------------------------|------------------------------------|
| | Governmental activities | Indianapolis Housing Agency |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Assets: | | |
| Equity in pooled cash | \$ 97,332 | \$ 6,826 |
| Cash and investments with fiscal agents | 237,563 | 13,598 |
| Investments | 262,543 | — |
| Property taxes receivable | 7,517 | — |
| Accounts receivable, less allowance for uncollectibles | 27,238 | 774 |
| Due from federal and state governments | 9,927 | 1,144 |
| Other assets | — | 3,492 |
| Long-term receivables, less allowance for uncollectibles | 16,396 | 7,884 |
| Restricted assets | — | 2,952 |
| Net pension asset | 33,609 | — |
| Capital assets: | | |
| Land | 53,890 | 19,095 |
| Infrastructure, net of accumulated depreciation | 840,057 | — |
| Other capital assets, net of accumulated depreciation | 370,393 | 159,142 |
| Construction in progress | 201,235 | 140 |
| Total assets | 2,157,700 | 215,047 |
| Deferred outflows of resources - pensions | 65,182 | 1,326 |
| Deferred outflows of resources - deferred losses on refundings | 9,017 | — |
| Total assets and deferred outflows of resources | 2,231,899 | 216,373 |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2015
(In thousands)

| | Primary Government | Component Unit |
|---------------------------------------------------------------------------|--------------------------------|------------------------------------|
| | Governmental activities | Indianapolis Housing Agency |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | |
| Liabilities: | | |
| Accounts payable and other current liabilities | \$ 79,372 | \$ 3,120 |
| Accrued interest payable | 19,692 | — |
| Unearned revenue | 8,056 | 68 |
| Customer deposits | — | 215 |
| Other liabilities | — | 473 |
| Long-term liabilities: | | |
| Due within one year | 87,372 | 9,682 |
| Due in more than one year | 2,285,609 | 22,359 |
| Total liabilities | 2,480,101 | 35,917 |
| Deferred inflows of resources - pensions | 79,147 | 195 |
| Deferred inflows of resources - parking meter concession agreement | 18,000 | — |
| Total liabilities and deferred inflows of resources | 2,577,248 | 36,112 |
| NET POSITION | | |
| Net investment in capital assets | 618,860 | 154,792 |
| Restricted for: | | |
| Capital projects | 55,855 | — |
| Debt service | 29,906 | — |
| 1977 Police and Firefighters' Pension Plan | 33,609 | — |
| Section 8 vouchers and VASH | — | 784 |
| Other purposes by grantors | 9,877 | — |
| Other purposes by contributor – nonexpendable | 353 | — |
| Statutory restrictions | 47,808 | — |
| Unrestricted (deficit) | (1,141,617) | 24,685 |
| Total net position (deficit) | \$ (345,349) | \$ 180,261 |

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, 2015
(In thousands)

| | Program revenues | | | | Net (expense) revenue and changes in net position | |
|--------------------------------------------------------------|-------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|--------------------------------|
| | Expenses | Charges for services | Operating grants and contributions | Capital grants and contributions | Primary Government | Component Unit |
| | | | | | Governmental activities | Indianapolis Housing Agency |
| Functions/Programs | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 48,124 | \$ 25,881 | \$ 4,054 | \$ — | \$ (18,189) | \$ — |
| Public safety | 412,157 | 29,080 | 61,658 | 978 | (320,441) | — |
| Public works | 214,740 | 43,184 | 44,536 | 31,007 | (96,013) | — |
| Health and welfare | 7,555 | 149 | 7,153 | — | (253) | — |
| Cultural and recreation | 14,714 | 3,714 | 1,826 | 3,305 | (5,869) | — |
| Urban redevelopment and housing | 18,354 | 2,050 | 18,203 | 2,061 | 3,960 | — |
| Economic development and assistance | 75,451 | 1,259 | 1,821 | — | (72,371) | — |
| Interest | 51,584 | — | — | — | (51,584) | — |
| Total governmental activities | <u>\$ 842,679</u> | <u>\$ 105,317</u> | <u>\$ 139,251</u> | <u>\$ 37,351</u> | <u>\$ (560,760)</u> | <u>\$ —</u> |
| Component Unit | | | | | | |
| Indianapolis Housing Agency | \$ 67,978 | \$ 7,431 | \$ 53,300 | \$ 3,859 | | (3,388) |
| Total component units | <u>\$ 67,978</u> | <u>\$ 7,431</u> | <u>\$ 53,300</u> | <u>\$ 3,859</u> | | <u>(3,388)</u> |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | | | | | 285,649 | — |
| Wheel taxes | | | | | 14,645 | — |
| Local income taxes | | | | | 206,838 | — |
| Other taxes | | | | | 20,472 | — |
| Grants and contributions not restricted to specific programs | | | | | 9,465 | — |
| Investment earnings not restricted to specific programs | | | | | 6,373 | — |
| Miscellaneous | | | | | 28,675 | 2,644 |
| Total general revenues | | | | | <u>572,117</u> | <u>2,644</u> |
| Change in net position | | | | | 11,357 | (744) |
| Net position – beginning of year, as previously reported | | | | | 271,207 | 184,127 |
| Adjustment for implementation of GASB Statement No. 68 | | | | | (627,913) | (3,122) |
| Net position (deficit), beginning of year, after restatement | | | | | <u>(356,706)</u> | <u>181,005</u> |
| Net position (deficit) – ending | | | | | <u>\$ (345,349)</u> | <u>\$ 180,261</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, 2015
(In thousands)

| | <u>General</u> | <u>Revenue Bond Debt Service</u> | <u>Metropolitan Thoroughfare District Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------------------------------------------------|-------------------|--------------------------------------|--------------------------------------------------------------------|--------------------------------------------|-----------------------------------------|
| ASSETS | | | | | |
| Equity in pooled cash | \$ 50,060 | \$ 8,326 | \$ 512 | \$ 33,466 | \$ 92,364 |
| Cash and investments with fiscal agents | 3,242 | 115,684 | 64,254 | 54,364 | 237,544 |
| Investments | 173,051 | 15,770 | 969 | 63,343 | 253,133 |
| Property taxes receivable | 6,428 | — | — | 1,089 | 7,517 |
| Accounts receivable, less allowance of \$748 | 20,912 | 1,345 | — | 4,976 | 27,233 |
| Due from other funds | 7,708 | — | — | — | 7,708 |
| Due from federal and state governments | 278 | — | — | 9,649 | 9,927 |
| Long-term receivables, less allowance of \$27,817 | — | — | — | 1,606 | 1,606 |
| Total assets | <u>\$ 261,679</u> | <u>\$ 141,125</u> | <u>\$ 65,735</u> | <u>\$ 168,493</u> | <u>\$ 637,032</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Matured bonds and notes payable | \$ — | \$ 800 | \$ — | \$ 21,902 | \$ 22,702 |
| Matured interest payable | — | 1,532 | — | 8,047 | 9,579 |
| Accounts payable and other accrued liabilities | 25,083 | 14 | 5,855 | 13,842 | 44,794 |
| Accrued payroll and payroll taxes | 19,954 | — | — | 109 | 20,063 |
| Due to other funds | — | — | — | 219 | 219 |
| Unearned revenue | 212 | — | — | 141 | 353 |
| Total liabilities | <u>45,249</u> | <u>2,346</u> | <u>5,855</u> | <u>44,260</u> | <u>97,710</u> |
| Deferred inflows of resources | <u>12,950</u> | <u>—</u> | <u>—</u> | <u>3,626</u> | <u>16,576</u> |
| Fund balances: | | | | | |
| Nonspendable | — | — | — | 1,959 | 1,959 |
| Restricted | 35,306 | 138,779 | 59,880 | 118,970 | 352,935 |
| Committed | 9,207 | — | — | — | 9,207 |
| Assigned | 79,775 | — | — | — | 79,775 |
| Unassigned | 79,192 | — | — | (322) | 78,870 |
| Total fund balances | <u>203,480</u> | <u>138,779</u> | <u>59,880</u> | <u>120,607</u> | <u>522,746</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 261,679</u> | <u>\$ 141,125</u> | <u>\$ 65,735</u> | <u>\$ 168,493</u> | <u>\$ 637,032</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, 2015
(In thousands)

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

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------------|
| Fund balances – total governmental funds | \$ | 522,746 |
| Capital assets not reported in the fund statements | | 1,465,575 |
| Net deficit of internal service funds | | (2,142) |
| Long-term receivable from sale of wastewater collection and treatment facilities to be used to service long-term general obligation debt | | 14,790 |
| Deferred outflow of resources - pensions | | 65,182 |
| Deferred outflow of resources - loss on refundings | | 9,017 |
| Deferred inflow of resources - parking meter concession agreement | | (18,000) |
| Deferred inflow of resources - pensions | | (79,147) |
| Long-term liabilities not in the fund statements (excludes matured bonds payable of \$22,702) | | (2,350,279) |
| Other liabilities not in the fund statements | | (5,460) |
| Deferred inflow of resources in the fund statements not in the statement of net position | | 16,576 |
| Unearned revenue in the statement of net position not in the fund statements | | (7,703) |
| Pension asset not recorded in the fund statements | | 33,609 |
| Accrued interest payable not in the fund statements (excludes matured interest payable) | | <u>(10,113)</u> |
| Net deficit of governmental activities | \$ | <u><u>(345,349)</u></u> |

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2015
(In thousands)

| | <u>General</u> | <u>Revenue Bond Debt Service</u> | <u>Metropolitan Thoroughfare District Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------------------------------|-----------------|--------------------------------------|--------------------------------------------------------------------|--------------------------------------------|-----------------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 342,817 | \$ 86,710 | \$ — | \$ 99,704 | \$ 529,231 |
| Licenses and permits | 14,249 | — | — | — | 14,249 |
| Charges for services | 63,479 | — | — | 2,265 | 65,744 |
| Intergovernmental revenues | 110,395 | 178 | — | 44,216 | 154,789 |
| Intragovernmental revenues | 2,342 | — | — | — | 2,342 |
| Traffic violations and court fees | 2,220 | — | — | 3,602 | 5,822 |
| Interest and other operating revenues | 23,441 | 6,226 | 14 | 28,154 | 57,835 |
| Total revenues | <u>558,943</u> | <u>93,114</u> | <u>14</u> | <u>177,941</u> | <u>830,012</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 23,476 | — | — | 1,412 | 24,888 |
| Public safety | 434,532 | — | — | 7,959 | 442,491 |
| Public works | 105,921 | — | — | 1,898 | 107,819 |
| Health and welfare | 870 | — | — | 6,680 | 7,550 |
| Cultural and recreation | 11,733 | — | — | 1,534 | 13,267 |
| Urban redevelopment and housing | 3,946 | — | — | 18,785 | 22,731 |
| Economic development and assistance | 1,308 | 8,000 | — | 51,894 | 61,202 |
| Debt service: | | | | | |
| Redemption of bonds and notes | 1,297 | 34,073 | — | 33,696 | 69,066 |
| Interest on bonds and notes | 791 | 15,646 | — | 29,478 | 45,915 |
| Bond and note issuance costs | — | 80 | 962 | 1,403 | 2,445 |
| Payment to refunded bond escrow agent | — | 11,655 | — | — | 11,655 |
| Lease payments and other | 50 | 3,841 | 101 | 14,456 | 18,448 |
| Capital outlays | <u>58,352</u> | <u>—</u> | <u>23,645</u> | <u>40,025</u> | <u>122,022</u> |
| Total expenditures | <u>642,276</u> | <u>73,295</u> | <u>24,708</u> | <u>209,220</u> | <u>949,499</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(83,333)</u> | <u>19,819</u> | <u>(24,694)</u> | <u>(31,279)</u> | <u>(119,487)</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, 2015
(In thousands)

| | <u>General</u> | <u>Revenue Bond Debt Service</u> | <u>Metropolitan Thoroughfare District Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|-------------------|--------------------------------------|--------------------------------------------------------------------|--------------------------------------------|-----------------------------------------|
| Other financing sources (uses): | | | | | |
| Issuance of capital lease | \$ 3,248 | \$ — | \$ — | \$ — | \$ 3,248 |
| Sales of capital assets | 472 | — | — | — | 472 |
| Bonds and notes issued | — | — | 70,000 | 46,600 | 116,600 |
| Premium on bonds and notes issued | — | — | 12,146 | — | 12,146 |
| Refunding bonds issued | — | 10,985 | — | — | 10,985 |
| Proceeds from restructuring of debt | — | — | — | 749 | 749 |
| Transfers in | 65,095 | 2,077 | — | 61,802 | 128,974 |
| Transfers out | <u>(6,749)</u> | <u>(52,456)</u> | <u>(207)</u> | <u>(69,562)</u> | <u>(128,974)</u> |
| Total other financing sources (uses) | <u>62,066</u> | <u>(39,394)</u> | <u>81,939</u> | <u>39,589</u> | <u>144,200</u> |
| Net change in fund balances | <u>(21,267)</u> | <u>(19,575)</u> | <u>57,245</u> | <u>8,310</u> | <u>24,713</u> |
| Fund balances at beginning of year | <u>224,747</u> | <u>158,354</u> | <u>2,635</u> | <u>112,297</u> | <u>498,033</u> |
| Fund balances at end of year | <u>\$ 203,480</u> | <u>\$ 138,779</u> | <u>\$ 59,880</u> | <u>\$ 120,607</u> | <u>\$ 522,746</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, 2015
(In thousands)

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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Net change in fund balances – total governmental funds | \$ 24,713 |
| Depreciation expense reported in the statement of activities but not in the fund statements | (112,614) |
| Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of net position | 181,219 |
| Donations of capital assets not recorded in the fund statements | 34,576 |
| Loss on disposals of capital assets not recorded in the fund statements | (83,190) |
| Revenues in the statement of activities that do not provide current financial resources and are deferred inflows in the fund statements | 16,576 |
| Revenues in the fund statements representing payments on a long-term receivable from sale of wastewater collection and treatment facilities | (6,864) |
| 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 | (21,189) |
| 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 | (139,731) |
| Bond and note principal payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities | 80,721 |
| 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 | 2,674 |
| Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements | 4,611 |
| Increase in compensated absences that is not reported in the fund statements | (2,476) |
| Capital appreciation bond interest expense that is reported in the statement of activities but not the fund statements, as there is no cash outflow | (8,323) |
| Accrued interest on bonds and notes payable through December 31, 2015 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable | (10,113) |
| Capital lease payments reported as expenditures in the fund statements but as reduction of long-term liabilities in the statement of activities | 190 |
| Inception of capital lease recorded as other financing source in the fund statements but not recorded in the statement of activities | (3,248) |
| Accrued interest at December 31, 2015 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year | 10,601 |
| Net increase in the postemployment benefit obligation that is not reported in the fund statements | (18,254) |
| Pension contributions recognized as expenditures in the fund statements in excess of pension expense recognized in the statement of activities | <u>61,078</u> |
| Change in net position of governmental activities | \$ <u><u>11,357</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, 2015
(In thousands)

| | | Governmental activities – Internal Service Funds |
|--------------------------------------------------------|----|---------------------------------------------------------------------|
| ASSETS | | <hr/> |
| Current assets: | | |
| Equity in pooled cash | \$ | 4,968 |
| Cash with fiscal agents | | 19 |
| Investments | | 9,410 |
| Accounts receivable | | 5 |
| Total current assets | | <hr/> <u>14,402</u> |
| LIABILITIES | | |
| Accounts payable and other current accrued liabilities | | 9,055 |
| Due to other funds | | 7,489 |
| Total current liabilities | | <hr/> <u>16,544</u> |
| NET POSITION | | |
| Unrestricted deficit | | <hr/> (2,142) |
| Total net deficit | \$ | <hr/> <u>(2,142)</u> |

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended December 31, 2015
(In thousands)

| | | Governmental activities – Internal Service Funds |
|--------------------------------|----|---------------------------------------------------------------------|
| | | <hr/> |
| Operating revenues: | | |
| Charges to other funds | \$ | 36,035 |
| Operating expenses: | | |
| Claims | | 33,148 |
| Administration | | 221 |
| Total operating expenses | | <hr/> 33,369 |
| Operating income | | <hr/> 2,666 |
| Nonoperating expense: | | |
| Investment income | | <hr/> 8 |
| Changes in net position | | 2,674 |
| Net deficit, beginning of year | | <hr/> (4,816) |
| Total net deficit, end of year | \$ | <hr/> <hr/> (2,142) |

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, 2015
(In thousands)

| | Governmental activities – Internal Service Funds |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| | |
| Cash flows from operating activities: | |
| Receipts from users | \$ 36,030 |
| Payments for administration | (221) |
| Payments for claims | (33,496) |
| Net cash provided by operating activities | 2,313 |
| Cash flows from investing activities: | |
| Sales and maturities of investments | 460 |
| Investment purchases | (1,717) |
| Interest paid on investments | 7 |
| Net cash used in investing activities | (1,250) |
| Net increase in cash | 1,063 |
| Cash, beginning of year | 3,924 |
| Cash, end of year | \$ 4,987 |
| | |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 2,666 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Change in assets and liabilities: | |
| Increase in accounts receivable | (5) |
| Decrease in accounts payable and other liabilities | (348) |
| Net cash provided by operating activities | \$ 2,313 |

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, 2015
(In thousands)

| | | Police and Firefighters' Pre-1977 Pension Trust Funds | Agency Funds |
|------------------------------------------------|----|------------------------------------------------------------------------------|-------------------------|
| ASSETS | | | |
| Equity in pooled cash | \$ | 463 | \$ 2,871 |
| Investments | | 875 | 5,443 |
| Accounts receivable | | — | 1,599 |
| Total assets | | 1,338 | \$ 9,913 |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | | — | \$ 9,913 |
| Total liabilities | | — | \$ 9,913 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| Net position restricted for pensions | \$ | 1,338 | |

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, 2015
(In thousands)

| | | Police and Firefighters Pre-1977 Pension Trust Funds |
|----------------------------------------------------------|----|-----------------------------------------------------------------------------|
| ADDITIONS | | |
| State of Indiana pension subsidy | \$ | 57,266 |
| Total additions | | 57,266 |
| DEDUCTIONS | | |
| Benefits | | 58,536 |
| Total deductions | | 58,536 |
| Net decrease in net position | | (1,270) |
| Net position restricted for pensions – beginning of year | | 2,608 |
| Net position restricted for pensions – end of year | \$ | 1,338 |

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2015
(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. The Mayor appoints the entire CAC board and may remove board members at will. The purpose of CAC is to benefit, perform, and carry out the charitable, educational, and other public purposes of the City. Specific purposes include encouraging, supporting, and assisting in activities, projects, and programs that promote the social welfare, beautify the public areas, and improve the effectiveness of infrastructure and foster, develop, and maintain economic development and rehabilitation in and around downtown Indianapolis. Because CAC exists to exclusively benefit the City, CAC is reported as a blended component unit in this report.

Related Organization

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2015
(Dollars in Thousands)

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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 Financial 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 resources 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 and the resources are available. Resources received in advance in relation to derived tax revenue nonexchange transactions are reported as liabilities until the period of exchange.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2015
(Dollars in Thousands)

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

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units, and government-mandated nonexchange transactions are generally recognized as revenues in the period when all eligibility requirements, 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.

The *Metropolitan Thoroughfare District Capital Projects Fund* accounts 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.

Additionally, the City reports the following fund types:

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

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

CITY OF INDIANAPOLIS
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Notes to Financial Statements
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(Dollars in Thousands)

D. Cash and Investments

Investments 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, 2015, the City has \$1,204 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, construction in progress, improvements, buildings, equipment, and infrastructure (e.g., streets, bridges, storm drains, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with cost or donated value beyond prescribed levels and estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at 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.

CITY OF INDIANAPOLIS
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Notes to Financial Statements
December 31, 2015
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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 2015 property taxes were levied based on assessed valuations determined by the Auditor as of the 2014 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2015 property taxes was March 1, 2014 (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 2015, the first half of the year 2015 taxes were due and payable to the Treasurer in May 2015. The second half of the year 2015 taxes was due and payable to the Treasurer in November 2015. Property taxes outstanding at December 31, 2015, net of allowance for uncollectible accounts, are recorded as a receivable in the governmental fund and government-wide financial statements. However, for the governmental fund financial statements, all property tax receivable amounts are reported as deferred inflows of resources.

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.

CITY OF INDIANAPOLIS
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(Dollars in Thousands)

The change in claims for 2015 and 2014, including an estimate of incurred but not reported claims, is as follows:

| | Risk Management | Public Liability Self-Insurance | Employee Health Insurance | Total |
|------------------------------------------|----------------------------|------------------------------------------------|------------------------------------------|-----------------|
| 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 | <u>(7,654)</u> | <u>(1,779)</u> | <u>(17,308)</u> | <u>(26,741)</u> |
| Unpaid claims, December 31, 2014 | 4,549 | 3,964 | 1,793 | 10,306 |
| Incurred claims and changes in estimates | 7,301 | 821 | 25,026 | 33,148 |
| Claims paid | <u>(7,391)</u> | <u>(3,843)</u> | <u>(23,165)</u> | <u>(34,399)</u> |
| Unpaid claims, December 31, 2015 | <u>\$ 4,459</u> | <u>\$ 942</u> | <u>\$ 3,654</u> | <u>\$ 9,055</u> |

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

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, 2015.

CITY OF INDIANAPOLIS
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December 31, 2015
(Dollars in Thousands)

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. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 1953 Police Pension Fund, the 1937 Firefighters’ Pension Fund, the 1977 Police Officers’ and Firefighters’ Pension and Disability Fund and the Indiana Public Employees’ Retirement Fund, and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF INDIANAPOLIS
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December 31, 2015
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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 \$14,531, 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. The general fund is the only fund that reports a positive unassigned fund balance.

Effective August 2011, the Council established the Fiscal Stability Fund under Fiscal Ordinance No. 11, which is reported in the Consolidated County Subfund of the City’s General Fund. At December 31, 2015, the unassigned fund balance of the Fiscal Stability Fund is \$78,789. 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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
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December 31, 2015
(Dollars in Thousands)

Q. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

The City defers recognition of losses incurred on bond refundings and reports such losses as deferred outflows of resources in the 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.

R. Adoption of New Accounting Standard

In 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (“GASB Statement No. 68”) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which revise and establish new financial reporting requirements for most governments that provide employees with pension benefits. The primary objective of GASB Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. With the implementation of GASB Statement No. 68, the City recorded a net pension asset of \$33,609 and net pension liability of \$977,830 as of December 31, 2015, which was not previously included on the statement of net position. This amount represents the aggregate of the City’s proportionate share of the net pension liabilities of the Indiana Public Employees’ Retirement Fund and the 1977 Police Officers’ and Firefighters’ Pension and Disability Fund, as well as the net pension liabilities of its single employer Police and Firefighters’ Pre-1977 Plans. Adoption of GASB Statement No. 68 resulted in a decrease of \$627,913 in unrestricted net position of the primary government as of January 1, 2015.

In addition, deferred outflows of resources of \$65,182 and deferred inflows of resources of \$79,147 as of December 31, 2015 were recognized on the statement of net position, as a result of the City’s adoption of GASB Statement No. 68.

S. Future Adoption of Accounting Pronouncements

GASB has issued Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 79, *Certain External Investment Pools and Pool Participants*; Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*; and Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The City intends to implement these GASB Statements, as applicable, on their respective effective dates.

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2. Cash Deposits and Investments

As of December 31, 2015, the City had the following cash deposits and investments:

| | | |
|-----------------------------------------|----|-----------------------|
| Cash and investments | \$ | 359,875 |
| Cash and investments with fiscal agents | | 237,563 |
| Cash and investments – Fiduciary Funds | | <u>9,652</u> |
| Total cash and investments | \$ | <u><u>607,090</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, 2015 were \$166,526. The City’s cash deposits are insured up to \$250 at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”). Any cash deposits in excess of the \$250 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

Investments

Indiana statutes authorize the City to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, municipal securities of Indiana issuers that have not defaulted during the previous twenty years, certificates of deposit and open-end money market mutual funds. Indiana statutes do not apply to the City’s component units, which may invest in securities other than the aforementioned types of investments.

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

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

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Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City's investment policy provides that the City seeks to minimize the risk that the 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. The City may invest in securities for more than two years and not more than five years in accordance with IC 5-13-9-5.7. Under this policy, investments having maturities of more than two years are limited to 25% of the total portfolio. In accordance with Indiana statutes, this policy will expire four years from its effective date of December 1, 2014. Below is a segmented time distribution for the City's debt investments at December 31, 2015:

| Investment Type | Fair Value | Investment Maturities (in Years) | | |
|-------------------------------------------------------|-------------------|----------------------------------|-------------------|------------------|
| | | Less than 1 | 1-2 | Greater than 2 |
| U.S. Government-Sponsored Enterprise Securities: | | | | |
| Federal Farm Credit Bank | \$ 20,000 | \$ 20,000 | \$ — | \$ — |
| Federal Home Loan Bank | 5,000 | — | 5,000 | — |
| Federal Home Loan Mortgage Corporation | 5,000 | — | — | 5,000 |
| Fannie Mae Discount Notes | 10,000 | 10,000 | — | — |
| Total U.S. Government-Sponsored Enterprise Securities | <u>40,000</u> | <u>30,000</u> | <u>5,000</u> | <u>5,000</u> |
| United States Treasury Notes | 237,592 | 50,173 | 159,500 | 27,919 |
| United States Government-Backed: | | | | |
| Money Market Mutual Funds | 159,704 | 159,704 | — | — |
| Mutual Funds | 353 | 353 | — | — |
| Money Market Mutual Funds | 1,711 | 1,711 | — | — |
| State External Investment Pool – TrustINdiana | 1,204 | 1,204 | — | — |
| | <u>\$ 440,564</u> | <u>\$ 243,145</u> | <u>\$ 164,500</u> | <u>\$ 32,919</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, 2015, the City's investments were rated by Moody's and Standard & Poor's as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Ratings</u> <u>Moody's / S & P</u> |
|-------------------------------------------------------|-------------------|----------------------------------------------|
| U.S. Government-Sponsored Enterprises Securities: | | |
| Federal Farm Credit Bank | \$ 20,000 | Aaa /AA |
| Federal Home Loan Bank | 5,000 | Aaa /AA |
| Federal Home Loan Mortgage Corporation | 5,000 | Aaa /AA |
| Fannie Mae Discount Notes | <u>10,000</u> | Aaa /AA |
| Total U.S. Government-Sponsored Enterprise Securities | <u>40,000</u> | |
| United States Treasury Notes | 237,592 | Aaa/Not Rated/AA |
| United States Government Backed: | | |
| Money Market Mutual Funds | 159,704 | Aaa /AAA |
| Mutual Funds | 353 | Not Rated |
| Money Market Mutual Funds | 1,711 | Aaa/AAA |
| State External Investment Pool – TrustINDiana | <u>1,204</u> | Not Rated |
| | <u>\$ 440,564</u> | |

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, 2015, 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 \$31,439, 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, 2015, 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, 2015.

At December 31, 2015, the City did not hold any investments that represent more than 5% of total investments.

Foreign Currency Risk

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

3. Receivables Disaggregation

Accounts receivable as of December 31, 2015, 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 | \$ 7,493 | \$ 14,167 | \$ 21,660 |
| Revenue Debt Service Fund | — | 1,345 | 1,345 |
| Other Nonmajor Governmental Funds | 96 | 4,880 | 4,976 |
| Total receivables | <u>7,589</u> | <u>20,392</u> | <u>27,981</u> |
| Allowance for uncollectible accounts | <u>(748)</u> | <u>—</u> | <u>(748)</u> |
| Total governmental activities | <u>\$ 6,841</u> | <u>\$ 20,392</u> | <u>\$ 27,233</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 represent local income and other taxes (excluding property taxes).

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4. Due from Federal and State Governments

Amounts due under federal grants at December 31, 2015 for specific programs and capital projects include:

| | Governmental Activities | |
|---------------------------------------------------|--------------------------------|----------------------------------------|
| | General | Other Nonmajor Governmental |
| Reimbursements under federal grants: | | |
| Department of Housing and Urban Development (HUD) | \$ — | \$ 6,335 |
| Department of Justice (DOJ) | 76 | 765 |
| Department of Transportation (DOT) | 192 | 1,195 |
| U.S. Environmental Protection Agency (EPA) | — | 837 |
| Justice Assistance Grant (DOJ) | — | 2 |
| Department of Education (DOE) | 10 | 337 |
| Department of Homeland Security (DHS) | — | 178 |
| | <u>\$ 278</u> | <u>\$ 9,649</u> |

At December 31, 2015, the City had available lines of credit or grant authorizations from HUD totaling \$61,167.

5. Long-term Receivables

The City has U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2015 of \$27,517 including accrued interest of \$9,257. The City has provided a reserve of \$27,517 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 2015, \$100 of the loan was repaid and \$50 was forgiven. At December 31, 2015, the City has recorded a \$300 reserve against the long-term receivable and the outstanding balance is \$1,200.

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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 2015, the outstanding balance of this general obligation debt and the associated long-term receivable is \$21,654 and \$14,790, 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 2015, the balance of the long-term receivable is \$706.

The minimum future payments as of December 31, 2015 on long-term receivables are as follows:

| | | <u>Governmental Activities</u> |
|-----------------|----|---------------------------------------|
| | | Nonmajor |
| | | <u>Governmental Funds</u> |
| 2016 | \$ | 432 |
| 2017 | | 7,662 |
| 2018 | | 8,040 |
| 2019 | | 215 |
| 2020 | | 215 |
| 2021-2025 | | <u>27,649</u> |
| | | 44,213 |
| Less: allowance | | <u>(27,817)</u> |
| Total | \$ | <u><u>16,396</u></u> |

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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, 2015:

| | Balance, January 1, 2015 | Additions | Reductions | Balance, December 31, 2015 |
|---------------------------------------------|-----------------------------------------|------------------|-------------------|-------------------------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 55,146 | \$ 2,801 | \$ 4,057 | \$ 53,890 |
| Construction in progress | 191,469 | 82,377 | 72,611 | 201,235 |
| Total capital assets not being depreciated | <u>246,615</u> | <u>85,178</u> | <u>76,668</u> | <u>255,125</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 402,428 | 7,309 | — | 409,737 |
| Improvements | 180,549 | 10,333 | — | 190,882 |
| Equipment | 175,931 | 12,217 | 4,816 | 183,332 |
| Infrastructure | 2,908,134 | 92,338 | 7,646 | 2,992,826 |
| Total capital assets being depreciated | <u>3,667,042</u> | <u>122,197</u> | <u>12,462</u> | <u>3,776,777</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 168,361 | 11,355 | 136 | 179,580 |
| Improvements | 89,127 | 5,731 | — | 94,858 |
| Equipment | 131,273 | 12,663 | 4,816 | 139,120 |
| Infrastructure | 2,070,892 | 82,865 | 988 | 2,152,769 |
| Total accumulated depreciation | <u>2,459,653</u> | <u>112,614</u> | <u>5,940</u> | <u>2,566,327</u> |
| Total capital assets being depreciated, net | <u>1,207,389</u> | <u>9,583</u> | <u>6,522</u> | <u>1,210,450</u> |
| Governmental activities capital assets, net | <u>\$ 1,454,004</u> | <u>\$ 94,761</u> | <u>\$ 83,190</u> | <u>\$ 1,465,575</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, 2015:

| | <u>Balance, January 1, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, December 31, 2015</u> |
|---------------------------------------------|-----------------------------------------|------------------|-------------------|-------------------------------------------|
| Housing Agency | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 18,552 | \$ 551 | \$ 7 | \$ 19,096 |
| Construction in progress | 3,021 | 65 | 2,946 | 140 |
| Total capital assets not being depreciated | <u>21,573</u> | <u>616</u> | <u>2,953</u> | <u>19,236</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 196,672 | 15,643 | 93 | 212,222 |
| Equipment | 8,408 | 406 | 253 | 8,561 |
| Total capital assets being depreciated | <u>205,080</u> | <u>16,049</u> | <u>346</u> | <u>220,783</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 51,317 | 5,629 | 12 | 56,934 |
| Equipment | 4,235 | 726 | 253 | 4,708 |
| Total accumulated depreciation | <u>55,552</u> | <u>6,355</u> | <u>265</u> | <u>61,642</u> |
| Total capital assets being depreciated, net | <u>149,528</u> | <u>9,694</u> | <u>81</u> | <u>159,141</u> |
| Total Housing Agency | <u>\$ 171,101</u> | <u>\$ 10,310</u> | <u>\$ 3,034</u> | <u>\$ 178,377</u> |

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2015 as follows:

Governmental Activities:

| | |
|-------------------------------------|-------------------|
| General government | \$ 753 |
| Public safety | 9,635 |
| Public works | 88,772 |
| Cultural and recreation | 5,430 |
| Urban redevelopment and housing | 752 |
| Economic development and assistance | <u>7,272</u> |
| | <u>\$ 112,614</u> |

Depreciation expense of \$6,355 was charged to the City's discretely presented component unit, the Housing Agency during 2015.

Construction in progress at December 31, 2015 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, 2015, the City's commitments relating to construction in progress include the following:

| | Accrued Expenditures | | |
|----------------------------------------|-----------------------------|--------------------------------------|------------------|
| | Authorized | Through December 31, 2015 | Committed |
| Department of Code Enforcement | \$ 138 | \$ 138 | \$ — |
| Department of Parks and Recreation | 4,448 | 4,090 | 358 |
| Department of Public Safety | 14,519 | 14,241 | 278 |
| Department of Public Works | 214,723 | 172,191 | 42,532 |
| Department of Metropolitan Development | 10,694 | 10,575 | 119 |
| Total governmental activities | <u>\$ 244,522</u> | <u>\$ 201,235</u> | <u>\$ 43,287</u> |

7. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2015 for the City are as follows:

| | | | | | | Total |
|-----------------------------------------------------|------------------|----------------------------------|-----------------------------------------|-----------------------------------|------------------------------------------|-------------------------------------------------------|
| | Vendors | Third-party Contracts | Due to Other Governments | Claims and Settlements | Accrued Payroll and Taxes | Payables and Other Current Liabilities |
| Governmental Activities: | | | | | | |
| General Fund | \$ 24,790 | \$ 215 | \$ 78 | \$ — | \$ 19,954 | \$ 45,037 |
| Revenue Bond Debt Service | 14 | — | — | — | — | 14 |
| Metropolitan Thoroughfare District Capital Projects | 5,852 | — | 3 | — | — | 5,855 |
| Other Nonmajor Governmental | 10,736 | 2,500 | 606 | — | 109 | 13,951 |
| Internal Service Fund | — | — | — | 9,055 | — | 9,055 |
| Adjustment to government-wide | — | — | — | 5,460 | — | 5,460 |
| Total governmental activities | <u>\$ 41,392</u> | <u>\$ 2,715</u> | <u>\$ 687</u> | <u>\$ 14,515</u> | <u>\$ 20,063</u> | <u>\$ 79,372</u> |

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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.

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 2015, 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 2015, the City paid \$2,302 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 2015, the City paid the Building Authority \$1,875 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 \$2,109 for governmental activities in 2015. The leases expire at various dates through 2035. Minimum future payments on all noncancelable operating leases as of December 31, 2015 are as follows:

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| | Governmental |
|-----------------------|---------------------|
| | Activities |
| 2016 | \$ 16,109 |
| 2017 | 1,835 |
| 2018 | 760 |
| 2019 | 738 |
| 2020 | 629 |
| 2021-2025 | 918 |
| 2026-2035 | 140 |
| Total future payments | <u>\$ 21,129</u> |

B. Lessor Arrangements

City Market

In 2015, 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 October 15, 2020 and provided for three five-year renewal options at that time. 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 2015, the City contributed additional subsidies to the Market of \$386.

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, 2015, the leased property had a carrying amount of \$882 and current year depreciation of \$68. These properties are leased for terms generally ranging from 5 to 99 years (some for \$0 per year). Total rental income amounted to \$602 in 2015.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2015 are as follows:

| | Governmental |
|-----------------------|---------------------|
| | Activities |
| 2016 | \$ 336 |
| 2017 | 274 |
| 2018 | 193 |
| 2019 | 95 |
| 2020 | 81 |
| Thereafter | 118 |
| Total future receipts | <u>\$ 1,097</u> |

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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, 2015:

| | Balance, January 1, 2015 (as restated) | Additions | Reductions | Balance, December 31, 2015 | Due within One Year |
|--------------------------------------------------------------|-------------------------------------------------------|-------------------|-------------------|-------------------------------------------|------------------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds payable | \$ 156,155 | \$ — | \$ 27,075 | \$ 129,080 | \$ 24,850 |
| Tax increment bonds payable | 647,144 | 16,923 | 34,190 | 629,877 | 36,403 |
| Revenue bonds payable | 255,445 | 79,485 | 15,770 | 319,160 | 4,630 |
| Unamortized amounts: | | | | | |
| Premiums | 40,230 | 12,146 | 5,752 | 46,624 | — |
| Total bonds payable | <u>1,098,974</u> | <u>108,554</u> | <u>82,787</u> | <u>1,124,741</u> | <u>65,883</u> |
| Notes payable and certificates of participation | 40,422 | 39,500 | 5,289 | 74,633 | 2,363 |
| Capital leases payable | 8,549 | 3,248 | 190 | 11,607 | 988 |
| Net pension liabilities | 994,950 | 20,612 | 37,732 | 977,830 | — |
| Postemployment benefit obligation | 128,285 | 20,134 | 1,880 | 146,539 | — |
| Compensated absences | 35,155 | 31,116 | 28,640 | 37,631 | 18,138 |
| Total governmental activities | <u>\$ 2,306,335</u> | <u>\$ 223,164</u> | <u>\$ 156,518</u> | <u>\$ 2,372,981</u> | <u>\$ 87,372</u> |
| Discretely Presented Component Unit - Housing Agency: | | | | | |
| Capital leases payable | \$ 180 | \$ 59 | \$ 139 | \$ 100 | \$ 59 |
| Notes payable | 14,785 | 11,855 | 5,027 | 21,613 | 8,776 |
| Due to other governmental units | 1,756 | — | 237 | 1,519 | 65 |
| Unearned revenue and FSS escrow | 4,285 | 1,075 | 1,188 | 4,172 | 756 |
| Net pension liability | 2,630 | 1,742 | — | 4,372 | — |
| Compensated absences | 230 | 407 | 372 | 265 | 26 |
| Total discretely presented component unit | <u>\$ 23,866</u> | <u>\$ 15,138</u> | <u>\$ 6,963</u> | <u>\$ 32,041</u> | <u>\$ 9,682</u> |

Included in additions to bonds payable is \$8,323 representing accretion on capital appreciation bonds, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount, plus \$127,585 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance amount to the \$135,908 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, 2015 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>51,935</u> |
| Sanitary District Bonds: | | | | |
| Sanitary District Refunding Bonds, Series 2003A | 07/09/2003 | 01/01/2018 | 3.000 – 5.500 | 3,684 |
| Sanitary District Refunding Bonds, Series 2007C | 11/08/2007 | 01/01/2018 | 5.000 | <u>17,970</u> |
| Total Sanitary District Bonds | | | | <u>21,654</u> |
| Public Safety Communication System Bonds: | | | | |
| Computer Facilities District Bonds, Series 2008B | 12/18/2008 | 01/15/2024 | 2.350 – 5.600 | <u>24,685</u> |
| Flood Control District Bonds: | | | | |
| Flood Control District Refunding Bonds, Series 2003A | 07/09/2003 | 01/01/2018 | 3.000 – 5.500 | 730 |
| Flood Control District Refunding Bonds, Series 2007A | 11/08/2007 | 01/01/2018 | 5.000 | <u>3,560</u> |
| Total Flood Control District Bonds | | | | <u>4,290</u> |
| Metropolitan Thoroughfare District Bonds: | | | | |
| Metropolitan Thoroughfare District Refunding Bonds, Series 2003A | 07/09/2003 | 01/01/2018 | 3.000 – 5.500 | 2,801 |
| Metropolitan Thoroughfare District, Series 2003A | 07/09/2003 | 01/01/2018 | 4.500 – 5.500 | 800 |
| Metropolitan Thoroughfare District, Series 2007A | 11/08/2007 | 01/01/2018 | 5.000 | <u>13,695</u> |
| Total Metropolitan Thoroughfare District Bonds | | | | <u>17,296</u> |
| Park District Bonds: | | | | |
| Park District of 1993 Refunding Bonds, Series 2003A | 07/09/2003 | 01/01/2018 | 3.000 – 5.500 | 1,565 |
| Park District Refunding Bonds, Series 2007A | 11/08/2007 | 01/01/2018 | 5.000 | <u>7,655</u> |
| Total Park District Bonds | | | | <u>9,220</u> |
| Total general obligation bonds recorded in governmental activities | | | | 129,080 |
| Less: matured bonds payable recorded in the debt service funds | | | | <u>(20,065)</u> |
| | | | | <u>\$ 109,015</u> |

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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, 2016 have been recorded as matured bonds payable and matured interest payable at December 31, 2015 within the fund statements.

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

| Years Ending December 31 | Civil City | | Sanitary | | Flood Control | | Metropolitan Thoroughfare | |
|-----------------------------|------------------|-----------------|------------------|-----------------|-----------------|---------------|------------------------------|--------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | \$ 6,940 | \$ 2,573 | \$ 6,864 | \$ 919 | \$ 1,360 | \$ 182 | \$ 5,485 | \$ 735 |
| 2017 | 7,280 | 2,230 | 7,212 | 564 | 1,431 | 112 | 5,758 | 451 |
| 2018 | 7,655 | 1,863 | 7,578 | 191 | 1,499 | 38 | 6,053 | 153 |
| 2019 | 8,045 | 1,468 | — | — | — | — | — | — |
| 2020 | 8,465 | 1,047 | — | — | — | — | — | — |
| 2021-2024 | 13,550 | 722 | — | — | — | — | — | — |
| | <u>\$ 51,935</u> | <u>\$ 9,903</u> | <u>\$ 21,654</u> | <u>\$ 1,674</u> | <u>\$ 4,290</u> | <u>\$ 332</u> | <u>\$ 17,296</u> | <u>\$ 1,339.00</u> |

| | Park | | Public Safety Communications System | | Total | |
|-----------|-----------------|---------------|----------------------------------------|-----------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | \$ 2,926 | \$ 391 | \$ 1,275 | \$ 645 | \$ 24,850 | \$ 5,445 |
| 2017 | 3,069 | 240 | 2,635 | 1,204 | 27,385 | 4,801 |
| 2018 | 3,225 | 81 | 2,765 | 1,074 | 28,775 | 3,400 |
| 2019 | — | — | 2,905 | 934 | 10,950 | 2,402 |
| 2020 | — | — | 3,050 | 787 | 11,515 | 1,834 |
| 2021-2024 | — | — | 12,055 | 1,375 | 25,605 | 2,097 |
| | <u>\$ 9,220</u> | <u>\$ 712</u> | <u>\$ 24,685</u> | <u>\$ 6,019</u> | <u>\$ 129,080</u> | <u>\$ 19,979</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, 2015 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>(92,200)</u> |
| | | | | <u>149,440</u> |
| Redevelopment District Bonds, Series 2007A | 12/13/07 | 02/01/21 | 4.000 – 4.125 | 4,510 |
| Redevelopment District Bonds, Series 2007 (Ameriplex) | 12/28/07 | 02/01/23 | 6.200 | 3,360 |
| Redevelopment District Bonds, Series, 2007 (Glendale) | 05/10/07 | 02/01/27 | 5.450 – 6.210 | 4,085 |
| Redevelopment District Bonds Series 2008B | 05/08/08 | 02/01/38 | 3.250 – 5.000 | 53,860 |
| Redevelopment District Bonds, Series 2009A | 09/02/09 | 02/01/20 | 3.000 – 5.000 | 122,375 |
| Redevelopment District Bonds, Series 2010A | 06/03/10 | 02/01/25 | 5.000 | 5,152 |
| Redevelopment District Bonds, Series 2010 (Dow AgroSciences) | 06/22/10 | 02/01/25 | 3.000 – 5.125 | 16,890 |
| Redevelopment District Bonds, Series 2010 (AIT Laboratories) | 11/04/10 | 02/01/35 | 2.600 – 5.150 | 4,955 |
| Redevelopment District Bonds, Series 2011A | 03/10/11 | 08/01/24 | .500 – 5.000 | 29,920 |
| Redevelopment District Bonds, Series 2011C | 05/19/11 | 02/01/36 | 4.000 – 5.750 | 24,730 |
| Redevelopment District Bonds, Series 2012A | 09/25/12 | 08/01/20 | 3.340 | 2,145 |
| Redevelopment District Refunding Bonds, Series 2013A | 05/16/13 | 02/01/29 | 2.000 – 5.000 | 22,920 |
| 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 | 13,435 |
| 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 | 10,810 |
| 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 | 16,775 |
| 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 | 1,080 |
| Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project) | 05/20/15 | 2/1/2020 | 1.980 | 6,040 |
| Redevelopment District Bonds, Series 2015A (Tarkington Park Project) | 05/20/15 | 2/1/2020 | 1.980 | 1,060 |
| Redevelopment District Refunding Bonds, Series 2015A (Brokenburr Project) | 08/06/15 | 2/1/2030 | 3.250 | <u>1,500</u> |
| Total tax increment revenue bonds | | | | <u>\$ 629,877</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 May 20, 2015, the City issued its Economic Development Tax Increment Revenue bonds, Series 2015A (Broad Ripple Project) in the amount of \$6,040. The proceeds will be used to finance certain projects, additions or improvements, including the design, construction, renovation improvement and/or equipping of a new mixed-used development building, consisting of retail space, residential space, parking garage facility, public canal walkway and pedestrian plaza.

On May 20, 2015, the City issued its Redevelopment Tax Increment Revenue bonds, Series 2015A (Tarkington Park Project) in the amount of \$1,060. The proceeds will be used to pay a portion of the cost of the demolition, design, construction, renovation, improvement, installation, upgrading and/or equipping of certain public infrastructure in the existing Tarkington Park and its related facilities.

On August 6, 2015, the City issued its Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2015A (Brokenburr Project) in the amount of \$1,500. The proceeds from these bonds, together with other available funds on hand, were used to current refund the City's outstanding Redevelopment District 2010 Series C Notes, which had outstanding principal amount of \$2,500. The refunding resulted in an accounting loss of \$187, which has been deferred and is being amortized over the life of bonds.

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> |
|-------------------------------------------------------|-------------------|-------------------|-------------------|
| 2016 | \$ 36,403 | \$ 22,427 | \$ 58,830 |
| 2017 | 37,868 | 20,834 | 58,702 |
| 2018 | 39,289 | 19,105 | 58,394 |
| 2019 | 41,207 | 17,281 | 58,488 |
| 2020 | 51,121 | 15,290 | 66,411 |
| 2021-2025 | 221,084 | 61,238 | 282,322 |
| 2026-2030 | 204,480 | 42,448 | 246,928 |
| 2031-2035 | 72,030 | 13,399 | 85,429 |
| 2036-2038 | 18,595 | 966 | 19,561 |
| | <u>722,077</u> | <u>212,988</u> | <u>935,065</u> |
| Less: deferred interest on capital appreciation bonds | <u>(92,200)</u> | <u>—</u> | <u>(92,200)</u> |
| Total | <u>\$ 629,877</u> | <u>\$ 212,988</u> | <u>\$ 842,865</u> |

D. Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. At December 31, 2015, these include:

| | <u>Issue Dates</u> | <u>Final Maturity Dates</u> | <u>Interest Rates (All Maturities)</u> | <u>Outstanding</u> |
|-----------------------------------------------------------|--------------------|-----------------------------|----------------------------------------|--------------------|
| PILOT Revenue Bonds, Series 2010A | 08/12/10 | 01/01/40 | 5.000% | \$ 159,515 |
| Stormwater District Revenue Bonds, Series 2011 | 08/10/11 | 01/01/41 | 3.580 | 14,735 |
| Economic Development Refunding Bonds, Series 2012A | 12/20/12 | 04/01/30 | 0.60 – 3.0 | 6,820 |
| Economic Development Refunding Bonds, Series 2012B | 12/20/12 | 04/01/39 | 2.000 – 5.000 | 16,080 |
| Indy Roads Revenue Refunding Bonds, Series 2013 | 09/25/13 | 01/01/19 | 3.000 – 5.000 | 5,910 |
| Stormwater District Revenue Refunding Bonds, Series 2013 | 10/16/13 | 01/01/26 | 2.000 – 5.000 | 36,615 |
| Indy Roads Revenue Bond, Series 2015A | 03/25/15 | 01/01/35 | 3.000 – 5.000 | 35,000 |
| Indy Roads Revenue Bonds, Series 2015B | 09/16/15 | 01/01/35 | 3.000 – 5.000 | 35,000 |
| Facilities Revenue Refunding, Series 2015 | 12/16/15 | 07/15/21 | 1.760 | 9,485 |
| Total revenue bonds recorded in governmental activities | | | | 319,160 |
| Less matured bonds payable recorded in debt service funds | | | | <u>(2,360)</u> |
| | | | | <u>\$ 316,800</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, 2016 and January 15, 2016 have been recorded as matured bonds payable and matured interest payable at December 31, 2015.

On March 25, 2015 and September 16, 2015, respectively, the City issued its Indy Roads Revenue Bonds, Series 2015A and Series 2015B, each in the amount of \$35,000. The proceeds will be used to finance the construction and reconstruction of certain street, road, curb, traffic control and sidewalk improvements within the City.

On December 11, 2015, the City issued its Facilities Revenue Refunding Bonds, Series 2015, in the amount of \$9,485. The proceeds from these bonds along with funds on hand were used to currently refund all of the City’s outstanding Facilities Revenue Bonds, Series 2006 and 2007, in the outstanding amounts of \$8,345 and \$1,810. The refunding resulted in an accounting loss of \$64, which has been deferred and is being amortized over the life of bonds. As a result of the refundings, the City realized an economic gain (the difference between the present values of the debt service payments on the old and the new debt) of \$508.

Revenue bond debt service requirements to maturity are as follows:

| Years Ending December 31 | Governmental Activities | |
|-------------------------------------|--------------------------------|-------------------|
| | Principal | Interest |
| 2016 | \$ 4,630 | \$ 14,212 |
| 2017 | 6,920 | 14,756 |
| 2018 | 7,140 | 14,535 |
| 2019 | 12,225 | 14,134 |
| 2020 | 13,635 | 13,596 |
| 2021-2025 | 69,975 | 58,635 |
| 2026-2030 | 65,140 | 42,338 |
| 2031-2035 | 76,680 | 25,459 |
| 2036-2040 | 61,895 | 8,081 |
| 2041-2042 | 920 | 23 |
| | <u>\$ 319,160</u> | <u>\$ 205,769</u> |

At December 31, 2015, \$54,410 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, 2015 | Pledged Revenues for Fiscal Year Ended December 31, 2015 | Total Principal and Interest Remaining on Debt |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------|
| Tax increment revenue | Infrastructure investment in various special taxing districts | Through 2038 | Property tax increment | \$ 53,487 | \$ 83,953 | \$ 673,037 |
| Transportation revenue | Construction, reconstruction, and repair of roads, streets, and sidewalks | Through 2035 | Wheel tax and state transportation distributions | 3,656 | 14,644 | 119,870 |
| Facilities revenue | Improvements and repairs to various city and county-owned buildings | Through 2021 | Rent charged back to City and County agencies | 1,183 | 1,952 | 10,007 |
| Stormwater | Improvements of stormwater handling capabilities | Through 2041 | Net revenues of the stormwater system | 4,458 | 5,573 | 71,784 |
| Economic development | Provide financial incentives and assistance to a private developer for the construction of a downtown hotel and purchase of a parking garage | Through 2039 | Parking garage fees | 3,062 | 3,062 | 56,700 |
| PILOT | Construction of certain improvements to the City's public roads, street and sidewalks, and other public facilities. | Through 2040 | Payments in lieu of taxes | 7,910 | 8,168 | 285,787 |

F. Notes Payable and Certificates of Participation

- 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, 2015, \$1,500 was still outstanding.
- 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, 2015 is \$845.

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3. 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, 2015 is \$16,051.
4. In 2011, the Metropolitan Development Commission ("MDC") 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 CAC, which 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, 2015 is \$16,737.
5. On December 22, 2015, the City issued its Taxable General Revenue Note, Series 2015 (Justice Center Project) in the amount of \$12,000. The proceeds are being used to pay the costs of issuance of the note and related expenses in connection with the planning of a proposed criminal justice center. Under the terms of the agreement, the City makes interest payments on each February 1 and August 1, the stated interest rate is 2.12%. The full principal amount will be payable on December 1, 2017. The outstanding balance of the note at December 31, 2015 is \$12,000.
6. On December 30, 2015, the MDC and CAC entered into an agreement with a developer to construct phase II of the project known as CityWay. CAC entered into a loan agreement for \$18,250 in order to make the loan to the developer. Under the terms of the agreement, the interest payments are due each January 15 and July 15 and the stated interest rate is 3.89%. At December 31, 2015 the CAC has recorded \$17,300 of cash in escrow and long-term debt of \$18,300. Included in the cash balance is \$1,800 in debt service reserve and \$1,400 in continuing reserve. These amounts will be used to make the debt service payments until the balance in the continuing reserve reaches \$745, after which the developer will make the balance of the payment for the debt service. The City will grant amounts to CAC to repay the loan from existing Certified Technology Park revenues, tax increment financing revenues on the project property and payments from the developer. If such amounts are insufficient to repay the debt the City will pay the difference from excess tax increment financing revenues.
7. On December 31, 2015, the MDC and CAC entered into an agreement with a developer for the project known as 21C Complex which includes the 21C hotel, the 21C Museum and the 21C restaurant. On December 31, 2015 the CAC obtained an investment loan of \$9,250 with a 20-year maturity and interest rate of 3.89%. As of December 31, 2015, the only amounts paid from the loan were for closing costs and legal expense. The developer will make annual guaranteed payments to pay the debt; however, the Guaranteed Payment Agreement has not been executed as of June 30, 2016. There are additional agreements to be completed and closed, which in the project agreement were to be completed by June 30, 2016, however this deadline has been extended. There will be further borrowing once the agreement is completed. Any debt service payment required prior to the above agreement being executed will come from the cash balances in escrow. As of December 31, 2015 CAC has recorded \$9,200 of cash in escrow and \$9,300 of long-term debt for the investment loan.

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

| Years Ending December 31 | Governmental Activities | |
|-----------------------------|-------------------------|-----------|
| | Principal | Interest |
| 2016 | \$ 2,363 | \$ 2,312 |
| 2017 | 14,445 | 2,924 |
| 2018 | 18,494 | 1,997 |
| 2019 | 2,806 | 1,423 |
| 2020 | 2,878 | 1,333 |
| 2021-2025 | 13,798 | 5,204 |
| 2026-2030 | 9,924 | 2,872 |
| 2031-2035 | 8,905 | 1,191 |
| Thereafter | 1,020 | 20 |
| | \$ 74,633 | \$ 19,276 |
| Less matured note payables | (277) | |
| | \$ 74,356 | |

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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, 2015, the total net book value of capital assets under such leases was \$12,753 and the related capital lease obligations amounted to \$11,607.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2015:

| | Governmental Activities |
|---------------------------------------------|------------------------------------|
| 2016 | \$ 1,628 |
| 2017 | 1,628 |
| 2018 | 1,628 |
| 2019 | 1,628 |
| 2020 | 784 |
| 2021-2025 | 3,699 |
| 2026-2030 | 3,800 |
| 2031-2035 | 3,800 |
| 2036-2040 | 1,520 |
| | 20,115 |
| Amount representing interest | (8,508) |
| Present value of net minimum lease payments | \$ 11,607 |

H. Other Long-Term Liabilities:

1. Postemployment benefit obligation: As discussed later in these notes, the City provides postemployment healthcare benefits for police officers and firefighters. Civilian employees may continue healthcare coverage but are required to contribute 100% of their annual premium.
2. Net pension liabilities: As discussed later in these notes, the City’s single employer pension plans are funded on a “pay-as-you-go” basis.
3. Compensated Absences Payable: A long-term liability for benefit and sick leave earned but not paid of \$37,631 at December 31, 2015 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.

10. 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, 2015, 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, 2015 since 2001 is \$225,554.

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11. Fund Balances

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

| | <u>General Fund</u> | <u>Revenue Debt Service Fund</u> | <u>Metropolitan Thoroughfare Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|-----------------------------------------|-------------------------|------------------------------------------|-----------------------------------------------------------|--------------------------------------------|-------------------|
| Nonspendable: | | | | | |
| Permanent fund (principal and interest) | \$ — | \$ — | \$ — | \$ 353 | \$ 353 |
| Long-term receivable | — | — | — | 1,606 | 1,606 |
| | <u>—</u> | <u>—</u> | <u>—</u> | <u>1,959</u> | <u>1,959</u> |
| Restricted for: | | | | | |
| Street maintenance and projects | 21,528 | — | — | — | 21,528 |
| Sidewalk, curb, and street repair | — | — | — | 5,598 | 5,598 |
| Stormwater management | 13,778 | — | — | — | 13,778 |
| Debt service | — | 138,779 | — | 56,084 | 194,863 |
| Capital projects | — | — | 59,880 | 50,845 | 110,725 |
| Operating expenditures | — | — | — | 6,310 | 6,310 |
| Public safety | — | — | — | 133 | 133 |
| | <u>35,306</u> | <u>138,779</u> | <u>59,880</u> | <u>118,970</u> | <u>352,935</u> |
| Committed to: | | | | | |
| Rebuild Indy projects | 8,928 | — | — | — | 8,928 |
| Utility monitoring | 279 | — | — | — | 279 |
| | <u>9,207</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>9,207</u> |
| Assigned to: | | | | | |
| Redevelopment | 20,778 | — | — | — | 20,778 |
| Solid waste collection | 4,481 | — | — | — | 4,481 |
| Solid waste disposal | 1,864 | — | — | — | 1,864 |
| Parks and recreation | 5,728 | — | — | — | 5,728 |
| Stormwater management | 3,652 | — | — | — | 3,652 |
| Operating expenditures | 36,959 | — | — | — | 36,959 |
| Public safety | 6,313 | — | — | — | 6,313 |
| | <u>79,775</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>79,775</u> |
| Unassigned | <u>79,192</u> | <u>—</u> | <u>—</u> | <u>(322)</u> | <u>78,870</u> |
| Total fund balance | \$ <u>203,480</u> | \$ <u>138,779</u> | \$ <u>59,880</u> | \$ <u>120,607</u> | \$ <u>522,746</u> |

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12. 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 2015, the City contributed \$1,880 to the plan and the active officers’ contributions were \$968. 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. Any cash balance left at the end of the calendar year in the Retiree Health Insurance Fund (RHIF) is transferred to trusts established by the police and fire unions for the benefit of pensioners not eligible for RHIF benefit. 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, 2015. The next valuation will be completed as of December 31, 2017. 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, 2015:

| | | |
|--------------------------------------------|----|-----------------------|
| Annual required contribution | \$ | 21,481 |
| Interest on net OPEB obligation | | 4,764 |
| Amortization | | (4,856) |
| Adjustment to annual required contribution | | <u>(1,255)</u> |
| Annual OPEB cost (expense) | | 20,134 |
| Contributions made | | <u>(1,880)</u> |
| Increase in net OPEB obligation | | 18,254 |
| Net OPEB obligation – beginning of year | | <u>128,285</u> |
| Net OPEB obligation – end of year | \$ | <u><u>146,539</u></u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2014, and 2013 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> |
|------------------------------------|-----------------------------------|-----------------------------------------|----------------------------------------------------------------|--------------------------------------|
| 2015 | \$ 20,134 | \$ 1,880 | 9.34 % | \$ 146,539 |
| 2014 | 20,856 | 1,324 | 6.35 | 128,285 |
| 2013 | 22,715 | 1,607 | 7.07 | 108,753 |

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, 2015, was as follows:

| | | |
|--------------------------------------|----|-----------------------|
| Actuarial accrued liability | \$ | 166,390 |
| Actuarial value of plan assets | | <u>—</u> |
| Unfunded actuarial accrued liability | \$ | <u><u>166,390</u></u> |
| | | |
| Funded ratio | | 0% |
| Covered payroll | \$ | 284,453 |
| Unfunded actuarial accrued liability | | |
| as a percentage of covered payroll | | 58.49% |

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, 2015 |
| Actuarial cost method | Projected Unit Credit |
| Amortization method | Level percentage of expected payroll |
| Amortization period | 30 years open |
| Actuarial Assumptions: | |
| Discount rate | 3.60% effective annual rate |
| Projected salary increases | 2.75% |
| General inflation rate | 2.20% for the first 15 years and 2.5 thereafter, compounded annually |
| Healthcare inflation rate | Starting at 6.20% per year and gradually decreasing to 4.50% over a period of 55-70 years, depending on the medical plan |

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13. Pension Plans

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

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

Description of Plans

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

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

Plan Membership

The plan membership of the Police and Firefighters’ Pre-1977 Plans as of December 31, 2015 follows:

| | Pre-1977 Police Plan | Pre-1977 Firefighters’ Plan |
|---------------------------------------------------------|---------------------------------|----------------------------------------|
| Retirees and beneficiaries currently receiving benefits | 836 | 779 |
| Current employees - vested | 20 | 13 |
| Total | 856 | 792 |

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. In 2015, the State of Indiana contributed \$57,266 of pension relief to the City’s Police and Firefighters’ Pre-1977 Plans.

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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%.

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.

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

Plan Description

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

Funding Policy

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

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Retirement Benefits

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

Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for the 1977 Police and Firefighters' Plan. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. The INPRS Board approved an employer contribution rate of 19.7% for 2015 as compared to the actuarially determined contribution rate of 15.38% for this same year. The City's contribution to the plan for the year ended December 31, 2015 was \$33,947, equal to the approved employer contribution and 19.7% of covered payroll for each year.

3. Deferred Retirement Option Plan

Plan Description

Indiana's Deferred Retirement Option Plan ("DROP"), which was enacted into law in 2002, is available to all participants of the Police and Firefighters' Pre-1977 Plans and the 1977 Police and Firefighters' Plan. Those employees who elect to participate must remain in active employment, continue to make contributions to the plan and elect a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. Participating employees remain in the DROP until reaching the applicable mandatory retirement age and may make a DROP election only once in the employee's lifetime. Upon retirement, a DROP participant will receive a DROP frozen benefit to be paid in a lump-sum distribution or in 3 equal installments commencing on the participant's DROP retirement date. The City does not set aside amounts for the DROP participants under the Police and Firefighters' Pre-1977 Plans. As of December 31, 2015, a total of \$63,000 is held under the DROP for participating government employers of the 1977 Police and Firefighters' Plan.

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4. Indiana Public Employees' Retirement Fund

Plan Description

The City also contributes to the Indiana Public Employees' Retirement Fund ("PERF"), a cost-sharing, multiple-employer defined benefit pension plan established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by INPRS and is governed by the INPRS Board. PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Except for police and firefighters, all full-time City employees are eligible to participate in this plan. Additionally, all full-time employees of the Housing Agency participate in PERF under the City's employer account. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF, and can be found at <http://www.inprs.in.gov/>. This report may also be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687. Pension disclosures for the Housing Agency, which recognized pension expense of \$684 for 2015, are not included in this report but can be found in the Housing Agency's separately issued financial report.

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' Annuity Savings Account Only Plan ("PERF ASA Only Plan"). Currently, the PERF ASA Only Plan is available only to employees of the State. As of July 1, 2016, employees for political subdivisions may be eligible to participate.

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

Funding Policy

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

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2015, the City contributed 11.2% 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.

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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 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 FMLA leave, receiving workers' compensation benefits or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, 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.

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

Contributions

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the City, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The City's contractually required contribution rate for 2015 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2015, the City's actual contributions made of \$7,682 were equal to the actuarially required contributions.

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B. Assumptions

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

| <u>Assumptions</u> | <u>Police Pre-1977 Plan</u> | <u>Firefighters' Pre-1977 Plan</u> | <u>1977 Police and Firefighters' Plan</u> | <u>PERF</u> |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of valuation | December 31, 2014 - rolled forward to measurement date | December 31, 2014 - rolled forward to measurement date | June 30, 2014 - rolled forward to measurement date | June 30, 2014 - rolled forward to measurement date |
| Measurement date | December 31, 2015 | December 31, 2015 | June 30, 2015 | June 30, 2015 |
| Actuarial cost method | Entry age normal - Level Percent of Payroll | Entry age normal - Level Percent of Payroll | Entry age normal - Level Percent of Payroll | Entry age normal - Level Percent of Payroll |
| Long-term expected return on plan assets | N/A | N/A | 6.75% | 6.75% |
| Money-weighted rate of return | N/A | N/A | (0.1%) | 0.30% |
| Inflation rate | 2.25% | 2.25% | 2.25% | 2.25% |
| Cost of living adjustment | 2.00% - converted 2.50% - non-converted | 2.00% - converted 2.50% - non-converted | 0.00-1.40% | 1.00% |
| Salary increase | 2.50% | 2.50% | 2.50% | 2.50% - 4.25% |
| Mortality | RP-2014 Blue Collar Mortality Tables with mortality improvement since 2006 using Scale MP-2014 removed and projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report | RP-2014 Blue Collar Mortality Tables with mortality improvement since 2006 using Scale MP-2014 removed and projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report | RP-2014 (with MP-2014 improvement removed) Blue Collar Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report | RP-2014 (with MP-2104 improvement removed) Total Data Set Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report |
| Experience period | 7/1/10 to 6/30/14 | 7/1/10 to 6/30/14 | 7/1/10 to 6/30/14 | 7/1/10 to 6/30/14 |
| Discount rate | Barclay's 20-year Municipal Bond Index: | Barclay's 20-year Municipal Bond Index: | | |
| 2015 | 2.59% | 2.59% | 6.75% | 6.75% |
| 2014 | 2.56% | 2.56% | 6.75% | 6.75% |
| Asset valuation method | N/A - pay-as-you-go-basis | N/A - pay-as-you-go-basis | 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 | N/A | N/A | Level dollar | Level dollar |
| Amortization period | N/A | N/A | Closed – 30 years | Closed – 30 years |

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|--------------------------|-----------------------------------------------|
| Public equity | 22% | 5.3% |
| Private equity | 10% | 5.6% |
| Fixed income - ex inflation linked | 22% | 2.1% |
| Fixed income - inflation linked | 10% | 0.7% |
| Commodities | 8% | 2.0% |
| Real estate | 8% | 3.0% |
| Absolute return | 10% | 3.9% |
| Risk parity | 10% | 5.0% |
| Total | <u>100%</u> | |

Discount Rates

Because the Police and Firefighters’ Pre-1977 Plans have no accumulated assets, the discount rates for these plans are set equal to the Barclay’s 20-year Municipal Bond Index for the year ended December 31, 2015.

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

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

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

| <u>Plan</u> | <u>Net Pension Liability (Asset)</u> | | |
|--------------------------------------------------------------------------------|--------------------------------------|---------------------|--------------------|
| | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
| Pre-1977 Police Plan (current rate: 2.59%) | \$ 534,754 | \$ 477,768 | \$ 431,771 |
| Pre-1977 Firefighters’ Plan (current rate: 2.59%) | 494,459 | 443,319 | 401,083 |
| 1977 Police and Firefighters’ Plan (current rate: 6.75%) - proportionate share | 141,449 | (33,609) | (174,762) |
| PERF (current rate: 6.75%) - proportionate share | <u>83,701</u> | <u>56,743</u> | <u>34,363</u> |
| Total | <u>\$ 1,254,363</u> | <u>\$ 944,221</u> | <u>\$ 692,455</u> |

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

The net pension liabilities for the Police and Firefighters’ Pre-1977 Plans were measured as of December 31, 2015 and the total pension liability used to calculate the net liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to the measurement date. Member census data as of December 31, 2014, was used in the valuation and adjusted, where appropriate, to reflect changes between December 31, 2014 and December 31, 2015. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of December 31, 2014 to the December 31, 2015 measurement date.

The net pension asset for the 1977 Police and Firefighters’ Plan was measured as of June 30, 2015 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2014 rolled forward to the measurement date. Member census data as of June 30, 2014, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2014 to the June 30, 2015 measurement date. Wages reported by the City for police officers and for firefighters relative to the collective wages of the plan served as the basis to determine the City’s proportionate share for each member population. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2015, the City’s proportion for its police officers was .1163858%, which is an increase of .0027979% from its proportion measured as of June 30, 2014. At June 30, 2015, the City’s proportion for its firefighters was .1111337%, which was an increase of .0045819% from its proportion measured as of June 30, 2014.

The net pension liability for PERF was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to the measurement date. Member census data as of June 30, 2014, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2014 to the June 30, 2015 measurement date. Wages reported by the City relative to the collective wages of the plan served as the basis to determine the City’s proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2015, the City’s proportion was .0139319%, which was an increase of .0001829% from its proportion measured as of June 30, 2014.

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At December 31, 2015, the City reported the following net pension liabilities (assets), pension expense, deferred outflows of resources and deferred inflows of resources related to the City's four pension plans in which it participates:

| <u>Plan</u> | <u>Net Pension Asset</u> | <u>Net Pension Liability</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Pension Expense</u> |
|------------------------------------|--------------------------|------------------------------|---------------------------------------|--------------------------------------|------------------------|
| Police Pre-1977 Plan | \$ — | \$ 477,768 | \$ — | \$ — | \$ 8,706 |
| Firefighters' Pre-1977 Plan | — | 443,319 | — | — | 9,804 |
| 1977 Police and Firefighters' Plan | 33,609 | — | 48,933 | 78,521 | 9,225 |
| PERF | — | 56,743 | 16,249 | 626 | 9,124 |
| Total | \$ 33,609 | \$ 977,830 | \$ 65,182 | \$ 79,147 | \$ 36,859 |

The components of the net pension liability of the City for the Police and Firefighters' Pre-1977 Plans as of December 31, 2015 were as follows:

| | <u>Pre-1977 Police Plan</u> | <u>Pre-1977 Firefighters' Plan</u> |
|----------------------------------------------------------------------------|-----------------------------|------------------------------------|
| Total pension liability | \$ 478,713 | \$ 443,712 |
| Plan's fiduciary net position | (945) | (393) |
| City's net pension liability | <u>\$ 477,768</u> | <u>\$ 443,319</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>0.20%</u> | <u>0.09%</u> |

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

| | <u>Pre-1977 Police Plan</u> | | | <u>Pre-1977 Firefighters' Plan</u> | | |
|---------------------------------------------------|--------------------------------|-------------------------------|------------------------------|------------------------------------|-------------------------------|------------------------------|
| | <u>Total Pension Liability</u> | <u>Fiduciary Net Position</u> | <u>Net Pension Liability</u> | <u>Total Pension Liability</u> | <u>Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| Balances as of January 1, 2015 | \$ 499,179 | \$ 1,982 | \$ 497,197 | \$ 462,248 | \$ 626 | \$ 461,622 |
| Changes for the year: | | | | | | |
| Service cost | 598 | — | 598 | 327 | — | 327 |
| Interest on total pension liability | 12,393 | — | 12,393 | 11,500 | — | 11,500 |
| Difference between expected and actual experience | (2,747) | — | (2,747) | (628) | — | (628) |
| Effect of assumptions changes | (1,538) | — | (1,538) | (1,395) | — | (1,395) |
| Nonemployer contributing entity contributions | — | 29,116 | (29,116) | — | 28,150 | (28,150) |
| Projected benefit payments | (29,172) | — | (29,172) | (28,340) | — | (28,340) |
| Benefit payments | — | (30,153) | 30,153 | — | (28,383) | 28,383 |
| Total net changes | <u>(20,466)</u> | <u>(1,037)</u> | <u>(19,429)</u> | <u>(18,536)</u> | <u>(233)</u> | <u>(18,303)</u> |
| Balances as of December 31, 2015 | <u>\$ 478,713</u> | <u>\$ 945</u> | <u>\$ 477,768</u> | <u>\$ 443,712</u> | <u>\$ 393</u> | <u>\$ 443,319</u> |

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

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The Police and Firefighters' Pre-1977 Plans have no deferred outflows of resources or deferred inflows of resources as of December 31, 2015. Deferred outflows of resources and deferred inflows of resources related to the 1977 Police and Firefighters' Plan and PERF as of December 31, 2015 are from the following sources:

| | 1977 Police and Firefighters' Plan | | PERF | | Total | |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ — | \$ 14,617 | \$ 2,436 | \$ 117 | \$ 2,436 | \$ 14,734 |
| Net difference between projected and actual earnings on pension plan investments | 65,597 | 34,973 | 9,567 | 5,336 | 75,164 | 40,309 |
| Changes in assumptions | — | 62,915 | 4,797 | — | 4,797 | 62,915 |
| Changes in proportion and differences between the City's contribution and proportionate share contributions | 1,333 | 989 | 899 | 509 | 2,232 | 1,498 |
| City's contributions subsequent to the measurement date | 16,976 | — | 3,886 | — | 20,862 | — |
| Total | \$ 83,906 | \$ 113,494 | \$ 21,585 | \$ 5,962 | 105,491 | 119,456 |
| Netting required under GASB Statement No. 68 | | | | | (40,309) | (40,309) |
| Adjusted Total | | | | | \$ 65,182 | \$ 79,147 |

At December 31, 2015, the City reported \$16,976 and \$3,886 as deferred outflows of resources related to pensions resulting from plan contributions made by the City to the 1977 Police and Firefighters' Plan and PERF, respectively, subsequent to the measurement date. \$16,976 will be recognized as an increase in the net pension asset for the 1977 Police and Firefighters' Plan while \$3,886 will be recognized as a decrease in the net pension liability for PERF in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2015, related to pensions will be recognized in pension expense as follows:

| | 1977 Police and Firefighters' Plan | PERF | Total |
|--------------|-------------------------------------------|------------------|--------------------|
| 2016 | \$ (4,588) | \$ 3,753 | \$ (835) |
| 2017 | (4,588) | 3,753 | (835) |
| 2018 | (4,588) | 1,839 | (2,749) |
| 2019 | 7,069 | 2,392 | 9,461 |
| 2020 | (9,330) | — | (9,330) |
| Thereafter | (30,539) | — | (30,539) |
| Total | \$ (46,564) | \$ 11,737 | \$ (34,827) |

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D. 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

| | Police | Firefighters' | Total |
|--------------------------------------|----------------|----------------------|-----------------|
| ASSETS | Pension | Pension | Pension |
| Equity in pooled cash | \$ 327 | \$ 136 | \$ 463 |
| Investments | 618 | 257 | 875 |
| Total assets | <u>945</u> | <u>393</u> | <u>1,338</u> |
| NET POSITION | | | |
| Net position restricted for pensions | <u>\$ 945</u> | <u>\$ 393</u> | <u>\$ 1,338</u> |

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 | Firefighters' | Total |
| ADDITIONS | Pension | Pension | Pension |
| State of Indiana pension subsidy | \$ 29,116 | \$ 28,150 | \$ 57,266 |
| Total additions | <u>29,116</u> | <u>28,150</u> | <u>57,266</u> |
| DEDUCTIONS | | | |
| Benefits | 30,153 | 28,383 | 58,536 |
| Total deductions | <u>30,153</u> | <u>28,383</u> | <u>58,536</u> |
| Net increase (decrease) in net position | (1,037) | (233) | (1,270) |
| Net position restricted for pensions – beginning of year | 1,982 | 626 | 2,608 |
| Net position restricted for pensions – end of year | <u>\$ 945</u> | <u>\$ 393</u> | <u>\$ 1,338</u> |

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14. 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 \$942 at December 31, 2015. 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 \$1,162-\$12,750, 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. 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, 2015, the total termination payments due would be \$4,551.

15. 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 2015, the City's monthly share of the revenue was 30% for parking meter revenues collected between \$0 and \$621 and 60% for all such amounts above \$621 (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, 2015, \$18,000 is recorded as a deferred inflow of resources in the government-wide statement of net position for the unamortized portion of upfront payments by the operator to the City. The deferred inflow of resources is being amortized using the straight-line method over the 50-year term of the agreement and, in 2015, \$400 was amortized and recognized as revenue in the government-wide statement of activities.

16. 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 2015, the City incurred approximately \$16,177 in information systems costs and \$702 in telephone costs, of which approximately \$3,890 is due to the County at December 31, 2015 for these services. During 2015, the County paid the City \$616 for fuel charges. As of December 31, 2015 the County owed the City \$233 for court costs. In addition, the City and County both act in capacities as 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.

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

In connection with a Public Safety Support Agreement dated March 1, 2013, between the City and the CIB, the CIB is to pay a portion of the Marion County Admissions Taxes and Marion County Supplemental Auto Rental Excise Taxes it receives on an annual basis to the City to be used for public safety purposes. The CIB is to pay to the City 25% of the revenue received from the most recently enacted increase in the admissions tax, which in 2015 amounted to \$1,995; however, per the agreement, such amount shall never 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. The City has funded \$853 in repairs through December 31, 2015.

17. 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, 2015 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------------------------|-----------------|
| General Fund | Nonmajor Governmental Funds | \$ 219 |
| General Fund | Risk Management Internal Service Fund | 7,489 |
| | | <u>\$ 7,708</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, 2015 consisted of the following:

| <u>Transfers Out</u> | <u>Transfers In</u> | | | |
|-----------------------------------------------------|--------------------------------|---------------------------------------|------------------------------------|-------------------|
| | <u>Governmental Activities</u> | | | <u>Total</u> |
| | <u>General Fund</u> | <u>Revenue Bond Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | |
| General Fund | \$ — | \$ 675 | \$ 6,074 | \$ 6,749 |
| Revenue Bond Debt Service Fund | — | — | 52,456 | 52,456 |
| Metropolitan Thoroughfare District Capital Projects | — | — | 207 | 207 |
| Nonmajor Governmental Funds | <u>65,095</u> | <u>1,402</u> | <u>3,065</u> | <u>69,562</u> |
| Total transfers | <u>\$ 65,095</u> | <u>\$ 2,077</u> | <u>\$ 61,802</u> | <u>\$ 128,974</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
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(Dollars in Thousands)

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

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

Details of the adjustment for these reconciling items between the *fund balances – total governmental funds* and *net deficit of governmental activities*, as reported in the government-wide statement of net position at December 31, 2015, follow:

| | |
|--------------------------------------------------------------------------|---------------------|
| Bonds and notes payable and certificates of participation | \$ 1,152,750 |
| Unamortized premiums, net of discounts | 46,624 |
| Amounts recorded as matured bonds and notes payable at December 31, 2015 | (22,702) |
| Capital leases payable | 11,607 |
| Net pension liabilities | 977,830 |
| Postemployment benefit obligation | 146,539 |
| Compensated absences | <u>37,631</u> |
| Combined adjustment | <u>\$ 2,350,279</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, 2015, follow:

Debt issued:

| | |
|-----------------------------------------------------------------------------------|-------------------|
| Tax increment bonds, excluding accretion on capital appreciation bonds of \$8,323 | \$ 8,600 |
| Revenue bonds | 79,485 |
| Note payable | 39,500 |
| Unamortized premiums | <u>12,146</u> |
| Combined adjustment | <u>\$ 139,731</u> |

Repayments:

| | |
|-------------------------------------------------------------------|------------------|
| Bond principal, less decrease in matured bonds payable of \$1,603 | \$ 75,432 |
| Notes payable and certificates of participation | <u>5,289</u> |
| Combined adjustment | <u>\$ 80,721</u> |

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

19. Deficit Fund Balances and Net Position

Negative fund balances by fund are as follows:

| <u>Deficit Fund Balances</u> | <u>December 31,</u> <u>2015</u> |
|------------------------------|------------------------------------|
| Special Revenue Fund | |
| Drug Free Community | \$ <u><u>(190)</u></u> |
| Internal Service Fund | |
| Risk Management | \$ <u><u>(11,924)</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.

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Required
Supplementary Information

Required
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2015
(In thousands)

| | <u>Original budget</u> | <u>Final budget</u> | <u>Actual</u> | Variance with final budget – positive (negative) |
|---------------------------------------------------------|------------------------|---------------------|-------------------|---------------------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 345,946 | \$ 339,831 | \$ 343,128 | \$ 3,297 |
| Licenses and permits | 11,798 | 11,808 | 14,013 | 2,205 |
| Charges for services | 54,221 | 54,596 | 62,421 | 7,825 |
| Intergovernmental revenues | 47,390 | 52,260 | 50,509 | (1,751) |
| Traffic violations and court fees | 2,861 | 2,944 | 2,135 | (809) |
| Intragovernmental revenues | 3,366 | 3,366 | 2,031 | (1,335) |
| Interest and other operating revenues | 18,183 | 18,317 | 18,422 | 105 |
| Total revenues | <u>483,765</u> | <u>483,122</u> | <u>492,659</u> | <u>9,537</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 25,930 | 30,249 | 27,270 | 2,979 |
| Public safety | 372,889 | 381,580 | 373,237 | 8,343 |
| Public works | 102,158 | 111,023 | 107,035 | 3,988 |
| Health and welfare | 4,990 | 4,936 | 958 | 3,978 |
| Cultural and recreation | 12,877 | 12,979 | 12,414 | 565 |
| Urban redevelopment and housing | 5,754 | 5,712 | 4,349 | 1,363 |
| Economic development and assistance | 1,211 | 1,798 | 1,436 | 362 |
| Capital outlays | 16,922 | 34,828 | 29,921 | 4,907 |
| Total expenditures | <u>542,731</u> | <u>583,105</u> | <u>556,620</u> | <u>26,485</u> |
| Deficiency of revenues under expenditures | <u>(58,966)</u> | <u>(99,983)</u> | <u>(63,961)</u> | <u>36,022</u> |
| Other financing sources: | | | | |
| Sale and lease of property | 311 | 311 | 463 | 152 |
| Transfers in | 31,849 | 47,847 | 47,212 | (635) |
| Total other financing sources | <u>32,160</u> | <u>48,158</u> | <u>47,675</u> | <u>(483)</u> |
| Revenues under expenditures and other financing sources | <u>(26,806)</u> | <u>(51,825)</u> | <u>(16,286)</u> | <u>35,539</u> |
| Fund balance at beginning of year | 175,819 | 171,268 | 183,902 | 12,634 |
| Cancellation of purchase orders and other | <u>(5,834)</u> | <u>48,650</u> | <u>13,117</u> | <u>(35,533)</u> |
| Fund balance at end of year | <u>\$ 143,179</u> | <u>\$ 168,093</u> | <u>\$ 180,733</u> | <u>\$ 12,640</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, 2015
(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 | \$ 542,731 |
| Revisions | <u>40,374</u> |
| Revised appropriations | <u><u>\$ 583,105</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, 2015
(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, 2015
(In thousands)

3. Budget/GAAP Reporting Differences

Adjustments necessary to convert the results of 2015 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) | \$ | (16,286) |
| Adjustments: | | |
| Accrued revenues | | 69,540 |
| Accrued expenditures | | (63,912) |
| Transfers, net | | 11,135 |
| Encumbrances | | 28,440 |
| Expenditures from prior year encumbrances | | <u>(50,184)</u> |
| Net change in fund balances (GAAP basis) | \$ | <u><u>(21,267)</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 - Last Ten Fiscal Years
(In thousands)

| | 2015 | 2014 | 2013 |
|-----------------------------------------------|-------------|-------------|-------------|
| Total Pension Liability | | | |
| Service cost | \$ 598 | \$ 430 | \$ 244 |
| Interest cost | 12,393 | 18,697 | 22,693 |
| Experience (gains)/losses | (2,747) | — | (4,432) |
| Assumption changes | (1,539) | 61,324 | 65,959 |
| Projected benefit payments | (29,171) | (29,267) | (28,886) |
| Net change in total pension liability | (20,466) | 51,184 | 55,578 |
| | | | |
| Total pension liability - beginning | 499,179 | 447,995 | 392,417 |
| Total pension liability - ending | 478,713 | 499,179 | 447,995 |
| | | | |
| Plan Fiduciary Net Position | | | |
| Nonemployer contributing entity contributions | \$ 29,116 | \$ 28,762 | \$ 29,503 |
| Actual benefit payments | (30,153) | (28,783) | (28,469) |
| Net change in plan fiduciary net position | (1,037) | (21) | 1,034 |
| | | | |
| Plan fiduciary net position - beginning | 1,982 | 2,003 | 969 |
| Plan fiduciary net position - ending | 945 | 1,982 | 2,003 |
| | | | |
| City's Net Pension Liability | \$ 477,768 | \$ 497,197 | \$ 445,992 |

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2014 valuation.

- The interest rate, which is equal to the Barclay's 20-year Municipal Bond Index as of the valuation date, increased from 2.56% for the December 31, 2014 valuation to 2.59% for the December 31, 2015 valuation.

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

| | 2015 | 2014 | 2013 |
|-----------------------------------------------|-------------|-------------|-------------|
| Total Pension Liability | | | |
| Service cost | \$ 327 | \$ 299 | \$ 187 |
| Interest cost | 11,500 | 17,406 | 21,297 |
| Experience (gains)/losses | (628) | — | (3,704) |
| Assumption changes | (1,395) | 55,244 | 59,984 |
| Projected benefit payments | (28,340) | (28,489) | (29,490) |
| Net change in total pension liability | (18,536) | 44,460 | 48,274 |
| | | | |
| Total pension liability - beginning | 462,248 | 417,788 | 369,514 |
| Total pension liability - ending | 443,712 | 462,248 | 417,788 |
| | | | |
| Plan Fiduciary Net Position | | | |
| Nonemployer contributing entity contributions | \$ 28,150 | \$ 29,163 | \$ 29,209 |
| Actual benefit payments | (28,383) | (28,395) | (29,567) |
| Net change in plan fiduciary net position | (233) | 768 | (358) |
| | | | |
| Plan fiduciary net position - beginning | 626 | (142) | 216 |
| Plan fiduciary net position - ending | 393 | 626 | (142) |
| | | | |
| City's Net Pension Liability | \$ 443,319 | \$ 461,622 | \$ 417,930 |

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2014 valuation.

- The interest rate, which is equal to the Barclay's 20-year Municipal Bond Index as of the valuation date, increased from 2.56% for the December 31, 2014 valuation to 2.59% for the December 31, 2015 valuation.

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

| Actuarial valuation date | Total pension liability (a) | Plan fiduciary net position (b) | City's net pension liability (a-b) | Fiduciary net position as a % of total pension liability (b/a) | City's covered employee payroll* (c) | City's net pension liability as a percentage of covered payroll ((a-b)/c) |
|------------------------------------|--------------------------------------|------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------|
| Police Pre-1977 Plan | | | | | | |
| 12/31/2015 | \$ 478,713 | \$ 945 | \$ 477,768 | 0.20 % | \$ 1,645 | 29,043.6 % |
| 12/31/2014 | 499,179 | 1,982 | 497,197 | 0.40 | 1,805 | 27,545.5 |
| 12/31/2013 | 447,995 | 2,003 | 445,992 | 0.45 | 1,891 | 23,585.0 |
| Firefighters' Pre-1977 Plan | | | | | | |
| 12/31/2015 | 443,712 | 393 | 443,319 | 0.09 | 1,175 | 37,729.3 |
| 12/31/2014 | 462,248 | 626 | 461,622 | 0.14 | 1,370 | 33,695.0 |
| 12/31/2013 | 417,788 | (142) | 417,930 | 0.03 | 1,533 | 27,262.2 |

* Plans closed to new members

Notes to Schedule

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

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

| | <u>2015</u> | <u>2014</u> |
|--------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| 1977 Police and Firefighters' Plan | | |
| City's proportion of the net pension liability (asset) | 22.75 % | 22.01 % |
| City's proportionate share of the net pension liability (asset) | \$ (33,609) | \$ (11,223) |
| City's covered-employee payroll | \$ 169,660 | \$ 156,274 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | (19.81) % | (7.18) % |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 103.16 % | 101.08 % |
| PERF | | |
| City's proportion of the net pension liability (asset) | 13.93 % | 13.75 % |
| City's proportionate share of the net pension liability (asset) | \$ 56,743 | \$ 36,131 |
| City's covered-employee payroll | \$ 66,731 | \$ 67,127 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 85.03 % | 53.82 % |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 77.35 % | 84.29 % |

Notes to Schedule

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

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

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

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

| | 2015 | 2014 |
|----------------------------------------------------------------------|-------------|-------------|
| 1977 Police and Firefighters' Plan | | |
| Actuarially determined contribution | \$ 26,503 | \$ 26,211 |
| Contributions in relation to the actuarially determined contribution | \$ 33,947 | \$ 31,256 |
| Contribution deficiency (excess) | \$ (7,444) | \$ (5,045) |
| City's covered payroll | \$ 169,213 | \$ 159,052 |
| Contributions as a percentage of covered payroll | 20.06 % | 19.65 % |
| | | |
| PERF | | |
| Actuarially determined contribution | \$ 7,682 | \$ 7,065 |
| Contributions in relation to the actuarially determined contribution | \$ 7,682 | \$ 7,065 |
| Contribution deficiency (excess) | \$ — | \$ — |
| City's covered payroll | \$ 68,622 | \$ 67,406 |
| Contributions as a percentage of covered payroll | 11.19 % | 10.48 % |
| | | |
| Police Pre-1977 Plan | | |
| Statutorily required contribution | \$ 29,116 | \$ 28,762 |
| Contributions in relation to the statutorily required contribution | \$ 29,116 | \$ 28,762 |
| Contribution deficiency (excess) | \$ — | \$ — |
| City's covered payroll* | \$ 1,645 | \$ 1,805 |
| Contributions as a percentage of covered payroll | 1,769.97 % | 1,593.46 % |
| | | |
| Firefighters' Pre-1977 Plan | | |
| Statutorily required contribution | \$ 28,150 | \$ 29,164 |
| Contributions in relation to the statutorily required contribution | \$ 28,150 | \$ 29,164 |
| Contribution deficiency (excess) | \$ — | \$ — |
| City's covered payroll* | \$ 1,175 | \$ 1,370 |
| Contributions as a percentage of covered payroll | 2,395.74 % | 2,128.76 % |

* Plans closed to new members

(Continued)

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

Notes to Schedule

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

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

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

Police and Firefighters' Statutory Plan

Benefit changes: None

Changes in assumptions: An assumption study was performed in April of 2015 resulting in an update to the following assumptions

- The inflation assumption decreased from 3.00% to 2.25% per year.
- The future salary increase rate assumption decreased from 3.25% to 2.50% per year.
- The future COLA assumption decreased from 2.25% to 2.00% per year.
- The mortality assumption changed from the 2013 IRS Static Mortality projected five years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report
- The disability assumption was adjusted to reflect recent experience.
- The termination assumption is service-based table of rates. The rates at most years of service were decreased to reflect recent experience

PERF

Benefit changes: None

Changes in assumptions: An assumption study was performed in April of 2015 resulting in an update to the following assumptions

- The inflation assumption decreased from 3.00% to 2.25% per year.
- The future salary increase assumption changed from an age-based table ranging from 3.25% to 4.50% to an age-based table ranging from 2.50% to 4.25%.
- The mortality assumption changed from the 2013 IRS Static Mortality projected five years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set mortality tables projected on a fully generationally basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report
- The retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediate and 67% are assumed to commence benefits at unreduced retirement eligibility. If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately
- The termination assumption was updated based on recent experience. For members earning less than \$20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than \$20,000, the tables were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule
- The disability assumption was updated based on recent experience.
- The ASA Annuitization assumption was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2017.

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) |
|---------------------------------|-----------------------------------------|---------------------------------|--------------------------------------------------|------------------------------|-------------------------------|------------------------------------------------------------|
| 12/31/2015 | \$ — | 166,390 | \$ 166,390 | — % | \$ 284,453 | 58.49 % |
| 12/31/2014* | — | 161,253 | 161,253 | — | 271,716 | 59.35 |
| 12/31/2013 | — | 161,253 | 161,253 | — | 266,438 | 60.52 |

* 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, 2015
(In thousands)

| | Nonmajor Special Revenue | Nonmajor Debt Service | Nonmajor Capital Projects | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|-----------------------------------------------------------------------------|-----------------------------------------|--------------------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------|
| ASSETS | | | | | |
| Equity in pooled cash | \$ 3,300 | \$ 14,320 | \$ 15,846 | \$ — | \$ 33,466 |
| Cash and investments with fiscal agents | 2,758 | 45,167 | 6,086 | 353 | 54,364 |
| Investments | 6,246 | 27,119 | 29,978 | — | 63,343 |
| Property taxes receivable | — | 639 | 450 | — | 1,089 |
| Accounts receivable, less allowance | 37 | 263 | 4,676 | — | 4,976 |
| Due from federal and state governments | 9,649 | — | — | — | 9,649 |
| Long-term receivables, less allowance | — | 706 | 900 | — | 1,606 |
| | <u>21,990</u> | <u>88,214</u> | <u>57,936</u> | <u>353</u> | <u>168,493</u> |
| Total assets | \$ <u>21,990</u> | \$ <u>88,214</u> | \$ <u>57,936</u> | \$ <u>353</u> | \$ <u>168,493</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Matured bonds payable | \$ — | \$ 21,902 | \$ — | \$ — | \$ 21,902 |
| Matured interest payable | — | 8,047 | — | — | 8,047 |
| Accounts payable and other accrued liabilities | 8,010 | 233 | 5,599 | — | 13,842 |
| Accrued payroll and payroll taxes | 109 | — | — | — | 109 |
| Due to other funds | 219 | — | — | — | 219 |
| Unearned revenue | 141 | — | — | — | 141 |
| | <u>8,479</u> | <u>30,182</u> | <u>5,599</u> | <u>—</u> | <u>44,260</u> |
| Total liabilities | 8,479 | 30,182 | 5,599 | — | 44,260 |
| Deferred inflows of resources | <u>1,660</u> | <u>1,374</u> | <u>592</u> | <u>—</u> | <u>3,626</u> |
| Fund balances: | | | | | |
| Nonspendable | — | 706 | 900 | 353 | 1,959 |
| Restricted | 12,041 | 56,084 | 50,845 | — | 118,970 |
| Unassigned | (190) | (132) | — | — | (322) |
| | <u>11,851</u> | <u>56,658</u> | <u>51,745</u> | <u>353</u> | <u>120,607</u> |
| Total fund balances | 11,851 | 56,658 | 51,745 | 353 | 120,607 |
| Total liabilities, deferred inflows of resources and fund balances | \$ <u>21,990</u> | \$ <u>88,214</u> | \$ <u>57,936</u> | \$ <u>353</u> | \$ <u>168,493</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, 2015
(In thousands)

| | Nonmajor Special Revenue | Nonmajor Debt Service | Nonmajor Capital Projects | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|-----------------------------------------------------------|-----------------------------------------|--------------------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 53,878 | \$ 33,825 | \$ 12,001 | \$ — | \$ 99,704 |
| Charges for services | 2,265 | — | — | — | 2,265 |
| Intergovernmental revenues | 39,601 | 1,437 | 3,178 | — | 44,216 |
| Traffic violations and court fees | 3,602 | — | — | — | 3,602 |
| Interest and other operating revenues | 449 | 27,300 | 409 | (4) | 28,154 |
| Total revenues | <u>99,795</u> | <u>62,562</u> | <u>15,588</u> | <u>(4)</u> | <u>177,941</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 1,412 | — | — | — | 1,412 |
| Public safety | 7,959 | — | — | — | 7,959 |
| Public works | 1,898 | — | — | — | 1,898 |
| Health and welfare | 6,680 | — | — | — | 6,680 |
| Cultural and recreation | 1,534 | — | — | — | 1,534 |
| Urban redevelopment and housing | 18,785 | — | — | — | 18,785 |
| Economic development and assistance | 3 | 8,000 | 43,891 | — | 51,894 |
| Debt service: | | | | | |
| Redemption of bonds and notes | 8 | 33,033 | 655 | — | 33,696 |
| Interest on bonds and notes | 4 | 29,452 | 22 | — | 29,478 |
| Bond and note issuance costs | — | 1,029 | 374 | — | 1,403 |
| Lease payments and other | — | 14,456 | — | — | 14,456 |
| Capital outlays | 6,637 | — | 33,388 | — | 40,025 |
| Total expenditures | <u>44,920</u> | <u>85,970</u> | <u>78,330</u> | <u>—</u> | <u>209,220</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>54,875</u> | <u>(23,408)</u> | <u>(62,742)</u> | <u>(4)</u> | <u>(31,279)</u> |
| Other financing sources (uses): | | | | | |
| Bonds and notes issued | — | 27,500 | 19,100 | — | 46,600 |
| Proceeds from restructuring of debt | — | 749 | — | — | 749 |
| Transfers in | 235 | 23,633 | 37,934 | — | 61,802 |
| Transfers out | (54,015) | (1,249) | (14,298) | — | (69,562) |
| Total other financing sources (uses) | <u>(53,780)</u> | <u>50,633</u> | <u>42,736</u> | <u>—</u> | <u>39,589</u> |
| Net change in fund balances | 1,095 | 27,225 | (20,006) | (4) | 8,310 |
| Fund balances at beginning of year | 10,756 | 29,433 | 71,751 | 357 | 112,297 |
| Fund balances at end of year | <u>\$ 11,851</u> | <u>\$ 56,658</u> | <u>\$ 51,745</u> | <u>\$ 353</u> | <u>\$ 120,607</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, 2015
(In thousands)

| | General Fund Total | Intrafund Eliminations | Consolidated County | Redevelop- ment | Solid Waste | | Public Safety Communications |
|---------------------------------------------------------------------|-----------------------|---------------------------|------------------------|--------------------|------------------|-----------------|---------------------------------|
| | | | | | Collection | Disposal | |
| ASSETS | | | | | | | |
| Equity in pooled cash | \$ 50,060 | \$ — | \$ 17,369 | \$ 7,249 | \$ 3,208 | \$ 916 | \$ 632 |
| Cash and investments with fiscal agents | 3,242 | — | 3,242 | — | — | — | — |
| Investments | 173,051 | — | 111,132 | 13,730 | 6,075 | 1,735 | 1,198 |
| Property taxes receivable | 6,428 | — | 793 | 12 | 931 | — | — |
| Accounts receivable | 21,660 | — | 4,467 | 8 | 439 | 1,297 | — |
| Allowance for estimated uncollectibles – accounts receivable | (748) | — | — | — | — | — | — |
| Due from other funds | 7,708 | — | 7,708 | — | — | — | — |
| Due from federal and state governments | 278 | — | — | — | — | — | — |
| Total assets | <u>\$ 261,679</u> | <u>—</u> | <u>\$ 144,711</u> | <u>\$ 20,999</u> | <u>\$ 10,653</u> | <u>\$ 3,948</u> | <u>\$ 1,830</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 25,083 | \$ — | \$ 9,858 | \$ 194 | \$ 4,768 | \$ 830 | \$ 440 |
| Accrued payroll and payroll taxes | 19,954 | — | 7,265 | 10 | 120 | — | 96 |
| Unearned revenue | 212 | — | 63 | — | — | — | — |
| Total liabilities | <u>45,249</u> | <u>—</u> | <u>17,186</u> | <u>204</u> | <u>4,888</u> | <u>830</u> | <u>536</u> |
| Deferred inflows of resources | <u>12,950</u> | <u>—</u> | <u>1,118</u> | <u>17</u> | <u>1,284</u> | <u>1,254</u> | <u>—</u> |
| Fund balances: | | | | | | | |
| Restricted | 35,306 | — | — | — | — | — | — |
| Committed | 9,207 | — | 9,207 | — | — | — | — |
| Assigned | 79,775 | — | 36,959 | 20,778 | 4,481 | 1,864 | 1,294 |
| Unassigned | 79,192 | — | 80,241 | — | — | — | — |
| Total fund balances (deficits) | <u>203,480</u> | <u>—</u> | <u>126,407</u> | <u>20,778</u> | <u>4,481</u> | <u>1,864</u> | <u>1,294</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 261,679</u> | <u>\$ —</u> | <u>\$ 144,711</u> | <u>\$ 20,999</u> | <u>\$ 10,653</u> | <u>\$ 3,948</u> | <u>\$ 1,830</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, 2015
(In thousands)

| | <u>Transportation</u> | <u>Fire</u> | <u>Park</u> | <u>Metropolitan Police</u> | <u>Storm Water Management</u> |
|-------------------------------------------------------------------------|-----------------------|------------------|-----------------|--------------------------------|-----------------------------------|
| ASSETS | | | | | |
| Equity in pooled cash | \$ 5,067 | \$ 2,202 | \$ 2,258 | \$ 4,259 | \$ 6,900 |
| Cash and investments with fiscal agents | — | — | — | — | — |
| Investments | 9,598 | 4,171 | 4,275 | 8,068 | 13,069 |
| Property taxes receivable | — | 2,969 | 534 | 1,189 | — |
| Accounts receivable | 9,715 | 979 | 328 | 844 | 3,583 |
| Allowance for estimated uncollectibles – accounts receivable | — | — | — | — | (748) |
| Due from other funds | — | — | — | — | — |
| Due from federal and state governments | 192 | — | 10 | 76 | — |
| Total assets | <u>\$ 24,572</u> | <u>\$ 10,321</u> | <u>\$ 7,405</u> | <u>\$ 14,436</u> | <u>\$ 22,804</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and other accrued liabilities | \$ 2,645 | \$ 1,183 | \$ 590 | \$ 2,043 | \$ 2,532 |
| Accrued payroll and payroll taxes | 207 | 6,377 | 165 | 5,676 | 38 |
| Unearned revenue | — | — | 149 | — | — |
| Total liabilities | <u>2,852</u> | <u>7,560</u> | <u>904</u> | <u>7,719</u> | <u>2,570</u> |
| Deferred inflows of resources | <u>192</u> | <u>3,810</u> | <u>773</u> | <u>1,698</u> | <u>2,804</u> |
| Fund balance: | | | | | |
| Restricted | 21,528 | — | — | — | 13,778 |
| Committed | — | — | — | — | — |
| Assigned | — | — | 5,728 | 5,019 | 3,652 |
| Unassigned | — | (1,049) | — | — | — |
| Total fund balances (deficits) | <u>21,528</u> | <u>(1,049)</u> | <u>5,728</u> | <u>5,019</u> | <u>17,430</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 24,572</u> | <u>\$ 10,321</u> | <u>\$ 7,405</u> | <u>\$ 14,436</u> | <u>\$ 22,804</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, 2015
(In thousands)

| | General Fund Total | Intrafund eliminations | Consolidated County | Redevelop- ment | Solid Waste | | Public Safety Communications |
|-----------------------------------------------------------|-----------------------|---------------------------|------------------------|--------------------|-----------------|-----------------|---------------------------------|
| | | | | | Collection | Disposal | |
| Revenues: | | | | | | | |
| Taxes | \$ 342,817 | \$ — | \$ 155,445 | \$ 635 | \$ 31,020 | \$ — | \$ 6,497 |
| Licenses and permits | 14,249 | — | 13,761 | 27 | — | — | — |
| Charges for services | 63,479 | — | 14,660 | 1,132 | 228 | 8,846 | 155 |
| Other intergovernmental revenues: | | | | | | | |
| Federal revenues | 2,638 | — | (23) | — | — | — | — |
| State revenues | 103,866 | — | 2,306 | 1,038 | — | — | — |
| Other revenues | 3,891 | — | 1,520 | — | — | — | 123 |
| Intragovernmental revenue | 2,342 | — | 2,124 | — | — | — | — |
| Traffic violations and court fees | 2,220 | — | 1,379 | — | — | — | — |
| Interest and other operating revenues | 23,441 | — | 7,128 | 218 | 496 | 2 | — |
| Total revenues | <u>558,943</u> | <u>—</u> | <u>198,300</u> | <u>3,050</u> | <u>31,744</u> | <u>8,848</u> | <u>6,775</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 23,476 | — | 23,476 | — | — | — | — |
| Public safety | 434,532 | — | 24,434 | — | — | — | 7,714 |
| Public works | 105,921 | — | 2,702 | — | 36,830 | 6,222 | — |
| Health and welfare | 870 | — | 366 | 504 | — | — | — |
| Cultural and recreation | 11,733 | — | 1,000 | — | — | — | — |
| Urban redevelopment and housing | 3,946 | — | 2,755 | 664 | — | — | — |
| Economic development and assistance | 1,308 | — | 283 | 1,025 | — | — | — |
| Debt service: | | | | | | | |
| Redemption of bonds and notes | 1,297 | — | 809 | 3 | — | — | — |
| Interest on bonds and notes | 791 | — | 389 | 1 | — | — | — |
| Lease payments and other | 50 | — | 2 | 32 | 1 | — | — |
| Capital outlays | 58,352 | — | 32,628 | 1,805 | 220 | — | 142 |
| Total expenditures | <u>642,276</u> | <u>—</u> | <u>88,844</u> | <u>4,034</u> | <u>37,051</u> | <u>6,222</u> | <u>7,856</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(83,333)</u> | <u>—</u> | <u>109,456</u> | <u>(984)</u> | <u>(5,307)</u> | <u>2,626</u> | <u>(1,081)</u> |
| Other financing sources (uses): | | | | | | | |
| Issuance of capital lease | 3,248 | — | 3,248 | — | — | — | — |
| Sales of capital assets | 472 | — | 212 | 260 | — | — | — |
| Transfers in | 65,095 | (186,942) | 30,754 | — | 1,345 | — | — |
| Transfers out | (6,749) | 186,942 | (165,036) | (775) | — | (1,345) | — |
| Total other financing sources (uses) | <u>62,066</u> | <u>—</u> | <u>(130,822)</u> | <u>(515)</u> | <u>1,345</u> | <u>(1,345)</u> | <u>—</u> |
| Net change in fund balance | <u>(21,267)</u> | <u>—</u> | <u>(21,366)</u> | <u>(1,499)</u> | <u>(3,962)</u> | <u>1,281</u> | <u>(1,081)</u> |
| Fund balances (deficits) at beginning 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> |
| Fund balances (deficits) at end of year | <u>\$ 203,480</u> | <u>\$ —</u> | <u>\$ 126,407</u> | <u>\$ 20,778</u> | <u>\$ 4,481</u> | <u>\$ 1,864</u> | <u>\$ 1,294</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, 2015
(In thousands)

| | <u>Transportation</u> | <u>Fire</u> | <u>Park</u> | <u>Metropolitan Police</u> | <u>Storm Water Management</u> |
|-----------------------------------------------------------|-----------------------|-------------------|-----------------|--------------------------------|-----------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 9,800 | \$ 80,229 | \$ 18,343 | \$ 40,848 | \$ — |
| Licenses and permits | 21 | 16 | — | 423 | 1 |
| Charges for services | 3,907 | 680 | 4,544 | 2,581 | 26,746 |
| Other intergovernmental revenues: | | | | | |
| Federal revenues | 2,335 | — | 91 | 235 | — |
| State revenues | 40,827 | 28,692 | — | 31,003 | — |
| Other revenues | — | 1,124 | — | 1,124 | — |
| Intragovernmental revenue | 218 | — | — | — | — |
| Traffic violations and court fees | — | — | — | 841 | — |
| Interest and other operating revenues | 1,796 | 3,660 | 10 | 9,757 | 374 |
| Total revenues | <u>58,904</u> | <u>114,401</u> | <u>22,988</u> | <u>86,812</u> | <u>27,121</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | — | — | — | — | — |
| Public safety | — | 172,601 | 2,445 | 227,338 | — |
| Public works | 37,394 | — | 7,853 | — | 14,920 |
| Health and welfare | — | — | — | — | — |
| Cultural and recreation | — | — | 10,733 | — | — |
| Urban redevelopment and housing | 527 | — | — | — | — |
| Economic development and assistance | — | — | — | — | — |
| Debt service: | | | | | |
| Redemption of bonds and notes | — | 104 | 106 | 105 | 170 |
| Interest on bonds and notes | — | 50 | 283 | 51 | 17 |
| Lease payments and other | 2 | 2 | 11 | — | — |
| Capital outlays | 12,184 | 409 | 176 | 1,735 | 9,053 |
| Total expenditures | <u>50,107</u> | <u>173,166</u> | <u>21,607</u> | <u>229,229</u> | <u>24,160</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>8,797</u> | <u>(58,765)</u> | <u>1,381</u> | <u>(142,417)</u> | <u>2,961</u> |
| Other financing sources (uses): | | | | | |
| Issuance of capital lease | — | — | — | — | — |
| Sales of capital assets | — | — | — | — | — |
| Transfers in | 8,000 | 51,700 | — | 160,067 | 171 |
| Transfers out | (10,800) | — | (2) | (9,933) | (5,800) |
| Total other financing sources (uses) | <u>(2,800)</u> | <u>51,700</u> | <u>(2)</u> | <u>150,134</u> | <u>(5,629)</u> |
| Net change in fund balance | 5,997 | (7,065) | 1,379 | 7,717 | (2,668) |
| Fund balances (deficits) at beginning of year | 15,531 | 6,016 | 4,349 | (2,698) | 20,098 |
| Fund balances (deficits) at end of year | <u>\$ 21,528</u> | <u>\$ (1,049)</u> | <u>\$ 5,728</u> | <u>\$ 5,019</u> | <u>\$ 17,430</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, 2015
(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 | \$ 339,831 | \$ 343,128 | \$ 155,136 | \$ 155,444 | \$ 559 | \$ 635 | \$ 30,710 | \$ 31,020 |
| Licenses and permits | 11,808 | 14,013 | 11,366 | 13,529 | — | 27 | — | — |
| Charges for services | 54,596 | 62,421 | 13,619 | 14,529 | 743 | 1,129 | 250 | 212 |
| Other intergovernmental revenues: | | | | | | | | |
| Federal revenues | 3,030 | 2,070 | — | 30 | — | — | — | — |
| State revenues | 45,008 | 44,885 | 2,339 | 1,664 | 750 | 1,038 | — | — |
| Other revenues | 4,222 | 3,554 | 2,207 | 1,435 | — | — | — | — |
| Traffic violations and court fees | 2,944 | 2,135 | 1,838 | 1,361 | — | — | — | — |
| Intragovernmental revenues | 3,366 | 2,031 | 3,366 | 1,813 | — | — | — | — |
| Interest and other operating revenues | 18,317 | 18,422 | 6,652 | 4,163 | 770 | 989 | 200 | 321 |
| Total revenues | <u>483,122</u> | <u>492,659</u> | <u>196,523</u> | <u>193,968</u> | <u>2,822</u> | <u>3,818</u> | <u>31,160</u> | <u>31,553</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 30,249 | 27,270 | 30,217 | 27,237 | 32 | 32 | — | — |
| Public safety | 381,580 | 373,237 | 24,216 | 21,501 | — | — | — | — |
| Public works | 111,023 | 107,035 | 2,791 | 2,427 | — | — | 39,651 | 37,259 |
| Health and welfare | 4,936 | 958 | 293 | 372 | 4,643 | 586 | — | — |
| Cultural and recreation | 12,979 | 12,414 | 1,000 | 1,000 | — | — | — | — |
| Urban redevelopment and housing | 5,712 | 4,349 | 4,343 | 3,127 | 759 | 689 | — | — |
| Economic development and assistance | 1,798 | 1,436 | 464 | 295 | 1,334 | 1,141 | — | — |
| Capital outlays | 34,828 | 29,921 | 10,941 | 10,619 | 1,825 | 1,805 | 386 | 314 |
| Total expenditures | <u>583,105</u> | <u>556,620</u> | <u>74,265</u> | <u>66,578</u> | <u>8,593</u> | <u>4,253</u> | <u>40,037</u> | <u>37,573</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(99,983)</u> | <u>(63,961)</u> | <u>122,258</u> | <u>127,390</u> | <u>(5,771)</u> | <u>(435)</u> | <u>(8,877)</u> | <u>(6,020)</u> |
| Other financing sources (uses): | | | | | | | | |
| Sales of capital assets | 311 | 463 | 311 | 203 | — | 260 | — | — |
| Transfers in (out) | 47,847 | 47,212 | (130,340) | (130,591) | (100) | (775) | — | 1,345 |
| Total other financing sources (uses) | <u>48,158</u> | <u>47,675</u> | <u>(130,029)</u> | <u>(130,388)</u> | <u>(100)</u> | <u>(515)</u> | <u>—</u> | <u>1,345</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(51,825)</u> | <u>(16,286)</u> | <u>(7,771)</u> | <u>(2,998)</u> | <u>(5,871)</u> | <u>(950)</u> | <u>(8,877)</u> | <u>(4,675)</u> |
| Fund balances at beginning of year | 171,268 | 183,902 | 104,929 | 110,782 | 18,053 | 20,655 | 9,013 | 8,976 |
| Cancellation of purchase orders and other | 48,650 | 13,117 | 10,917 | 6,342 | 9,933 | 554 | 2,261 | (125) |
| Fund balances at end of year | <u>\$ 168,093</u> | <u>\$ 180,733</u> | <u>\$ 108,075</u> | <u>\$ 114,126</u> | <u>\$ 22,115</u> | <u>\$ 20,259</u> | <u>\$ 2,397</u> | <u>\$ 4,176</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, 2015

(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 | \$ 6,497 | \$ 10,500 | \$ 10,113 | \$ 38,525 | \$ 40,847 |
| Licenses and permits | — | — | — | — | — | 21 | 412 | 419 |
| Charges for services | 8,484 | 8,802 | 190 | 155 | 4,150 | 3,240 | 1,890 | 2,438 |
| Other intergovernmental revenues: | | | | | | | | |
| Federal revenues | — | — | — | — | 2,825 | 1,742 | 130 | 235 |
| State revenues | — | — | — | — | 37,059 | 39,753 | 4,317 | 1,887 |
| Other revenues | — | — | 115 | 123 | — | — | 950 | 998 |
| Traffic violations and court fees | — | — | — | — | — | — | 1,106 | 774 |
| Intragovernmental revenues | — | — | — | — | — | 218 | — | — |
| Interest and other operating revenues | — | 2 | — | — | 50 | 260 | 6,971 | 8,643 |
| Total revenues | <u>8,484</u> | <u>8,804</u> | <u>6,805</u> | <u>6,775</u> | <u>54,584</u> | <u>55,347</u> | <u>54,301</u> | <u>56,241</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | — | — | — | — | — | 1 | — | — |
| Public safety | — | — | 7,967 | 7,498 | — | — | 202,541 | 197,717 |
| Public works | 6,342 | 6,270 | — | — | 38,073 | 37,815 | — | — |
| Health and welfare | — | — | — | — | — | — | — | — |
| Cultural and recreation | — | — | — | — | — | — | — | — |
| Urban redevelopment and housing | — | — | — | — | 610 | 533 | — | — |
| Economic development and assistance | — | — | — | — | — | — | — | — |
| Capital outlays | — | — | 168 | 123 | 7,868 | 7,771 | 5,690 | 1,730 |
| Total expenditures | <u>6,342</u> | <u>6,270</u> | <u>8,135</u> | <u>7,621</u> | <u>46,551</u> | <u>46,120</u> | <u>208,231</u> | <u>199,447</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,142</u> | <u>2,534</u> | <u>(1,330)</u> | <u>(846)</u> | <u>8,033</u> | <u>9,227</u> | <u>(153,930)</u> | <u>(143,206)</u> |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | — | — | — | — | — | — | — | — |
| Transfers in (out) | — | (1,345) | — | — | (10,800) | (10,800) | 143,187 | 143,309 |
| Total other financing sources (uses) | <u>—</u> | <u>(1,345)</u> | <u>—</u> | <u>—</u> | <u>(10,800)</u> | <u>(10,800)</u> | <u>143,187</u> | <u>143,309</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>2,142</u> | <u>1,189</u> | <u>(1,330)</u> | <u>(846)</u> | <u>(2,767)</u> | <u>(1,573)</u> | <u>(10,743)</u> | <u>103</u> |
| Fund balances at beginning of year | 634 | 437 | 1,657 | 1,776 | 4,057 | 2,837 | 7,825 | 8,094 |
| Cancellation of purchase orders and other | (993) | 267 | 174 | 172 | 7,367 | 6,424 | 10,608 | 371 |
| Fund balances at end of year | <u>\$ 1,783</u> | <u>\$ 1,893</u> | <u>\$ 501</u> | <u>\$ 1,102</u> | <u>\$ 8,657</u> | <u>\$ 7,688</u> | <u>\$ 7,690</u> | <u>\$ 8,568</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, 2015
(In thousands)

| | Fire | | Park | | Storm Water Management | |
|-----------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------------|------------------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | |
| Taxes | \$ 79,807 | \$ 80,229 | \$ 18,094 | \$ 18,343 | \$ — | \$ — |
| Licenses and permits | 30 | 16 | — | — | — | 1 |
| Charges for services | 918 | 669 | 4,061 | 4,532 | 20,291 | 26,715 |
| Other intergovernmental revenues: | | | | | | |
| Federal revenues | — | — | 75 | 63 | — | — |
| State revenues | 543 | 543 | — | — | — | — |
| Other revenues | 950 | 998 | — | — | — | — |
| Traffic violations and court fees | — | — | — | — | — | — |
| Intragovernmental revenues | — | — | — | — | — | — |
| Interest and other operating revenues | 3,642 | 3,660 | 32 | 10 | — | 374 |
| Total revenues | <u>85,890</u> | <u>86,115</u> | <u>22,262</u> | <u>22,948</u> | <u>20,291</u> | <u>27,090</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | — | — | — | — | — | — |
| Public safety | 144,169 | 144,032 | 2,687 | 2,489 | — | — |
| Public works | — | — | 8,071 | 8,024 | 16,095 | 15,240 |
| Health and welfare | — | — | — | — | — | — |
| Cultural and recreation | — | — | 11,979 | 11,414 | — | — |
| Urban redevelopment and housing | — | — | — | — | — | — |
| Economic development and assistance | — | — | — | — | — | — |
| Capital outlays | 636 | 533 | 225 | 206 | 7,089 | 6,820 |
| Total expenditures | <u>144,805</u> | <u>144,565</u> | <u>22,962</u> | <u>22,133</u> | <u>23,184</u> | <u>22,060</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(58,915)</u> | <u>(58,450)</u> | <u>(700)</u> | <u>815</u> | <u>(2,893)</u> | <u>5,030</u> |
| Other financing sources (uses): | | | | | | |
| Sale of capital assets | — | — | — | — | — | — |
| Transfers in (out) | 51,700 | 51,700 | — | (2) | (5,800) | (5,629) |
| Total other financing sources (uses) | <u>51,700</u> | <u>51,700</u> | <u>—</u> | <u>(2)</u> | <u>(5,800)</u> | <u>(5,629)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(7,215)</u> | <u>(6,750)</u> | <u>(700)</u> | <u>813</u> | <u>(8,693)</u> | <u>(599)</u> |
| Fund balances at beginning of year | 10,319 | 12,288 | 3,605 | 4,257 | 11,176 | 13,800 |
| Cancellation of purchase orders and other | 478 | (763) | 1,729 | 202 | 6,176 | (327) |
| Fund balances at end of year | <u>\$ 3,582</u> | <u>\$ 4,775</u> | <u>\$ 4,634</u> | <u>\$ 5,272</u> | <u>\$ 8,659</u> | <u>\$ 12,874</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, 2015
(In thousands)

| <u>Department and Division</u> | <u>Budgetary account</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|--------------------------|---------------------|---------------|-----------------|
| Executive and Legislative | | | | |
| Office of the Mayor | Consolidated County | | | |
| Personal services | | \$ 3,964 | \$ 3,755 | \$ 209 |
| Supplies | | 6 | 1 | 5 |
| Other services and charges | | 5,029 | 4,999 | 30 |
| Capital outlay | | 1 | — | 1 |
| Internal charges | | (1,054) | (1,056) | 2 |
| Total | | <u>7,946</u> | <u>7,699</u> | <u>247</u> |
| | | | | |
| Office of Audit and Performance | Consolidated County | | | |
| Personal services | | 664 | 589 | 75 |
| Supplies | | 6 | 4 | 2 |
| Other services and charges | | 145 | 144 | 1 |
| Capital outlay | | 5 | — | 5 |
| Internal charges | | 14 | 12 | 2 |
| Total | | <u>834</u> | <u>749</u> | <u>85</u> |
| | | | | |
| City–County Council | Consolidated County | | | |
| Personal services | | 1,287 | 1,270 | 17 |
| Supplies | | 6 | 2 | 4 |
| Other services and charges | | 405 | 363 | 42 |
| Capital outlay | | 3 | 1 | 2 |
| Total | | <u>1,701</u> | <u>1,636</u> | <u>65</u> |
| | | | | |
| Cable Franchise Board | Consolidated County | | | |
| Personal services | | 349 | 340 | 9 |
| Supplies | | 2 | 2 | — |
| Other services and charges | | 134 | 127 | 7 |
| Capital outlay | | 35 | 33 | 2 |
| Internal charges | | 2 | 1 | 1 |
| Total | | <u>522</u> | <u>503</u> | <u>19</u> |
| | | | | |
| Office of the Corporation Counsel | Consolidated County | | | |
| Personal services | | 3,146 | 3,116 | 30 |
| Supplies | | 7 | 6 | 1 |
| Other services and charges | | 856 | 850 | 6 |
| Capital outlay | | 1 | — | 1 |
| Internal charges | | (3,504) | (3,504) | — |
| Total | | <u>506</u> | <u>468</u> | <u>38</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, 2015
(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 | | \$ 3,792 | \$ 3,712 | \$ 80 |
| Supplies | | 9 | 5 | 4 |
| Other services and charges | | 2,749 | 2,712 | 37 |
| Capital outlay | | 4 | 2 | 2 |
| Internal charges | | 166 | 165 | 1 |
| Total | | <u>6,720</u> | <u>6,596</u> | <u>124</u> |
| Minority and Women Owned Business | Consolidated County | | | |
| Personal services | | 534 | 498 | 36 |
| Supplies | | 4 | 3 | 1 |
| Other services and charges | | 116 | 108 | 8 |
| Internal charges | | 16 | 16 | — |
| Total | | <u>670</u> | <u>625</u> | <u>45</u> |
| Total – Executive and Legislative | | <u>\$ 18,899</u> | <u>\$ 18,276</u> | <u>\$ 623</u> |
| Department of Metropolitan Development | Consolidated County | | | |
| Personal services | | \$ 1,540 | \$ 1,448 | \$ 92 |
| Supplies | | 13 | 6 | 7 |
| Other services and charges | | 3,715 | 2,381 | 1,334 |
| Capital outlay | | 211 | 49 | 162 |
| Internal charges | | (261) | (216) | (45) |
| Total | | <u>5,218</u> | <u>3,668</u> | <u>1,550</u> |
| Department of Metropolitan Development | Transportation | | | |
| Personal services | | 218 | 195 | 23 |
| Other services and charges | | 392 | 337 | 55 |
| Total | | <u>610</u> | <u>532</u> | <u>78</u> |
| Department of Metropolitan Development | Redevelopment | | | |
| Personal services | | 843 | 741 | 102 |
| Supplies | | 4 | 1 | 3 |
| Other services and charges | | 5,641 | 1,426 | 4,215 |
| Capital outlay | | 1,825 | 1,805 | 20 |
| Internal charges | | 280 | 280 | — |
| Total | | <u>8,593</u> | <u>4,253</u> | <u>4,340</u> |
| Total – Department of Metropolitan Development | | <u>\$ 14,421</u> | <u>\$ 8,453</u> | <u>\$ 5,968</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, 2015
(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 | | \$ 9,646 | \$ 9,430 | \$ 216 |
| Supplies | | 84 | 55 | 29 |
| Other services and charges | | 7,495 | 6,154 | 1,341 |
| Capital outlay | | 276 | 150 | 126 |
| Internal charges | | 1,367 | 1,362 | 5 |
| Total – Department of Code Enforcement | | <u>\$ 18,868</u> | <u>\$ 17,151</u> | <u>\$ 1,717</u> |
| Department of Public Works | Consolidated County | | | |
| Personal services | | \$ 10,484 | \$ 9,741 | \$ 743 |
| Supplies | | 17,057 | 14,930 | 2,127 |
| Other services and charges | | 10,948 | 10,758 | 190 |
| Capital outlay | | 10,398 | 10,381 | 17 |
| Internal charges | | (28,927) | (28,448) | (479) |
| Total | | <u>19,960</u> | <u>17,362</u> | <u>2,598</u> |
| Department of Public Works | Transportation | | | |
| Personal services | | 18,666 | 18,665 | 1 |
| Supplies | | 4,629 | 4,610 | 19 |
| Other services and charges | | 9,052 | 8,923 | 129 |
| Capital outlay | | 7,868 | 7,771 | 97 |
| Internal charges | | 5,726 | 5,619 | 107 |
| Total | | <u>45,941</u> | <u>45,588</u> | <u>353</u> |
| Department of Public Works | Park | | | |
| Personal services | | 5,231 | 5,231 | — |
| Supplies | | 205 | 200 | 5 |
| Other services and charges | | 1,841 | 1,794 | 47 |
| Capital outlay | | 148 | 129 | 19 |
| Internal charges | | 800 | 800 | — |
| Total | | <u>8,225</u> | <u>8,154</u> | <u>71</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, 2015
(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 | | \$ 10,252 | \$ 9,670 | \$ 582 |
| Supplies | | 77 | 70 | 7 |
| Other services and charges | | 23,402 | 21,671 | 1,731 |
| Capital outlay | | 386 | 314 | 72 |
| Internal charges | | 5,920 | 5,848 | 72 |
| Total | | <u>40,037</u> | <u>37,573</u> | <u>2,464</u> |
| Department of Public Works | Solid Waste Disposal | | | |
| Other services and charges | | 5,843 | 5,819 | 24 |
| Internal charges | | 499 | 451 | 48 |
| Total | | <u>6,342</u> | <u>6,270</u> | <u>72</u> |
| Department of Public Works | Storm Water Management | | | |
| Personal services | | 3,287 | 3,099 | 188 |
| Supplies | | 39 | 28 | 11 |
| Other services and charges | | 11,156 | 10,613 | 543 |
| Capital outlay | | 7,089 | 6,820 | 269 |
| Internal charges | | 1,613 | 1,500 | 113 |
| Total | | <u>23,184</u> | <u>22,060</u> | <u>1,124</u> |
| Total – Department of Public Works | | <u>\$ 143,689</u> | <u>\$ 137,007</u> | <u>\$ 6,682</u> |
| Department of Public Safety | Consolidated County | | | |
| Personal services | | \$ 4,974 | \$ 4,376 | \$ 598 |
| Supplies | | 497 | 264 | 233 |
| Other services and charges | | 3,992 | 3,648 | 344 |
| Capital outlay | | 9 | 2 | 7 |
| Internal charges | | 848 | 831 | 17 |
| Total | | <u>10,320</u> | <u>9,121</u> | <u>1,199</u> |
| Department of Public Safety | Public Safety | | | |
| Personal services | Communications | 3,252 | 3,098 | 154 |
| Supplies | | 81 | 54 | 27 |
| Other services and charges | | 4,596 | 4,324 | 272 |
| Capital outlay | | 168 | 123 | 45 |
| Internal charges | | 38 | 22 | 16 |
| Total | | <u>8,135</u> | <u>7,621</u> | <u>514</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, 2015
(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 | | \$ 131,912 | \$ 131,911 | \$ 1 |
| Supplies | | 1,568 | 1,433 | 135 |
| Other services and charges | | 6,562 | 6,561 | 1 |
| Capital outlay | | 636 | 533 | 103 |
| Internal charges | | 4,127 | 4,127 | — |
| Total | | <u>144,805</u> | <u>144,565</u> | <u>240</u> |
| Department of Public Safety | Metropolitan Police | | | |
| Personal services | | 173,155 | 170,701 | 2,454 |
| Supplies | | 1,226 | 884 | 342 |
| Other services and charges | | 16,921 | 16,066 | 855 |
| Capital outlay | | 5,690 | 1,730 | 3,960 |
| Internal charges | | 11,239 | 10,066 | 1,173 |
| Total | | <u>208,231</u> | <u>199,447</u> | <u>8,784</u> |
| Total – Department of Public Safety | | <u>\$ 371,491</u> | <u>\$ 360,754</u> | <u>\$ 10,737</u> |
| Department of Parks and Recreation | Consolidated County | | | |
| Other services and charges | | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ —</u> |
| Total | | <u>1,000</u> | <u>1,000</u> | <u>—</u> |
| Department of Parks and Recreation | Park | | | |
| Personal services | | 9,051 | 8,335 | 716 |
| Supplies | | 579 | 562 | 17 |
| Other services and charges | | 4,833 | 4,808 | 25 |
| Capital outlay | | 77 | 77 | — |
| Internal charges | | 197 | 197 | — |
| Total | | <u>14,737</u> | <u>13,979</u> | <u>758</u> |
| Total – Department of Parks and Recreation | | <u>\$ 15,737</u> | <u>\$ 14,979</u> | <u>\$ 758</u> |
| Total – General Fund – by Department and Division | | <u>\$ 583,105</u> | <u>\$ 556,620</u> | <u>\$ 26,485</u> |

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Special Revenue Funds
December 31, 2015
(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 | \$ 2,209 | \$ 7 | \$ — | \$ 1,038 | \$ 46 | \$ — | \$ 3,300 |
| Cash and investments with fiscal agents | 2,758 | — | — | — | — | — | 2,758 |
| Investments | 4,183 | 11 | — | 1,964 | 88 | — | 6,246 |
| Accounts receivable | — | — | 33 | 4 | — | — | 37 |
| Due from federal and state governments | — | — | 9,649 | — | — | — | 9,649 |
| Long-term receivables, less allowance of \$27,517 | — | — | — | — | — | — | — |
| Total assets | <u>\$ 9,150</u> | <u>\$ 18</u> | <u>\$ 9,682</u> | <u>\$ 3,006</u> | <u>\$ 134</u> | <u>\$ —</u> | <u>\$ 21,990</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 3,549 | \$ — | \$ 4,089 | \$ 332 | \$ 1 | \$ 39 | \$ 8,010 |
| Accrued payroll and payroll taxes | 3 | — | 106 | — | — | — | 109 |
| Due to other funds | — | — | 68 | — | — | 151 | 219 |
| Unearned revenue | — | — | 141 | — | — | — | 141 |
| Total liabilities | <u>3,552</u> | <u>—</u> | <u>4,404</u> | <u>332</u> | <u>1</u> | <u>190</u> | <u>8,479</u> |
| Deferred inflows of resources | <u>—</u> | <u>—</u> | <u>1,660</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>1,660</u> |
| Fund balances: | | | | | | | |
| Restricted | 5,598 | 18 | 3,618 | 2,674 | 133 | — | 12,041 |
| Unassigned | — | — | — | — | — | (190) | (190) |
| Total fund balances (deficits) | <u>5,598</u> | <u>18</u> | <u>3,618</u> | <u>2,674</u> | <u>133</u> | <u>(190)</u> | <u>11,851</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 9,150</u> | <u>\$ 18</u> | <u>\$ 9,682</u> | <u>\$ 3,006</u> | <u>\$ 134</u> | <u>\$ —</u> | <u>\$ 21,990</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, 2015
(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 | \$ — | \$ — | \$ — | \$ — | \$ 53,878 | \$ — | \$ 53,878 |
| Charges for services | 2,265 | — | — | — | — | — | 2,265 |
| Other intergovernmental revenues: | | | | | | | |
| Federal revenues | — | — | 39,273 | 82 | — | — | 39,355 |
| State revenues | — | — | — | 25 | — | — | 25 |
| Other revenues | — | — | — | — | — | 221 | 221 |
| Traffic violations and court fees | 566 | — | 1,519 | 1,517 | — | — | 3,602 |
| Interest and other operating revenues | 349 | — | 18 | 19 | 63 | — | 449 |
| Total revenues | <u>3,180</u> | <u>—</u> | <u>40,810</u> | <u>1,643</u> | <u>53,941</u> | <u>221</u> | <u>99,795</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 25 | — | 940 | 85 | 99 | 263 | 1,412 |
| Public safety | — | — | 6,552 | 1,407 | — | — | 7,959 |
| Public works | 974 | — | 924 | — | — | — | 1,898 |
| Health and welfare | — | — | 6,680 | — | — | — | 6,680 |
| Cultural and recreation | — | — | 1,534 | — | — | — | 1,534 |
| Urban redevelopment and housing | — | — | 18,785 | — | — | — | 18,785 |
| Economic development and assistance | — | — | 3 | — | — | — | 3 |
| Debt service: | | | | | | | |
| Redemption of bonds and notes | — | — | 8 | — | — | — | 8 |
| Interest on bonds and notes | — | — | 4 | — | — | — | 4 |
| Capital outlay | 4,141 | — | 2,414 | 82 | — | — | 6,637 |
| Total expenditures | <u>5,140</u> | <u>—</u> | <u>37,844</u> | <u>1,574</u> | <u>99</u> | <u>263</u> | <u>44,920</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,960)</u> | <u>—</u> | <u>2,966</u> | <u>69</u> | <u>53,842</u> | <u>(42)</u> | <u>54,875</u> |
| Other financing sources (uses): | | | | | | | |
| Transfers in | — | 2 | 233 | — | — | — | 235 |
| Transfers out | — | (35) | (217) | (51) | (53,712) | — | (54,015) |
| Total other financing sources (uses) | <u>—</u> | <u>(33)</u> | <u>16</u> | <u>(51)</u> | <u>(53,712)</u> | <u>—</u> | <u>(53,780)</u> |
| Net change in fund balances | (1,960) | (33) | 2,982 | 18 | 130 | (42) | 1,095 |
| Fund balances (deficits) at beginning of year | 7,558 | 51 | 636 | 2,656 | 3 | (148) | 10,756 |
| Fund balances (deficits) at end of year | <u>\$ 5,598</u> | <u>\$ 18</u> | <u>\$ 3,618</u> | <u>\$ 2,674</u> | <u>\$ 133</u> | <u>\$ (190)</u> | <u>\$ 11,851</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, 2015
(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 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 53,878 | \$ 53,878 | \$ — | \$ — | \$ 53,878 | \$ 53,878 |
| Charges for services | 2,500 | 2,265 | 53 | — | — | — | — | — | — | — | 2,553 | 2,265 |
| Other intergovernmental revenues: | | | | | | | | | | | | |
| Federal revenues | — | — | 73,443 | 21,669 | 189 | 40 | — | — | — | — | 73,632 | 21,709 |
| State revenues | — | — | — | 786 | — | 39 | — | — | — | — | — | 825 |
| Traffic violations and court fees | (80) | 574 | 1,355 | 1,484 | 1,375 | 1,815 | — | — | — | — | 2,650 | 3,873 |
| Interest and other operating revenues | — | 49 | — | 19 | 13 | 18 | — | 63 | — | — | 13 | 149 |
| Total revenues | <u>2,420</u> | <u>2,888</u> | <u>74,851</u> | <u>23,958</u> | <u>1,577</u> | <u>1,912</u> | <u>53,878</u> | <u>53,941</u> | <u>—</u> | <u>—</u> | <u>132,726</u> | <u>82,699</u> |
| Expenditures: | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | 35 | 22 | 1,727 | 1,672 | 185 | 49 | 165 | 98 | 325 | 324 | 2,437 | 2,165 |
| Public safety | — | — | 12,932 | 6,741 | 1,315 | 930 | — | — | — | — | 14,247 | 7,671 |
| Public works | 1,075 | 909 | 1,350 | 1,151 | — | — | — | — | — | — | 2,425 | 2,060 |
| Health and welfare | — | — | 8,471 | 6,380 | — | — | — | — | — | — | 8,471 | 6,380 |
| Cultural and recreation | — | — | 1,525 | 1,484 | — | — | — | — | — | — | 1,525 | 1,484 |
| Urban redevelopment and housing | — | — | 28,437 | 21,840 | — | — | — | — | — | — | 28,437 | 21,840 |
| Economic development and assistance | — | — | 25,200 | 3 | — | — | — | — | — | — | 25,200 | 3 |
| Capital outlays | 5,000 | 5,000 | 4,865 | 2,079 | 69 | 62 | — | — | — | — | 9,934 | 7,141 |
| Total expenditures | <u>6,110</u> | <u>5,931</u> | <u>84,507</u> | <u>41,350</u> | <u>1,569</u> | <u>1,041</u> | <u>165</u> | <u>98</u> | <u>325</u> | <u>324</u> | <u>92,676</u> | <u>48,744</u> |
| Excess (deficiency) of revenues over (under) expenditures | (3,690) | (3,043) | (9,656) | (17,392) | 8 | 871 | 53,713 | 53,843 | (325) | (324) | 40,050 | 33,955 |
| Other financing sources (uses), net: | | | | | | | | | | | | |
| Transfers in (out) | — | — | (200) | 16 | (500) | (659) | (53,712) | (53,712) | 325 | 68 | (54,087) | (54,287) |
| Total other financing sources (uses) | <u>—</u> | <u>—</u> | <u>(200)</u> | <u>16</u> | <u>(500)</u> | <u>(659)</u> | <u>(53,712)</u> | <u>(53,712)</u> | <u>325</u> | <u>68</u> | <u>(54,087)</u> | <u>(54,287)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | (3,690) | (3,043) | (9,856) | (17,376) | (492) | 212 | 1 | 131 | — | (256) | (14,037) | (20,332) |
| Fund balances (deficits) at beginning of year | 7,282 | 8,031 | — | — | — | — | — | — | 44 | (160) | 7,326 | 7,871 |
| Cancellation of purchase orders and other | 4,292 | 305 | 9,856 | 17,376 | 492 | (212) | 40 | 3 | (44) | 153 | 14,636 | 17,625 |
| Fund balances (deficits) at end of year | <u>\$ 7,884</u> | <u>\$ 5,293</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 41</u> | <u>\$ 134</u> | <u>\$ —</u> | <u>\$ (263)</u> | <u>\$ 7,925</u> | <u>\$ 5,164</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, 2015
(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 | | \$ 99 | \$ 44 | \$ 55 |
| Supplies | | 1 | — | 1 |
| Other services and charges | | 85 | 6 | 79 |
| Capital outlay | | 4 | — | 4 |
| Total | | <u>189</u> | <u>50</u> | <u>139</u> |
| Office of Finance and Management | Parking | | | |
| Personal services | | 35 | 22 | 13 |
| Total | | <u>35</u> | <u>22</u> | <u>13</u> |
| Office of Finance and Management | Federal Grants | | | |
| Personal services | | 10 | 10 | — |
| Other services and charges | | 1,717 | 1,662 | 55 |
| Total | | <u>1,727</u> | <u>1,672</u> | <u>55</u> |
| Office of Finance and Management | Public Safety Income Tax | | | |
| Supplies | | 50 | 27 | 23 |
| Other services and charges | | 115 | 71 | 44 |
| Total | | <u>165</u> | <u>98</u> | <u>67</u> |
| Office of Finance and Management | Drug Free Community | | | |
| Other services and charges | | 325 | 324 | 1 |
| Total | | <u>325</u> | <u>324</u> | <u>1</u> |
| Total - Executive and Legislative | | <u>\$ 2,441</u> | <u>\$ 2,166</u> | <u>\$ 208</u> |
| Department of Metropolitan Development | | | | |
| | Federal Grants | | | |
| Personal services | | \$ 2,502 | \$ 2,123 | \$ 379 |
| Supplies | | 18 | 5 | 13 |
| Other services and charges | | 59,322 | 25,945 | 33,377 |
| Capital outlay | | 2,256 | 1,334 | 922 |
| Internal charges | | 266 | 202 | 64 |
| Total | | <u>64,364</u> | <u>29,609</u> | <u>34,755</u> |
| Total – Department of Metropolitan Development | | <u>\$ 64,364</u> | <u>\$ 29,609</u> | <u>\$ 34,755</u> |
| Department of Public Works | | | | |
| | Parking | | | |
| Personal services | | \$ 75 | \$ 60 | \$ 15 |
| Other services and charges | | 1,000 | 849 | 151 |
| Capital outlay | | 5,000 | 5,000 | — |
| Total | | <u>6,075</u> | <u>5,909</u> | <u>166</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, 2015
(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 | | | |
| Other services and charges | | \$ 1,350 | \$ 1,151 | \$ 199 |
| Total | | <u>1,350</u> | <u>1,151</u> | <u>199</u> |
| Total – Department of Public Works | | <u>\$ 7,425</u> | <u>\$ 7,060</u> | <u>\$ 365</u> |
| Department of Public Safety | Federal Grants | | | |
| Personal services | | \$ 6,144 | \$ 4,142 | \$ 2,002 |
| Supplies | | 2,035 | 572 | 1,463 |
| Other services and charges | | 4,727 | 1,958 | 2,769 |
| Capital outlay | | 2,609 | 746 | 1,863 |
| Internal charges | | 26 | 16 | 10 |
| Total | | <u>15,541</u> | <u>7,434</u> | <u>8,107</u> |
| Department of Public Safety | State of Indiana Grants | | | |
| Personal services | | 809 | 604 | 205 |
| Supplies | | 348 | 171 | 177 |
| Other services and charges | | 158 | 154 | 4 |
| Capital outlay | | 65 | 62 | 3 |
| Total | | <u>1,380</u> | <u>991</u> | <u>389</u> |
| Total – Department of Public Safety | | <u>\$ 16,921</u> | <u>\$ 8,425</u> | <u>\$ 8,496</u> |
| Department of Parks and Recreation | Federal Grants | | | |
| Personal services | | \$ 370 | \$ 370 | — |
| Supplies | | 7 | 6 | 1 |
| Other services and charges | | 1,148 | 1,108 | 40 |
| Total | | <u>1,525</u> | <u>1,484</u> | <u>41</u> |
| Total – Department of Parks and Recreation | | <u>\$ 1,525</u> | <u>\$ 1,484</u> | <u>\$ 41</u> |
| Total – Special Revenue Funds – by Department and Division | | <u>\$ 92,676</u> | <u>\$ 48,744</u> | <u>\$ 43,865</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, 2015
(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 | \$ 1,861 | \$ 378 | \$ 112 | \$ 2,613 | \$ 1,461 | \$ 2,337 | \$ 1,204 | \$ 2,897 | \$ 1,457 | \$ 14,320 |
| Cash and investments with fiscal agents | — | — | — | 24 | 8 | 30 | 10 | 45,095 | — | 45,167 |
| Investments | 3,524 | 715 | 212 | 4,950 | 2,766 | 4,426 | 2,279 | 5,487 | 2,760 | 27,119 |
| Property taxes receivable | 275 | 13 | 105 | — | — | 159 | 87 | — | — | 639 |
| Accounts receivable | 96 | 35 | 38 | — | — | 59 | 31 | 4 | — | 263 |
| Long-term receivables, less allowance | — | — | — | 273 | 54 | 265 | 114 | — | — | 706 |
| Total assets | \$ 5,756 | \$ 1,141 | \$ 467 | \$ 7,860 | \$ 4,289 | \$ 7,276 | \$ 3,725 | \$ 53,483 | \$ 4,217 | \$ 88,214 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | |
| Matured bonds and notes payable | \$ 3,430 | \$ — | \$ — | \$ 6,864 | \$ 2,920 | \$ 5,485 | \$ 2,926 | \$ 277 | \$ — | \$ 21,902 |
| Matured interest payable | 1,327 | — | — | 546 | 964 | 456 | 251 | 548 | 3,955 | 8,047 |
| Accounts payable and other accrued liabilities | 2 | 51 | — | 123 | 12 | 33 | 12 | — | — | 233 |
| Total liabilities | 4,759 | 51 | — | 7,533 | 3,896 | 5,974 | 3,189 | 825 | 3,955 | 30,182 |
| Deferred inflows of resources | 371 | 40 | 144 | 186 | 37 | 400 | 196 | — | — | 1,374 |
| Fund balances: | | | | | | | | | | |
| Nonspendable | — | — | — | 273 | 54 | 265 | 114 | — | — | 706 |
| Restricted | 626 | 1,050 | 323 | — | 302 | 637 | 226 | 52,658 | 262 | 56,084 |
| Unassigned | — | — | — | (132) | — | — | — | — | — | (132) |
| Total fund balances | 626 | 1,050 | 323 | 141 | 356 | 902 | 340 | 52,658 | 262 | 56,658 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 5,756 | \$ 1,141 | \$ 467 | \$ 7,860 | \$ 4,289 | \$ 7,276 | \$ 3,725 | \$ 53,483 | \$ 4,217 | \$ 88,214 |

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, 2015
(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 | \$ 8,567 | \$ 8,921 | \$ 3,572 | \$ — | \$ — | \$ 5,772 | \$ 3,064 | \$ 2,087 | \$ — | \$ 31,983 |
| Other taxes | 695 | 130 | 293 | — | — | 473 | 251 | — | — | 1,842 |
| Other intergovernmental revenues: | | | | | | | | | | |
| State revenues | — | — | — | — | — | — | — | 1,437 | — | 1,437 |
| Interest on investments | 8 | — | 2 | 4 | 6 | 13 | 7 | 38 | 5 | 83 |
| Other revenues | — | 8,130 | — | 7,855 | — | — | — | 3,064 | 8,168 | 27,217 |
| Total revenues | 9,270 | 17,181 | 3,867 | 7,859 | 6 | 6,258 | 3,322 | 6,626 | 8,173 | 62,562 |
| Expenditures: | | | | | | | | | | |
| Economic development and assistance | — | 8,000 | — | — | — | — | — | — | — | 8,000 |
| Debt service: | | | | | | | | | | |
| Redemption of bonds and notes | 6,780 | — | 2,470 | 6,864 | 3,595 | 5,485 | 2,926 | 4,913 | — | 33,033 |
| Interest on bonds and notes | 2,736 | — | 1,368 | 1,078 | 2,437 | 860 | 459 | 12,604 | 7,910 | 29,452 |
| Bond issuance costs | — | — | — | — | — | — | — | 1,029 | — | 1,029 |
| Lease payments and other | 60 | 14,220 | 28 | 2 | 59 | 19 | 11 | 56 | 1 | 14,456 |
| Total expenditures | 9,576 | 22,220 | 3,866 | 7,944 | 6,091 | 6,364 | 3,396 | 18,602 | 7,911 | 85,970 |
| Excess (deficiency) of revenues over (under) expenditures | (306) | (5,039) | 1 | (85) | (6,085) | (106) | (74) | (11,976) | 262 | (23,408) |
| Other financing sources (uses): | | | | | | | | | | |
| Bonds and notes issued | — | — | — | — | — | — | — | 27,500 | — | 27,500 |
| Proceeds from restructuring of debt | — | — | — | 87 | 542 | 84 | 36 | — | — | 749 |
| Transfers in | — | 5,254 | — | — | 5,807 | 208 | 19 | 12,345 | — | 23,633 |
| Transfers out | — | — | — | — | — | — | — | (1,249) | — | (1,249) |
| Total other financing sources (uses) | — | 5,254 | — | 87 | 6,349 | 292 | 55 | 38,596 | — | 50,633 |
| Net change in fund balances | (306) | 215 | 1 | 2 | 264 | 186 | (19) | 26,620 | 262 | 27,225 |
| Fund balances at beginning of year | 932 | 835 | 322 | 139 | 92 | 716 | 359 | 26,038 | — | 29,433 |
| Fund balances at end of year | \$ 626 | \$ 1,050 | \$ 323 | \$ 141 | \$ 356 | \$ 902 | \$ 340 | \$ 52,658 | \$ 262 | \$ 56,658 |

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, 2015
(In thousands)

| | Civil City | | Redevelopment District | | Public Safety Communications | |
|-----------------------------------------------------------------------|---------------|---------------|---------------------------|-----------------|---------------------------------|---------------|
| | Final budget | Actual | Final budget | Actual | Final budget | Actual |
| Revenues: | | | | | | |
| Taxes | \$ 9,259 | \$ 9,261 | \$ 11,259 | \$ 9,051 | \$ 3,870 | \$ 3,866 |
| Charges for services | — | — | — | — | — | — |
| Intergovernmental | — | — | — | — | — | — |
| Other operating revenues | — | 8 | 8,130 | 8,129 | — | 2 |
| Total revenues | <u>9,259</u> | <u>9,269</u> | <u>19,389</u> | <u>17,180</u> | <u>3,870</u> | <u>3,868</u> |
| Expenditures: | | | | | | |
| Economic development and assistance | — | — | 8,000 | 8,000 | — | — |
| Debt service | 9,580 | 9,575 | 14,379 | 14,220 | 3,869 | 3,867 |
| Total expenditures | <u>9,580</u> | <u>9,575</u> | <u>22,379</u> | <u>22,220</u> | <u>3,869</u> | <u>3,867</u> |
| Deficiency of revenues under expenditures | <u>(321)</u> | <u>(306)</u> | <u>(2,990)</u> | <u>(5,040)</u> | <u>1</u> | <u>1</u> |
| Other financing sources (uses), net: | | | | | | |
| Bond proceeds | — | — | — | — | — | — |
| Transfers in (out) | — | — | 4,000 | 5,254 | — | — |
| Total other financing sources (uses) | <u>—</u> | <u>—</u> | <u>4,000</u> | <u>5,254</u> | <u>—</u> | <u>—</u> |
| Revenues over (under) expenditures and other financing sources (uses) | (321) | (306) | 1,010 | 214 | 1 | 1 |
| Fund balances (deficits) at beginning of year | 1,080 | 929 | 699 | 828 | 369 | 322 |
| Cancellation of purchase orders and other | <u>(285)</u> | <u>3</u> | <u>(1,551)</u> | <u>—</u> | <u>(104)</u> | <u>1</u> |
| Fund balances at end of year | <u>\$ 474</u> | <u>\$ 626</u> | <u>\$ 158</u> | <u>\$ 1,042</u> | <u>\$ 266</u> | <u>\$ 324</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, 2015

(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 | \$ — | \$ — | \$ — | \$ — | \$ 6,190 | \$ 6,245 |
| Charges for services | — | — | — | — | — | — |
| Intergovernmental | — | — | — | — | — | — |
| Other operating revenues | <u>7,858</u> | <u>7,858</u> | <u>—</u> | <u>6</u> | <u>—</u> | <u>13</u> |
| Total revenues | <u>7,858</u> | <u>7,858</u> | <u>—</u> | <u>6</u> | <u>6,190</u> | <u>6,258</u> |
| Expenditures: | | | | | | |
| Economic development and assistance | — | — | — | — | — | — |
| Debt service | <u>7,858</u> | <u>7,857</u> | <u>6,193</u> | <u>5,549</u> | <u>6,280</u> | <u>6,280</u> |
| Total expenditures | <u>7,858</u> | <u>7,857</u> | <u>6,193</u> | <u>5,549</u> | <u>6,280</u> | <u>6,280</u> |
| Deficiency of revenues under expenditures | <u>—</u> | <u>1</u> | <u>(6,193)</u> | <u>(5,543)</u> | <u>(90)</u> | <u>(22)</u> |
| Other financing sources (uses), net: | | | | | | |
| Bond proceeds | — | — | — | — | — | — |
| Transfers in (out) | <u>—</u> | <u>—</u> | <u>5,800</u> | <u>5,807</u> | <u>—</u> | <u>208</u> |
| Total other financing sources (uses) | <u>—</u> | <u>—</u> | <u>5,800</u> | <u>5,807</u> | <u>—</u> | <u>208</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>—</u> | <u>1</u> | <u>(393)</u> | <u>264</u> | <u>(90)</u> | <u>186</u> |
| Fund balances (deficits) at beginning of year | — | — | 109 | 82 | 767 | 660 |
| Cancellation of purchase orders and other | <u>653</u> | <u>113</u> | <u>370</u> | <u>4</u> | <u>(129)</u> | <u>14</u> |
| Fund balances at end of year | <u>\$ 653</u> | <u>\$ 114</u> | <u>\$ 86</u> | <u>\$ 350</u> | <u>\$ 548</u> | <u>\$ 860</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, 2015

(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 | \$ 86,227 | \$ 85,529 | \$ 3,285 | \$ 3,315 | \$ 2,298 | \$ 2,087 | \$ — | \$ — | \$ 122,388 | \$ 119,354 |
| Charges for services | — | — | — | — | 1,500 | 1,587 | — | — | 1,500 | 1,587 |
| Intergovernmental | 235 | 50 | — | — | — | 1,437 | — | — | 235 | 1,487 |
| Other operating revenues | 1,955 | 6,176 | — | 7 | — | 38 | 8,168 | 8,173 | 26,111 | 30,410 |
| Total revenues | <u>88,417</u> | <u>91,755</u> | <u>3,285</u> | <u>3,322</u> | <u>3,798</u> | <u>5,149</u> | <u>8,168</u> | <u>8,173</u> | <u>150,234</u> | <u>152,838</u> |
| Expenditures: | | | | | | | | | | |
| Economic development and assistance | 335 | 315 | — | — | — | — | — | — | 8,335 | 8,315 |
| Debt service | 74,350 | 72,848 | 3,360 | 3,360 | 17,785 | 17,584 | 8,086 | 7,911 | 151,740 | 149,051 |
| Total expenditures | <u>74,685</u> | <u>73,163</u> | <u>3,360</u> | <u>3,360</u> | <u>17,785</u> | <u>17,584</u> | <u>8,086</u> | <u>7,911</u> | <u>160,075</u> | <u>157,366</u> |
| Deficiency of revenues under expenditures | <u>13,732</u> | <u>18,592</u> | <u>(75)</u> | <u>(38)</u> | <u>(13,987)</u> | <u>(12,435)</u> | <u>82</u> | <u>262</u> | <u>(9,841)</u> | <u>(4,528)</u> |
| Other financing sources (uses), net: | | | | | | | | | | |
| Bond proceeds | — | 11,035 | — | — | — | — | — | — | — | 11,035 |
| Transfers in (out) | (3,900) | (51,461) | — | 18 | — | 12,178 | — | — | 5,900 | (27,996) |
| Total other financing sources (uses) | <u>(3,900)</u> | <u>(40,426)</u> | <u>—</u> | <u>18</u> | <u>—</u> | <u>12,178</u> | <u>—</u> | <u>—</u> | <u>5,900</u> | <u>(16,961)</u> |
| Revenues over (under) expenditures and other financing sources (uses) | 9,832 | (21,834) | (75) | (20) | (13,987) | (257) | 82 | 262 | (3,941) | (21,489) |
| Fund balances (deficits) at beginning of year | 5,245 | 5,323 | 413 | 346 | 748 | (703) | (553) | — | 8,877 | 7,787 |
| Cancellation of purchase orders and other | (9,256) | 21,834 | (77) | 2 | 14,713 | 960 | 556 | — | 4,890 | 22,931 |
| Fund balances at end of year | <u>\$ 5,821</u> | <u>\$ 5,323</u> | <u>\$ 261</u> | <u>\$ 328</u> | <u>\$ 1,474</u> | <u>\$ —</u> | <u>\$ 85</u> | <u>\$ 262</u> | <u>\$ 9,826</u> | <u>\$ 9,229</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, 2015
(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 | \$ 315 | \$ 20 |
| Total | | <u>335</u> | <u>315</u> | <u>20</u> |
| Non Departmental | Flood Control District | | | |
| Other services and charges | | 6,193 | 5,549 | 644 |
| Total | | <u>6,193</u> | <u>5,549</u> | <u>644</u> |
| Non Departmental | Metropolitan Thoroughfare District | | | |
| Other services and charges | | 6,280 | 6,280 | — |
| Total | | <u>6,280</u> | <u>6,280</u> | <u>—</u> |
| Non Departmental | Park District | | | |
| Other services and charges | | 3,360 | 3,360 | — |
| Total | | <u>3,360</u> | <u>3,360</u> | <u>—</u> |
| Non Departmental | Public Safety Communications | | | |
| Other services and charges | | 3,869 | 3,867 | 2 |
| Total | | <u>3,869</u> | <u>3,867</u> | <u>2</u> |
| Non Departmental | Civil City | | | |
| Other services and charges | | 9,580 | 9,575 | 5 |
| Total | | <u>9,580</u> | <u>9,575</u> | <u>5</u> |
| Non Departmental | Redevelopment District | | | |
| Other services and charges | | 22,379 | 22,220 | 159 |
| Total | | <u>22,379</u> | <u>22,220</u> | <u>159</u> |
| Non Departmental | Revenue | | | |
| Other services and charges | | 74,350 | 72,848 | 1,502 |
| Total | | <u>74,350</u> | <u>72,848</u> | <u>1,502</u> |
| Non Departmental | Sanitary District | | | |
| Other services and charges | | 7,858 | 7,857 | 1 |
| Total | | <u>7,858</u> | <u>7,857</u> | <u>1</u> |
| Non Departmental | Economic Development | | | |
| Other services and charges | | 17,785 | 17,584 | 201 |
| Total | | <u>17,785</u> | <u>17,584</u> | <u>201</u> |
| Non Departmental | PILOT | | | |
| Other services and charges | | 8,086 | 7,911 | 175 |
| Total | | <u>8,086</u> | <u>7,911</u> | <u>175</u> |
| | Total – Debt Service Funds – by Department | \$ 160,075 | \$ 157,366 | \$ 2,709 |

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

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 |
| General Revenue Note Series 2015 - | to account for all financial resources related to expenditures in connection with the planning of a proposed criminal justice center |

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2015
(In thousands)

| | <u>Redevelopment District</u> | | <u>Economic Development</u> | <u>PILOT Revenue Bonds</u> | <u>Park District</u> | <u>City Cumulative Capital Development</u> | <u>County Cumulative Capital Development</u> | <u>Tax Revenue Note</u> |
|-------------------------------------------------------------------------|-------------------------------|--------------------------|---------------------------------|--------------------------------|--------------------------|--------------------------------------------------------|----------------------------------------------------------|---------------------------------|
| | <u>General</u> | <u>Tax Increment</u> | | | | | | |
| ASSETS | | | | | | | | |
| Equity in pooled cash | \$ — | \$ 6,619 | \$ 269 | \$ 86 | \$ — | \$ 6,210 | \$ 995 | \$ 23 |
| Cash and investments with fiscal agents | — | 1,269 | 4,727 | — | — | — | — | 59 |
| Investments | — | 12,536 | 508 | 163 | — | 11,760 | 1,884 | 44 |
| Property taxes receivable | — | — | — | — | — | 351 | — | — |
| Accounts receivable | — | 4,474 | — | — | — | 177 | — | — |
| Long-term receivables, less allowance \$300 | — | 900 | — | — | — | — | — | — |
| Total assets | \$ — | \$ 25,798 | \$ 5,504 | \$ 249 | \$ — | \$ 18,498 | \$ 2,879 | \$ 126 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable and other accrued liabilities | \$ — | \$ 3,537 | \$ — | \$ 4 | \$ — | \$ 1,032 | \$ 868 | \$ — |
| Total liabilities | — | 3,537 | — | 4 | — | 1,032 | 868 | — |
| Deferred inflows of resources | — | — | — | — | — | 468 | — | — |
| Fund balances: | | | | | | | | |
| Nonspendable | — | 900 | — | — | — | — | — | — |
| Restricted | — | 21,361 | 5,504 | 245 | — | 16,998 | 2,011 | 126 |
| Total fund balances | — | 22,261 | 5,504 | 245 | — | 16,998 | 2,011 | 126 |
| Total liabilities, deferred inflows of resources and fund balances | \$ — | \$ 25,798 | \$ 5,504 | \$ 249 | \$ — | \$ 18,498 | \$ 2,879 | \$ 126 |

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2015
(In thousands)

| | <u>Public Safety Communications</u> | <u>Landmark Building Preservation</u> | <u>Fire Cumulative</u> | <u>Storm Water</u> | <u>Capital Asset Development</u> | <u>General Revenue Note Series 2015</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|----------------------------|------------------------|--------------------------------------|-------------------------------------------------|----------------------------------------------------------|
| ASSETS | | | | | | | |
| Equity in pooled cash | \$ 13 | \$ 8 | \$ 1,295 | \$ 17 | \$ 84 | \$ 227 | \$ 15,846 |
| Cash and investments with fiscal agents | — | — | — | 31 | — | — | 6,086 |
| Investments | 24 | 15 | 2,454 | — | 160 | 430 | 29,978 |
| Property taxes receivable | — | — | 99 | — | — | — | 450 |
| Accounts receivable | — | — | 25 | — | — | — | 4,676 |
| Long-term receivables, less allowance \$300 | — | — | — | — | — | — | 900 |
| Total assets | <u>\$ 37</u> | <u>\$ 23</u> | <u>\$ 3,873</u> | <u>\$ 48</u> | <u>\$ 244</u> | <u>\$ 657</u> | <u>\$ 57,936</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 36 | \$ — | \$ 40 | \$ — | \$ 82 | \$ — | \$ 5,599 |
| Total liabilities | <u>36</u> | <u>—</u> | <u>40</u> | <u>—</u> | <u>82</u> | <u>—</u> | <u>5,599</u> |
| Deferred inflows of resources | <u>—</u> | <u>—</u> | <u>124</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>592</u> |
| Fund balances: | | | | | | | |
| Nonspendable | — | — | — | — | — | — | 900 |
| Restricted | 1 | 23 | 3,709 | 48 | 162 | 657 | 50,845 |
| Total fund balances | <u>1</u> | <u>23</u> | <u>3,709</u> | <u>48</u> | <u>162</u> | <u>657</u> | <u>51,745</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 37</u> | <u>\$ 23</u> | <u>\$ 3,873</u> | <u>\$ 48</u> | <u>\$ 244</u> | <u>\$ 657</u> | <u>\$ 57,936</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, 2015
(In thousands)

| | Redevelopment District | | Economic Development | PILOT Revenue Bonds | Park District | City Cumulative Capital Development | County Cumulative Capital Development |
|--------------------------------------------------------------|------------------------|------------------|-------------------------|------------------------|------------------|----------------------------------------------|------------------------------------------------|
| | General | Tax Increment | | | | | |
| Revenues: | | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 9,516 | \$ — |
| Federal revenues | — | — | — | 39 | — | 631 | 8 |
| Other revenues | — | — | — | — | — | — | 2,500 |
| Interest and other operating revenues | 5 | 38 | 259 | (5) | — | 73 | 12 |
| Total revenues | <u>5</u> | <u>38</u> | <u>259</u> | <u>34</u> | <u>—</u> | <u>10,220</u> | <u>2,520</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Economic development and assistance | — | 13,007 | 30,880 | — | — | 4 | — |
| Debt service: | | | | | | | |
| Redemption of bonds and notes | — | — | — | — | — | 563 | — |
| Interest on bonds and notes | — | — | — | — | — | 19 | — |
| Bond and note issuance costs | — | 374 | — | — | — | — | — |
| Capital outlays | — | 12,562 | 3,089 | 2,867 | — | 9,451 | 2,145 |
| Total expenditures | — | 25,943 | 33,969 | 2,867 | — | 10,037 | 2,145 |
| Excess (deficiency) of revenues over (under) expenditures | <u>5</u> | <u>(25,905)</u> | <u>(33,710)</u> | <u>(2,833)</u> | <u>—</u> | <u>183</u> | <u>375</u> |
| Other financing sources (uses): | | | | | | | |
| Bonds and notes issued | — | 7,100 | — | — | — | — | — |
| Transfers in | — | 35,011 | — | — | — | 2,000 | 923 |
| Transfers out | (978) | (152) | — | — | (18) | — | (2,000) |
| Total other financing sources (uses) | <u>(978)</u> | <u>41,959</u> | <u>—</u> | <u>—</u> | <u>(18)</u> | <u>2,000</u> | <u>(1,077)</u> |
| Net change in fund balances | (973) | 16,054 | (33,710) | (2,833) | (18) | 2,183 | (702) |
| Fund balances at beginning of year | 973 | 6,207 | 39,214 | 3,078 | 18 | 14,815 | 2,713 |
| Fund balances at end of year | <u>\$ —</u> | <u>\$ 22,261</u> | <u>\$ 5,504</u> | <u>\$ 245</u> | <u>\$ —</u> | <u>\$ 16,998</u> | <u>\$ 2,011</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, 2015
(In thousands)

| | Tax Revenue Note | Public Safety Communications | Landmark Building Preservation | Fire Cumulative | Storm Water | Capital Asset Development | General Revenue Note Series 2015 | Total Nonmajor Capital Projects Funds |
|--------------------------------------------------------------|------------------------|------------------------------------|--------------------------------------|--------------------|----------------|------------------------------|-------------------------------------|------------------------------------------------|
| Revenues: | | | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ 2,485 | \$ — | \$ — | \$ — | \$ 12,001 |
| Federal revenues | — | — | — | — | — | — | — | 678 |
| Other revenues | — | — | — | — | — | — | — | 2,500 |
| Interest and other operating revenues | — | 10 | — | 15 | — | 2 | — | 409 |
| Total revenues | <u>—</u> | <u>10</u> | <u>—</u> | <u>2,500</u> | <u>—</u> | <u>2</u> | <u>—</u> | <u>15,588</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Economic development and assistance | — | — | — | — | — | — | — | 43,891 |
| Debt service: | | | | | | | | |
| Redemption of bonds and notes | — | — | — | 92 | — | — | — | 655 |
| Interest on bonds and notes | — | — | — | 3 | — | — | — | 22 |
| Bonds and notes issuance costs | — | — | — | — | — | — | — | 374 |
| Capital outlays | <u>—</u> | <u>109</u> | <u>—</u> | <u>1,701</u> | <u>1,130</u> | <u>126</u> | <u>208</u> | <u>33,388</u> |
| Total expenditures | <u>—</u> | <u>109</u> | <u>—</u> | <u>1,796</u> | <u>1,130</u> | <u>126</u> | <u>208</u> | <u>78,330</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>—</u> | <u>(99)</u> | <u>—</u> | <u>704</u> | <u>(1,130)</u> | <u>(124)</u> | <u>(208)</u> | <u>(62,742)</u> |
| Other financing sources (uses): | | | | | | | | |
| Bonds and notes issued | — | — | — | — | — | — | 12,000 | 19,100 |
| Transfers in | — | — | — | — | — | — | — | 37,934 |
| Transfers out | <u>—</u> | <u>(8)</u> | <u>—</u> | <u>—</u> | <u>(7)</u> | <u>—</u> | <u>(11,135)</u> | <u>(14,298)</u> |
| Total other financing sources (uses) | <u>—</u> | <u>(8)</u> | <u>—</u> | <u>—</u> | <u>(7)</u> | <u>—</u> | <u>865</u> | <u>42,736</u> |
| Net change in fund balances | <u>—</u> | <u>(107)</u> | <u>—</u> | <u>704</u> | <u>(1,137)</u> | <u>(124)</u> | <u>657</u> | <u>(20,006)</u> |
| Fund balances at beginning of year | 126 | 108 | 23 | 3,005 | 1,185 | 286 | — | 71,751 |
| Fund balances at end of year | <u>\$ 126</u> | <u>\$ 1</u> | <u>\$ 23</u> | <u>\$ 3,709</u> | <u>\$ 48</u> | <u>\$ 162</u> | <u>\$ 657</u> | <u>\$ 51,745</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, 2015
(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 | \$ 9,283 | \$ 9,517 | \$ — | \$ — | \$ 2,458 | \$ 2,485 | \$ 11,741 | \$ 12,002 |
| Charges for services | — | — | — | — | — | — | — | — |
| Other intergovernmental revenues | — | 572 | — | 8 | — | — | — | 580 |
| Interest and other operating revenues | — | 73 | — | 12 | — | 15 | — | 100 |
| Total revenues | <u>9,283</u> | <u>10,162</u> | <u>—</u> | <u>20</u> | <u>2,458</u> | <u>2,500</u> | <u>11,741</u> | <u>12,682</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public safety | 3,128 | 968 | — | — | 500 | 400 | 3,628 | 1,368 |
| Public works | 1,297 | 1,271 | — | — | — | — | 1,297 | 1,271 |
| Capital outlays | 13,363 | 12,389 | 2,500 | 2,498 | 1,689 | 1,641 | 17,552 | 16,528 |
| Total expenditures | <u>17,788</u> | <u>14,628</u> | <u>2,500</u> | <u>2,498</u> | <u>2,189</u> | <u>2,041</u> | <u>22,477</u> | <u>19,167</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(8,505)</u> | <u>(4,466)</u> | <u>(2,500)</u> | <u>(2,478)</u> | <u>269</u> | <u>459</u> | <u>(10,736)</u> | <u>(6,485)</u> |
| Other financing sources (uses), net: | | | | | | | | |
| Transfers in | 2,000 | 2,000 | 500 | 1,423 | — | — | 2,500 | 3,423 |
| Total other financing sources | <u>2,000</u> | <u>2,000</u> | <u>500</u> | <u>1,423</u> | <u>—</u> | <u>—</u> | <u>2,500</u> | <u>3,423</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>(6,505)</u> | <u>(2,466)</u> | <u>(2,000)</u> | <u>(1,055)</u> | <u>269</u> | <u>459</u> | <u>(8,236)</u> | <u>(3,062)</u> |
| Fund balances at beginning of year | 6,774 | 8,730 | 1,801 | 1,099 | 2,027 | 2,022 | 10,602 | 11,851 |
| Cancellation of purchase orders and other | 6,010 | 316 | 2,568 | 1,265 | 137 | 72 | 8,715 | 1,653 |
| Fund balances at end of year | <u>\$ 6,279</u> | <u>\$ 6,580</u> | <u>\$ 2,369</u> | <u>\$ 1,309</u> | <u>\$ 2,433</u> | <u>\$ 2,553</u> | <u>\$ 11,081</u> | <u>\$ 10,442</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, 2015
(In thousands)

| <u>Department and Division</u> | <u>Fund</u> | <u>Final budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------------------------------------|---------------------------------------|---------------------|------------------|-----------------|
| Executive and Legislative | | | | |
| City-County Council | City Cumulative Capital Improvement | | | |
| Capital outlay | | \$ 250 | \$ 247 | \$ 3 |
| Total – Executive and Legislative | | <u>\$ 250</u> | <u>\$ 247</u> | <u>\$ 3</u> |
| Department of Public Works | City Cumulative Capital Improvement | | | |
| Other services and charges | | \$ 1,297 | \$ 1,271 | \$ 26 |
| Capital outlay | | <u>4,455</u> | <u>4,448</u> | <u>7</u> |
| Total | | <u>5,752</u> | <u>5,719</u> | <u>33</u> |
| Department of Public Works | County Cumulative Capital Improvement | | | |
| Capital outlay | | <u>2,500</u> | <u>2,498</u> | <u>2</u> |
| Total | | <u>2,500</u> | <u>2,498</u> | <u>2</u> |
| Total – Department of Public Works | | <u>\$ 8,252</u> | <u>\$ 8,217</u> | <u>\$ 35</u> |
| Department of Public Safety | Fire Cumulative | | | |
| Other services and charges | | \$ 500 | \$ 400 | \$ 100 |
| Capital Outlay | | <u>1,689</u> | <u>1,641</u> | <u>48</u> |
| Total | | <u>2,189</u> | <u>2,041</u> | <u>148</u> |
| Department of Public Safety | City Cumulative Capital Improvement | | | |
| Supplies | | 1,140 | 422 | 718 |
| Other services and charges | | 1,988 | 546 | 1,442 |
| Capital outlay | | <u>8,658</u> | <u>7,694</u> | <u>964</u> |
| Total | | <u>11,786</u> | <u>8,662</u> | <u>3,124</u> |
| Total – Department of Public Safety | | <u>\$ 13,975</u> | <u>\$ 10,703</u> | <u>\$ 3,272</u> |
| Total – Capital Projects Funds – by Department and Division | | <u>\$ 22,477</u> | <u>\$ 19,167</u> | <u>\$ 3,310</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, 2015
(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 | \$ — | \$ 1,466 | \$ 3,502 | \$ 4,968 |
| Cash and investments with fiscal agents | 19 | — | — | 19 |
| Investments | — | 2,776 | 6,634 | 9,410 |
| Accounts receivable | <u>5</u> | <u>—</u> | <u>—</u> | <u>5</u> |
| Total current assets | <u>24</u> | <u>4,242</u> | <u>10,136</u> | <u>14,402</u> |
| LIABILITIES | | | | |
| Accounts payable and other current accrued liabilities | \$ 4,459 | 942 | 3,654 | 9,055 |
| Due to other funds | <u>7,489</u> | <u>—</u> | <u>—</u> | <u>7,489</u> |
| Total current liabilities | <u>11,948</u> | <u>942</u> | <u>3,654</u> | <u>16,544</u> |
| NET POSITION | | | | |
| Unrestricted (deficit) | <u>\$ (11,924)</u> | <u>\$ 3,300</u> | <u>\$ 6,482</u> | <u>\$ (2,142)</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, 2015
(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 | \$ 6,752 | \$ 3,284 | \$ 25,999 | \$ 36,035 |
| Operating expenses: | | | | |
| Administration | 221 | — | — | 221 |
| Claims | 7,301 | 821 | 25,026 | 33,148 |
| Total operating expenses | 7,522 | 821 | 25,026 | 33,369 |
| Operating income (loss) | (770) | 2,463 | 973 | 2,666 |
| Nonoperating revenue (expense): | | | | |
| Interest on investments | (38) | 15 | 31 | 8 |
| Income (loss) | (808) | 2,478 | 1,004 | 2,674 |
| Change in net position | (808) | 2,478 | 1,004 | 2,674 |
| Total net position (deficit) – beginning of year | (11,116) | 822 | 5,478 | (4,816) |
| Total net position (deficit) – end of year | \$ (11,924) | \$ 3,300 | \$ 6,482 | \$ (2,142) |

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, 2015
(In thousands)

| | Risk Management | Public Liability Self Insurance | Employee Health Insurance | Total |
|----------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------|--------------------------------------|--------------|
| Cash flows from operating activities: | | | | |
| Receipts from users | \$ 6,747 | \$ 3,284 | \$ 25,999 | \$ 36,030 |
| Payments for administration | (221) | — | — | (221) |
| Payments for claims | (6,488) | (3,843) | (23,165) | (33,496) |
| Net cash provided by (used in) operating activities | 38 | (559) | 2,834 | 2,313 |
| Cash flows from investing activities: | | | | |
| Sales and maturities of investments | — | 460 | — | 460 |
| Investment purchases | — | — | (1,717) | (1,717) |
| Investment income (loss) | (39) | 15 | 31 | 7 |
| Net cash provided by (used in) investing activities | (39) | 475 | (1,686) | (1,250) |
| Net increase (decrease) in cash | (1) | (84) | 1,148 | 1,063 |
| Cash, beginning of year | 20 | 1,550 | 2,354 | 3,924 |
| Cash, end of year | \$ 19 | \$ 1,466 | \$ 3,502 | \$ 4,987 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ (770) | \$ 2,463 | \$ 973 | \$ 2,666 |
| 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 | (5) | — | — | (5) |
| Increase (decrease) in accounts payable | 813 | (3,022) | 1,861 | (348) |
| Net cash provided by (used in) operating activities | \$ 38 | \$ (559) | \$ 2,834 | \$ 2,313 |

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, 2015
(In thousands)

| | Police Pension | Firefighters Pension | Total |
|---------------------------------------------|---------------------------|---------------------------------|--------------|
| ASSETS | | | |
| Equity in pooled cash | \$ 327 | \$ 136 | \$ 463 |
| Investments | 618 | 257 | 875 |
| Total assets | 945 | 393 | 1,338 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| Net position restricted for pensions | \$ 945 | \$ 393 | \$ 1,338 |

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, 2015
(In thousands)

| | Pension Trust Funds | | |
|----------------------------------------------------------|----------------------------|---------------------------------|-----------------|
| | Police Pension | Firefighters Pension | Total |
| ADDITIONS | | | |
| State of Indiana pension subsidy | \$ 29,116 | \$ 28,150 | \$ 57,266 |
| Total additions | <u>29,116</u> | <u>28,150</u> | <u>57,266</u> |
| DEDUCTIONS | | | |
| Benefits | 30,153 | 28,383 | 58,536 |
| Total deductions | <u>30,153</u> | <u>28,383</u> | <u>58,536</u> |
| Net increase (decrease) in net position | (1,037) | (233) | (1,270) |
| Net position restricted for pensions – beginning of year | <u>1,982</u> | <u>626</u> | <u>2,608</u> |
| Net position restricted for pensions – end of year | <u>\$ 945</u> | <u>\$ 393</u> | <u>\$ 1,338</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, 2015
(In thousands)

| | Police Pension | | | Firefighters Pension | | |
|-----------------------------------------------------------|-----------------------|---------------|-----------------|-----------------------------|---------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues: | | | | | | |
| Intergovernmental | \$ 30,545 | \$ 29,116 | \$ (1,429) | \$ 29,740 | \$ 28,150 | \$ (1,590) |
| Total revenues | <u>30,545</u> | <u>29,116</u> | <u>(1,429)</u> | <u>29,740</u> | <u>28,150</u> | <u>(1,590)</u> |
| Expenditures: | | | | | | |
| Personal services | 30,545 | 30,153 | 392 | 29,740 | 28,373 | 1,367 |
| Total expenditures | <u>30,545</u> | <u>30,153</u> | <u>392</u> | <u>29,740</u> | <u>28,373</u> | <u>1,367</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ — | \$ (1,037) | \$ (1,037) | \$ — | \$ (223) | \$ (223) |

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, 2015
(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 | \$ 104 | \$ — | \$ 873 | \$ 381 | \$ 1,248 | \$ 265 | \$ 2,871 |
| Investments | 199 | — | 1,653 | 723 | 2,365 | 503 | 5,443 |
| Accounts receivable | — | — | 1,599 | — | — | — | 1,599 |
| Total assets | <u>\$ 303</u> | <u>\$ —</u> | <u>\$ 4,125</u> | <u>\$ 1,104</u> | <u>\$ 3,613</u> | <u>\$ 768</u> | <u>\$ 9,913</u> |
| LIABILITIES | | | | | | | |
| Accounts payable and other accrued liabilities | <u>\$ 303</u> | <u>\$ —</u> | <u>\$ 4,125</u> | <u>\$ 1,104</u> | <u>\$ 3,613</u> | <u>\$ 768</u> | <u>\$ 9,913</u> |
| Total liabilities | <u>\$ 303</u> | <u>\$ —</u> | <u>\$ 4,125</u> | <u>\$ 1,104</u> | <u>\$ 3,613</u> | <u>\$ 768</u> | <u>\$ 9,913</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, 2015
(In thousands)

| | Balance January 1, 2015 | Additions | Deductions | Balance December 31, 2015 |
|------------------------------------------------|----------------------------------------|------------------|-------------------|------------------------------------------|
| SANITATION 15 YEAR LAW FUND | | | | |
| Assets: | | | | |
| Cash and investments | \$ 303 | \$ — | \$ — | \$ 303 |
| Total assets | \$ 303 | \$ — | \$ — | \$ 303 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 303 | \$ — | \$ — | \$ 303 |
| Total liabilities | \$ 303 | \$ — | \$ — | \$ 303 |
| UAL PERSONAL PROPERTY | | | | |
| Assets: | | | | |
| Cash and investments | \$ 8,130 | \$ — | \$ 8,130 | \$ — |
| Total assets | \$ 8,130 | \$ — | \$ 8,130 | \$ — |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 8,130 | \$ — | \$ 8,130 | \$ — |
| Total liabilities | \$ 8,130 | \$ — | \$ 8,130 | \$ — |
| E – 911 ALLOCATION | | | | |
| Assets: | | | | |
| Cash and investments | \$ 2,613 | \$ 5,894 | \$ 5,981 | \$ 2,526 |
| Accounts receivable | 969 | 1,599 | 969 | 1,599 |
| Total assets | \$ 3,582 | \$ 7,493 | \$ 6,950 | \$ 4,125 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 3,582 | \$ 7,493 | \$ 6,950 | \$ 4,125 |
| Total liabilities | \$ 3,582 | \$ 7,493 | \$ 6,950 | \$ 4,125 |

(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, 2015
(In thousands)

| | Balance January 1, 2015 | Additions | Deductions | Balance December 31, 2015 |
|------------------------------------------------|----------------------------------------|------------------|-------------------|------------------------------------------|
| DPS RETIREE HEALTH INSURANCE | | | | |
| Assets: | | | | |
| Cash and investments | \$ 964 | \$ 2,934 | \$ 2,794 | \$ 1,104 |
| Total assets | \$ 964 | \$ 2,934 | \$ 2,794 | \$ 1,104 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 964 | \$ 2,934 | \$ 2,794 | \$ 1,104 |
| Total liabilities | \$ 964 | \$ 2,934 | \$ 2,794 | \$ 1,104 |
| IMPD CONFISCATED CASH | | | | |
| Assets: | | | | |
| Cash and investments | \$ 3,718 | \$ 7,269 | \$ 7,374 | \$ 3,613 |
| Total assets | \$ 3,718 | \$ 7,269 | \$ 7,374 | \$ 3,613 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 3,718 | \$ 7,269 | \$ 7,374 | \$ 3,613 |
| Total liabilities | \$ 3,718 | \$ 7,269 | \$ 7,374 | \$ 3,613 |
| 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 | \$ 16,496 | \$ 16,097 | \$ 24,279 | \$ 8,314 |
| Accounts receivable | 969 | 1,599 | 969 | 1,599 |
| Total assets | \$ 17,465 | \$ 17,696 | \$ 25,248 | \$ 9,913 |
| Liabilities: | | | | |
| Accounts payable and other accrued liabilities | \$ 17,465 | \$ 17,696 | \$ 25,248 | \$ 9,913 |
| Total liabilities | \$ 17,465 | \$ 17,696 | \$ 25,248 | \$ 9,913 |

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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)

| | <u>Fiscal Year</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> | <u>2015</u> |
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 968,197 | \$ 1,009,258 | \$ 963,536 | \$ 920,186 | \$ 961,358 | \$ 605,824 | \$ 621,413 | \$ 682,291 | \$ 604,736 | \$ 618,860 |
| Restricted | 193,243 | 175,864 | 195,743 | 214,479 | 209,948 | 188,976 | 124,511 | 122,379 | 171,863 | 177,408 |
| Unrestricted (deficit) | <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> | <u>\$ (1,141,617)</u> |
| Total governmental activities net position (deficit) | <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> | <u>\$ (345,349)</u> |

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

| | Fiscal Year | | | | | | | | | |
|----------------------------------------------------------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 45,133 | \$ 46,890 | \$ 34,652 | \$ 88,824 | \$ 65,883 | \$ 60,880 | \$ 45,395 | \$ 36,467 | \$ 43,599 | \$ 48,124 |
| Public safety | 281,214 | 401,015 | 382,716 | 395,465 | 428,230 | 442,327 | 448,007 | 447,016 | 461,873 | 412,157 |
| Public works | 229,993 | 234,673 | 227,589 | 267,286 | 276,331 | 252,332 | 196,687 | 204,217 | 230,470 | 214,740 |
| Health and welfare | 4,962 | 5,621 | 5,354 | 5,112 | 4,079 | 4,496 | 3,890 | 6,015 | 6,320 | 7,555 |
| Cultural and recreation | 31,739 | 38,250 | 34,296 | 33,506 | 30,275 | 30,705 | 22,413 | 18,465 | 10,130 | 14,714 |
| Urban redevelopment and housing | 40,837 | 33,207 | 30,594 | 34,813 | 48,407 | 47,262 | 31,493 | 28,124 | 24,114 | 18,354 |
| Economic development and assistance | 14,126 | 22,315 | 26,247 | 28,491 | 45,441 | 79,164 | 97,983 | 41,862 | 33,181 | 75,451 |
| Interest | 63,262 | 62,178 | 73,774 | 74,039 | 63,280 | 69,382 | 55,920 | 55,480 | 51,571 | 51,584 |
| Total governmental activities expenses | <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> | <u>842,679</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 13,672 | 14,025 | 13,980 | 14,816 | 17,712 | 18,551 | 20,982 | 22,245 | 21,785 | 25,881 |
| Public safety | 16,394 | 18,486 | 17,773 | 20,135 | 16,911 | 22,818 | 27,576 | 19,698 | 23,679 | 29,080 |
| Public works | 117,667 | 144,653 | 162,167 | 176,591 | 181,742 | 135,233 | 35,520 | 37,427 | 38,896 | 43,184 |
| Health and welfare | 864 | 864 | 901 | 375 | 289 | 31 | 74 | 675 | 808 | 149 |
| Cultural and recreation | 5,230 | 4,968 | 4,845 | 4,645 | 4,179 | 4,374 | 3,426 | 3,129 | 3,638 | 3,714 |
| Urban redevelopment and housing | 1,667 | 1,943 | 2,251 | 7,187 | 3,259 | 3,565 | 1,357 | 1,330 | 1,835 | 2,050 |
| Economic development and assistance | 1,033 | 966 | 675 | 298 | 477 | 692 | 791 | 1,051 | 1,530 | 1,259 |
| Operating grants and contributions | 123,417 | 142,344 | 107,546 | 137,557 | 157,126 | 161,033 | 143,556 | 138,311 | 137,828 | 139,251 |
| Capital grants and contributions | 63,466 | 69,657 | 31,167 | 32,637 | 25,652 | 51,681 | 30,217 | 77,797 | 4,845 | 37,351 |
| Total governmental activities program revenues | <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> | <u>281,919</u> |
| Net (Expense) Revenue | <u>(367,856)</u> | <u>(446,243)</u> | <u>(473,917)</u> | <u>(533,295)</u> | <u>(554,579)</u> | <u>(588,570)</u> | <u>(638,289)</u> | <u>(535,983)</u> | <u>(626,414)</u> | <u>(560,760)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property tax | 221,904 | 256,969 | 247,908 | 274,655 | 265,801 | 256,517 | 277,122 | 280,883 | 297,487 | 285,649 |
| Wheel tax | 12,921 | 12,756 | 13,432 | 13,549 | 11,890 | 12,193 | 12,433 | 12,983 | 13,250 | 14,645 |
| County option income tax | 57,452 | 110,426 | 188,486 | 117,764 | 187,880 | 170,092 | 174,342 | 154,273 | 164,582 | 206,838 |
| Other taxes | 17,769 | 16,947 | 19,040 | 19,841 | 19,544 | 20,753 | 21,998 | 19,949 | 21,460 | 20,472 |
| Grants and contributions not restricted by function | 16,945 | 13,503 | 4,872 | 11,916 | 9,411 | 8,483 | 12,745 | 12,978 | 13,165 | 9,465 |
| Investment earnings not restricted by function | 18,099 | 17,967 | 11,000 | 3,625 | 3,743 | 4,054 | 3,481 | 3,416 | 7,984 | 6,373 |
| Miscellaneous | 5,084 | 4,607 | 11,870 | 4,769 | 3,950 | 15,110 | 24,021 | 20,133 | 17,000 | 28,675 |
| 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>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> | <u>572,117</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | <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> | <u>\$ 11,357</u> |

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Function/Program | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 14,154 | \$ 14,459 | \$ 14,595 | \$ 16,372 | \$ 23,693 | \$ 31,250 | \$ 25,197 | \$ 28,022 | \$ 28,433 | \$ 29,935 |
| Public safety | 71,887 | 98,792 | 70,569 | 103,991 | 104,023 | 104,691 | 113,605 | 91,203 | 89,255 | 91,716 |
| Public works | 216,308 | 242,473 | 222,155 | 233,101 | 227,920 | 211,232 | 85,696 | 139,321 | 88,035 | 118,727 |
| Health and welfare | 2,939 | 3,503 | 3,755 | 2,000 | 2,485 | 3,678 | 4,611 | 7,118 | 6,807 | 7,302 |
| Cultural and recreation | 8,775 | 9,333 | 7,127 | 7,073 | 6,663 | 4,380 | 4,935 | 11,527 | 4,865 | 8,845 |
| Urban redevelopment and housing | 26,986 | 26,836 | 19,749 | 29,841 | 40,528 | 38,588 | 21,638 | 15,832 | 13,373 | 22,314 |
| Economic development and assistance | 2,361 | 2,510 | 3,355 | 1,863 | 2,035 | 4,159 | 7,817 | 8,640 | 4,076 | 3,080 |
| Total governmental activities program revenues | <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> | <u>\$ 281,919</u> |

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

| | Fiscal Year | | | | |
|------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund: | | | | | |
| Reserved | \$ 73,618 | \$ 37,412 | \$ 33,865 | \$ 48,759 | \$ 32,866 |
| Unreserved | 136,643 | 79,182 | 83,292 | 162,602 | 133,765 |
| Total general fund | <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 | \$ 179,519 | \$ 198,655 | \$ 230,856 | \$ 307,052 | \$ 362,565 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 511 | 148 | (503) | 184 | 14,442 |
| Capital projects funds | 75,784 | 100,381 | 103,328 | 64,895 | 87,575 |
| Debt service funds | — | — | — | (1,930) | 178 |
| Permanent fund | 345 | 361 | 377 | 376 | 376 |
| Total all other governmental funds | <u>\$ 256,159</u> | <u>\$ 299,545</u> | <u>\$ 334,058</u> | <u>\$ 370,577</u> | <u>\$ 465,136</u> |
| | | | | | |
| | 2011 (a) | 2012 | 2013 | 2014 | 2015 |
| General Fund: | | | | | |
| Nonspendable | \$ — | \$ — | \$ — | \$ — | \$ — |
| Restricted | 20,930 | 34,950 | 42,256 | 32,069 | 35,306 |
| Committed | 215,273 | 134,151 | 70,457 | 37,992 | 9,207 |
| Assigned | 51,434 | 96,691 | 76,815 | 83,902 | 79,775 |
| Unassigned | 84,750 | 82,931 | 91,191 | 70,784 | 79,192 |
| Total General Fund | <u>\$ 372,387</u> | <u>\$ 348,723</u> | <u>\$ 280,719</u> | <u>\$ 224,747</u> | <u>\$ 203,480</u> |
| All other governmental funds: | | | | | |
| Nonspendable | \$ 6,631 | \$ 1,872 | \$ 3,138 | \$ 2,275 | \$ 1,959 |
| Restricted | 403,782 | 259,101 | 221,517 | 271,375 | 317,629 |
| Committed | 1,000 | — | — | — | — |
| Assigned | — | — | — | — | — |
| Unassigned | (10,020) | (5,586) | (2,155) | (364) | (322) |
| Total all other governmental funds | <u>\$ 401,393</u> | <u>\$ 255,387</u> | <u>\$ 222,500</u> | <u>\$ 273,286</u> | <u>\$ 319,266</u> |

(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 | | | | | | | | | |
|-----------------------------------------------------------------------------|------------------|--------------------|------------------|-------------------|------------------|-------------------|---------------------|---------------------|-------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 310,178 | \$ 295,784 | \$ 445,216 | \$ 556,816 | \$ 474,935 | \$ 458,035 | \$ 487,666 | \$ 467,820 | \$ 497,061 | \$ 529,231 |
| Licenses and permits | 13,097 | 14,441 | 15,898 | 11,887 | 12,488 | 14,573 | 14,632 | 13,457 | 12,010 | 14,249 |
| Charges for services | 130,946 | 158,671 | 159,169 | 200,817 | 198,623 | 155,277 | 61,207 | 58,826 | 63,949 | 65,744 |
| Intergovernmental revenues | 131,323 | 158,782 | 112,674 | 152,128 | 168,344 | 172,171 | 171,362 | 164,365 | 151,369 | 154,789 |
| Intragovernmental revenues | 3,804 | 3,401 | 2,497 | 3,338 | 2,674 | 2,929 | 1,650 | 4,880 | 3,286 | 2,342 |
| Traffic violations and court fees | 4,441 | 4,185 | 11,309 | 13,602 | 6,291 | 9,514 | 6,707 | 5,429 | 5,112 | 5,822 |
| Interest and other operating revenues | 30,737 | 44,429 | 25,631 | 14,378 | 15,144 | 27,394 | 37,630 | 31,816 | 46,174 | 57,835 |
| Total revenues | 624,526 | 679,693 | 772,394 | 952,966 | 878,499 | 839,893 | 780,854 | 746,593 | 778,961 | 830,012 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 24,193 | 25,024 | 18,190 | 21,842 | 42,446 | 35,980 | 25,015 | 21,721 | 25,957 | 24,888 |
| Public safety | 261,140 | 343,222 | 345,965 | 352,790 | 388,364 | 407,409 | 414,456 | 416,774 | 429,520 | 442,491 |
| Public works | 117,032 | 129,584 | 131,156 | 133,258 | 150,988 | 174,235 | 100,806 | 101,172 | 114,061 | 107,819 |
| Health and welfare | 4,778 | 5,430 | 5,221 | 4,928 | 4,053 | 4,471 | 3,865 | 5,973 | 6,241 | 7,550 |
| Cultural and recreation | 25,501 | 28,883 | 28,085 | 25,431 | 22,581 | 23,933 | 14,579 | 13,864 | 13,031 | 13,267 |
| Urban redevelopment and housing | 27,946 | 28,355 | 23,962 | 30,093 | 44,037 | 40,733 | 27,374 | 24,033 | 17,760 | 22,731 |
| Economic development and assistance | 1,773 | 12,614 | 20,289 | 24,308 | 42,111 | 73,758 | 95,236 | 37,981 | 28,411 | 61,202 |
| Capital outlays | 117,918 | 194,529 | 138,879 | 138,754 | 226,218 | 246,409 | 151,228 | 105,394 | 84,975 | 122,022 |
| Debt service: | | | | | | | | | | |
| Redemption of bonds and notes | 96,412 | 92,076 | 78,811 | 78,607 | 93,793 | 80,162 | 68,114 | 61,598 | 76,953 | 69,066 |
| Interest on bonds and notes | 54,514 | 54,809 | 63,886 | 68,255 | 55,388 | 57,971 | 50,892 | 51,981 | 47,877 | 45,915 |
| Swap termination payment | — | — | — | 28,780 | — | — | — | — | — | — |
| Bond and note issuance costs | 2,026 | 3,760 | 1,160 | 2,758 | 4,987 | 4,130 | 614 | 5,705 | 1,099 | 2,445 |
| Advance funding escrow | — | — | — | 649 | — | 3,318 | — | 36,705 | 10,525 | 11,655 |
| Operating lease payments and administration | 19,054 | 19,636 | 15,399 | 15,167 | 15,439 | 15,781 | 16,339 | 16,047 | 16,184 | 18,448 |
| Total expenditures | 752,287 | 937,922 | 871,003 | 925,620 | 1,090,405 | 1,168,290 | 968,518 | 898,948 | 872,594 | 949,499 |
| Excess (deficiency) of revenues under expenditures | (127,761) | (258,229) | (98,609) | 27,346 | (211,906) | (328,397) | (187,664) | (152,355) | (93,633) | (119,487) |
| Other financing sources (uses): | | | | | | | | | | |
| Proceeds of financing from capital lease | — | — | — | — | — | 8,175 | — | — | 605 | 3,248 |
| Proceeds from execution of parking meter contract | — | — | — | — | 20,000 | — | — | — | — | — |
| Proceeds from restructuring of debt | — | — | — | — | — | — | — | 85 | 212 | 749 |
| Sales of capital assets | 455 | 939 | 363 | 645 | 910 | 1,574 | 1,608 | 795 | 625 | 472 |
| Bond and notes issued | 199,999 | 198,915 | 129,675 | 87,281 | 229,732 | 146,495 | 17,915 | 5,780 | 69,370 | 116,600 |
| Premium on bonds and notes issued | 2,691 | 5,381 | 1,647 | 15,451 | 11,093 | 6,810 | 2,509 | 11,744 | 6,215 | 12,146 |
| Refunding bonds issued | — | 89,410 | — | 133,775 | — | 39,000 | 24,415 | 86,605 | 11,420 | 10,985 |
| Payment to refunded bond escrow agent | — | (86,697) | — | (133,775) | — | (25,979) | (28,453) | (53,545) | — | — |
| Transfers in | 45,313 | 60,253 | 82,245 | 59,105 | 108,357 | 141,489 | 65,313 | 102,216 | 53,138 | 128,974 |
| Transfers out | (45,313) | (60,253) | (82,245) | (59,105) | (108,357) | (160,266) | (65,313) | (102,216) | (53,138) | (128,974) |
| Total other financing sources (uses) | 203,145 | 207,948 | 131,685 | 103,377 | 261,735 | 157,298 | 17,994 | 51,464 | 88,447 | 144,200 |
| 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) | \$ 75,384 | \$ (50,281) | \$ 33,076 | \$ 130,723 | \$ 49,829 | \$ 142,013 | \$ (169,670) | \$ (100,891) | \$ (5,186) | \$ 24,713 |
| Debt service as a percentage of noncapital expenditures | 23% | 19% | 19% | 18% | 17% | 15% | 15% | 15% | 17% | 15% |
| Debt service expenditures | \$ 150,926 | \$ 146,885 | \$ 142,697 | \$ 146,862 | \$ 149,181 | \$ 138,133 | \$ 119,006 | \$ 113,579 | \$ 124,830 | \$ 114,981 |
| Noncapital expenditures | 657,704 | 781,184 | 746,880 | 809,808 | 892,858 | 932,309 | 803,222 | 781,499 | 721,252 | 768,280 |

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 |
|--------------------|-----------------|-----------------------------|------------------|------------------|--------------------|
| 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 |
| 2015 | 287,170 | 206,838 | 14,645 | 20,579 | 529,232 |

(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)

| Fiscal year | Residential property | Commercial property | Industrial property | Personal property | Other | Total taxable assessed value (a) (b) | Total direct tax rate | Estimated actual taxable value | Taxable assessed value as a % of actual taxable value (a) |
|--------------------|-----------------------------|----------------------------|----------------------------|--------------------------|--------------|---------------------------------------------|------------------------------|---------------------------------------|------------------------------------------------------------------|
| 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 |
| 2015 | 18,103,687 | 13,437,532 | 3,096,297 | 6,160,989 | 977,912 | 41,776,417 | 0.7069 | 41,776,417 | 100 |

Note: Tax-exempt property for 2015 of \$840,365 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 2015, total taxable assessed value includes \$3,821,280 of assessed valuation for Marion County Tax Increment Financing Districts.

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

| Fiscal Year | City of Indianapolis | | | County direct rates | | | Overlapping rates | | | Total direct and overlapping rates |
|-------------|----------------------|----------------------|--------------------|---------------------|------------------------|------------------------------------|-------------------|-----------|-----------|------------------------------------|
| | Operating millage | Debt service millage | Total city millage | County | Municipal corporations | Total City-County Council approved | School | State | Other | |
| 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 |
| 2015 | 0.6431 | 0.0638 | 0.7069 | 0.3825 | 0.4205 | 1.5099 | 1.3504 | 0.0000 | 0.0607 | 2.9210 |

- (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 | 2015 | | | Principal taxpayers | 2006 | | |
|----------------------------------------|----------------------------|------|-------------------------------------------------|------------------------------------------------|--------------------------------|------|-------------------------------------------------|
| | 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 | \$ 1,207,560 | 1 | 3.079 % | Eli Lilly and Company | \$ 914,506 | 1 | 2.308 % |
| Citizens Energy Group | 437,456 | 2 | 1.115 | South Western Bell | 391,810 | 2 | 0.989 |
| Indianapolis Power and Light Company | 311,180 | 3 | 0.793 | General Motors Corporation | 380,680 | 3 | 0.961 |
| Federal Express Corporation | 199,419 | 4 | 0.508 | Indianapolis Power and Light | 351,076 | 4 | 0.886 |
| Convention Headquarters Hotels, LLC | 174,342 | 5 | 0.445 | Simon Property Group | 254,426 | 5 | 0.642 |
| Cw Monument Circle Inc. | 161,328 | 6 | 0.411 | International Truck and Engine | 187,001 | 6 | 0.472 |
| Allison Transmission Inc. | 109,196 | 7 | 0.278 | St.Vincent Hospital & Health Care Center, Inc. | 179,332 | 7 | 0.453 |
| Castleton Square, LLC | 82,090 | 8 | 0.209 | Federal Express Corporation | 177,927 | 8 | 0.449 |
| American United Life Insurance Company | 80,007 | 9 | 0.204 | Citizens Gas & Coke Utility | 165,806 | 9 | 0.418 |
| SVC Manufacturing | 76,608 | 10 | 0.195 | Visteon Corporation | 164,023 | 10 | 0.414 |
| Verizon Wireless | 70,559 | 11 | 0.180 | Duke-Weeks Realty LP | 154,371 | 11 | 0.390 |
| Ingredion Inc. | 70,351 | 12 | 0.179 | Community Hospitals Foundations Inc. | 132,834 | 12 | 0.335 |
| Indiana Bell Telephone Company, Inc. | 69,524 | 13 | 0.177 | Dugan Realty, LLC | 125,356 | 13 | 0.316 |
| DOW Agrosciences, LLC | 63,683 | 14 | 0.162 | American United Life Insurance Company | 117,854 | 14 | 0.297 |
| HUB Properties GA, LLC | 60,996 | 15 | 0.156 | Duke Financing, LLC | 112,277 | 15 | 0.283 |
| Circle Centre Development Co. | 60,013 | 16 | 0.153 | Macquarie Office Monument | 108,650 | 16 | 0.274 |
| Rolls-Royce Corporation | 58,897 | 17 | 0.150 | Rolls-Royce | 108,650 | 17 | 0.274 |
| Indianapolis Multifamily Dist | 53,734 | 18 | 0.137 | Kroger | 105,277 | 18 | 0.266 |
| Summit Hospitality 22, LLC | 52,767 | 19 | 0.135 | Target Corporation | 101,917 | 19 | 0.257 |
| NG 211 N Pennsylvania St, LLC | 51,022 | 20 | 0.130 | Roche Diagnostic Corporation | 94,501 | 20 | 0.238 |
| | <u>\$ 3,450,732</u> | | <u>8.796 %</u> | | <u>\$ 4,328,274</u> | | <u>10.92 %</u> |

- (a) Represents the March 1, 2014 valuations for taxes due and payable in 2015 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, 2005 valuations for taxes due and payable in 2006 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 2006 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Property Tax Levies and Collections
Schedule 10
Last Five 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 % | \$ 8,286 | \$ 183,355 | 99.5 % |
| 2012 | 195,321 | 185,118 | 94.8 | 6,922 | 192,040 | 98.3 |
| 2013 | 186,122 | 179,501 | 96.4 | 6,685 | 186,186 | 100.0 |
| 2014 | 214,798 | 198,358 | 92.3 | 6,286 | 204,644 | 95.3 |
| 2015 | 195,944 | 188,572 | 96.2 | — | 188,572 | 96.2 |

- (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 | | |
| 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 | 1.32 | 1,352 |
| 2015 | 129,860 | 649,323 | 345,558 | 74,633 | 11,607 | 1,210,981 | 1.40 | 1,404 |

- (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 | | | | |
| 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 |
| 2015 | 129,860 | (c) 24,850 | | 105,010 | 0.251 | 121.71 |

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, 2015
(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 | \$ 35,494,623 | 0.67% | \$ 237,814 | \$ 51,935 |
| Park District | 1 | 37,955,137 | 0.67% | 254,299 | 9,220 |
| Redevelopment District | 2 | 35,494,623 | (f) | — | — |
| Flood Control District | 1 | 37,955,137 | 0.67% | 254,299 | 4,290 |
| Metropolitan Thoroughfare District | 1 | 37,955,137 | 1.33% | 504,803 | 17,296 |
| Sanitary District | 8 | 34,982,659 | 4.00% | 1,399,306 | 21,654 |
| Solid Waste Disposal District | 7 | 35,541,453 | 2.00% | 710,829 | — |
| Public Safety Communications and Computer Facilities District | 1 | 37,955,137 | 0.67% | 254,299 | 24,685 |
| Premium on General Obligation Debt | | | | | 780 |
| Total City General Obligation Debt | | | | \$ 3,615,649 | 129,860 |
| Other Direct Debt | | | | | |
| Tax increment bonds | | | | | 649,323 |
| Revenue bonds | | | | | 345,558 |
| Note payable and certificate of participations | | | | | 74,633 |
| Bond anticipation note | | | | | — |
| Capital leases | | | | | 11,607 |
| Total City Direct Debt | | | | | \$ 1,210,981 |
| Overlapping: | | | | | |
| Marion County | 1 | 37,955,137 | 0.67% | \$ 254,299 | \$ — |
| Municipal Corporations: | | | | | |
| Indianapolis Airport Authority | | 37,955,137 | 0.67% | \$ 254,299 | \$ — |
| Health and Hospital Corporation | 1 | 37,955,137 | 0.67% | 254,299 | 193,760 |
| Capital Improvement Board of Managers | 1 | 37,955,137 | 0.67% | 254,299 | — |
| Indianapolis-Marion County Building Authority | 1 | 37,955,137 | (b) | — | 7,925 |
| Indianapolis-Marion County Public Library | 4 | 36,985,316 | 0.67% | 247,802 | 64,805 |
| Indianapolis Public Transportation Corporation | 2 | 35,916,344 | 0.67% | 240,640 | 2,050 |
| Total Municipal Corporations | | | | \$ 1,251,339 | \$ 268,540 |
| School Districts: | | | | | |
| Beech Grove | 9 | \$ 422,640 | (g) | \$ 36,800 | \$ 4,025 |
| Decatur | 9 | 1,404,774 | (g) | 153,347 | 3,999 |
| Franklin | 9 | 1,985,475 | (g) | 255,639 | 1,580 |
| Indianapolis Public Schools | 9 | 10,122,186 | (g) | 683,185 | 17,319 |
| Lawrence | 9 | 4,868,914 | (g) | 331,372 | 39,841 |
| Perry | 9 | 3,275,831 | (g) | 168,743 | 2,000 |
| Pike | 9 | 4,691,613 | (g) | 126,702 | 24,665 |
| Speedway | 9 | 673,118 | (g) | 13,462 | — |

(Continued)

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

Schedule 13
December 31, 2015
(In thousands)

| | Map reference (see introduction (e)) | Assessed value (d) | Bonding limit | | Bonds outstanding (h) |
|--------------------------------------|-----------------------------------------|-----------------------|---------------|---------------------|--------------------------|
| | | | % | Dollar amount | |
| School Districts (continued): | | | | | |
| Warren | 9 | \$ 2,417,980 | (g) | \$ 121,335 | \$ 1,690 |
| Washington | 9 | 5,832,024 | (g) | 154,605 | 8,005 |
| Wayne | 9 | 2,584,075 | (g) | 295,347 | 36,457 |
| Total School Districts | | <u>\$ 38,278,630</u> | | <u>\$ 2,340,537</u> | <u>\$ 139,581</u> |
| Other Cities and Towns: | | | | | |
| Beech Grove | 2 | \$ 421,721 | 0.67% | \$ 2,826 | \$ 1,590 |
| Lawrence | 2 | 1,420,196 | 0.67% | 9,515 | 4,854 |
| Southport | 2 | 46,830 | 0.67% | 314 | 146 |
| Speedway | 2 | 571,768 | 0.67% | 3,831 | 1,895 |
| Total Other Cities and Towns | | <u>\$ 2,460,515</u> | | <u>\$ 16,486</u> | <u>\$ 8,485</u> |
| Townships: | | | | | |
| Center | 3 | \$ 5,571,092 | 0.67% | \$ 37,326 | \$ — |
| Decatur | 3 | 1,214,394 | 0.67% | 8,136 | 2,324 |
| Franklin | 3 | 2,114,272 | 0.67% | 14,166 | — |
| Lawrence | 3 | 5,221,775 | 0.67% | 34,986 | 1,475 |
| Perry | 3 | 3,568,604 | 0.67% | 23,910 | — |
| Pike | 3 | 4,531,326 | 0.67% | 30,360 | 3,760 |
| Warren | 3 | 3,271,756 | 0.67% | 21,921 | — |
| Washington | 3 | 8,280,250 | 0.67% | 55,478 | — |
| Wayne | 3 | 3,934,198 | 0.67% | 26,359 | 1,398 |
| Total Townships | | <u>\$ 37,707,667</u> | | <u>\$ 252,642</u> | <u>\$ 8,957</u> |
| Excluded Library Districts: | | | | | |
| Beech Grove | 4 | \$ 398,053 | 0.67% | \$ 2,667 | \$ — |
| Speedway | 4 | 571,768 | 0.67% | 3,831 | 310 |
| Total Excluded Library Districts | | <u>\$ 969,821</u> | | <u>\$ 6,498</u> | <u>\$ 310</u> |
| Ben Davis Conservancy District | | <u>\$ 342,897</u> | (c) | <u>\$ —</u> | <u>\$ —</u> |
| Total overlapping debt | | | | | <u>\$ 425,873</u> |
| Total direct and overlapping debt | | | | | <u>\$ 1,636,854</u> |

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2015
(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, 2014 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2015.
- (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, 2015
(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 | \$ 35,494,623 | 0.67% | \$ 237,814 | \$ 51,935 | \$ 185,879 | 21.84% |
| Park District | 37,955,137 | 0.67% | 254,299 | 9,220 | 245,079 | 3.63% |
| Redevelopment District | 35,494,623 | (b) | — | — | — | — |
| Flood Control District | 37,955,137 | 0.67% | 254,299 | 4,290 | 250,009 | 1.69% |
| Metropolitan Thoroughfare District | 37,955,137 | 1.33% | 504,803 | 17,296 | 487,507 | 3.43% |
| Sanitary District | 34,982,659 | 4.00% | 1,399,306 | 21,654 | 1,377,652 | 1.55% |
| Solid Waste Disposal District | 35,541,453 | 2.00% | 710,829 | — | 710,829 | — |
| Public Safety Communications and Computer Facilities District | 37,955,137 | 0.67% | 254,299 | 24,685 | 229,614 | 9.71% |

(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)

| Wheel tax bonds | | | | | |
|------------------------|-----------------------|--------------|----------|----------|--|
| Fiscal year | Wheel tax revenue (a) | Debt service | | Coverage | |
| | | Principal | Interest | | |
| 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 | |
| 2015 | 14,644 | 1,580 | 2,076 | 4.01 | |

| PILOT revenue bonds | | | | | |
|-------------------------------|--------------|--------------|----------|----|--|
| Payments in lieu of taxes (b) | Debt service | | Coverage | | |
| | Principal | Interest (h) | | | |
| \$ NA | \$ NA | \$ NA | NA | NA | |
| NA | NA | NA | NA | NA | |
| NA | NA | NA | NA | NA | |
| NA | NA | NA | NA | NA | |
| 5,574 | — | 3,054 | 1.83 | | |
| 14,214 | — | 7,910 | 1.80 | | |
| 5,264 | — | 7,910 | 0.67 | | |
| 5,875 | — | 7,910 | 0.74 | | |
| 4,307 | — | 7,910 | 0.54 | | |
| 8,168 | — | 7,910 | 1.03 | | |

| Property tax increment bonds | | | | | |
|-------------------------------------|---------------|-----------|----------|--|--|
| Tax increment revenues (c) | Debt service | | Coverage | | |
| | Principal (d) | Interest | | | |
| \$ 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 | | |
| 66,615 | 43,236 | 22,420 | 1.01 | | |
| 60,980 | 26,975 | 22,745 | 1.23 | | |
| 74,006 | 36,009 | 12,960 | 1.51 | | |
| 82,754 | 29,701 | 17,729 | 1.74 | | |
| 82,319 | 39,223 | 18,382 | 1.43 | | |
| 83,953 | 34,815 | 18,673 | 1.57 | | |

| Facilities revenue bonds | | | | | |
|---------------------------------|-----------------|--------------|----------|----------|--|
| Fiscal year | Charge back (e) | Debt service | | Coverage | |
| | | Principal | Interest | | |
| 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 | |
| 2015 | 1,952 | 730 | 453 | 1.65 | |

| Economic development bonds | | | | | |
|-----------------------------------|--------------|----------|----------|--|--|
| Parking fees (f) | Debt service | | Coverage | | |
| | Principal | Interest | | | |
| \$ 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 | | |
| 3,062 | 1,183 | 1,879 | 1.00 | | |

| Stormwater revenue bonds | | | | | |
|-------------------------------------------|--------------|----------|----------|--|--|
| Net revenues of the stormwater system (g) | Debt service | | Coverage | | |
| | Principal | Interest | | | |
| \$ 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 | | |
| 5,573 | 2,235 | 2,223 | 1.25 | | |

Note: NA stands for not applicable.

- (a) Wheel taxes on vehicles
- (b) Payments in lieu of taxes wastewater system
- (c) Property tax increment revenues collected in TIF districts
- (d) Does not include principal amount for refunding bonds
- (e) Charge back to City-County agencies
- (f) Fees from parking garage
- (g) Improvements of stormwater handling capabilities
- (h) 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> | |
|----------------------|-----------------------|---------------------------------------------------|---------------------------------------|-----------------------|--------------------------------------------------|------------------------------|------------------------------|---|
| 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 | 86,769,196 | 39,433 | 34.10 | 12 | 130,007 | 5.90 | |
| 2015 | 862,781 | 86,769,196 | (f) 40,998 | 34.30 | 12 | 130,371 | 4.60 | |

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Stats Indiana

(d) Indiana Department of Education

(e) Bureau of Labor Statistics, Dec 2015 rate

(f) This information will be released by the Bureau of Economics Analysis in August 2016; therefore, prior year numbers were utilized.

CITY OF INDIANAPOLIS
Principal Employers
Schedule 17
December 31, 2015

| Employer | 2015 (b) | | | Employer | 2006 (c) | | |
|----------------------------------------|------------------|-------------|------------------------------------------------|---------------------------------------------|------------------|-------------|------------------------------------------------|
| | Employees | Rank | Percentage of total city employment (a) | | Employees | Rank | Percentage of total city employment (a) |
| St Vincent Hospitals & Health Services | 17,398 | 1 | 3.87% | Eli Lilly and Company | 14,000 | 1 | 3.12% |
| Indiana University Health | 11,810 | 2 | 2.63% | Clarian Health Partners, Inc | 7,503 | 2 | 1.67% |
| Eli Lilly and Company | 10,565 | 3 | 2.35% | Community Health Network | 7,500 | 3 | 1.67% |
| Community Health Network | 10,402 | 4 | 2.31% | IUPUI | 7,066 | 4 | 1.57% |
| Wal-Mart | 8,830 | 5 | 1.97% | FedEX | 6,311 | 5 | 1.40% |
| Marsh Supermarkets | 8,000 | 6 | 1.78% | St Vincent Hospitals & Health Services inc. | 6,000 | 6 | 1.34% |
| IUPUI | 7,365 | 7 | 1.64% | Allison Transmission/Div of GMC | 4,000 | 7 | 0.89% |
| City of Indianapolis/Marion County | 7,058 | 8 | 1.57% | Rolls-Royce | 4,000 | 8 | 0.89% |
| Kroger | 6,700 | 9 | 1.49% | AT&T | 3,500 | 9 | 0.78% |
| Fed Ex Express | 6,600 | 10 | 1.47% | WellPoint Inc. | 3,000 | 10 | 0.67% |

- (a) Percentage of total City employment is calculated by using total Employed Labor Force, which can be found at www.stats.indiana.edu.
- (b) Largest employers can be found at www.indypartnership.com (Indy Partnership).
- (c) Data presented as originally published in the 2006 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Full-Time Equivalent City Government Employees by Function/Program
 Schedule 18
 Last Ten 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> | <u>2015</u> |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government | 250 | 264 | 268 | 266 | 236 | 206 | 230 | 211 | 200 | 192 |
| Protection of People | | | | | | | | | | |
| Police Department | 1,635 | 1,588 | 1,593 | 1,610 | 1,636 | 1,624 | 1,542 | 1,527 | 1,549 | 1,654 |
| Fire Department (a) | 792 | 978 | 1,092 | 1,116 | 1,300 | 1,268 | 1,221 | 1,155 | 1,173 | 1,180 |
| Other (Civilian) | 367 | 385 | 390 | 309 | 291 | 270 | 262 | 348 | 336 | 337 |
| Public Works | 647 | 648 | 637 | 618 | 670 | 661 | 683 | 620 | 626 | 632 |
| Parks and Recreation | 160 | 165 | 162 | 150 | 142 | 131 | 114 | 99 | 103 | 103 |
| Redevelopment | <u>218</u> | <u>227</u> | <u>244</u> | <u>222</u> | <u>227</u> | <u>226</u> | <u>206</u> | <u>204</u> | <u>226</u> | <u>237</u> |
| Total full-time City employees | <u><u>4,069</u></u> | <u><u>4,255</u></u> | <u><u>4,386</u></u> | <u><u>4,291</u></u> | <u><u>4,502</u></u> | <u><u>4,386</u></u> | <u><u>4,258</u></u> | <u><u>4,164</u></u> | <u><u>4,213</u></u> | <u><u>4,335</u></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 Ten 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> | <u>2015</u> |
|---------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | | | | | | |
| Building permits issued | 48,858 | 41,470 | 34,517 | 33,619 | 33,915 | 34,966 | 38,803 | 38,384 | 39,708 | 37,967 |
| Building inspections conducted | 65,314 | 23,278 | 33,193 | 37,224 | 32,370 | 32,034 | 35,509 | 29,891 | 31,026 | 40,088 |
| Households assisted with entitlement grants | 3,767 | 4,131 | 5,168 | 6,872 | 3,430 | 3,090 | 1,789 | 2,233 | 2,100 | 4,219 |
| Police | | | | | | | | | | |
| Physical arrests | 37,740 | 44,903 | 52,247 | 51,944 | 50,264 | 60,883 | 55,965 | 52,337 | 42,293 | 39,417 |
| Parking violations | 22,335 | 12,692 | 10,912 | 8,575 | 8,953 | 7,277 | 3,778 | 2,362 | 3,440 | 6,512 |
| Traffic violations | 42,278 | 43,780 | 68,937 | 36,850 | 20,600 | 34,434 | 30,328 | 36,953 | 31,684 | 40,642 |
| Fire | | | | | | | | | | |
| Emergency responses (a) | 68,240 | 65,966 | 136,198 | 122,620 | 154,755 | 137,476 | 151,950 | 150,535 | 97,140 | 106,118 |
| Dispatched fire runs | 52,948 | 15,783 | 16,331 | 18,457 | 17,236 | 17,714 | 18,682 | 18,744 | 18,543 | 18,809 |
| Inspections | 2,155 | 4,552 | 4,663 | 4,663 | 6,936 | 12,524 | 8,231 | 10,960 | 15,228 | 17,678 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per day) | 816 | 890 | 1,075 | 1,048 | 1,038 | 997 | 924 | 960 | 975 | 991 |
| Leaves collected (tons per year) | 10,341 | 6,762 | 6,741 | 7,610 | 6,044 | 7,603 | 4,907 | 6,359 | 5,785 | 5,397 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 99 | 99 | 155 | 237 | 515 | 389 | 139 | 175 | 254 | 258 |
| Pothole work orders completed (b) | 13,246 | 9,009 | 12,094 | 18,590 | 16,645 | 23,821 | 13,410 | 14,512 | 21,722 | 24,106 |
| 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 | 2,467 |
| Number of day camp registrations | 3,658 | 3,413 | 3,128 | 3,135 | 3,403 | 3,428 | 3,143 | 3,107 | 3,213 | 3,226 |
| 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 | 7,460,471 |

(a) The increase in emergency responses between 2007 and 2008 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 Ten Fiscal Years

| Function/program | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police stations | 5 | 6 | 7 | 7 | 6 | 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 | 1,896 |
| Fire stations | 26 | 35 | 35 | 38 | 45 | 45 | 44 | 44 | 44 | 44 |
| Fire vehicles and other rolling stock | 178 | 259 | 258 | 277 | 302 | 297 | 282 | 276 | 276 | 291 |
| Emergency management vehicles and other rolling stock | 11 | 10 | 9 | 12 | 12 | 14 | 16 | 17 | 20 | 20 |
| Animal control vehicles and other rolling stock | 28 | 31 | 29 | 27 | 27 | 31 | 27 | 34 | 30 | 33 |
| Other Public Works | | | | | | | | | | |
| Streets (miles) | 3,161 | 3,193 | 3,215 | 3,233 | 3,238 | 3,244 | 3,299 | 3,307 | 3,323 | 3,337 |
| Sidewalks (miles) | 2,702 | 2,705 | 2,707 | 2,706 | 2,707 | 2,706 | 2,815 | 3,097 | 3,199 | 3,224 |
| Bridges | 512 | 513 | 512 | 512 | 512 | 512 | 527 | 541 | 541 | 540 |
| Traffic signal installations | 1,124 | 1,125 | 1,125 | 1,127 | 1,128 | 1,128 | 1,130 | 1,132 | 1,136 | 1,141 |
| Miles of storm sewers and drainage | 1,478 | 1,494 | 1,500 | 1,513 | 1,517 | 1,517 | 1,525 | 1,536 | 1,540 | 1,544 |
| Public works vehicle and other rolling stock | 538 | 551 | 537 | 582 | 546 | 673 | 672 | 652 | 644 | 605 |
| Cultural and Recreation | | | | | | | | | | |
| Parks | 192 | 192 | 192 | 206 | 207 | 207 | 207 | 207 | 208 | 208 |
| Park properties – acreage | 11,018 | 11,140 | 11,160 | 11,140 | 11,168 | 11,168 | 11,161 | 11,161 | 11,186 | 11,186 |
| Playgrounds | 131 | 131 | 127 | 128 | 127 | 127 | 126 | 126 | 126 | 126 |
| Golf courses | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Swimming pools – outdoors | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Swimming pools – indoors | 6 | 6 | 8 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Recreational centers | 25 | 25 | 25 | 25 | 25 | 25 | 24 | 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
For the Year Ended December 31, 2015

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Year Ended December 31, 2015

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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, 2015

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|---------------------------------------|----------------------------------|
| U.S. Department of Agriculture: | | | | |
| Indiana State Department of Education Child and Adult Care Food Program | 10.558 | NA | \$ - | \$ 609,479 |
| Indiana State Department of Education <i>Summer Food Service Program for Children (Child Nutrition Cluster)</i> | 10.559 | NA | - | 590,512 |
| Forest Health Protection | 10.680 | | - | 77,028 |
| Total U.S. Department of Agriculture | | | <u>-</u> | <u>1,277,019</u> |
| U.S. Department of Housing and Urban Development: | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 10,754,683 | 14,274,086 |
| Emergency Solutions Grants Program | 14.231 | | 734,639 | 773,235 |
| Shelter Plus Care | 14.238 | | 729,737 | 729,737 |
| Home Investment Partnerships Program | 14.239 | | 3,632,119 | 3,872,888 |
| Housing Opportunities for Persons with AIDS | 14.241 | | 875,187 | 899,913 |
| Continuum of Care Program | 14.267 | | 3,300,305 | 3,378,671 |
| Lead Hazard Reduction Demonstration Grant Program | 14.905 | | - | 544,848 |
| Total U.S. Department of Housing and Urban Development | | | <u>20,026,670</u> | <u>24,473,378</u> |
| U.S. Department of Interior: | | | | |
| Migratory Bird Monitoring, Assessment and Conservation | 15.655 | | - | 1,000 |
| Total U.S. Department of Interior | | | <u>-</u> | <u>1,000</u> |
| U.S. Department of Justice: | | | | |
| Indiana State Police Missing Children's Assistance | 16.543 | A2-15,100020, A2-14-100016 | - | 26,005 |
| National Institute of Justice Research, Evaluation, and Development Project Grants (<i>Research and Development Cluster</i>) | 16.560 | | - | 74,127 |
| Indiana Criminal Justice Institute Crime Victim Assistance | 16.575 | 3414, 3415, 4268 | - | 152,885 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | 16.590 | | - | 1,750 |
| Indiana Criminal Justice Institute Project Safe Neighborhoods PSN | 16.609 | 3835 | - | 12,798 |
| Public Safety Partnership and Community Policing Grants | 16.710 | | - | 138,950 |
| Edward Byrne Memorial Justice Assistance Grant Program Indiana Criminal Justice Institute | 16.738 | | 930,349 | 1,135,152 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 3704 | - | 65,522 |
| | | Total 16.738 | <u>930,349</u> | <u>1,200,674</u> |
| Criminal and Juvenile Justice and Mental Health Collaboration | 16.745 | | - | 3,710 |
| Second Chance Act Reentry Initiative | 16.812 | | - | 3,253 |
| Byrne Criminal Justice Innovation Program | 16.817 | | - | 8,800 |
| Federal Equitable Share Law Enforcement - Forfeitures | 16.922 | | - | 1,043,264 |
| Total U.S. Department of Justice | | | <u>930,349</u> | <u>2,666,216</u> |
| U.S. Department of Transportation: | | | | |
| Indiana Department of Transportation Highway Planning and Construction Cluster | 20.205 | A249-11-320618, A249-13- | - | 2,219,064 |
| Indiana Department of Transportation Federal Transit-Capital Investment Grants (<i>Federal Transit Cluster</i>) | 20.500 | A249-8-320251 | - | 65,679 |

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, 2015

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|---------------------------------------|----------------------------------|
| <i>Highway Safety Cluster:</i> | | | | |
| Indiana Criminal Justice Institute | | | | |
| State and Community Highway Safety Marion County, Indiana Prosecutor's Office | 20.600 | 3894, 3149, 4272 | \$ - | \$ 321,053 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I Indiana Criminal Justice Institute | 20.601 | N/A | - | 34,990 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | 4271, 3148 | - | 238,975 |
| | | Total 20.601 | - | 273,965 |
| Indiana Criminal Justice Institute | | | | |
| National Priority Safety Programs | 20.616 | 4434 | - | 4,720 |
| Total Highway Safety Cluster | | | - | 599,738 |
| Total U.S. Department of Transportation | | | - | 2,884,481 |
| U.S. Department of the Treasury | | | | |
| Treasury Forfeiture Fund Program | 21.000 | | - | 759,094 |
| Total U.S. Department of the Treasury | | | - | 759,094 |
| National Endowment for the Arts: | | | | |
| Promotion of the Arts - Grants to Organizations and Individuals | 45.024 | | - | 200,000 |
| Total National Endowment for the Arts | | | - | 200,000 |
| Environmental Protection Agency: | | | | |
| Urban Waters Small Grant | 66.440 | | 3,525 | 3,525 |
| Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements | 66.814 | | - | 161,985 |
| Brownfields Assessment and Cleanup Cooperative Agreements | 66.818 | | - | 960,044 |
| Total Environmental Protection Agency | | | 3,525 | 1,125,554 |
| U.S. Department of Energy: | | | | |
| ARRA - Recovery Act - Energy Efficiency and Conservation Block Grant | 81.128 | | - | (500) |
| Total U.S. Department of Energy | | | - | (500) |
| U.S. Department of Education: | | | | |
| Indiana Department of Education | | | | |
| Twenty-First Century Community Learning Centers | 84.287 | A58-5-15DL-2218 | - | 333,941 |
| Total U.S. Department of Education | | | - | 333,941 |
| U.S. Department of Homeland Security: | | | | |
| National Urban Search and Rescue (US&R) Response System | 97.025 | | - | 1,389,298 |
| Indiana Department of Homeland Security | | | | |
| Emergency Management Performance Grants | 97.042 | C44P-3-240B, C44P-5-466B, C44P-5-735B | - | 167,538 |
| Indiana Department of Homeland Security | | | | |
| Urban Areas Security Initiative - FFY 2014 Funding | 97.067 | C44P-5-552B | - | 452,184 |
| Indiana Department of Homeland Security | | | | |
| Hazardous Materials Team Qualification Program - FY 2014 Funding | 97.067 | C44P-5-647B | - | 2,776 |
| | | Total 97.067 | - | 454,960 |
| Staffing for Adequate Fire and Emergency Response (SAFER) | 97.083 | | - | 1,459,519 |
| Total U.S. Department of Homeland Security | | | - | 3,471,315 |
| Total Expenditures of Federal Awards | | | \$ 20,960,544 | \$ 37,191,498 |

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, 2015

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Indianapolis, Indiana (City) under programs of the federal government for the year ended December 31, 2015. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-102, “Grant Awards and Cooperative Agreements with State and Local Governments”, or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
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. Fady Qaddoura, 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 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, 2015 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 30, 2016, 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, the sole 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 of the financial statements, 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet not important enough to merit attention by those charged with governance. 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 2015-001, 2015-002 and 2015-003 to be material weaknesses.

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 them.

Other Matter

We noted certain matters that we reported to the City's management in a separate letter dated June 30, 2016.

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 30, 2016

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 Uniform Guidance

Independent Auditor's Report

Mr. Fady Qaddoura, Controller and the
Audit Committee
City of Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited the City of Indianapolis' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. 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.

The City's basic financial statements include the operations of Indianapolis Housing Agency (Housing Agency), as a discretely presented component unit, which received \$57,347,497 in federal awards which are not included in the schedule during the year ended December 31, 2015. 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 Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards 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. 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

Basis for Qualified Opinion on HOME Investment Partnerships Program

As described in item 2015-004 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding special tests and provisions - housing quality standards for its HOME Investment Partnerships Program. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

Qualified Opinion on HOME Investment Partnerships Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, 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 the HOME Investment Partnerships Program for the year ended December 31, 2015.

Unmodified Opinion on Community Development Block Grants/Entitlement Grants 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 the Community Development Block Grants/Entitlement Grants Program for the year ended December 31, 2015.

Other Matters

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

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 the Uniform Guidance, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited 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 as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2016, which contained an unmodified opinion on those financial statements. Our report included a reference to other auditors who audited the sole discretely presented component unit of the City. Our audit also included an emphasis of matter, for the adoption of a new accounting standard during 2015. 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 the Uniform Guidance 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 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 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 2, 2016

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
 Unmodified Qualified Adverse Disclaimer

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

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

Federal Awards

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

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

Community Development Block Grants/Entitlement

| | |
|----------------------------------------------------|------------|
| Grants (CFDA 14.218) | Unmodified |
| HOME Investment Partnerships Program (CFDA 14.239) | Qualified |

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? Yes No

7. The City's major programs were:

| Cluster/Program | CFDA Number |
|-------------------------------------------------------|--------------------|
| Community Development Block Grants/Entitlement Grants | 14.218 |
| HOME Investment Partnerships Program | 14.239 |

8. The threshold used to distinguish between Type A and Type B programs was \$1,115,745.

9. The City qualified as a low-risk auditee? Yes No

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

Findings Required to be Reported by *Government Auditing Standards*

| Reference Number | Finding |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015-001 | <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 2015 audit, various adjustments were identified during the audit 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 are 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>Repeat Finding: Yes, see 2014-001 from the prior year.</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: We concur. 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> <p><i>Persons responsible for implementing:</i> Chuck White, Deputy Controller and Janae Rhoton, Financial Reporting Manager.</p> <p><i>Anticipated completion date:</i> December 31, 2017.</p> |

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

| Reference Number | Finding |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015-002 | <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 material financial activity within the Circle Area Community Development Corporation, a blended component unit. (Material Weakness)</p> <p>Context: The City’s Office of Finance and Management (OFM) is primarily responsible for the financial reporting process. The City’s reporting entity includes the Circle Area Community Development Corporation (CAC), a blended component unit. At the end of 2015, there were two significant transactions for approximately \$27.5 million of additional debt issued by CAC that was not otherwise reflected on the City’s financial statements.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: While CAC is a blended component unit, the City does not receive timely financial information from CAC, nor is CAC subjected to a separate financial statement audit.</p> <p>Repeat Finding: No</p> <p>Recommendation: The City should develop a process whereby CAC submits accurate, full accrual financial reports to the City on a regular basis. Likewise, we recommend CAC be subjected to an annual financial statement audit to ensure the City receives accurate and timely information to prepare its comprehensive annual financial report.</p> <p>Views of Responsible Officials and Planned Corrective Action: We concur. The CAC has grown more complex over the years and financial information has not always been readily available. The new City administration is currently evaluating the activities managed by the CAC and OFM will continue to monitor the status of the CAC in the future. Likewise, the City will evaluate the need to have the CAC’s financial statements audited.</p> <p><i>Persons responsible for implementing:</i> Chuck White, Deputy Controller and Janae Rhoton, Financial Reporting Manager.</p> <p><i>Anticipated completion date:</i> December 31, 2016.</p> |

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

| Reference Number | Finding |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015-003 | <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 over financial reporting did not detect adjustments related to the City’s single-employer police pension plan 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 City administers the 1953 Police Pension Fund, which is reported as a pension trust fund in the City’s financial statements. During the 2015 audit, two adjustments were identified that affected the City’s financial statements.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: The City distributes monthly benefit payments for the 1953 Police Pension Plan, but there is no reconciliation to verify the payments are posted to the correct fund. When the City transitioned to a new accounting software (PeopleSoft) in 2012, each employee and retiree was assigned to a pension plan. There were 5-10 retired police officers that receive benefit payments from the 1953 Police Pension Plan, but have come back to work for the City in a different capacity. As such, those officers were assigned to a pension plan based on their position in 2012, resulting in the 1953 Police Pension Plan benefit payments being recorded as expenditures of the general fund rather than the pension trust fund.</p> <p>Repeat Finding: No</p> <p>Recommendation: OFM should establish and maintain an effective review process over pension trust fund distributions to ensure benefit payments are recorded in the proper fund and timely reconciled for financial reporting purposes.</p> <p>Views of Responsible Officials and Planned Corrective Action: We concur. A periodic review of all pension payments will be performed to ensure they are being recorded to the appropriate fund. In addition, we have corrected the human capital management system so these individuals will no longer be charged to the general fund for their pension payments.</p> <p><i>Persons responsible for implementing:</i> Chuck White, Deputy Controller and Janae Rhoton, Financial Reporting Manager.</p> <p><i>Anticipated completion date:</i> Already completed during 2016.</p> |

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

Findings Required to be Reported by *Uniform Guidance*

| Reference Number | Finding |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015-004 | <p>CFDA No. 14.239 - Home Investment Partnerships Program, Award No. M-15-C-18-0205</p> <p>Criteria or Specific Requirement: Special Tests and Provisions - Housing Quality Standards</p> <p>Condition: Title 24, Part 92 requires that the City ensure on-site inspections and financial oversight be completed during the period of affordability to determine that the project meets certain property standards. The City failed to complete an on-site inspection of an 11 unit rental property that received material HOME federal awards. (Material non-compliance)</p> <p>Questioned Costs: N/A</p> <p>Context: We sampled two property managers, out of a total population sampled of seventeen, to determine whether the on-site inspections and financial monitoring of the rental properties was completed. The City did not complete the required visit and monitoring for one of the two properties selected for testing. Our sample selection was not, and was not intended to be, statistically valid.</p> <p>Effect: Quality housing standards of rental properties could not be verified to ensure compliance with HOME requirements.</p> <p>Cause: The property manager of the rental units failed to provide their required recertification to the City, which is the initial step in scheduling an on-site visit. In addition, the property manager is unresponsive and the City has therefore not been able to perform the necessary oversight.</p> <p>Repeat Finding: No</p> <p>Recommendation: HOME Grant Department should establish a process to perform on-site visits in the event that it is unable to contact the property manager, to ensure ongoing compliance.</p> <p>Views of Responsible Officials and Planned Corrective Actions: Without a response from a property manager or owner, we do not have the authority to enter private property to conduct inspections. However, we are revising the Long-Term Monitoring chapter of our Standard Operating Policy & Procedure to make additional attempts to make contact with property owners or property managers by mail using addresses from the Marion County Assessor's Office and the Indiana Secretary of State. We will also consult with counsel to determine what legal remedies are available. We are determining changes that could be made to our HOME Program Policies & Procedures Manual to be more specific about the requirement that property owners and property managers promptly notify HOME Grant Staff of any changes to contact information.</p> <p><i>Person(s) responsible for implementing:</i> Katie Bannon, HOME Grant Manager and Devin Day, HOME Grant Coordinator.</p> <p><i>Implementation Date:</i> September 30, 2016.</p> |

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2015

| Reference Number | Summary of Finding | Status |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014-001 | <p>Financial Reporting</p> <p>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> | Unresolved - see finding 2015-001. The City continues to make progress in reducing the number of adjustments each year. The City believes that in the near future, we can resolve this completely. In order to accomplish this, the City needs additional personnel resources and potentially more sophisticated software for the Comprehensive Annual Financial Report (CAFR) reporting process. |
| 2014-002 | <p>Information Technology Controls</p> <p>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> | Resolved |
| 2014-003 | <p>Accounting System Super Users</p> <p>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> | Resolved |
| 2014-004 | <p>Period of Availability - CDBG</p> <p>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> | Resolved |