

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2017

CITY OF LAFAYETTE, INDIANA

Tony Roswarski, Mayor
Michael Jones, City Controller
Timothy Clary, Deputy Controller
Cindy Murray, Clerk

FILED
08/14/2018

CITY OF LAFAYETTE, INDIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDING DECEMBER 31, 2017

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TONY ROSWARSKI, MAYOR

THE OFFICE OF THE CONTROLLER

June 28, 2018

The Honorable Tony Roswarski, Mayor of the City of Lafayette
Members of the City of Lafayette Common Council
Residents of the City of Lafayette:

The comprehensive annual financial report (CAFR) of the City of Lafayette, Indiana (the “City”) for the year ended December 31, 2017 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the City's various funds. The CAFR includes all disclosures needed for the reader to gain an understanding of the government's financial activities.

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Lafayette's MD&A can be found immediately following the independent auditor's report.

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, the provisions of Indiana Code section 5-11-1-9 and the Indiana State Board of Accounts requirements. Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and the auditors' reports on the internal controls and compliance with applicable laws and regulations, is provided separately. The following section of this transmittal letter begins with a general overview of Lafayette and the surrounding area. It also summarizes the City's required key financial, budgetary and property tax controls. The remainder of this letter covers a

discussion of the prior year's activities, the City's goals and objectives for this year and beyond, and other key issues the City is facing along with the impact those issues may have on future budgets.

City Profile

The City of Lafayette serves as the county seat of Tippecanoe County, Indiana. Lafayette has approximately 74,000 residents and roughly 32,000 live in nearby West Lafayette, Indiana. The City sits alongside Interstate 65, 62 miles north of downtown Indianapolis and 120 miles from Chicago. Indiana statutes classify the City as a "City of Second Class" (cities with a population of 35,000 to 250,000). The City of Lafayette operates with a Mayor as chief executive and a nine-member City Common Council, composed of six members elected from districts and three members elected at-large.

The City provides a wide range of services to its citizens. These services include: police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; recreational activities; and cultural events. The City also oversees the Lafayette Wastewater Utility, the Lafayette Water Utility, the Lafayette Economic Development Commission, and the Lafayette Redevelopment Commission and Authority.

Economic Environment

As one of the fastest growing areas of the state, Lafayette benefits from years of strong economic leadership, both private and public. Lafayette is known for its diverse economy with advanced and next generation manufacturing and digital agriculture among its leading sectors. The City also has a plethora of knowledge-based businesses, many of which have ties to nearby Purdue University and Ivy Tech Community College. Situated just an hour from the state capital Indianapolis and two hours from Chicago, Lafayette feeds to and from these international economic generators. Lafayette benefits from record low unemployment (under 3%), allowing residents to enjoy a high quality of life, but with a low cost of living. Affordable housing, high quality schools and abundant education choices make Lafayette a great place to live.

Advanced and next generation manufacturing is the engine for the local economy with many companies calling Lafayette home. Subaru of Indiana America (SIA), who made their first overseas investment in Lafayette in 1986, keeps Lafayette driving. Since then SIA has grown to be one of the fastest growing auto companies in the world and the only car company to gain market share during the previous economic downturn. Over the last few years, SIA has invested over \$1 billion in capital investment, increased their capacity for production more than three times, and added existing and new car lines. The Impreza and the Ascent, respectively, are exported around the world. They have added more than 1,200 jobs recently and have nearly 6,000 associates overall.

Nearly half of all companies in Lafayette have foreign ties or are foreign owned and many SIA suppliers are locating in the area such as Heartland Automotive with over 225 employees, Sanoh America, and Toyota Tsusho who recently announced a new 350,000 sq. ft. warehouse, production and logistics facility. Like SIA, Nanshan Aluminum Co. made their first foreign investment outside of its base in China in Lafayette. Their aluminum extrusion company is a \$200 million complex that employs over 200 people. One of the veteran mainstay employers of Lafayette, Arconic, formerly Alcoa, has added a lithium alloy division, an investment of nearly \$100 million, catering to the aircraft industry with 75 new employees. They have also invested in a \$30 million press and equipment, adding another 26 employees.

Companies like Wabash National, the world's leading truck trailer manufacturer, Arconic and Tate & Lyle have made Lafayette home for decades while continuing to thrive by expanding their market share, making additional capital investments and adding jobs to their growing workforce. Caterpillar Logistics recently finished construction on their new facility on the east side with a \$10 million investment for a new warehouse and logistics facility to support the Caterpillar's large engine facility just a ½ mile away. Though just opened, they are already contemplating a major expansion.

GE Aviation, which produces the LEAP commercial jet airliner engine is continuing to ramp up to full capacity to meet the company's growing \$25 billion backlog of orders. They have added a Maintenance and Repair services facility and are looking to expand the facility in the near future to better meet overall demand.

Supporting next generation manufacturing and digital agriculture is the newly formed Wabash Heartland Innovation Network (WHIN). Based in Lafayette with a \$38.6 million grant from the Lilly Endowment, WHIN will serve a 10 county region which positions it to be the epicenter for the Internet of Things (IoT). This will include technology development and test beds at Purdue and Ivy Tech to support, attract and retain next generation manufacturing and digital agriculture as well as commercialization of technology that will lead to new company formations. WHIN also spearheads a \$10 million cultivation fund that will support multi-county initiatives for education, workforce development, digital connectivity and quality of life.

MatchBOX Coworking Studio supports tech and innovation by serving as a home to 250 members in tech and innovation startups as well as traditional small businesses. MatchBOX will also be the home to newly state designated pilot program, the Entrepreneur and Enterprise District program that will provide resources and services to these innovation driven enterprises as well as traditional small and medium enterprises. MatchBOX members represent over 150 businesses, many of which have ties to Purdue University or are commercializing Purdue intellectual property. Some companies are starting to outgrow the facility and locate in the Lafayette area. Another tech related startup and MatchBOX sponsor,

Passageways, currently has over 50 employees and completed the hiring of 25 additional employees in 2016 and another 25 will be added in 2018 in downtown Lafayette.

Downtown is seeing new investment as a destination for commerce and living. The newest project is the Marq, a \$25 million mixed use project on 2nd street which will house the regional headquarters of Old National Bank, a 142 space parking garage, 4,000 sq. ft. of commercial space (Cunningham Group's Bru Burger expansion) and 99 luxury apartments. Other investors are looking to develop similar projects in and around the downtown area. A mixed use project with 77 rental units on a surface parking lot located at 5th and South Streets is set to break ground this fall. Another major investment along the riverfront, still in the planning stages, is expected to be in excess of a \$20 million investment. This project includes an additional 100 apartment units, first floor commercial space and structured parking. Other developments include the adaptive reuse of the former Journal & Courier Building that will have first floor commercial space along with 50 upper apartment units and the former Re/Max building will be converted to 25 apartments.

With the Marq, the City of Lafayette has been making significant investments totaling over \$10 million in streetscape improvements for an enhanced pedestrian and consumer experience as well as public art including mural, sculptures and performances to add interest and vibrancy to downtown. With its many events, festivals, farmers market and unique retail, restaurant and entertainment venues, downtown is a work, live, play destination.

While the new Marq building continues to take shape, Lafayette broke ground on its first major project of the Wabash River Corridor with the assistance of the Wabash River Enhancement Corporation and North Central Health Services who provided significant funding. The project, a Riverfront Promenade, will be a pedestrian walkway and overlook which will connect citizens and visitors to the Wabash River and will open during the spring of 2018.

Other significant community investments include the Northend Community Center being built by Faith Community Development Corporation which will serve individuals and families on the north side of Lafayette. This \$15 million investment will house six social service agencies and more than a dozen programs and partners. It will also include a community center, gym, workout facility and a bakery/restaurant. On the east side of Lafayette, in conjunction with Ivy Tech Community College, the new Intersection Connection facility is being constructed. This \$25 million investment will include a new YMCA and feature six local partner agencies including IU Arnett Health and Franciscan Health. They will provide a broad array of health and wellness programs, activities, equipment and facilities as well as child care and other services for the community at-large.

Sagamore Parkway serves as the main thoroughfare in Lafayette. Its northern and southern phases were recently completed and the last phase is underway and will be completed the summer of 2018. The project is a \$30 million investment in critical infrastructure to support our local economy. Other recent major improvements include Greenbush Street, the Myers Bridge, renovations to Riehle Plaza, and South 18th Street. The City of Lafayette also completed renovations to the Long Center, the Big 4 Depot, and improvements to the City Parking Garage. Additional parking garages are being planned downtown to meet demand and growth for business and residential areas.

The City has state-of-the-art and robust technology infrastructure including fiber telecommunications to the premise providing high speed internet access. 5G technology is also being explored that will provide the latest and fastest service in the country to our community. Also, modern and well-maintained roads and streets, as well as pipes and conveyances underground support economic development, jobs and investment. The City of Lafayette has the capacity to meet the needs of business now and in the future in all facets of its infrastructure. Lafayette and its partners, such as Greater Lafayette Commerce, West Lafayette, Tippecanoe County and Purdue/Ivy Tech, work closely with the Indiana Economic Development Corporation on leads and prospects as well as designating sites as “shovel ready” to minimize the time it takes for a company to break ground, build and operate. Lafayette’s most recent shovel ready site, the Carr property, will be the home to Toyota Tsusho’s investment that was mentioned previously. Lafayette’s workforce draws from a seven county region with workers who have many resources available to them in order to keep their skills current, or for advancement purposes, through Ivy Tech Community College and Purdue University.

Lafayette and the surrounding areas have a high quality of life that is attractive to companies and citizens alike. Lafayette boasts a great parks system, with a zoo, water park, and baseball stadium that will be undergoing a \$17 million rebuild/new construction in 2019. More multi-use trails and bike lanes are being added throughout the city to increase its 30+ miles presently as well as enacting a Complete Streets policy to ensure access to all. All told, Lafayette is a thriving, growing destination for commerce with a robust outlook for economic development.

Financial, Internal, Budgetary and Property Tax Controls

Management of the City is responsible for establishing and maintaining an internal control structure. The structure is designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is also designed to provide reasonable assurances that these following two 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. We believe that the City’s internal controls reasonably safeguard assets,

assure that financial transactions are properly recorded and reported, and ensure compliance with applicable federal and state laws and regulations.

In accordance with Indiana statutes, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget (prepared on a cash basis) which is adopted by the Common Council or Redevelopment Commission (depending on the fund) and then reviewed and approved by the State of Indiana Department of Local Government Finance (DLGF). Activities of the general fund, special revenue funds, capital projects funds, enterprise funds, internal service funds, pension trust funds are included in the annual budget. The level of budgetary control is established by major budget classification within funds. The Mayor and Common Council may transfer appropriations from one major budget classification to another within a department by ordinance as long as the total appropriations for that fund are not exceeded. Additional appropriations in excess of the original budget must be approved by the Mayor and Common Council and are also submitted to the DLGF for either approval or acknowledgment. Additional appropriations for funds approved by the Redevelopment Commission do not require DLGF approval. Beginning in budget year 2009, the City must also submit its annual budget to the Tippecanoe County Common Council for a non-binding review and recommendation. The deadline for adoption of the annual budget is November 1. The city's fiscal year begins on January 1.

In addition to budgetary and other controls established by Indiana Statute, the City must operate within specific and rigid controls governing the amount of property tax it may levy. The property tax control program, which began in 1973, limits the amount of property tax that may be levied by each unit of government in its legally budgeted funds. The total amount of property tax levied by the unit may increase by the six year average annual growth in Indiana non-farm income, as calculated by the U.S. Bureau of Economic Analysis, with a maximum of 6%.

During March 2008, the State of Indiana General Assembly enacted property tax reform legislation which made significant changes in the property tax system by capping the amount of property taxes at 1% of grossed assessed value for residential homesteads, 2% for agricultural/rental properties and 3% for all other real and personal property. This legislation was phased in over a two year period beginning in 2009. The loss of revenue to the City due to this legislation has been offset by cost savings and the adoption of local option income taxes in order to continue providing essential City services, including police and fire protection.

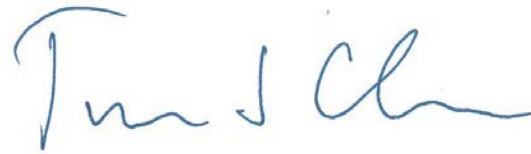
Acknowledgements

The preparation of the Comprehensive Annual Financial Report (CAFR) was made possible by the dedicated service of the City's departmental fiscal officers and the staff of the Controller's Department. Without the leadership of Mayor Tony Roswarski and the City Department Heads, preparation of this report would not have been possible.

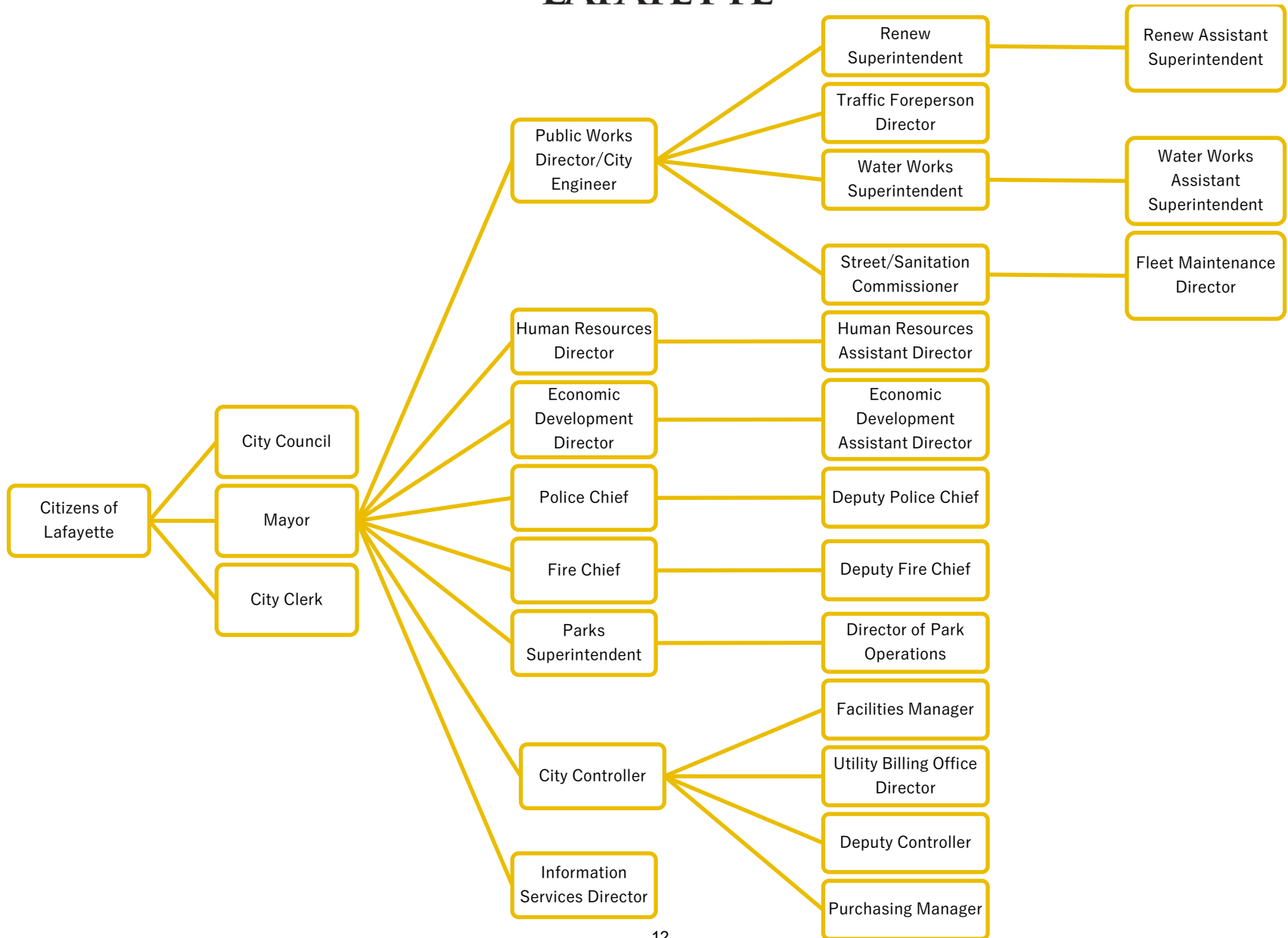
Sincerely,



J. Michael Jones
City Controller



Timothy J. Clary, CPA
Deputy City Controller





Listing of Elected Officials

December 31, 2017

Name	Office	Years of Service	Current Term
Tony Roswarski	Mayor	Fourteen Years	1/1/2016-12/31/2019
Cindy Murray	City Clerk	Fourteen Years	1/1/2016-12/31/2019

Listing of City Councilors

December 31, 2017

Name	Position	District	Current Term
Jerry Reynolds	City Councilor	District 1	1/1/2016-12/31/2019
Ronald B. Campbell	President	District 2	1/1/2016-12/31/2019
Perry E. Brown	City Councilor	District 3	1/1/2016-12/31/2019
Lauren Ahlersmeyer	City Councilor	District 4	1/1/2016-12/31/2019
Melissa Williamson	City Councilor	District 5	1/1/2016-12/31/2019
Bob Downing	City Councilor	District 6	1/1/2016-12/31/2019
Lon Heide	City Councilor	At-Large	1/1/2016-12/31/2019
Kevin Klinker	City Councilor	At-Large	1/1/2016-12/31/2019
Nancy Nargi	City Councilor	At-Large	1/1/2016-12/31/2019



Listing of Appointed Positions

December 31, 2017

Name	Position
Pat Flannely	Police Chief
Richard Doyle	Fire Chief
J. Michael Jones	Controller
Timothy J. Clary	Deputy Controller
Andy Milam	Director of Information Technology
Jeromy Grenard	City Engineer
Dennis H. Carson	Director of Economic Development
Claudine Laufman	Director of Parks and Recreation
Dan Crowell	Street Commissioner
Tim Bullis	Fleet Superintendent
Brad Talley	Renew Superintendent
Kerry Smith	Water Superintendent
Mark Gick	Building Commissioner
Amy Douglas	Utility Billing Director
Tim Detzner	Urban Forester
Aaron Dobrin	Police Pension Secretary
John Gullion	Fire Pension Secretary



Boards, Commissions, and Committees

December 31, 2017

Board of Public

Works & Safety

Gary Henriott

Cindy Murray

Ron Shriner

Norm Childress

Dawn Ross

Board of Parks & Recreation

Maurice Denney

Victor L. Klinker

Dave Mecklenburg

John Ragan

Redevelopment Commission

Don Teder

Jim Terry

Jos Holman

T.J. Thieme

Dave Moulton

Redevelopment Authority

Rick Davis

Erin Easter

Amy Moulton

Board of Zoning Appeals

Jackson Bogan

Kathy Davis

Jake Gray

David Lahr

Tracy Walder

Parking Commission

John Christodoulakis

Ken McCammon

Andrew Muffet

Cindy Murray

Will Carpenter

Jeromy Grenard

Economic Development

Commission

David Bathe

Sarah Schwarz

Steve Snyder

Joseph Seaman

Dave Zimmerman

Human Relations

Commission

Carina Atherton-Childress

Mary Alyce Bolinger

Susan Brouillette

Michelle Reynolds

Joel Wright

Tree Advisory Committee

Chris Brown

Ron Campbell

Tim Detzner

Dan Dunten

Andy Fristoe

Greg Shaner

Tracy Walder

Urban Enterprise

Association

Dennis Carson

David Bluestein

Michael L. Gibson

Lon Heide

Sheila Klinker

Jim MacDonald

Jackie Montinero

Kathryn Oreovicz

Dave Williams

Scott Walker

Housing Authority

Maurice Denney

Kathy Fish

John Hatter

Donna Osborn

Bob Smeltz

Julie Sumrall

Charles Wu

Historic Preservation

Commission

John Burns

Julie Ginn

Sean Lutes

Kevin Klinker

Shawna McCully

Patti Morgan

Glen Vick

Kurt Wahl

Financial Section



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF LAFAYETTE, TIPPECANOE COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lafayette (City), as of and for the year ended December 31, 2017, 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 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 City'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 City'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Schedule - General Fund, Budgetary Comparison Schedules - Major Special Revenue Funds, Schedules of the City's Proportionate Share of the Net Pension Liability, Schedules of Changes in the City's Net Pension Liability and Related Ratios, Schedules of City Contributions, and Other Post-Employment Benefits (OPEB) Funding Progress, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 accompanying Introductory Section, the Schedule of Expenditures - Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures and Changes in Fund Balances, Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, Combining Statement of Cash Flows, Budgetary Comparison Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The Schedule of Expenditures - Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures and Changes in Fund Balances, Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, Combining Statement of Cash Flows, and Budgetary Comparison 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 Schedule of Expenditures - Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures and Changes in Fund Balances, Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, Combining Statement of Cash Flows, and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 28, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 28, 2018



MANAGEMENT DISCUSSION AND ANALYSIS

The Management of the City of Lafayette, Indiana (“City”) provides herewith this Management Discussion & Analysis (“MD&A”) of the financial activities and the general condition of the City for the fiscal year (“FY”) ended December 31, 2017.

Readers of the information contained within this MD&A, and any opinions and statements derived therein, should be considered as part of the greater whole of the financial statement, notes to the financial statements, supplemental information and letter of transmittal, as contained within this Comprehensive Annual Financial Report (“CAFR”).

The City provides a full range of governmental services to its citizens and neighbors. Services include: general government administration, public safety, street and sidewalk construction and maintenance, and stewardship of parks and recreation properties. The City also provides water, wastewater, parking and section 108 services to residents within the City’s boundaries. City operations also include the Lafayette Redevelopment Authority, a blended component unit.

Financial Highlights

1. Government wide net position was \$352,404,147 as of December 31, 2017, an increase of \$15,448,707 or 4.6% over FY 2016.
2. Governmental Activity net position was \$172,341,064 as of December 31, 2017.
3. Governmental Activity net position increased \$4,047,799 or 2.4% in FY 2017.
4. Business-type activity net position was \$180,063,083 as of December 31, 2017.
5. Business-type activity net position increased \$11,400,908 or 6.8% in FY 2017.
6. Government wide assets as of December 31, 2017 were \$639,212,882, an increase of \$66,369,482 or 11.6% as compared to December 31, 2016.

7. Government wide deferred outflows were \$10,916,238 as of December 31, 2017, as compared to \$14,191,778 as of December 31, 2016.
8. Government wide liabilities were \$288,941,645 as of December 31, 2017, as compared to \$240,970,262 as of December 31, 2016.
9. Government wide deferred inflows were \$8,783,328 as of December 31, 2017, as compared to \$9,109,476 as of December 31, 2016.
10. Government wide Revenue totaled \$123,935,970 in FY 2017, an increase of \$2,268,587 or 1.9% as compared to FY 2016.
11. Government wide Expenses totaled \$108,487,263 in FY 2017 compared to \$103,001,498 in FY 2016 an increase of 5.3%.

Explanatory commentary concerning the changes in assets, liabilities, revenues and expenditures can be found in later sections of this MD&A.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City's basic financial statements. The City of Lafayette's financial statements are comprised of three components: (1) government wide statements (2) fund financial statements and (3) notes to the financial statements. This report also includes other information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accrual based accounting, a method of accounting utilized by private sector companies.

Statement of Net Position

This statement reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City of Lafayette as of December 31, 2017. The net difference between total assets and deferred outflows less total liabilities and deferred inflows is reported as "net position," and can generally be thought of as the net worth of the City and

its various subdivisions. Increases in net position generally indicate an improvement in financial position whereas decreases in net position may indicate a deterioration of financial position.

Statement of Activities

This statement serves in place of the traditional income statement. It provides aggregated reporting of the results of all activities of the City for the year ended December 31, 2017. Changes in net position are recorded in the period in which the underlying event takes place, which may differ significantly from the period in which cash is received or disbursed. The statement of activities displays the expenses of the City's various programs net of the related revenues, as well as a separate presentation of revenue available for general purposes including property taxes, fees for services, and other miscellaneous revenue sources.

The government wide financial statements distinguish between functions of the City that are primarily supported by taxes and intergovernmental revenue (hereinafter referred to as "governmental activities") and other functions and services of the government that are intended to recover all or the majority of their costs through user fees and charges (hereinafter referred to as "business type activities"). The major government activities of the City include: general administration, public safety, road construction and maintenance, parks and recreation, and community development services consisting of planning, zoning, and other engineering functions. The business-type activities of the City include: water, wastewater, parking and section 108 services.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been earmarked for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be separated into three classifications: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the functions reported as governmental activities in the government wide financial statements. However, unlike government wide financial statements, governmental fund statements focus on discrete inflows and outflows of liquid resources, as well as balances of liquid resources available at the end of each reporting period. This information is useful in evaluation of the government's immediate financing requirements. Governmental funds use a modified accrual accounting methodology. Major Governmental funds are comprised of the General, Motor Vehicle Highway, Economic Development Income Tax (EDIT), Thoroughfare, Redevelopment Authority and TIF Creasy Central Consolidated funds.

Proprietary Funds

The City of Lafayette maintains two types of proprietary funds: enterprise and internal service.

Enterprise Funds are utilized to report the same functions as business type activities in the government wide financial statements. The City maintains four (4) enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary revenues, expenses and changes in fund net position for the Water Utility, Wastewater Utility, Parking, and the Section 108 Fund. The Water Utility and Wastewater Utility funds are considered major enterprise funds of the City.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions and funds. The City uses a self-funded liability insurance program for workman's compensation and unemployment compensation claims. Inventory and purchasing is allocated on a department cost-reimbursement basis. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports one Agency Fund which accounts for the payroll and insurance withholdings held by the City as an agent for the federal and state governments, as well as various employee insurance deductions and two Pension Trust Funds, which accounts for activities related to the 1925 Police Pension Plan and the 1937 Firefighters Pension Plan.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential in order to have full comprehension of the data and financial statements included in this report. The notes to the basic financial statements can be found immediately following the Fund Financial Statements and prior to the Required Supplementary Information in this report.

Other Information

In addition to the basic financial statements and accompanying notes and disclosures, this CAFR report presents supplementary information. The combining statements referred to earlier in connection with non-major governmental, enterprise, internal service, and fiduciary funds are presented immediately after the basic financial statements within the financial statement section of the CAFR report.

Government-wide Financial Analysis

The following analysis focuses on the statement of net position and the statement of changes in net position for both the City's government and business type activities. At the close of 2017, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$352,404,147 for the City as a whole. The largest portion of the City's equipment, and infrastructure less any related outstanding debt utilized to acquire or build said assets. The City places these capital assets into service in order to provide benefits and governmental

services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be liquidated to fund these liabilities.

The following table reflects the condensed Statement of Net Position:

City of Lafayette
Net Position
(amounts expressed in thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 45,252	\$ 47,088	\$ 89,474	\$ 43,877	\$ 134,726	\$ 90,965
Capital assets (net)	<u>248,579</u>	<u>239,070</u>	<u>255,908</u>	<u>242,808</u>	<u>504,487</u>	<u>481,878</u>
Total assets	<u>293,831</u>	<u>286,158</u>	<u>345,382</u>	<u>286,685</u>	<u>639,213</u>	<u>572,843</u>
Deferred outflows	<u>9,375</u>	<u>12,294</u>	<u>1,541</u>	<u>1,898</u>	<u>10,916</u>	<u>14,192</u>
Current liabilities	17,668	16,240	10,157	8,603	27,825	24,843
Noncurrent liabilities	<u>104,824</u>	<u>105,198</u>	<u>156,292</u>	<u>110,929</u>	<u>261,116</u>	<u>216,127</u>
Total liabilities	<u>122,492</u>	<u>121,438</u>	<u>166,449</u>	<u>119,532</u>	<u>288,941</u>	<u>240,970</u>
Deferred inflows	<u>8,373</u>	<u>8,720</u>	<u>411</u>	<u>389</u>	<u>8,784</u>	<u>9,109</u>
Net position	<u>\$ 172,341</u>	<u>\$ 168,294</u>	<u>\$ 180,063</u>	<u>\$ 168,662</u>	<u>\$ 352,404</u>	<u>\$ 336,956</u>
Net Investment in Capital Assets	\$ 200,313	\$ 189,908	\$ 104,409	\$ 138,610	\$ 304,722	\$ 328,518
Restricted	6,014	6,057	46,957	8,270	52,971	14,327
Unrestricted	<u>(33,986)</u>	<u>(27,671)</u>	<u>28,697</u>	<u>21,782</u>	<u>(5,289)</u>	<u>(5,889)</u>
Total net position	<u>\$ 172,341</u>	<u>\$ 168,294</u>	<u>\$ 180,063</u>	<u>\$ 168,662</u>	<u>\$ 352,404</u>	<u>\$ 336,956</u>

A portion of the City's net position, approximately 15.0% in FY 2017, represents resources that are subject to external restrictions and are therefore not available for general activities. The remaining portion of the City's net position, approximately -1.5 % in FY 2017, is unrestricted and may be used to meet ongoing obligations to citizens and creditors as management determines appropriate. At the close of fiscal year 2017, the City is able to

report a positive net position for governmental activities, business-type activities, and government-wide activities. In 2017, the government-wide net position increased by \$15,448,707 or 4.6%.

The following table reflects the condensed Statement of Changes in Net Position:

City of Lafayette						
Changes in Net Position						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
<u>Program revenues:</u>						
Charges for services	\$ 1,892	\$ 2,026	\$ 43,500	\$ 40,439	\$ 45,392	\$ 42,465
Operating grants and contributions	1,546	2,255	-	-	1,546	2,255
Capital grants and contributions	4,723	2,920	1,167	-	5,890	2,920
<u>General revenues:</u>						
Property taxes	44,345	41,895	-	-	44,345	41,895
Intergovernmental revenues	21,539	25,326	-	-	21,539	25,326
Payment in lieu of taxes	1,930	2,700	-	-	1,930	2,700
Investment earnings	122	-	322	-	444	-
Other	2,652	2,572	198	1,535	2,850	4,107
Total revenues	78,749	79,694	45,187	41,974	123,936	121,668
Expenses:						
General government	5,373	3,719	-	-	5,373	3,719
Public safety	34,115	26,762	-	-	34,115	26,762
Highways and streets	9,771	9,542	-	-	9,771	9,542
Sanitation	2,477	2,427	-	-	2,477	2,427
Culture and recreation	5,825	5,514	-	-	5,825	5,514
Economic development	17,140	18,669	-	-	17,140	18,669
Water	-	-	8,723	9,366	8,723	9,366
Wastewater	-	-	24,635	26,486	24,635	26,486
Parking garage	-	-	385	452	385	452
Section 108	-	-	43	64	43	64
Total expenses	74,701	66,633	33,786	36,368	108,487	103,001
Inc(Dec) in net position	4,048	13,060	11,401	5,606	15,449	18,666
Net position, January 1	168,293	155,233	168,662	163,056	336,955	318,289
Net position -- December 31st	\$ 172,341	\$ 168,293	\$ 180,063	\$ 168,662	\$ 352,404	\$ 336,955

Governmental Activities

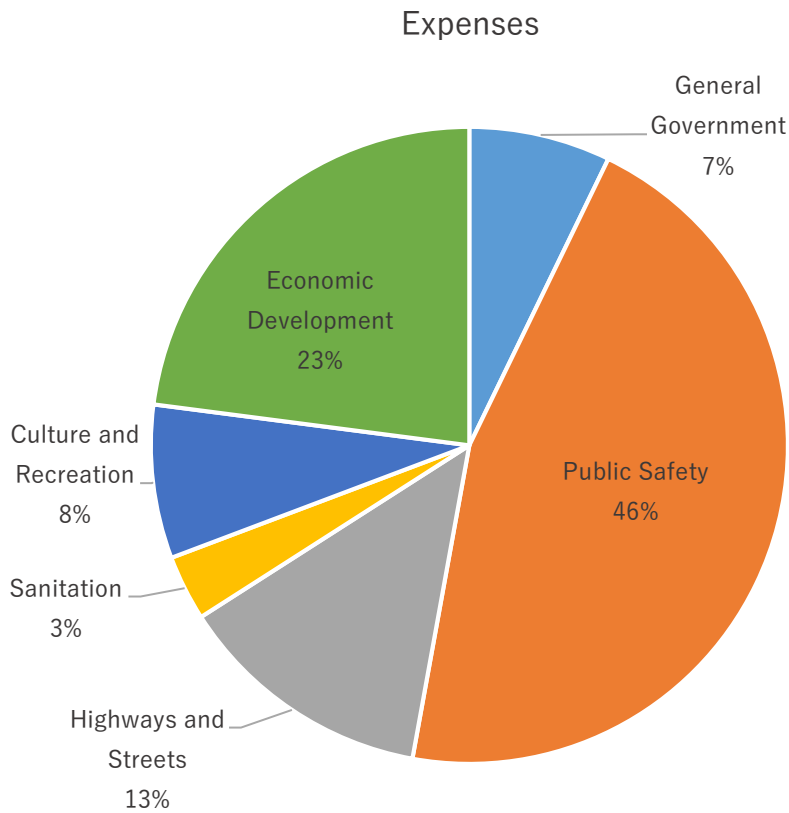
Governmental Activities increased the City's net position by \$4,047,799 in 2017. General Property and Other Tax revenue received represented 56.3% of total Governmental revenues. Charges for services totaled \$1,892,996 in 2017, representing 2.4% of total Governmental revenues. Expenses totaled \$74,701,508 for Governmental activities.

The key factor leading to the increase in the City’s net position is primarily attributable to an increase in general property and other tax revenue of approximately \$2.5 million.

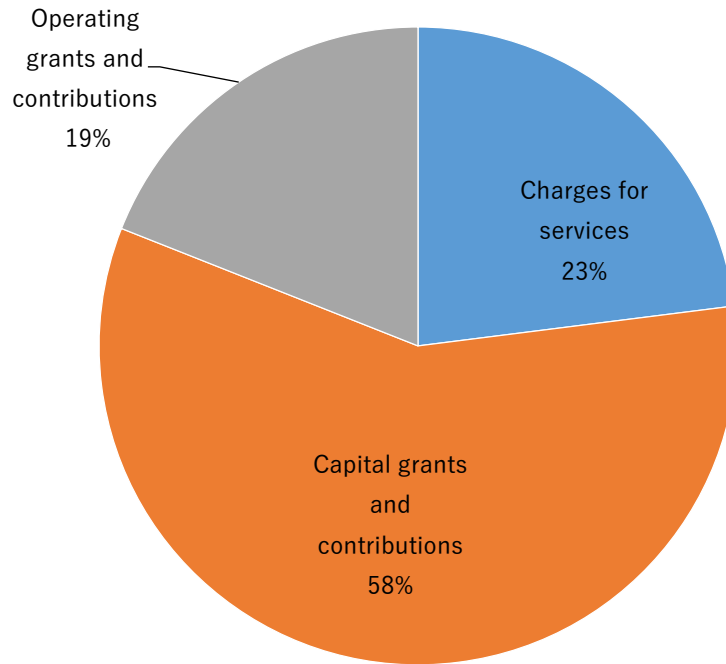
The following chart displays the Program Revenues and the Expenses by function for the Government- wide Activities for the City of Lafayette.

Expenses & Program Revenues – Governmental Activities

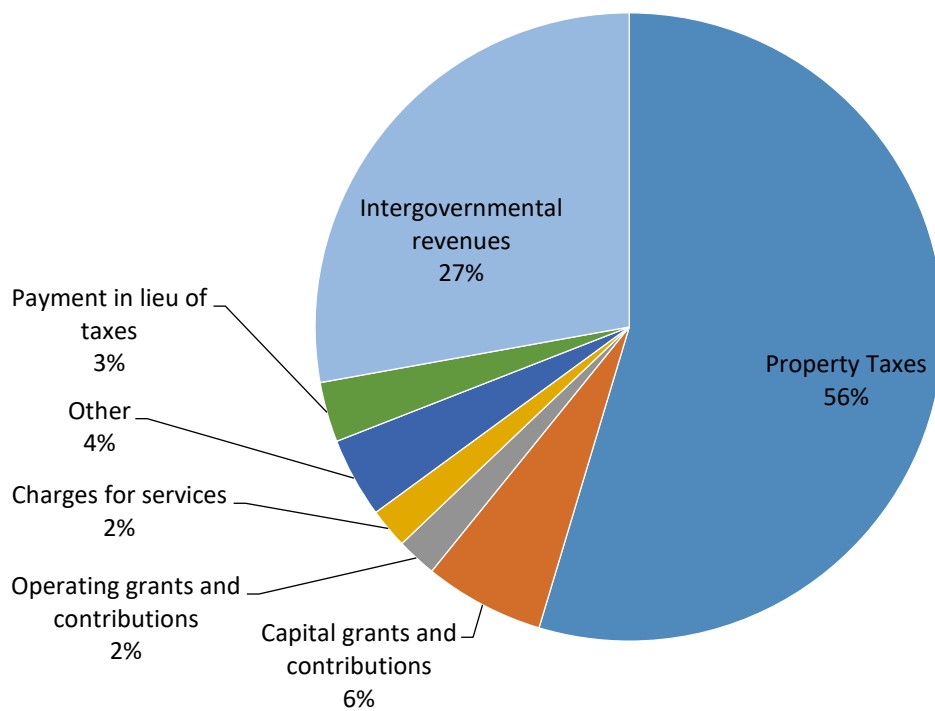
The following charts display the revenue composition for Governmental Activities Funds:



Program Revenues



Revenues By Source - Governmental Activities



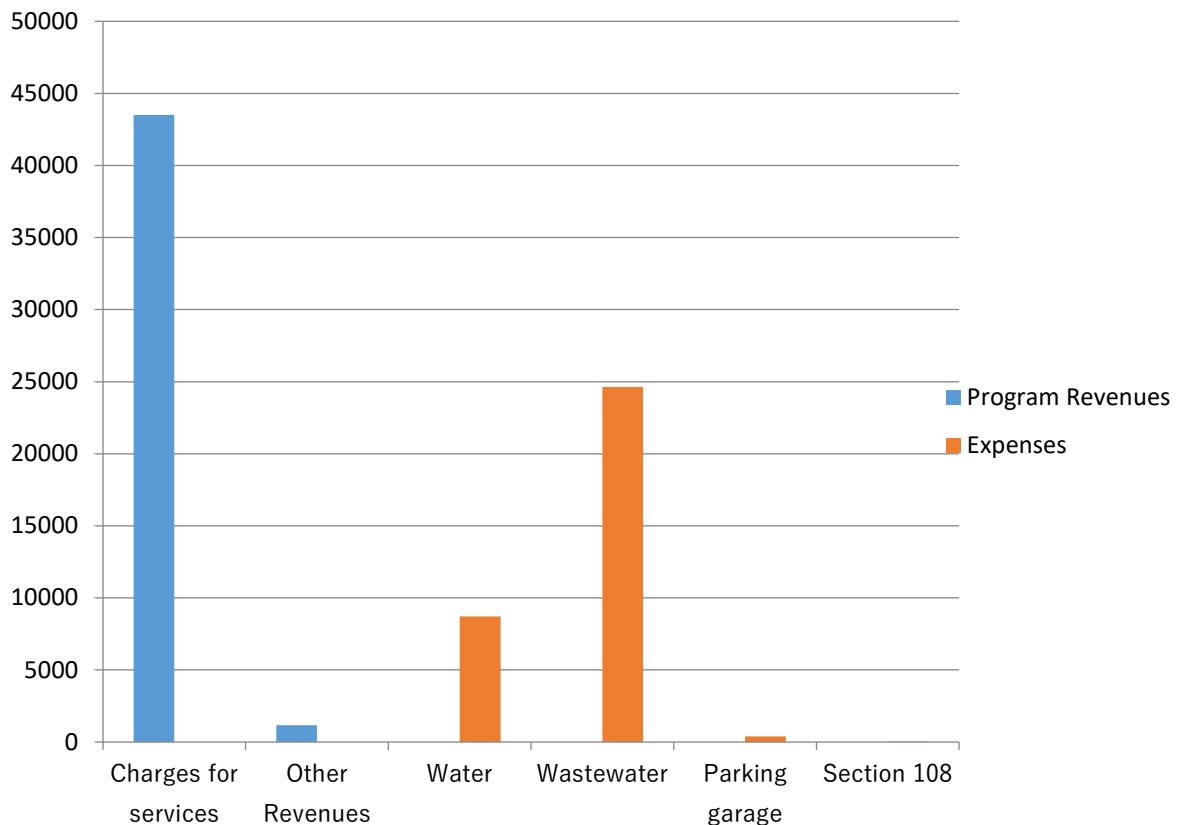
Business-type Activities

Business-type activities increased the City's net position \$11,400,908 in 2017 compared to an increase of \$5,605,815 for FY 2016. A key factor leading to the increase is primarily attributable to increased Wastewater Utility operating revenue of approximately \$3.7 million.

The following chart illustrates the expenses and program revenues of the City's Business-type Activities for FY 2017:

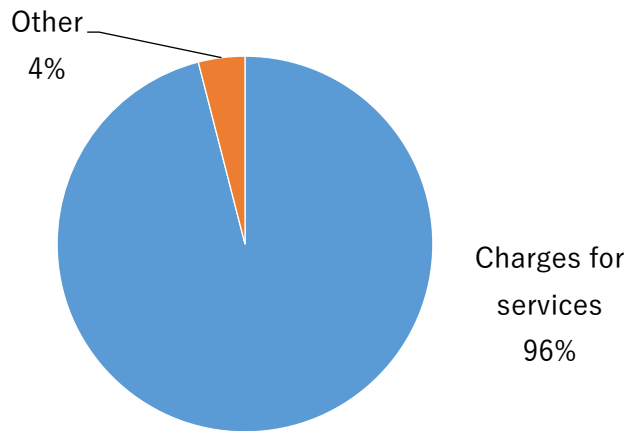
Expenses & Program Revenues—Business-type Activities

(amounts expressed in thousands)



The following chart displays the revenue composition for the City's Business-type Activities for FY 2017:

Revenues by Source - Business-type Activities



Financial Analysis of the City's Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported total modified fund balance of \$29,018,700, a decrease of 13.5% from FY 2016. Approximately 13.9% or \$4,040,415 constitutes the General Fund balance. As of December 31, 2017, the General Fund had an unassigned fund balance of \$4,040,415, a decrease of \$376,961 or 8.5%.

The non-major governmental fund balance of \$11,565,388 is 39.9% of total governmental fund balance and includes an unassigned fund balance of \$4,041,613, a restricted balance of \$6,169,993, a committed fund balance of \$271,462, and an assigned fund balance of \$1,082,320. The Motor Vehicle Highway Fund balance of \$2,527,633 is 8.7% of total governmental fund balance and all of the fund balance for this fund is restricted. The Economic Development Income Tax (EDIT) Fund balance of \$1,170,840 is 4.0% of total governmental fund balance and all of the fund balance for this fund is assigned. The entire

Thoroughfares Fund balance of \$1,417,135, or 4.9% of total governmental fund balance, is restricted. The Redevelopment Authority Fund balance of \$3,431,050 is 11.8% of total governmental fund balance and all of the fund balance for this fund is restricted. The TIF Creasy Central Consolidated Fund balance of \$4,866,239 is 16.8% of total governmental fund balance and all of the fund balance for this fund is committed.

The following table reflects the fund balance for Governmental Funds:

City of Lafayette
Fund Balances for Governmental Funds
(amounts expressed in thousands)

	2017		2016	
General	\$ 4,040	13.9%	\$ 4,417	13.2%
Motor vehicle highway	2,528	8.7%	1,147	3.4%
EDIT	1,171	4.0%	2,103	6.3%
Thoroughfare	1,417	4.9%	1,324	3.9%
Redevelopment authority	3,431	11.8%	4,840	14.4%
TIF creasy central consolidated	4,866	16.8%	5,174	15.4%
Other	11,566	39.9%	14,550	43.4%
Total governmental activities	<u>\$ 29,019</u>	<u>100.0%</u>	<u>\$ 33,555</u>	<u>100.0%</u>

As shown in the preceding table for Revenues by Source – Governmental Activities fiscal year 2017, property taxes and other local taxes accounted for 56% of total revenues and served as the primary sources of revenue while capital outlays, personal services and other services and charges were the largest expenditures by object classification. The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund stood at \$4,040,415. To measure the General Fund’s liquidity, it may be useful to compare the unassigned fund balance to the total fund expenditures. The total unassigned fund balance of \$4,040,415 represents 10.8% of the total General Fund expenditures in FY 2017. The total cash and investment balance of the governmental funds decreased by \$4,165,585. The total cash and investment balance of the business-type funds increased as debt proceeds were received by the Wastewater Utility for system improvement construction.

Financial Analysis of the Proprietary Funds

The City's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. Unrestricted net position for the City's major Proprietary Funds, the Water Utility Fund and the Wastewater Utility Fund, were \$(2,333,164) and \$32,293,984 respectively, at the end of the fiscal year. Total net position in the Water Utility Fund decreased \$540,656. In 2017, water charges for service were \$7,518,429, which did not exceed operating expenses of \$8,722,563. Total net position in the Wastewater Utility Fund increased \$11,900,434. The increase in net position was primarily due to increase in charges for services and reductions in operating expenses. Other business-type activities increased the City's net position by \$41,129.

General Fund Budgetary Highlights

The General Fund Budgetary Highlights Schedule summarizes the differences between the original expenditure budget and the final amended budget resulting in no changes in appropriation and is briefly summarized as follows:

City of Lafayette
General Fund Budgetary Highlights
(amounts expressed in thousands)

	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues	\$ 38,527,413	\$ 38,527,413	\$ 37,108,978	\$(1,418,435)
Expenditures	<u>38,438,592</u>	<u>38,438,592</u>	<u>37,485,939</u>	<u>952,653</u>
Surplus (deficit)	<u>\$ 88,821</u>	<u>\$ 88,821</u>	<u>\$ (376,961)</u>	<u>\$ (465,782)</u>

General Fund revenue was originally budgeted at \$38,527,413 for fiscal year 2017. The budget may be increased or decreased at any time based on updated revenue projections. By closely aligning the budget with actual results, more meaningful analysis is made possible. The

revenue budget was increased primarily due to an increase in the property tax and intergovernmental revenue estimate because of higher collections than anticipated.

During 2017, the General Fund collected \$37,108,978 in revenue on a budgetary basis, which was \$1,418,435 less than the original budget. The decrease resulted from less property taxes and payment in lieu of taxes than originally budgeted.

General Fund expenditures were originally budgeted at \$38,438,592 for fiscal year 2017. During the year, the General Fund expenditure budget was unchanged.

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Monthly reviews are conducted as required with General Fund department management to review spending projections to ensure that annual expenditures remain within the budgetary levels.

Capital Asset and Debt Administration

Capital assets: The City invested \$504,487,176 (net of accumulated depreciation) in capital assets governmental wide compared to \$481,878,408 for fiscal year 2016. Governmental activities investment in capital assets as of December 31, 2017 amounted to \$248,579,522 and business type activities investment in capital assets amounted to \$255,907,654 (net of accumulated depreciation). The investment in capital assets included land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure such as roads and highways, and construction in progress.

Major events leading to changes in the capital asset balance during the current fiscal year include the following:

- Sagamore Parkway reconstruction
- Brown Street Sewer-combined sewer overflow control plan
- Parking garage repairs
- Myers Pedestrian Bridge rehabilitation
- Loeb Stadium Renovations
- Memorial Island

- City Hall Chillers
- Water Utility system upgrades
- Greenbush Street sewer storage tank

The following table displays changes in the City's Capital Assets:

City of Lafayette
Capital Assets, net of depreciation
(amounts expressed in thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 24,972	\$ 24,576	\$ 2,529	\$ 2,529	\$ 27,501	\$ 27,105
Buildings	33,633	33,633	19,275	19,275	52,908	52,908
Improvements other than buildings	7,592	7,592	494	485	8,086	8,077
Machinery and equipment	5,989	5,391	80,388	79,955	86,377	85,346
Vehicles	17,077	16,551	5,137	4,850	22,214	21,401
Infrastructure	201,056	200,957	170,875	169,670	371,931	370,627
Construction in progress	64,491	52,194	71,962	53,108	136,453	105,302
Less: Accumulated depreciation	<u>(106,231)</u>	<u>(101,824)</u>	<u>(94,753)</u>	<u>(87,064)</u>	<u>(200,984)</u>	<u>(188,888)</u>
Total capital assets, net of depreciation	<u>\$ 248,579</u>	<u>\$ 239,070</u>	<u>\$ 255,907</u>	<u>\$ 242,808</u>	<u>\$ 504,486</u>	<u>\$481,878</u>

Additional information of the City's capital assets can be found in Note III B. on pages 71 to 73 of this report.

Long-term debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$48,266,151 related to governmental activities and \$152,353,195 related to business-type activities. Of this amount, \$1,385,606 is comprised of General Obligation Debt.

The following table reflects the City's long-term debt:

City of Lafayette
Long-term Debt
(amounts expressed in thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bond	\$ 1,386	\$ 2,296	\$ -	\$ -	\$ 1,386	\$ 2,296
Capital leases	1,693	1,952	-	-	1,693	1,952
Notes & loans payable	-	158	1,920	2,791	1,920	2,949
Revenue bonds	<u>45,187</u>	<u>44,756</u>	<u>150,433</u>	<u>103,067</u>	<u>195,620</u>	<u>147,823</u>
Total long-term debt	<u>\$ 48,266</u>	<u>\$ 49,162</u>	<u>\$ 152,353</u>	<u>\$ 105,858</u>	<u>\$ 200,619</u>	<u>\$ 155,020</u>

The City's long-term debt for governmental activities decreased by \$896,202 during FY 2017. The decrease is primarily due to payment of debt principal although the City issued bonds in the amount of \$5,765,000. Additional information of the City's long-term debt can be found in Note I B. 10 on page 63 of this report.

Political Factors, Economic Trends and Budgets

Property tax revenue remains the principal source of revenue for the funding of governmental activities within the City of Lafayette. Senate Bill 1 enacted in 2004 took \$3,450,000 of maximum levy from the City of Lafayette. Additionally, the State of Indiana General Assembly enacted property tax reform legislation during the 2008 session. The reforms included limiting property tax bills to 1% of gross assessed value for residential homesteads, 2% for commercial properties and 3% for all other real and personal property. Under the current system, taxable properties within the City are assessed based on market values. Each year properties are trended up or down by the County Assessor's Office. Property values are assessed by comparing properties to current sales trends in their respective neighborhoods. The property tax reforms of 2008 combined with the national housing recession has produced large "circuit breaker credits" borne by all taxing units in a district. This combination of legislation and poor market performance has produced extensive reduction in property taxes available to the

City since 2010. In 2017, the City lost approximately \$1,868,196 in property tax levy due to circuit breaker credits. Since 2010 the City has realized approximately \$10,789,378 in circuit breaker credits. As a result the City has enacted a variety of reforms and cost cutting measures. Among those measures is a Medical Trust the City joined with other Indiana Cities to provide healthcare for their employees. With strength in numbers more affordable coverage could be provided. Originally there were 6 cities in the trust. Today the number of cities participating is 40. The City also participates in a fuel budgeting program sponsored by the Indiana Bond Bank. Again by joining with other Indiana Cities and local government units the fuel budget has been stabilized and is not exposed to the volatility that could present itself with this commodity.

Economic Trends

The City's future growth will remain, as it has since the legislative trends, on economic growth. The City and the Tippecanoe County area is the fastest growing area in the State of Indiana. Solid gains in automotive manufacturing, aluminum extrusion, and aircraft engine assembly have made major impacts to the non-property tax revenue streams of the City. Building permits, Water and Wastewater fees, Economic Development Income taxes, and many other user fees have increased during this time as has the population. However, the City remains committed to strong conservative fiscal management with only modest growth in the 2017 Budget and that growth, as in the past, is focused on service delivery and efficiency.

This financial report is designed to provide a general overview of the City of Lafayette's finances for those with an interest in the City's finances. Questions concerning any of the information should be addressed to the Office of the City Controller, 20 N. 6th Street, Lafayette, Indiana 47901.

Basic Financial Statements

Statement of Net Position
December 31, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,349,163	\$ 38,285,945	\$ 58,635,108
Cash with fiscal agent	4,501,076	-	4,501,076
Investments	4,032,872	-	4,032,872
Receivables:			
Loans	412,589	-	412,589
Taxes	829,722	-	829,722
Accounts	3,608,084	3,935,428	7,543,512
Intergovernmental	3,573,435	-	3,573,435
Interest	-	8,224	8,224
Internal Balances	783,353	(783,353)	-
Inventories	329,738	870,250	1,199,988
Prepaid items	817,840	200,400	1,018,240
Total current assets	<u>39,237,872</u>	<u>42,516,894</u>	<u>81,754,766</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	6,014,020	40,461,639	46,475,659
Investments	-	6,495,281	6,495,281
Total restricted assets:	<u>6,014,020</u>	<u>46,956,920</u>	<u>52,970,940</u>
Capital assets:			
Land, improvements and construction in progress	89,462,756	74,491,092	163,953,848
Other capital assets, net of depreciation	159,116,766	181,416,562	340,533,328
Total capital assets:	<u>248,579,522</u>	<u>255,907,654</u>	<u>504,487,176</u>
Total noncurrent assets	<u>254,593,542</u>	<u>302,864,574</u>	<u>557,458,116</u>
Total assets	<u>293,831,414</u>	<u>345,381,468</u>	<u>639,212,882</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	9,375,016	1,541,222	10,916,238
LIABILITIES			
Current liabilities:			
Accounts Payable	6,485,091	834,535	7,319,626
Contracts payable	-	1,299,903	1,299,903
Accrued payroll and withholding payable	1,143,677	321,374	1,465,051
Intergovernmental payable	3,379,220	-	3,379,220
Taxes payable	-	51,655	51,655
Accrued interest payable	515,075	508,863	1,023,938
Performance deposits payable	840,420	973,460	1,813,880
Unearned revenue	21,854	-	21,854
Customer deposits	70,480	143,518	213,998
General obligation bonds payable	920,000	-	920,000
Revenue bonds payable	4,025,000	5,100,000	9,125,000
Loans payable	-	924,000	924,000
Capital lease obligations	267,205	-	267,205
Total current liabilities	<u>17,668,022</u>	<u>10,157,308</u>	<u>27,825,330</u>

The notes to financial statements are an integral part of this statement.

Statement of Net Position (Continued)
December 31, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Noncurrent liabilities:			
General obligation bonds payable	465,606	-	465,606
Revenue bonds payable	41,162,023	145,333,195	186,495,218
Loans payable	-	996,000	996,000
Capital lease obligations	1,426,317	-	1,426,317
Other postemployment benefit obligation	1,437,117	2,874,235	4,311,352
Net pension liability	60,333,375	7,088,447	67,421,822
Total noncurrent liabilities	104,824,438	156,291,877	261,116,315
Total liabilities	122,492,460	166,449,185	288,941,645
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	8,372,906	410,421	8,783,327
NET POSITION			
Net investment in capital assets	200,313,371	104,409,458	304,722,829
Restricted for:			
Debt service	2,622,247	11,328,749	13,950,996
Capital outlay	3,379,220	35,486,774	38,865,994
Customer deposits	-	141,397	141,397
Donor designated use	12,553	-	12,553
Unrestricted	(33,986,327)	28,696,705	(5,289,622)
Total net position	\$ 172,341,064	\$ 180,063,083	\$ 352,404,147

The notes to financial statements are an integral part of this statement.

Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General Government	\$ 5,372,471	\$ 605,723	\$ 6,461	\$ 31,136	\$ (4,729,151)	\$ -	\$ (4,729,151)
Public Safety	34,115,434	84,689	71,026	-	(33,959,719)	-	(33,959,719)
Highways and Streets	9,771,396	33,034	-	4,500,000	(5,238,362)	-	(5,238,362)
Sanitation	2,476,778	-	-	-	(2,476,778)	-	(2,476,778)
Culture and Recreation	5,825,264	1,130,758	208	-	(4,694,298)	-	(4,694,298)
Economic Development	17,140,165	38,792	1,468,144	191,824	(15,441,405)	-	(15,441,405)
Total governmental activities	<u>74,701,508</u>	<u>1,892,996</u>	<u>1,545,839</u>	<u>4,722,960</u>	<u>(66,539,713)</u>	<u>-</u>	<u>(66,539,713)</u>
Business-type activities:							
Community Dev Blk Grant (LHR)	42,541	-	-	-	-	(42,541)	(42,541)
Parking Operations	385,410	446,297	-	-	-	60,887	60,887
Wastewater Utility	24,635,240	35,564,862	-	683,114	-	11,612,736	11,612,736
Water Utility	8,722,564	7,488,320	-	484,081	-	(750,163)	(750,163)
Total business-type activities	<u>33,785,755</u>	<u>43,499,479</u>	<u>-</u>	<u>1,167,195</u>	<u>-</u>	<u>10,880,919</u>	<u>10,880,919</u>
Total primary government	<u>\$ 108,487,263</u>	<u>\$ 45,392,475</u>	<u>\$ 1,545,839</u>	<u>\$ 5,890,155</u>	<u>(66,539,713)</u>	<u>10,880,919</u>	<u>(55,658,794)</u>
General revenues:							
Property taxes					44,345,009	-	44,345,009
Intergovernmental Revenues					21,538,613	-	21,538,613
Payment in Lieu of Taxes					1,930,000	-	1,930,000
Other revenues					2,651,846	197,941	2,849,787
Unrestricted investment earnings					122,044	322,048	444,092
Total general revenues					<u>70,587,512</u>	<u>519,989</u>	<u>71,107,501</u>
Change in net position					4,047,799	11,400,908	15,448,707
Net position - beginning					168,293,265	168,662,175	336,955,440
Net position - ending					<u>\$ 172,341,064</u>	<u>\$ 180,063,083</u>	<u>\$ 352,404,147</u>

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

Balance Sheet
Governmental Funds
December 31, 2017

	General	Motor Vehicle Highway	Economic Dev Income Tax(EDIT)	Thoroughfare	Redevelopment Authority	TIF Creasy Central Consolidated	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 3,802,576	\$ 2,010,476	\$ 578,156	\$ 1,235,859	\$ -	\$ 6,574,273	\$ 5,591,646	\$ 19,792,986
Cash with fiscal agents	-	-	-	-	2,558,228	-	1,942,835	4,501,063
Investments	-	-	-	-	-	-	4,032,872	4,032,872
Receivables (net of allowance for uncollectibles)								
Loans	-	-	783,353	-	-	350,633	61,956	1,195,942
Taxes	463,439	48,217	-	-	-	172,151	145,915	829,722
Accounts	46,912	27,321	67	3,000,000	-	443,024	90,757	3,608,081
Intergovernmental	1,588,976	804,757	1,033,310	-	-	-	146,392	3,573,435
Restricted cash and cash equivalents	-	-	-	-	1,259,090	915,670	3,839,261	6,014,021
Total assets	<u>5,901,903</u>	<u>2,890,771</u>	<u>2,394,886</u>	<u>4,235,859</u>	<u>3,817,318</u>	<u>8,455,751</u>	<u>15,851,634</u>	<u>43,548,122</u>
LIABILITIES								
Accounts Payable	184,935	147,371	188,332	2,249,584	-	3,368,875	217,781	6,356,878
Accrued payroll and withholding payable	903,146	142,602	-	-	-	-	97,929	1,143,677
Intergovernmental payable	-	-	-	-	-	-	3,379,220	3,379,220
Accrued interest payable	-	-	2,404	-	386,268	37,486	88,917	515,075
Unearned revenue	708,057	73,165	1,033,310	-	-	172,151	236,990	2,223,673
Performance deposits payable	10,000	-	-	569,140	-	1,000	260,280	840,420
Customer deposits payable	55,350	-	-	-	-	10,000	5,130	70,480
Total liabilities	<u>1,861,488</u>	<u>363,138</u>	<u>1,224,046</u>	<u>2,818,724</u>	<u>386,268</u>	<u>3,589,512</u>	<u>4,286,247</u>	<u>14,529,423</u>
FUND BALANCES								
Restricted	-	2,527,633	-	1,417,135	3,431,050	-	6,169,993	13,545,811
Committed	-	-	-	-	-	4,866,239	271,462	5,137,701
Assigned	-	-	1,170,840	-	-	-	1,082,320	2,253,160
Unassigned	4,040,415	-	-	-	-	-	4,041,613	8,082,028
Total fund balances	<u>4,040,415</u>	<u>2,527,633</u>	<u>1,170,840</u>	<u>1,417,135</u>	<u>3,431,050</u>	<u>4,866,239</u>	<u>11,565,388</u>	<u>29,018,700</u>
Total liabilities and fund balances	<u>\$ 5,901,903</u>	<u>\$ 2,890,771</u>	<u>\$ 2,394,886</u>	<u>\$ 4,235,859</u>	<u>\$ 3,817,318</u>	<u>\$ 8,455,751</u>	<u>\$ 15,851,635</u>	<u>\$ 43,548,123</u>

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2017

Fund Balance Reported in the Governmental Funds	\$ 29,018,700
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	248,579,522
Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	909,640
Deferred outflows of resources used in governmental activities are not available to pay for current period expenditures and therefore are not reported in the funds.	9,375,016
City and state collections that are not available until the next calendar year are recognized as revenue in government-wide funds but are unearned in the fund balance.	2,201,819
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	665,916
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(48,266,151)
Net pension liability and other postemployment benefit obligation are not due and payable in the current period and, therefore are not reported in the funds.	(61,770,492)
Deferred inflows of resources do not present a claim on current financial resources and are not reported in the funds.	(8,372,906)
Net Position of Governmental Activities	<u>\$ 172,341,064</u>

The notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Motor Vehicle Highway	Economic Dev Income Tax(EDIT)	Thoroughfare	Redevelopment Authority	TIF Creasy Central Consolidate	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
General Property Taxes	\$ 23,722,982	\$ 2,464,162	\$ -	\$ -	\$ -	\$ 8,797,866	\$ 9,456,305	\$ 44,441,315
Licenses and permits	484,018	-	-	-	-	-	535	484,553
Intergovernmental	10,107,723	4,660,662	6,255,043	-	-	182,423	2,091,426	23,297,277
Payment in Lieu of Taxes	1,930,000	-	-	-	-	-	-	1,930,000
Charges for services	16,153	29,859	-	-	-	-	1,214,141	1,260,153
Fines and forfeits	96,399	-	-	-	-	-	16,500	112,899
Other	669,093	95,770	17,346	1,589	5,338,297	552,250	787,013	7,461,358
Capital contributions	31,136	-	114	-	-	-	27,425	58,675
Interest and investment revenue	51,474	-	-	-	-	4,355	38,519	94,348
Total revenues	<u>37,108,978</u>	<u>7,250,453</u>	<u>6,272,503</u>	<u>1,589</u>	<u>5,338,297</u>	<u>9,536,894</u>	<u>13,631,864</u>	<u>79,140,578</u>
EXPENDITURES								
Current:								
General Government	3,330,974	-	-	-	-	-	175,593	3,506,567
Public Safety	32,008,322	-	-	-	-	-	316,619	32,324,941
Highways and Streets	-	5,357,130	-	-	-	-	762,215	6,119,345
Sanitation	1,993,828	-	-	-	-	-	-	1,993,828
Culture and Recreation	-	-	-	-	-	-	5,006,618	5,006,618
Economic Development	-	-	2,660,636	-	76,951	820,449	3,909,495	7,467,531
Debt service:								
Interest	-	-	61,522	-	915,509	192,825	196,048	1,365,904
Principal retirement	-	-	2,780,043	-	4,815,000	2,875,000	1,505,000	11,975,043
Capital outlay:								
Public Safety	147,055	-	-	-	-	-	172,714	319,769
Highways and Streets	-	512,694	-	7,408,045	-	-	2,816,844	10,737,583
Culture and Recreation	-	-	-	-	-	-	10,581	10,581
Economic Development	5,760	-	2,022,271	-	989,600	4,123,873	1,472,820	8,614,324
Total expenditures	<u>37,485,939</u>	<u>5,869,824</u>	<u>7,524,472</u>	<u>7,408,045</u>	<u>6,797,060</u>	<u>8,012,147</u>	<u>16,344,547</u>	<u>89,442,034</u>
Excess (deficiency) of revenues over expenditures	(376,961)	1,380,629	(1,251,969)	(7,406,456)	(1,458,763)	1,524,747	(2,712,683)	(10,301,456)
OTHER FINANCING SOURCES (USES)								
Bond Proceeds	-	-	-	-	-	5,765,000	-	5,765,000
Transfers In	-	-	357,000	7,500,000	888,618	838,997	14,573	9,599,188
Transfer Out	-	-	(37,250)	-	(838,997)	(8,436,853)	(286,088)	(9,599,188)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>319,750</u>	<u>7,500,000</u>	<u>49,621</u>	<u>(1,832,856)</u>	<u>(271,515)</u>	<u>5,765,000</u>
Net change in fund balances	(376,961)	1,380,629	(932,219)	93,544	(1,409,142)	(308,109)	(2,984,198)	(4,536,456)
Fund balances - beginning	<u>4,417,376</u>	<u>1,147,004</u>	<u>2,103,059</u>	<u>1,323,591</u>	<u>4,840,192</u>	<u>5,174,348</u>	<u>14,549,586</u>	<u>33,555,156</u>
Fund balances - ending	<u>4,040,415</u>	<u>2,527,633</u>	<u>1,170,840</u>	<u>1,417,135</u>	<u>3,431,050</u>	<u>4,866,239</u>	<u>11,565,388</u>	<u>29,018,700</u>

The notes to financial statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
December 31, 2017

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances).	\$	(4,536,456)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		8,937,475
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		88,564
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		389,099
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		896,202
Net pension obligations and Other postemployment benefit obligations are considered long-term obligations of the general government, but are not current expenditures.		(1,653,772)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(73,313)
Change in net position of governmental activities (statement of activities)	\$	4,047,799

Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise	Total Enterprise	Internal Service Funds
			Funds	Funds	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 369,322	\$ 369,322	\$ 556,189
Operating Cash	849,367	13,820,974	-	14,670,341	-
Depreciation Cash	404,259	17,548,879	-	17,953,138	-
Bond and Interest Cash	-	5,293,143	-	5,293,143	-
Accounts receivable (net of allowance)	271,087	3,646,563	17,778	3,935,428	-
Interest receivable	-	-	8,224	8,224	-
Inventories	299,952	570,298	-	870,250	237,938
Prepaid items	95,200	105,200	-	200,400	-
Total current assets	1,919,865	40,985,057	395,324	43,300,246	794,127
Noncurrent assets:					
Restricted cash, cash equivalents and investments:					
Customer Deposits	141,397	-	-	141,397	-
Revenue bond covenant accounts	-	39,483,361	836,880	40,320,241	-
Investments	-	5,627,478	867,803	6,495,281	-
Capital assets:					
Land, improvements, and construction in progress	2,858,405	70,948,706	683,981	74,491,092	-
Other capital assets, net of depreciation	34,138,769	145,132,555	2,145,237	181,416,561	-
Total noncurrent assets	37,138,571	261,192,100	4,533,901	302,864,572	-
Total assets	39,058,436	302,177,157	4,929,225	346,164,818	794,127
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	590,255	950,967	-	1,541,222	-
LIABILITIES					
Current liabilities:					
Accounts Payable	207,805	622,012	4,718	834,535	127,496
Contracts payable	-	1,299,903	-	1,299,903	-

Statement of Net Position (Continued)

Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental
					Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES (Continued)					
Accrued payroll and withholding payable	117,554	199,090	4,730	321,374	-
Interfund loan payable	-	-	783,353	783,353	-
Taxes payable	51,655	-	-	51,655	-
Accrued interest payable	-	497,748	11,115	508,863	-
Performance deposits payable	14,250	959,210	-	973,460	-
Customer deposits payable	142,994	-	524	143,518	-
Revenue bonds payable	-	5,100,000	-	5,100,000	-
Notes and loans payable	-	69,000	855,000	924,000	-
Total current liabilities	534,258	8,746,963	1,659,440	10,940,661	127,496
Noncurrent liabilities:					
Revenue bonds payable	-	145,333,195	-	145,333,195	-
Notes and loans payable	-	996,000	-	996,000	-
Other postemployment benefit obligation	1,437,118	1,437,117	-	2,874,235	-
Net pension liability	2,714,724	4,373,723	-	7,088,447	-
Total noncurrent liabilities	4,151,842	152,140,035	-	156,291,877	-
Total liabilities	4,686,100	160,886,998	1,659,440	167,232,538	127,496
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	157,183	253,238	-	410,421	-
NET POSITION					
Net investment in capital assets	36,997,174	64,583,066	2,829,218	104,409,458	-
Restricted for:					
Debt service	-	9,624,066	1,704,683	11,328,749	-
Capital outlay	-	35,486,774	-	35,486,774	-
Customer deposits	141,397	-	-	141,397	-
Unrestricted	(2,333,164)	32,293,982	(1,264,114)	28,696,704	666,631
Total net position	\$ 34,805,407	\$ 141,987,888	\$ 3,269,787	\$ 180,063,082	\$ 666,631

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities-Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Metered water revenue:					
Residential	\$ 2,968,597	\$ -	\$ -	\$ 2,968,597	\$ -
Commercial	1,957,606	-	-	1,957,606	-
Industrial	858,367	-	-	858,367	-
Fire protection	1,359,036	-	-	1,359,036	-
Measured revenue:					
Residential	-	8,794,215	-	8,794,215	-
Commercial	-	5,825,967	-	5,825,967	-
Industrial	-	15,910,821	-	15,910,821	-
Stormwater	-	3,863,821	-	3,863,821	-
Parking	-	-	446,297	446,297	-
Other	374,823	789,291	-	1,164,114	304,488
Total operating revenues	<u>7,518,429</u>	<u>35,184,115</u>	<u>446,297</u>	<u>43,148,841</u>	<u>304,488</u>
OPERATING EXPENSES					
Supplies and services	1,145,477	-	-	1,145,477	-
Water treatment	351,498	-	-	351,498	-
Transmission and distribution	1,165,564	-	-	1,165,564	-
Pumping	51,160	-	-	51,160	-
Collection system	-	1,916,266	-	1,916,266	-
Treatment and disposal	-	3,593,638	-	3,593,638	-
Customer accounts	703,944	723,836	-	1,427,780	-
Administration and general	3,654,633	4,442,557	3,611	8,100,801	402,867
Stormwater operations and maintenance	-	1,320,681	-	1,320,681	-
Parking operations and maintenance	-	-	273,248	273,248	-
Bad debt	37,189	102,665	-	139,854	-
Depreciation and amortization	1,243,121	6,962,489	110,751	8,316,361	642
Change in pension, OPEB and pension related benefits	369,977	308,495	-	678,472	-
Total operating expenses	<u>8,722,563</u>	<u>19,370,627</u>	<u>387,610</u>	<u>28,480,800</u>	<u>403,509</u>
Operating income (loss)	<u>(1,204,134)</u>	<u>15,813,488</u>	<u>58,687</u>	<u>14,668,041</u>	<u>(99,021)</u>

Statement of Revenues, Expenses, and Changes in Net Position (Continued)
 Proprietary Funds
 For the Year Ended December 31, 2017

	Business-type Activities-Enterprise Funds			Governmental Activities	
	Water Utility	Wastewater Utility	Total Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
NONOPERATING REVENUES (EXPENSES)					
Interest and investment revenue	16,034	286,035	19,979	322,048	-
Miscellaneous revenue	163,363	382,411	2,804	548,578	25,708
Interest expense	-	(2,733,758)	(40,341)	(2,774,099)	-
Miscellaneous expense	-	(1,930,000)	-	(1,930,000)	-
Bond issue expense	-	(600,856)	-	(600,856)	-
Total nonoperating revenues (expenses)	<u>179,397</u>	<u>(4,596,168)</u>	<u>(17,558)</u>	<u>(4,434,329)</u>	<u>25,708</u>
Income (loss) before contributions and transfers	(1,024,737)	11,217,320	41,129	10,233,712	(73,313)
Capital contributions	484,081	683,114	-	1,167,195	-
Transfers In	350,000	71,904,100	-	72,254,100	-
Transfers Out	(350,000)	(71,904,100)	-	(72,254,100)	-
Change in net position	<u>(540,656)</u>	<u>11,900,434</u>	<u>41,129</u>	<u>11,400,907</u>	<u>(73,313)</u>
Total net position - beginning	35,346,063	130,087,454	3,228,658	168,662,175	739,944
Total net position - ending	<u>\$ 34,805,407</u>	<u>\$ 141,987,888</u>	<u>\$ 3,269,787</u>	<u>\$ 180,063,082</u>	<u>\$ 666,631</u>

The notes to financial statements are an integral part of this statement.

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds		Internal Service Funds
			Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 7,951,586	\$ 36,331,334	\$ 441,012	\$ 44,723,932	\$ 304,488
Payments to employees	(3,622,376)	(5,833,632)	(187,179)	(9,643,187)	-
Payments to suppliers	(3,687,145)	(5,701,853)	(91,951)	(9,480,949)	(463,156)
Net cash provided (used) by operating activities	<u>642,065</u>	<u>24,795,849</u>	<u>161,882</u>	<u>25,599,796</u>	<u>(158,668)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating revenue	163,363	382,411	2,804	548,578	25,708
Nonoperating expenses	-	(1,930,000)	-	(1,930,000)	-
Loan Proceeds	-	-	39,050	39,050	-
Net cash provided (used) by noncapital financing activities	<u>163,363</u>	<u>(1,547,589)</u>	<u>41,854</u>	<u>(1,342,372)</u>	<u>25,708</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(927,440)	(19,207,991)	(46,509)	(20,181,940)	-
Proceeds from issuance of capital debt	-	54,546,250	-	54,546,250	-
Principal paid on capital debt	-	(6,711,000)	(805,000)	(7,516,000)	-
Interest paid on capital debt	-	(3,509,600)	(34,584)	(3,544,184)	-
Net cash provided (used) by capital and related financing activities	<u>(927,440)</u>	<u>25,117,659</u>	<u>(886,093)</u>	<u>23,304,126</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	-	-	815,000	815,000	-
Interest received	16,034	286,035	28,205	330,274	-
Net cash provided (used) by investing activities	<u>16,034</u>	<u>286,035</u>	<u>843,205</u>	<u>1,145,274</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(105,978)</u>	<u>48,651,954</u>	<u>160,848</u>	<u>48,706,824</u>	<u>(132,960)</u>
Cash and cash equivalents beginning of year	1,501,000	27,494,403	1,045,355	30,040,758	689,150
Cash and cash equivalents end of year	<u>\$ 1,395,022</u>	<u>\$ 76,146,357</u>	<u>\$ 1,206,203</u>	<u>\$ 78,747,582</u>	<u>\$ 556,190</u>

The notes to financial statements are an integral part of this statement.

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (loss)	\$ (1,204,134)	\$ 15,813,488	\$ 58,687	\$ 14,668,041	\$ (99,021)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,243,121	6,962,489	110,751	8,316,361	642
Changes in assets and liabilities:					
Accounts receivable	432,870	1,128,611	(4,540)	1,556,941	-
Inventories	(7,953)	150,208	-	142,255	9,674
Prepaid items	-	(47,391)	-	(47,391)	-
Customer deposits	286	-	(745)	(459)	-
Accounts payable	(4,518)	(1,461,879)	(2,628)	(1,469,025)	(69,962)
Contracts payable	-	1,299,903	-	1,299,903	-
Accrued wages payable	13,544	24,282	357	38,183	-
Interfund services provided and used	-	-	-	-	-
OPEB obligation	149,903	149,903	-	299,806	-
Net pension liability	344	555	-	899	-
Other payable	18,602	775,680	-	794,282	-
Net cash provided (used) by operating activities	<u>\$ 642,065</u>	<u>\$ 24,795,849</u>	<u>\$ 161,882</u>	<u>\$ 25,599,796</u>	<u>\$ (158,667)</u>
Noncash investing, capital and financing activities					
Contributions of capital assets from private contractors	\$ 484,081	\$ 683,114	\$ -	\$ 1,167,195	\$ -

The notes to financial statements are an integral part of this statement.

City of Lafayette
Statement of Fiduciary Net Position
December 31, 2017

	Pension trust funds	Agency funds
ASSETS		
Cash and cash equivalents	\$ 1,811,540	\$ 1,132,220
Accounts rec	-	14,091
Total assets	1,811,540	\$ 1,146,311
LIABILITIES		
Trust Payable	\$ -	\$ 7,012
Accounts Payable	-	1,127,587
Accrued payroll and withholding payable	-	927
Customer deposits payable	-	10,785
Total liabilities	-	1,146,311
NET POSITION		
Held in trust for pension benefits and other purposes	\$ 1,811,540	

The notes to financial statements are an integral part of this statement.

City of Lafayette
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2017

	Pension trust funds
ADDITIONS	
Contributions:	
State Contributions	\$ 4,075,044
Miscellaneous Revenue	6,000
Total additions	4,081,044
DEDUCTIONS	
Benefits	4,074,689
Administration and general	26,903
Total deductions	4,101,592
Change in net position	(20,548)
Net Position -- beginning of the year	1,832,088
Net Position -- end of the year	\$ 1,811,540

The notes to financial statements are an integral part of this statement.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lafayette was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, sewer, and urban redevelopment and housing.

The City's financial reporting entity is composed of the following:

- Primary Government: City of Lafayette
- Blended Component Unit: Lafayette Redevelopment Authority

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation and they do not issue a separate financial statement. The blended component unit is presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>	<u>Fund Included In</u>
Lafayette Redevelopment Authority	The City appoints a voting majority of the Authority's Board and a financial benefit/burden relationship exists between the City and the Authority. Although it is legally separate from the City, the Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.	Governmental Funds - Redevelopment Authority

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Joint Venture

The City is a participant with Tippecanoe County, the City of West Lafayette, and the Town of Battle Ground in a joint venture to operate the Lafayette Housing Consortium which was created to undertake eligible housing assistance activities under the HOME Investment Partnership Program (HOME), as set forth in the National Affordable Housing Act (NAHA). The City agrees to cooperate, to undertake, and to assist in undertaking, housing assistance activities for HOME. Complete financial statements for the Consortium can be obtained from the City of Lafayette, 20 North Sixth Street, Lafayette, Indiana 47901.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the Lafayette Housing Authority, Tippecanoe County Convention and Visitors Bureau, Tippecanoe County Child Care Commission, Lafayette Police Civil Service Commission, Area Plan Commission, Board of Zoning Appeals of Tippecanoe County/Lafayette Division, Lafayette Urban Enterprise Association, Lafayette Historic District Review Board, Greater Lafayette Public Transportation Corporation, Tippecanoe County Local Environmental Response Financing Board and the Lafayette Tree Advisory Committee.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.

Separate 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 and major individual enterprise 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 as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

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

The motor vehicle highway fund accounts for the resources of the motor vehicle highway and local road and street funds which are utilized for the repair and maintenance of the City's fleet, streets and related infrastructure.

The thoroughfare fund accounts for resources received through agreements with governmental agencies and spent to refurbish and upgrade sections of the City's roads.

The redevelopment authority fund accounts for resources utilized to create positive economic development within the City. This is accomplished through improvements in housing, infrastructure and grants to sub recipients.

The economic development income tax fund (EDIT) originally was created to foster positive development within the City. This fund works in conjunction with the redevelopment authority funds to accomplish this task. In addition the legislature,

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
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recognizing the fact that economic development encompasses the entire city proper, allowed the fund to be used for any legal purpose required by the City.

The TIF Creasy Central Consolidated fund accounts for resources derived from improvements from designated areas within the City. Funds are utilized for further improvements within the designated area.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the City's water distribution system.

The wastewater utility fund accounts for the operation of the City's wastewater treatment plant, wastewater pumping stations, wastewater collection systems and storm water collection system.

Additionally, the City reports the following fund types:

The internal service fund accounts for self-insurance and other services provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for benefit providers and state and federal agencies for payroll withholdings and other private concerns.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and Utilities for services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

When both restricted and unrestricted resources are available for use for the same purpose, it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

State statute (IC 5-13-9) authorizes the City to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement. Investments are reported as fair market value based upon quoted market value at year end.

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “internal receivables/payables” (i.e., the current and non-current portion of interfund loans). All other outstanding balances between funds are reported as “interfund services provided/used.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statutes (IC 6-1.1-17-16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Department of Local Government Finance). Normally, taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City prior to December 31, 2017. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable on the statement of net position and are recognized as taxes revenues on the statement of activities. The net amounts are recognized as receivables on the funds financial statements with an offset to unearned revenue, since these amounts are not considered available.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
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4. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

5. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets, donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land improvements	\$ 1	N/A	N/A
Buildings	5,000	Straight-line	40 to 60 yrs.
Improvements	5,000	Straight-line	40 to 60 yrs.
Vehicles	5,000	Straight-line	3 to 5 yrs.
Machinery and Equipment	5,000	Straight-line	3 to 5 yrs.
Infrastructure (roads)	5,000	Straight-line	50 yrs.
Infrastructure (Water and Wastewater mains, manholes, inlets, et	5,000	Straight-line	60 yrs.
Wastewater distribution and collection systems	5,000	Straight-line	45 yrs.

N/A = Not Applicable

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City in its business-type activities during the current year was \$2,733,758. Of the amount, none was included as part of the cost of capital assets under construction.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 1925 Police Officers' Pension Plan (1925 Plan), 1937 Firefighters' Pension Plan (1937 Plan), Public Employees' Retirement Fund (PERF), and the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Plan) and additions to/deductions from the

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

aforementioned plans' fiduciary net position have been determined on the same basis as they are reported by the 1925 Plan, 1937 Plan, PERF and the 1977 Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred outflows and deferred inflows related to their Pension Plans (see IV. Other Information Note G. Pension Plan for additional information on the City's Pension Plans). The City recognized a deferred outflow for City contributions made to Pension Plans made after the measurement date. In addition, the City has deferred outflows and deferred inflows related to differences between the Plans expected and actual experience, differences between projected and actual investment earnings on Pension Plan investments, change in Pension Plan assumptions, and changes in the proportion and differences between employer contributions and proportionate share of contributions.

9. Compensated Absences

a. Sick Leave – City employees earn sick leave at the rate of 1 day per month and accumulates to a maximum of 36 days. Accumulated sick leave is not paid to employees upon termination.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
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b. Vacation Leave – City employees earn vacation leave at rates from 10 to 25 days per year based upon the number of years of service. Vacation leave may be accumulated to a maximum of 5 days carryover to the following year. Accumulated vacation leave is paid to employees through cash payments upon termination.

c. Personal Leave – City employees earn personal leave at the rate of 2 days per year and 1 day each year for their birthday. Personal leave does not accumulate from year to year.

No liability is reported for vacation, sick and personal leave.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of incurrence.

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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
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11. Fund Equity

In accordance with Government Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. For the City, the City Council is the highest level of decision making authority and the formal action includes the passage of a City Ordinance.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Mayor, Clerk, Department Heads and the Board of Works. The authorization to assign amounts to a specific purpose is outlined in the City's Municipal Code.

Unassigned - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

The City has a formal minimum fund balance policy.

12. Stabilization Arrangement

In 2005 the City created, under I.C. 36-1-8-5 a Rainy Day Fund. The fund was to provide an operational safety net should circumstances arise that would leave the City without funds. These circumstances are not expected to occur routinely. Indiana code allows for transfers, whenever the purposes of a tax levy have been fulfilled, of unused and unencumbered funds, to the Rainy Day Fund. The Government Finance Officers Association recommends that a Rainy Day Fund have a balance of up to 15%, or 8 weeks of operational cash of the fund it is to supplement. The City, through an internal policy, has set a goal of 10% or just under 6 weeks of operational cash to act as a backup for the General Fund. The current balance of \$4,041,613 is at 10.11%. In the event it is to be used, it must go through the Common Council with proper appropriation and methodology spelled out by the Indiana Code.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. In September of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The City Common Council adopted a formal investment policy on September 6, 2016 and is consistent with all provisions of Indiana Code 5-13. As of December 31, 2017, the City had the following investments:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Investment Deposit	\$ 10,360,000
Realized gains/losses	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	<u>168,153</u>
Balance, end of year market value:	<u><u>\$ 10,528,153</u></u>

Investment Type	Governmental- Activities	Investment Maturities(in Years)	
	<u>Fair Value</u>	Less Than 1	1-5
Certificates of deposit	\$ 4,032,872	\$ 4,032,872	\$ -

Investment Type	Business-type Activities	Investment Maturities(in Years)	
	<u>Fair Value</u>	Less Than 1	1-5
Federal Agency Securities	\$ 6,006,647	\$ 1,989,649	\$ 4,016,998
Other fixed income	488,634	244,922	243,712
Totals	<u><u>\$ 6,495,281</u></u>	<u><u>\$ 2,234,571</u></u>	<u><u>\$ 4,260,710</u></u>

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than five years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the Federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the City and

CITY OF LAFAYETTE
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available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by the interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the City's investment policy. At December 31, 2017, the City held investments in certificates of deposit in the amount of \$4,032,872. The certificates of deposit were held in the City's name. Investments held in U.S. government agency

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securities are \$6,006,647. The U.S. government agency securities were held by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market 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 prior to maturity.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. government agency securities are implicitly guaranteed by the full faith and credit of the U.S. government and are recognized as one of the safest investments available. The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the City's investment policy.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the City's investment policy. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

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Foreign Currency Risk

The City does not have any foreign currency. The City's exposure to foreign currency risk is minimal as a result of limiting investments to the types of securities listed in the City's investment policy.

Disclosure About Fair Value of Financial Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuations methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of relevant observable inputs and minimize the use of unobservable input. Investment value is determined by reference to quoted market prices and other relevant information generated by market transactions.

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The following table summarizes the valuation of investments by the fair value hierarchy levels as of December 31, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 4,032,872	\$ -	\$ 4,032,872	\$ -
Federal Agency Securities	6,006,647		6,006,647	
Other fixed income	488,634		488,634	
Total	\$ 10,528,153	\$ -	\$ 10,528,153	\$ -

B. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,575,932	\$ 823,240	\$ 427,436	\$ 24,971,736
Construction in progress	52,194,015	12,297,005	-	64,491,020
Total capital assets, not being depreciated	76,769,947	13,120,245	427,436	89,462,756
Capital assets, being depreciated:				
Buildings	33,633,548	-	-	33,633,548
Improvements other than buildings	7,591,761	-	-	7,591,761
Machinery and equipment	5,390,574	2,279,042	1,680,435	5,989,181
Vehicles	16,550,969	3,287,133	2,760,948	17,077,154
Infrastructure	200,957,321	99,310	-	201,056,631
Totals	264,124,173	5,665,485	4,441,383	265,348,275
Less accumulated depreciation for:				
Buildings	12,808,657	749,791	-	13,558,448
Improvements other than buildings	4,730,075	366,461	-	5,096,536
Machinery and equipment	3,545,062	616,209	607,336	3,553,935
Vehicles	10,979,063	1,284,767	1,229,873	11,033,957
Infrastructure	69,761,079	3,227,554	-	72,988,633
Totals	101,823,936	6,244,782	1,837,209	106,231,509
Total capital assets, being depreciated, net	162,300,237	(579,297)	2,604,174	159,116,766
Total governmental activity capital assets, net	\$ 239,070,184	\$ 12,540,948	\$ 3,031,610	\$ 248,579,522

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	Beginning			Ending
Business Type activities:	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 2,528,989	\$ -	\$ -	\$ 2,528,989
Construction in progress	<u>53,108,127</u>	<u>18,853,976</u>	<u>-</u>	<u>71,962,103</u>
Total capital assets, not being depreciated	<u>55,637,116</u>	<u>18,853,976</u>	<u>-</u>	<u>74,491,092</u>
Capital assets being depreciated:				
Buildings	19,275,273	-	-	19,275,273
Improvements other than buildings	485,247	8,576	-	493,823
Machinery and equipment	79,955,259	452,398	19,407	80,388,250
Vehicles	4,849,641	894,717	606,981	5,137,377
Infrastructure	<u>169,669,430</u>	<u>1,206,124</u>	<u>-</u>	<u>170,875,554</u>
Totals	<u>274,234,850</u>	<u>2,561,815</u>	<u>626,388</u>	<u>276,170,277</u>
Less accumulated depreciation for:				
Buildings	5,472,327	419,855	-	5,892,182
Improvements other than buildings	202,413	36,496	-	238,909
Machinery and equipment	44,578,153	4,046,252	19,407	48,604,998
Vehicles	2,809,953	521,822	606,981	2,724,794
Infrastructure	<u>34,000,897</u>	<u>3,291,937</u>	<u>-</u>	<u>37,292,834</u>
Totals	<u>87,063,743</u>	<u>8,316,362</u>	<u>626,388</u>	<u>94,753,717</u>
Total capital assets, being depreciated, net	<u>187,171,107</u>	<u>(5,754,547)</u>	<u>-</u>	<u>181,416,560</u>
Total business type activity capital assets, net	<u>\$ 242,808,223</u>	<u>\$ 13,099,429</u>	<u>\$ -</u>	<u>\$ 255,907,652</u>

Depreciation expense was charged to functions/programs of the City as follows:

	<u>2017</u>	<u>2016</u>
Governmental activities:		
General Government	\$ 298,703	\$ 320,817
Public Safety	1,186,559	924,456
Highways and Streets	3,455,145	3,418,643
Sanitation	482,950	494,604
Culture and Recreation	800,366	822,516
Economic Development	20,418	20,417
Internal Service Funds	642	1,100
Total depreciation expense - governmental activities	<u>\$ 6,244,783</u>	<u>\$ 6,002,553</u>
Business-type activities:		
Water	\$ 1,243,121	\$ 1,093,389
Wastewater	6,962,489	6,909,891
Other	110,751	109,894
Total depreciation expense - business-type activities	<u>\$ 8,316,361</u>	<u>\$ 8,113,174</u>
Grand Total	<u>\$14,561,144</u>	<u>\$14,115,727</u>

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C. Construction Commitments

Construction work in progress at year end is composed of the following:

Project		Total Project Authorized	Expended to December 31, 2017	Committed	Required Future Funding
Governmental Activities:	Project Code				
Police Annex-Armory	B0002	\$ 400,911	\$ 400,911	\$ -	
City Hall Chillers	B0003	400,000	355,081	44,919	
Myer's Pedestrian Bridge Rehab	BR001	2,400,000	2,398,038	1,962	
Union Street Drainage	D0007	733,557	733,557	-	
Big Four Depot	DP003	1,471,900	1,369,441	102,459	x
Fire Grant 37K Fairfield Twsp	FS006	37,000	33,378	3,622	
Concord Road Reconstruction	R0002	6,600,000	1,312,217	5,287,783	
Maple Point Extension	R0004	3,500,000	2,195,747	1,304,253	
Creasy Lane/SR 26 Land Acquisition	R0006	50,369	2,021	48,348	x
Old Romney Road	R0009	8,550,000	8,095,265	454,735	
Si8th Street Widening	R0025	1,800,000	1,777,088	22,912	x
Sagamore Parkway Reconstruction	R0027	35,000,000	31,721,910	3,278,090	x
South Street Reconstruction	R0028	1,000,000	538,469	461,531	x
Rome Drive	R0031	1,312,584	1,312,584	-	
Greenbush Street	R0032	610,983	610,983	-	
Twyckenham Between Poland & 9th	R0034	40,000	39,818	182	x
Twyckenham Trail-Old Romney Rd/Old 231	R0035	10,000	9,601	399	x
South Tipp Park	PK019	220,000	219,457	543	x
Zoo Education Building	PK021	31,649	31,649	-	
Loeb Stadium Renovation	PK023	600,000	505,297	94,703	x
Columbian Park Entrance-Pedestrian Crossin	PK025	206,228	206,228	0	
Memorial Island-Columbian Park	PK026	1,300,000	959,228	340,772	x
Softball Complex	PK028	900,000	24,273	875,727	x
McCaw Playground	PK029	10,000	9,081	919	
Annexation	RD033	26,424	26,424	-	
Trail Development	RD055	250,000	232,468	17,532	x
Upper Berlowitz Master Plan	RD074	110,000	109,256	744	x
General Electric-Road	RD078	2,000,000	1,956,885	43,115	x
Long Center	RD079	1,700,000	1,692,679	7,321	x
Parking Renovations	RD084	1,200,000	1,149,636	50,364	x
Durkee's Run CSO	S0041	4,118,993	4,118,993	-	
Sidewalks N26th Cason to Union	SW002	99,950	72,678	27,272	
Citywide Trail Master Plan	SW003	150,000	58,880	91,120	x
Sidewalk SR38 From Kingsway to Creasy	SW004	300,000	97,752	202,248	x
Tyler Technologies	TYLER	3,000	2,450	550	
VMP & Haggerty Traffic Signal	T0015	130,000	111,599	18,401	x
Totals Governmental Funds		\$ 77,273,548	\$ 64,491,020	\$ 12,782,528	

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Enterprise Funds						
Valley Street Drainage	D0002	\$ 4,000,000	\$ 401,969	\$ 3,598,031		x
Union Street Drainage	D0007	730,000	636,215	93,785		x
Softball Complex	PK028	50,000	31,983	18,017		x
Sagamore Parkway Reconstruction	R0027	50,360	50,360	-		
Greenbush Street	R0032	340,000	338,587	1,413		
Rome Drive Land	S0006	40,000	1,928	38,072		x
Utility Service Area 21	S0015	8,500,000	567,374	7,932,626		x
Solar Power WWTP	S0038	4,000,000	118,149	3,881,851		x
Durkee's Run CSO	S0041	40,000,000	36,285,322	3,714,678		x
Phosphrous	S0050	3,137,600	3,132,975	4,625		x
Elmwood & 27th Street	S0051	2,757,500	2,244,505	512,996		x
Railroad Corridor/Brown St Ph2	S0055	905,000	805,145	99,855		x
Greenbush Sewer Repair	S0057	5,000,000	4,009,834	990,166		x
Greenbush Storage Tank	S0060	31,000,000	6,326,410	24,673,590		x
Odor Control Prairie Oaks LS	S0061	15,000	4,909	10,091		
Brown Street	S0062	20,000,000	14,007,484	5,992,516		x
Alpena Court Stream Bank & Storm	S0065	90,000	79,620	10,380		
Williams Creek Sewer Stabilization	S0067	25,000	7,475	17,525		
Upgrade Building Automation System		100,000	48,190	51,810		
North 9th Wetland Mitigation	STM15	37,950	26,400	11,550		x
Tyler Technologies	TYLER	800,000	763,965	36,035		x
New Wellfield Investigation	W0002	800,000	768,408	31,592		x
Glick Wellfield Generator	W0010	16,856	16,856	-		x
Onsite Chloine Generation-Glick	W0013	355,000	163,804	191,196		x
SCADA-Water Works	W0024	370,000	368,195	1,805		x
Meter Change Out	W0025	750,000	729,385	20,615		x
Hydraulic Model	W0034	50,000	1,708	48,293		x
Prairie Lane Water Main Replacement	W0037	100,000	24,951	75,049		x
Total Enterprise Funds		124,020,266	71,962,106	52,058,160		
Grand Total for CWIP		\$ 201,293,814	\$ 136,453,126	\$ 64,840,688		

CITY OF LAFAYETTE
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D. Interfund Activities

Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt payments become due, (3) use unrestricted revenues from the General fund and EDIT fund to finance various programs accounted for in other funds in accordance with statutes or budgetary authorization and (4) transfer of assets from the fund that purchases or constructs the asset to the fund that will maintain the asset in accordance with statutes or budgetary authorizations.

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Paying Fund</u>	<u>Receiving Fund</u>	<u>Amount</u>
TIF Creasy Central Consolidated	Economic Development Income Tax	\$ 357,000
TIF Creasy Central Consolidated	Redevelopment Authority	579,853
TIF Creasy Central Consolidated	Thoroughfare	7,500,000
EDIT	Redevelopment Authority	37,250
Park Non-Reverting Operating	Park Non-Reverting Capital	14,573
Redevelopment Authority	TIF Creasy Central Consolidated	838,997
TIF Twyckenham	Redevelopment Authority	271,515
	Total:	<u>\$ 9,599,188</u>

E. Leases

2. Operating Leases

The City has no operating leases at year end.

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2. Capital Leases

The City has entered into a capital lease for recycling toters and fire equipment. Future minimum lease payments and present values of the net minimum lease payments under the capital leases at year end are as follows:

<u>Capital Leases</u>	<u>Governmental Activities</u>
2018	\$ 317,189
2019	317,189
2020	317,189
2021	317,189
2022	159,713
2023-2025	479,139
Total Minimum lease payments	<u>1,907,608</u>
Less interest	214,086
PV of net minimum lease payments	<u>\$ 1,693,522</u>

The following is an analysis of assets acquired through these capital leases still in effect at year end:

<u>Asset Category</u>	<u>Governmental Activities</u>
Equipment	\$ 2,064,479
Less: Accumulated Depreciation	(650,420)
Total	<u>\$ 1,414,059</u>

F. Short-Term Liabilities

The City had no short-term debt activity during the year.

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G. Long-term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets.

The City issues revenue bonds to provide for the acquisition and construction of major capital assets. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay the debt service. Debt issues are as follows:

Description	Amount
Governmental Activities	
<u>General Obligation Bonds:</u>	
2012 Park District Refunding General Obligation Bonds	
Tropicanoe Cove, Castaway Bay, McAllister Center, Zoo Admin.	
Interest rates: .98% to 2.0%	
Original issue: \$5,880,000	
Installments of \$435,000 to \$490,000 plus interest	
Maturity: January 15, 2019	\$1,385,000
<u>Revenue Bonds:</u>	
2010 A Redevelopment Authority Lease Rental Refunding	
Bonds Econ Dev	
North 9 th Street and Duncan Road projects	
Interest rates: 2.0% to 3.5%	
Original issue: \$2,485,000	
Installments of \$100,000 to \$145,000 plus interest	
Maturity: January 15, 2021	950,000
2010 B Redevelopment Authority Lease Rental Refunding	
Bonds Econ Dev	
Fire Station 5 Union Street	
Interest rates: 2.0% to 3.25%	
Original issue: \$3,005,000	

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Installments of \$125,000 to \$170,000 plus interest	
Maturity: January 15, 2021	1,145,000
2013 A Redevelopment Authority Lease Rental Consolidated TIF Refunding Bonds	
Greenbush/Pavilions	
Interest rate: 1.75%	
Original issue: \$7,300,000	
Installments of \$70,000 to \$985,000 plus interest	
Maturity: February 1, 2026	1,295,000
2012 Redevelopment District Consolidated TIF Refunding Revenue Bonds	
Parking garage/Renaissance Place	
Interest rate: 1.64%	
Original issue: \$3,870,000	
Installments of \$100,000 to \$340,000 plus interest	
Maturity: February 1, 2025	1,600,000
2010 C Redevelopment Authority Lease Rental Twyckenham TIF Refunding Bond	
Twyckenham Infrastructure	
Interest rates: 1.0% to 4.0%	
Original issue: \$5,710,000	
Installments of \$175,000 to \$290,000 plus interest	
Maturity: January 15, 2023	2,915,000
2010 C Economic Development Income Tax Lease Rental Refunding Bond	
Lafayette City Hall renovation project	
Interest rates: 2.0% to 3.2%	
Original issue: \$9,180,000	
Installments of \$440,000 to \$570,000 plus interest	
Maturity: January 1, 2020	2,775,000
2013 B Redevelopment Authority Lease Rental Refunding Bonds Consolidated TIF	

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Railroad Relocation/Depot/Brady Lane	
Interest rate: 2.0%	
Original issue: \$6,505,000	
Installments of \$160,000 to \$380,000 plus interest	
Maturity: January 15, 2026	3,185,000
2015 Economic Development Subordinate Consolidated TIF Revenue Bonds	
One Main Street-Marq	
Interest rate: 3.8%	
Original issue: \$4,420,000	
Installments of \$85,000 to \$165,000 plus interest	
Maturity: February 1, 2035	4,250,000
2014 Redevelopment District Twyckenham TIF Bonds	
Twyckenham/Old Romney Road	
Interest rates: 3.0% to 4.0%	
Original issue: \$5,185,000	
Installments of \$135,000 to \$200,000 plus interest	
Maturity: July 15, 2039	5,185,000
2017 Economic Development Subordinate Tax Increment Revenue Bonds	
NCC Project, Intersection Connection Project, GLC Project	
Interest rate: 2.02%	
Original issue: \$5,765,000	
Installments of \$530,000 to \$605,000 plus interest	
Maturity: February 1, 2023	5,765,000
2014 Redevelopment Authority Lease Rental Consolidated TIF Bonds	
Streetscape, Long Center, Depot, Parking Garage, Rome Drive, Market Square	
Interest rates: 3.0% to 3.75%	
Original issue: \$16,160,000	
Installments of \$140,000 to \$555,000 plus interest	

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Maturity: August 1, 2039	<u>16,020,000</u>
Total governmental activity debt	<u>\$46,470,000</u>

Business-type Activities

Revenue Bonds:

2008 Water Pollution Control Revenue Bonds	
Construction and installation of energy conservation measures	
Interest rates: 3.5% to 4.0%	
Original issue: \$4,950,000	
Installments of \$95,000 to \$180,000 plus interest	
Maturity: July 1, 2025	\$2,625,000
2014 Water Pollution Control Revenue Bonds	
Extensions and improvements to the sewage works	
Interest rates: 2.0% to 3.75%	
Original issue: \$10,515,000	
Installments of \$205,000 to \$345,000 plus interest	
Maturity: January 1, 2035	9,060,000
2016 Water Pollution Control Refunding Revenue Bonds	
Pumping Station and elimination sewer	
Interest rates: 2.0% to 5.0%	
Original issue: \$18,560,000	
Installments of \$150,000 to \$3,320,000 plus interest	
Maturity: January 1, 2025	17,990,000
2013 Water Pollution Control Revenue Bonds	
Durkees Run	
Interest rates: 3.0% to 3.25%	
Original issue: \$22,485,000	
Installments of \$455,000 to \$740,000 plus interest	
Maturity: January 1, 2034	18,775,000
2013 Water Pollution Control Refunding Revenue Bonds	
Extensions and improvements to the sewage works	
Interest rates: 2.0% to 5.0%	

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Original issue: \$58,205,000	
Installments of \$325,000 to \$4,235,000 plus interest	
Maturity: July 1, 2026	38,715,000
2017 Sewage Works Revenue Bonds	
Extensions and improvement to the sewage works	
Interest rate: 3.1%	
Original issue: \$55,000,000	
Installments of \$990,000 to \$1,930,000 plus interest	
Maturity: January 1, 2038	<u>55,000,000</u>
Total business-type activity debt	<u><u>\$142,165,000</u></u>

Excluded from the governmental activities and the business-type amounts outstanding are total unamortized premiums of \$102,629 and \$8,268,195 respectively.

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$920,000	15,248
2019	<u>465,000</u>	<u>4,312</u>
Totals	<u><u>\$1,385,000</u></u>	<u><u>\$19,560</u></u>

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Revenue bonds debt service requirements to maturity at year end are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	5,100,000	3,088,414
2019	9,275,000	4,975,563
2020	9,610,000	4,621,848
2021	9,975,000	4,242,341
2022	10,370,000	3,845,123
2023-2027	50,825,000	12,285,975
2028-2032	23,780,000	5,790,489
2033-2037	21,300,000	1,999,095
2038	<u>1,930,000</u>	<u>29,915</u>
Totals	<u>\$142,165,000</u>	<u>\$40,878,763</u>

Revenue bonds debt service requirements to maturity at year end are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$4,025,000	\$1,302,634
2019	4,490,000	1,225,591
2020	4,030,000	1,101,141
2021	3,235,000	998,924
2022	3,025,000	920,151
2023-2027	8,485,000	3,757,554
2028-2032	7,475,000	2,609,211
2033-2037	7,435,000	1,267,220
2038-2039	<u>2,885,000</u>	<u>138,344</u>
Totals	<u>\$45,085,000</u>	<u>\$13,320,770</u>

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H. Loans Payable

The Wastewater Utility has entered into a loan from the State Revolving Loan Fund. At year end the 2009 loan balance was \$1,065,000.

The City received a "Section 108" loan from HUD in the amount of \$3,300,000. The proceeds were deposited with a trustee for subsequent loan to a private developer for the Lahr Project. The developer has since sold the property and paid the City an amount equal to the remaining principal with some interest as well. These funds are currently invested in laddered Treasury investments with maturities that coincide with the payments of interest and principal so as to make timely payments. The current principal balance of the loan at year end is \$855,000.

Annual debt service requirement to maturity for the above loans are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$924,000	\$64,613
2019	71,000	35,422
2020	74,000	32,816
2021	77,000	30,119
2022	79,000	27,313
2023-2027	442,000	90,988
2028-2032	<u>253,000</u>	<u>13,863</u>
Totals	<u>\$1,920,000</u>	<u>\$295,134</u>

I. Notes Payable

The City currently has no notes payable.

CITY OF LAFAYETTE
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J. Advance Refunding

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The following outstanding bonds, at year end were considered defeased:

1994 Redevelopment Authority lease rental - \$9,365,000	\$4,480,000
1994 Redevelopment Authority lease rental - \$15,000,000	7,785,000
1994 B Redevelopment Authority lease rental - \$5,665,000	2,665,000
1995 A Redevelopment Authority lease rental - \$3,360,000	2,370,000
1995 Redevelopment Authority lease rental - \$2,300,000	960,000
1996 Redevelopment District Parking Facility Revenue Bonds - \$2,600,00	1,197,003
1997 Redevelopment Authority lease rental refunding - \$3,925,000	620,000
1998 Redevelopment Authority lease rental refunding - \$4,485,000	2,970,000
1998 Park District Bonds - \$5,500,000	2,500,000
1999 Redevelopment Authority lease rental refunding - \$7,980,000	5,235,000
2001 A Redevelopment Authority lease rental refunding - \$3,500,000	2,200,000
2001 B Redevelopment Authority lease rental refunding - \$5,000,000	3,140,000
2001 Park District Bonds - \$1,750,000	1,465,000
2002 Redevelopment Authority lease rental refunding - \$8,500,000	5,880,000
2002 Sewage Works revenue bonds - \$30,000,000	23,935,000
2004 Park District Bonds - \$1,730,000	1,610,000
2004 A Tax Increment Revenue Bonds - \$2,145,000	1,750,000
2004 B Tax Increment Revenue Bonds - \$735,000	695,000
2004 Redevelopment Authority Lease Rental Revenue Bond - \$4,380,000	4,260,000
2006 Sewage Works Revenue Bond - \$22,445,000	22,421,435

CITY OF LAFAYETTE
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K. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

<u>Primary government</u>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 2,295,000	\$ -	\$ 910,000	\$ 1,385,000	\$ 920,000
Bond discount	(909)	-	(303)	(606)	-
Total general obligation bonds payable	<u>2,295,909</u>	<u>-</u>	<u>910,303</u>	<u>1,385,606</u>	<u>920,000</u>
Revenue bonds	44,645,000	5,765,000	5,325,000	45,085,000	4,025,000
Bond discount	(110,711)	-	(8,688)	(102,023)	-
Total revenue bonds payable	<u>44,755,711</u>	<u>5,765,000</u>	<u>5,333,688</u>	<u>45,187,023</u>	<u>4,025,000</u>
Notes payable	158,354	-	158,354	-	-
Capital leases	1,952,379	-	258,857	1,693,522	267,205
Other postemployment benefit obligations	1,287,214	149,903	-	1,437,117	-
Net pension liabilities	61,401,131	-	1,067,756	60,333,375	-
Total governmental activities long-term liabilities	<u>\$111,850,698</u>	<u>\$ 5,914,903</u>	<u>\$ 7,728,958</u>	<u>\$110,036,643</u>	<u>\$ 5,212,205</u>
Business-type activities:					
Revenue bonds payable:					
Wastewater Utility	\$ 93,810,000	\$55,000,000	\$ 6,645,000	\$142,165,000	\$ 5,100,000
Bond premium	9,256,989	-	988,794	8,268,195	-
Total revenue bonds payable	<u>103,066,989</u>	<u>55,000,000</u>	<u>7,633,794</u>	<u>150,433,195</u>	<u>5,100,000</u>
Loans payable	2,791,000	-	871,000	1,920,000	924,000
Other postemployment benefit obligations	2,574,429	299,806	-	2,874,235	-
Net pension liabilities	7,087,548	899	-	7,088,447	-
Total business-type activities long-term liabilities	<u>\$115,519,966</u>	<u>\$55,300,705</u>	<u>\$ 8,504,794</u>	<u>\$162,315,877</u>	<u>\$ 6,024,000</u>

The major governmental funds – General, Motor Vehicle Highway, and Park and Recreation Operating, the major proprietary funds – Water Utility, Wastewater Utility, and the pension trust funds are primarily used to liquidate the liability for net pension liability.

CITY OF LAFAYETTE
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The major governmental funds – General and the Motor Vehicle Highway, the major proprietary fund – Water Utility, Wastewater Utility, are primarily used to liquidate the liability for other postemployment benefits.

L. Contingent Receivable – Forgivable Loans

The City has contingent receivables resulting from rehabilitation and improvement loans made through various Community Development Block Grant and Home Investment Partnership Programs. The loans become receivable only if recipients do not meet occupancy or other requirements. Loans balances are systematically "forgiven" (reduced without cash payment) each year the recipient meets the requirements. The receivable is contingent upon the recipient not meeting the requirements and the amount of the receivable is not known until that time. The following schedule shows the changes in this contingent receivable for 2017:

Beginning Balance, January 1	\$5,220,760
Adjustment to beginning balance	107,838
New Loans	585,084
Amount Forgiven	282,927
Principal amount paid on loans	<u>129,333</u>
Ending Balance, December 31	<u>\$5,501,422</u>

M. Restricted Assets

1. The City has restricted assets for the following Governmental fund accounts.

Debt Service Reserve

An amount of money that is required to maintain the reserve account in the full amount of a sum equal to the least of (i) the maximum semiannual debt service

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on the bonds, or (ii) 125 percent of the average annual debt service on the bonds, or (iii) ten percent (10 percent) of the proceeds of the bond.

Capital Outlay

Amounts to be used in the construction and acquisition of designated capital assets are included in this account.

Donor Designated Use

A special donation designated for a specific project that will be constructed in 2017 and/or beyond.

2. The City has restricted assets for the following Proprietary (Enterprise) fund accounts:

Debt Service Reserve

An amount of money that is required to maintain the reserve account in the full amount of a sum equal to the least of (i) the maximum semiannual debt service on the bonds, or (ii) 125 percent of the average annual debt service on the bonds, or (iii) ten percent (10 percent) of the proceeds of the bond.

Construction

Unspent bond issue proceeds to be used in the construction of designated capital assets are included in this report.

Customer Deposits

Customer deposits are refundable amounts received from customers of Water Utility to insure nonpayment of billings or water main damages.

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The balances of restricted asset accounts at year end are as follows:

Asset Type/Account	Governmental Funds					Total
	Parks and <u>Recreation</u>	TIF Alloc, <u>McCarty</u>	Redevelopment <u>Authority</u>	TIF Alloc <u>Twyckenham</u>	TIF Alloc Central <u>Consolidated</u>	
Cash and Cash Equivalents						
Debt service reserve	\$ -	\$ -	\$ 1,259,090	\$ 447,487	\$ 915,670	\$ 2,622,247
Capital outlay	-	3,379,220	-	-	-	3,379,220
Donor designated use	12,553	-	-	-	-	12,553
Total restricted assets	<u>\$ 12,553</u>	<u>\$ 3,379,220</u>	<u>\$ 1,259,090</u>	<u>\$ 447,487</u>	<u>\$ 915,670</u>	<u>\$ 6,014,020</u>
			Enterprise Funds			
	Water <u>Utility</u>	Wastewater <u>Utility</u>	Community <u>Dev Blk Grant</u>		Total	
Cash and Cash Equivalents						
Debt service reserve	\$ -	\$ 3,128,785	\$ 1,704,683			\$ 4,833,468
Construction		35,486,774				35,486,774
Customer deposits	141,397	-	-			141,397
Total	<u>141,397</u>	<u>38,615,559</u>	<u>1,704,683</u>			<u>40,461,639</u>
Investments						
Debt service reserve	-	6,495,281	-			
Total restricted assets	<u>\$ 141,397</u>	<u>\$ 45,110,840</u>	<u>\$ 1,704,683</u>			<u>\$ 46,956,920</u>

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; unemployment compensation benefits; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for

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the past 3 years. There were no significant reductions in insurance by major category of risk.

Medical, Dental and Vision Benefits to Employees, Retirees and Dependents

During 2009, the City joined with other governmental entities to form the Indiana Association of Cities and Towns (IACT) Medical Trust, a public entity risk pool currently operating as a common risk management and insurance program for 35 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical, dental and vision benefits to employees, retirees and dependents. The Medical Trust is owned by participating members, governed by a Board of Trustees and regulated by the Indiana Department of Insurance. The City pays an annual premium to the Medical Trust for its medical, dental and vision benefits to employees, retirees and dependents. Benefit plans of the Medical Trust are offered through United Healthcare which includes traditional PPO plans and high-deductible HSA plans. There is no dollar limit to the amount either plan will pay for essential benefits during the entire period employees, retirees and dependents are enrolled in their plan.

Job Related Illnesses or Injuries to Employees

The primary government has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the General Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$250,000 per individual and \$1,000,000 per aggregate annually. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These

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losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amounts of pay outs, and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	<u>2017</u>	<u>2016</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims and changes in estimates	291,756	330,740
Claim payments	(281,273)	(330,740)
Unpaid claims, end of year	<u>\$ 10,483</u>	<u>\$ -</u>

Unemployment Compensation Benefits

The primary government has chosen to establish a risk financing fund for risks associated with unemployment compensation insurance. The risk financing fund is accounted for in each fund from where the employee's salary was paid.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2017	2016
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims and changes in estimates	8,640	19,241
Claim payments	(7,080)	(19,241)
Unpaid claims, end of year	<u>\$1,560</u>	<u>\$ -</u>

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B. Related Party Transactions

During the period in which financial statements are presented, the City had material transactions with Gary Henriott, Board of Works member in relation to the following types of insurance coverage: Business Auto, General Liability, Umbrella, Inland Marine, Professional Liability and Commercial Property. The 2017 premiums for the insurance coverages were \$802,617. No amount was due as of the balance sheet date.

C. Subsequent Events

Utility Projects:

Brown Street Sewer, Phase I and II

The proposed sewer, which is required under the approved CSO Long Term Control Plan is needed to store and convey wet weather flows to the Pearl River Lift Station. Phase I of the Brown Street Sewer project connects a previously completed section of combined sewer in Greenbush Street to a previously completed section of sewer upstream at N 27th St and Elmwood Ave and a previously completed sewer downstream in Erie Street which will be connected to the Brown Street interceptor by the Phase II project. The proposed Phase II of the Brown Street Sewer project is located on the northwest side of Lafayette approximately 1,000 feet north of Main Street. It will extend from a point just south of the intersection of Erie Street and Union Street and continue southwest along Erie Street, then northwesterly to a point near the intersection of Brown Street and 13th Street, then along Brown Street to a point just west of the intersection of Brown Street and 3rd Street.

Phase II of the Brown Street Sewer project includes approximately 4,230 linear feet of 72 inch diameter gravity sewer, approximately 390 linear feet of 84 inch gravity sewer, and approximately 25 linear feet of 96 inch gravity sewer. The design will include green infrastructure features to reduce the potential for sewer surcharging and reduce the

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overall storm water loading to the City's CSO system. Additionally, a new backflow preventer will be installed at the existing CSO 002 outfall structure to prevent backflow from the Wabash River entering the City's sewer collection system. The construction will also include modifications to the existing CSO 002 headwall structure to accommodate the backflow preventer.

Greenbush CSO Storage Tank

The City of Lafayette's approved Combined Sewer Overflow Long Term Control Plan (CSO LTCP) requires full treatment of wastewater flows and a level of control of no more than four (4) CSO overflows during a typical year. To achieve this level of control, the recommended plan was divided into four sub-phases (Phase II-A, II-B, II-C and II-D). As a component of Phase II-B, the City is required to plan, design, construct, and place into operation a 4.2 million gallon (MG) CSO storage tank in the area near the existing CSO 001 diversion structure by the year 2020. The Greenbush CSO Storage Tank is required to store and convey wet weather flow to the Lafayette Waste Water Treatment Plant (WWTP) when the WWTP has capacity thereby improving the water quality in the Wabash River.

The Greenbush CSO Storage Tank project includes a 4.2 MG covered below grade storage tank, a building to house electrical and SCADA components, pumps and related equipment for tank dewatering in compliance with IDEM standards, a screening, and backflow prevention at a newly constructed CSO 001 outfall from the proposed 4.2 MG storage tank. Additional project components include yard piping, site work (including grading), and SCADA integration.

The City will issue sewage works revenue bonds in one or more series, in the amount not to exceed Fifty-Seven Million Dollars (\$57,000,000) to provide funding necessary to pay for a portion of the utility project costs. The utility projects are expected to be completed in 2019.

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The City issued those bonds in March of 2016. In spite of increased interest rate pressures in the market place competition among the bidders was quite keen and the City was able to secure a 3.16% rate for the issue.

Water Utility System Capital Improvement Plan

Pursuant to the Indiana Utility Regulatory Commission (IURC) Order in Cause No. 45006, May 16, 2018 the Lafayette Water Utility received approval to implement an increase in the water rates and charges. The increase in water rates and charges are earmarked to pay for the significant infrastructure needs that have arisen in Lafayette's water system since its last rate increase May 9, 2001. The first phase of the water project will include a \$19,800,000 bond issue to fund the following capital projects:

- Wea Ridge Elevated Water Storage Tank
- Murdock Park Reservoir and Booster Station
- Main Replacements in Edgelea Addition, Wabash Avenue, Meharry, Vinton and N 21st Streets.

Road Projects:

In 2012, Sagamore Parkway, the U.S. 52 bypass, and Indiana 26 from I-65 to the Wabash River became part of the street system of the City. The City received \$21,000,000 from INDOT to repave Sagamore Parkway and upgrade the signal system on Highway 26. The signal project has been completed. Phase I and Phase II of the project repaving/reconstruction are completed. Land acquisition for Phase III is nearing completion, so much so that initial work has begun on Phase III construction. The expected completion date for Phase III and the entire project is 2018.

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D. Conduit Debt Obligation

The primary government has issued the Indiana Variable Rate Demand Economic Development Revenue Bonds of 2003 to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, the State, or any political subdivision is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

At the end of the year, the sole series of bonds outstanding had an aggregate principal amount payable of \$740,000.

E. City/County Interlocal Agreement

An interlocal agreement between the Tippecanoe County Redevelopment Commission and the City of Lafayette Redevelopment Commission was entered into in 2001. The agreement provides for the allocation of TIF distributions related to the Southeast Industrial Expansion economic development area and the McCarty Lane economic development area.

Under the terms of the agreement, Tippecanoe County established a Southeast Industrial Expansion Economic Development TIF District to finance public improvements within the defined district. The City had established the McCarty TIF District. In accordance with the interlocal agreement, the public improvements mutually benefit the districts.

The County has pledged one-half of the actual TIF proceeds from the Southeast Industrial Expansion District for the agreed upon public improvements which will be constructed and owned by the City. The City has pledged one-half of the actual TIF

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proceeds from the McCarty Lane TIF District for the agreed upon public improvements which will be constructed and owned by the County.

Under the terms of the agreement, the County has established a Southeast Industrial TIF Fund to account for the funds used to pay for the public improvements which will be constructed and administered by the City. The payments for these projects are initiated by the City then reviewed, approved and paid by the County. At December 31, 2017, the Southeast Industrial TIF Fund had \$1,942,834 held for these capital projects.

The City has established a TIF County's South East Fund to account for the McCarty TIF District funds used to pay for the public improvements which will be constructed and administered by the County. The payments for these projects are initiated by the County then reviewed, approved and paid by the City. At December 31, 2017, the TIF County's South East Fund had \$3,379,220 held for these capital projects.

F. Other Postemployment Benefits

Multiple Employer Welfare Arrangement (MEWA)

Plan Description

The City of Lafayette Retiree Healthcare Plan is a Multiple Employer Welfare Arrangement (MEWA). The MEWA is governed by the State of Indiana under Indiana Code 27-1-34 and is administered by the Accelerate Indiana Municipalities (AIM) Medical Trust. The plan provides health care benefits to all eligible retirees and spouses who retire from the primary government. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the City.

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Funding Policy

The contribution requirements of plan members for the City of Lafayette Retiree Healthcare Plan are established and can be amended by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2017 the City contributed \$221,831 to the plan for current premiums. General employee members pay approximately 100 percent of the total monthly premium of \$719 for retiree only coverage and \$1,439 for retiree spouse coverage on Plan E. The costs for Plan F are \$680 and \$1,360 respectively. Bargaining unit members receiving benefits contributed approximately 91 percent of the total monthly premiums of the health plans. This contribution moves to approximately 100 percent after four years, the same as the General employee members.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The latest actuarial study was done 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 amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan and changes in the City's net OPEB obligation to the plan.

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	Governmental	Business-type	Total
Annual required contribution	\$220,787	\$441,575	\$662,362
Interest to end of year	57,925	115,849	173,774
Adjustment to annual required contribution	(54,865)	(109,731)	(164,596)
Annual OPEB cost	223,847	447,693	671,540
Estimated annual employer contribution for pay-go cost	(73,944)	(147,887)	(221,831)
Increase (decrease) in OPEB costs	149,903	299,806	449,709
OPEB obligation, beginning of year	1,287,214	2,574,429	3,861,643
OPEB obligation, end of year	\$1,437,117	\$2,874,235	\$4,311,352

In a similar fashion the City's annual OPEB cost, the percentage of the annual OPEB cost contributed by the City and the net OPEB obligation for 2017 is shown in the following table:

	<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
Other Postemployment Benefits (OPEB)	12-31-2013	1,001,814	17.6%	1,501,144
	12-31-2014	1,194,875	16.2%	2,502,328
	12-31-2015	1,118,955	18.9%	3,410,161
	12-31-2016	654,998	31.1%	3,861,643
	12-31-2017	671,540	33%	4,311,352

Funding Status and Funding Progress

As of December 31, 2017, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$6,491,931 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of

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(UAAL) of \$6,491,931. The covered payroll (annual payroll of active employees covered by the plan) was \$34,436,498 and the ratio to UAAL was 18.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This includes 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 notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2017, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5% after 20 years. All inflation is covered under the health care cost trend rate and assumes a 3% rate. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level percentage of projected payrolls over thirty years based on an open group.

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The mortality assumption was updated in December 31, 2017 actuarial valuation. The assumption used the RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 (RPH-2015 table is calculated based on RPH-2014 table with 8 years of MP-2014 mortality improvement backed out and projected to 2015 using scale MP-2015)

The City's actuarial report of other postemployment benefits is available by contacting the City of Lafayette Controller's office.

G. Pension Plans

1. Cost Sharing Multiple-Employer Defined Benefit Pension Plans

a. Indiana Public Retirement System

Plan Description

The primary government contributes to the Indiana Public Retirement System (PERF), a defined benefit pension plan administered by the Indiana Public Employee Retirement System (INPRS). PERF is a cost sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through INPRS, most requirements of the system and give the City authority to contribute to the plan.

Benefits Provided

The INPRS retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's

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account. The employer may elect to make the contributions on behalf of the member. As part of the implementation of GASB Statement No. 67, INPRS changed from an agent to a cost sharing, multiple-employer defined plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.2-2-11 (b).

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Indiana Public Retirement System
One North Capital, Suite 001
Indianapolis, IN 46204
Ph. (317) 526-1687

Contributions

PERF members are required to contribute 3 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 11.2 percent of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by the Board of Trustees of INPRS. The City's contributions to the plan for the years ending December 31, 2017, 2016, and 2015 were \$1,878,322, \$1,782,752, and \$1,702,637 respectively, which were equal to the required contributions for each year.

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Inflation	2.25%
Salary increases	2.50% to 4.25% including inflation
Investment rate of return	6.75% net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Total Data Set Mortality tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the four years ended June 30, 2015. The Study was performed in April 2016. As a result of the study inflation decreased from 3.00% to 2.25%, future salary rates decreased from a table range of 3.25% to 4.50% to a table ranging from 2.50% to 4.25%. The mortality rates changed from the 2013 IRS Static Mortality projected five years with Scale AA to the process referenced above. Each of these assumption changes were made to more closely reflect actual experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2017 for each major asset class are summarized in the following table.

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<u>Global Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	22.5%	5.3%
Private equity	10.0%	5.6%
Fixed income – Ex inflation – linked	22.0%	2.1%
Fixed income – inflation – linked	10.0%	0.7%
Commodities	8.0%	2.0%
Real estate	7.5%	3.0%
Absolute return	10.0%	3.9%
Risk parity	10.0%	5.0%

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current (6.75%)</u>	<u>1% Increase (7.75%)</u>
PERF	\$ 21,996,199	\$15,081,802	\$ 9,334,012

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

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

At December 31, 2017, the City reported a liability of \$15,081,802 for its proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the PERF Plan. The proportionate share used at the June 30, 2017 measurement date was 0.0033804.

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For the year ended December 31, 2017, the City recognized pension expense of \$3,271,354, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the PERF Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 286,420	\$ 11,705
Net difference between projected and actual earnings on pension plan investments	2,385,676	756,149
Changes in assumptions	242,151	-
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>364,948</u>	<u>105,383</u>
Total	<u>\$ 3,279,195</u>	<u>\$ 873,237</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2017 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2017. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5 year period. A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan.

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Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Amortization of Net Deferred Outflows/Inflows of Resources

2018	\$ 1,050,726
2019	1,091,319
2020	345,047
2021	<u>(81,134)</u>
Total	<u>\$ 2,405,958</u>

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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Indiana Public Retirement System
One North Capital, Suite 001
Indianapolis, IN 46204
Ph. (317) 526-1687

Contributions

Plan members are required to contribute 6 percent of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate is 17.5 percent of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of INPRS.

Benefits Provided

A member vests after 20 years of service. If the member retires at or after the age of 52 with 20 years of service, the benefit is equal to 50 percent of the salary of a first class officer, as reported by the employer in the year the 1977 Fund member ended service plus one (1) percent of that salary for each six (6) months of active service over 20 years to a maximum of 12 years. At age 50 and with 20 years of service, a member may elect to receive a reduced benefit by a factor established by the fund's actuary (IC 36-8-8-11).

The monthly pension benefits for members in pay status may be increased annually in accordance with the cost of living adjustment (COLA) statute (IC 36-8-8-15). A member is entitled to an annual increase in the member's benefit based on the percentage increase in the Consumer Price Index (January-March); however, the maximum increase is 3.0 percent. There was a COLA increase of 2.5 percent effective July 1, 2017. The plan is closed to new entrants.

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Significant Actuarial Assumptions

The actuarial assumptions used in the June 30, 2017 valuations were adopted by the Board pursuant to the experience studies completed in April 2016, which reflected the experience period from July 1, 2010 through June 30, 2015. The June 30, 2017 valuations incorporate member census data as of June 30, 2016, adjusted for certain activity during fiscal year 2017. Standard actuarial techniques were used to roll forward valuation results over one year.

The actuarial assumptions and methods are summarized in the Actuarial Assumptions and Methods section of each valuation report. We believe the actuarial assumptions and methods are reasonable for the purposes of the valuation reports and comply with the parameters set forth in Statements No. 67 and No. 68 of the Governmental Accounting Standards Board ("GASB"). Different assumptions and methods may be reasonable for other purposes. As such, the results presented in the valuation reports should only be relied upon for the intended purpose.

Difference between expected and actual experience: the actuaries use assumptions such as future salary increases and inflation to develop what they expect to be the experience of the pension plan. Each year the difference between the expected experience and the actual experience is amortized over the average expected remaining service lives of the plan.

Net difference between projected and actual investment earnings: the actuaries use the pension plan's expected long term rate of return to project investment earnings net of investment expenses. The difference between the expected and the actual investment earnings is deferred and amortized over five years.

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A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan.

The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan.

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan's net pension liability would be if it

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were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current (6.75%)</u>	<u>1% Increase (7.75%)</u>
1977 Police Officers	\$ 8,781,067	\$ (160,574)	\$ (7,385,714)
1977 Firefighters	\$ 8,672,081	\$ (158,581)	\$ (7,294,046)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

1977 Police Officers’ Pension and Disability Fund:

The primary government's contributions to the plan for the year ended December 31, 2017 were \$1,564,803 equal to the required contributions for each year.

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

At December 31, 2017, the City reported an asset of \$160,574 for its proportionate share of the net pension liability. The City’s proportionate share of the net pension liability was based on the City’s wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2017 measurement date was 0.0104097.

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For the year ended December 31, 2017, the City recognized pension expense of \$1,303,866 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Police Officers' Plan from the following sources:

1977 Police Officers' Pension and Disability Fund	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 646,628	\$ 504,569
Net difference between projected and actual earnings on pension plan investments	3,172,046	1,051,985
Change of Assumptions	-	2,401,747
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>30,585</u>	<u>21,711</u>
Total	<u>\$ 3,849,259</u>	<u>\$ 3,980,012</u>

1977 Firefighters' Pension and Disability Fund:

The primary government's contributions to the plan for the year ended December 31, 2017 were \$1,550,332 equal to the required contributions for each year.

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

At December 31, 2017, the City reported an asset of \$158,581 for its proportionate share of the net pension liability. The City's proportionate share

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of the net pension liability was based on the City's wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2017 measurement date was 0.0102805.

For the year ended December 31, 2017, the City recognized pension expense of \$1,285,207 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Firefighters' Plan from the following sources:

1977 Firefighters' Pension and Disability Fund	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 638,602	\$ 498,306
Net difference between projected and actual earnings on pension plan investments	3,132,676	1,038,928
Change of Assumptions	-	2,371,938
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>16,506</u>	<u>20,906</u>
Total	<u>\$ 3,787,784</u>	<u>\$ 3,930,078</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2017 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2017. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over an 8 year period. A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions

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and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Amortization of Net Deferred Outflows/Inflows of Resources

	1977 Police Officers' Pension and Disability Fund	1977 Firefighters' Pension and Disability Fund
2018	\$ 276,407	\$ 270,801
2019	809,780	797,554
2020	59,465	56,551
2021	(497,674)	(493,672)
2022	(368,021)	(365,629)
Thereafter	(410,710)	(407,899)
 Total	 \$ (130,753)	 \$ (142,294)

2. Single-Employer Defined Benefit Pension Plans

a. 1925 Police Officers' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (Indiana Code 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial

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statements and required supplementary information of the plan. The pension plan is closed to new entrants.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefits are provided either through a life annuity or a joint and survivor annuity with 60% continuation to the surviving beneficiary. The benefit provisions of the 1925 Police Officers' Pension Plan for non-converted members are set forth in Indiana Code 36-8-6. The benefit provisions for converted members are set forth in Indiana 36-8-8. Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully-paid police officers who hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First Class Patrolman, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Non-converted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for unconverted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

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Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First Class Patrolman. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member has retired. If a converted member does not have twenty years of service or is not at least fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether or not the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First Class Patrolman salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death. Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.

Non-converted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date. If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

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Benefits for non-converted retired members are increased annually based on increases in the First Class salary as approved by the employer. Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

Deferred Retirement Option Plan

The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions. When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

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Plan Membership

Plan membership at December 31, 2017, consisted of the following:

	1925 Police Officers' Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving benefits:	49	76.6	\$2,476
Terminated employees entitled to but not yet receiving benefits:	-		
Active Plan Members:	-		
Total Membership	49		

Contributions

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a First Class Patrolman until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1925 Police Officers' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees. Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the State of Indiana to the Pension Relief Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

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Investments

The pension plan's investment policy is consistent with the overall policy of the City as described in Note I. D. 1. – Deposits and Investments. The plan held no investments during the audit period.

Net Pension Liability

The components of the Net Pension Liability for the 1925 Police Officers' Pension Plan as of December 31, 2017, are as follows:

Net Pension Liability

1925 Police Officers' Pension Plan

Total Pension Liability	\$ 20,004,756
Plan Fiduciary Net Position	<u>898,508</u>
Net Pension Liability	<u><u>19,106,248</u></u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	4.49%

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2017 valuation were selected and approved by the INPRS Board of Trustees and are consistent with the results of an experience study completed in April 2015, which reflects the experience period beginning July 1, 2010 and ending June 30, 2014.

The actuarial assumptions for the December 31, 2016 valuation were generally unchanged from the prior year, except that the interest rate increased from 2.59% for the December 31, 2016 valuation to 2.75% for the December 31, 2017 valuation. This rate is equal to the Barclay's 20 year Municipal Bond Index as of December 31, 2016.

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The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.25%
Salary increases 2.50%
Cost-of-living increases
 Non-converted 2.50%
 Converted 2.00%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection shown in the Social Security Administration's 2014 Trustee Report.

The actuarial cost method used for computing the total pension liability is the Entry Age Normal -Level Percent of Payroll method. The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

Discount Rate

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 2.75% as of December 31, 2017. The discount rate decreased from the 3.23% used for the December 31, 2016 calculation of the net pension liability. The projection of cash flows used to determine the

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discount rate considered the fact that the on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

<u>Schedule of Changes in Net Pension Liability (Asset)</u>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2016	\$ 19,388,281	\$ 910,684	\$ 18,477,597
Changes for the year:			
Interest cost	622,433	-	622,433
Experience (gains) losses	618,361	-	618,361
Change of Assumptions	848,249	-	848,249
Projected benefit payments	(1,472,568)	-	(1,472,568)
Employer contributions	-	-	-
Non-employer contributing entity contributions	-	1,531,472	(1,531,472)
Actual benefit payments	-	(1,538,098)	1,538,098
Other net changes	-	(5,550)	5,550
Net changes	<u>616,475</u>	<u>(12,176)</u>	<u>628,651</u>
Balance at December 31, 2017	<u>\$ 20,004,756</u>	<u>\$ 898,508</u>	<u>\$ 19,106,248</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) or 1-percentage point higher (3.75%) than the current rate:

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	1% Decrease (1.75%)	Current (2.75%)	1% Increase (3.75%)
Net Pension Liability	\$ 21,092,307	\$ 19,106,248	\$ 17,406,309

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Interest cost	622,433
Experience (gains) losses	618,361
Change of Assumptions	848,249
Other net changes	(5,550)
Total Pension Expense	\$ 2,083,493

b. 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (Indiana Code 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan. The pension plan is closed to new entrants.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefits are provided either through a life annuity or a joint and survivor annuity with 60% continuation to the surviving beneficiary. The benefit provisions of the 1937 Firefighters' Pension Plan for non-converted members are set forth in Indiana Code 36-8-6. The benefit provisions for

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converted members are set forth in Indiana 36-8-8. Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully-paid firefighters who hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First Class Firefighter, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Non-converted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for unconverted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First Class Firefighter. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member has retired. If a converted member does not have twenty years of service or is not at least fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

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Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether or not the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First Class Firefighter salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death. Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.

Non-converted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date. If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

Benefits for non-converted retired members are increased annually based on increases in the First Class salary as approved by the employer. Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

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Deferred Retirement Option Plan

The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions. When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

Plan Membership

Plan membership at December 31, 2017, consisted of the following:

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

	1937 Firefighters' Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving	78	76.9	\$2,614
Terminated employees entitled to but not yet receiving benefits:	-		
Active Plan Members:	-		
Total Membership	78		

Contributions

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a First Class Firefighter until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1937 Firefighters' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees. Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the State of Indiana to the Pension Relief Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

Investments

The pension plan's investment policy is consistent with the overall policy of the City as described in Note I. D. 1. – Deposits and Investments. The plan held no investments during the audit period.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Net Pension Liability

The components of the Net Pension Liability for the 1937 Firefighters' Pension Plan as of December 31, 2017, are as follows:

Net Pension Liability

1937 Firefighters' Pension Plan

Total Pension Liability	\$32,654,419
Plan Fiduciary Net Position	<u>913,032</u>
Net Pension Liability	<u><u>31,741,387</u></u>

Plan Fiduciary Net Position as a percentage of Total Pension Liability	2.80%
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Actuarial Assumptions

The actuarial assumptions used in the December 31, 2017 valuation were selected and approved by the INPRS Board of Trustees and are consistent with the results of an experience study completed in April 2015, which reflects the experience period beginning July 1, 2010 and ending June 30, 2014.

The actuarial assumptions for the December 31, 2016 valuation were generally unchanged from the prior year, except that the interest rate increased from 2.59% for the December 31, 2016 valuation to 2.75% for the December 31, 2017 valuation. This rate is equal to the Barclay's 20 year Municipal Bond Index as of December 31, 2016.

The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Inflation 2.25%
Salary increases 2.50%
Cost-of-living increases
Non-converted 2.50%
Converted 2.00%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection shown in the Social Security Administration's 2014 Trustee Report.

The actuarial cost method used for computing the total pension liability is the Entry Age Normal -Level Percent of Payroll method. The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

Discount Rate

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 2.75% as of December 31, 2017. The discount rate decreased from the 3.23% used for the December 31, 2016 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that the on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

<u>Schedule of Changes in Net Pension Liability (Asset)</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at December 31, 2016	\$ 32,255,629	\$ 921,404	\$ 31,334,225
Changes for the year:			
Interest cost	1,017,039	-	1,017,039
Experience (gains) losses	467,395	-	467,395
Change of Assumptions	1,385,872	-	1,385,872
Projected benefit payments	(2,471,516)	-	(2,471,516)
Employer contributions	-	-	-
Non-employer contributing entity contributions	-	2,543,572	(2,543,572)
Actual benefit payments	-	(2,536,591)	2,536,591
Other net changes	-	(15,353)	15,353
Net changes	<u>398,790</u>	<u>(8,372)</u>	<u>407,162</u>
Balance at December 31, 2017	<u>\$ 32,654,419</u>	<u>\$ 913,032</u>	<u>\$ 31,741,387</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) or 1-percentage point higher (3.75%) than the current rate:

	<u>1% Decrease (1.75%)</u>	<u>Current (2.75%)</u>	<u>1% Increase (3.75%)</u>
Net Pension Liability	\$ 34,993,430	\$ 31,741,387	\$ 28,965,818

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Interest cost	1,017,039
Experience (gains) losses	467,395
Change of Assumptions	1,385,872
Other net changes	(15,353)
Total Pension Expense	<u>\$ 2,854,953</u>

<u>Actuarial Methods</u>	<u>1925 Police Officers Pension</u>	<u>1937 Firefighters' Pension</u>
Contribution rates:		
Government	0%	0%
Plan members	0%	0%
Actuarial valuation date	06-30-2016	06-30-2016
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	01-01-05	01-01-05
Asset valuation method	N/A	N/A
 <u>Actuarial Assumptions</u>		
Investment rate of return (Net of Expense)	2.75%	2.75%
Projected future salary increases	2.50%	2.50%
Cost-of-living adjustments	2.00% & 2.5%	2.0% & 2.5%
Retirement	Based on 1976 Study	Based on 1976 Study

H. Tax Abatements

The purpose of tax abatement is to encourage investment and the development of jobs as well as to promote other community objectives, such as affordable housing, which might not otherwise take place.

Real property and personal property taxes are subject to abatement. Preliminary consideration and recommendation for a tax abatement application is made by the

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Redevelopment Commission. Their recommendation is then forwarded to the City Council which holds a public hearing on the abatement. The Council then considers the abatement request as well as input from the public. The City Council and Redevelopment Commission review all companies' compliance annually. Compliance is determined according to what degree a company has met its proposed benefits to the community in terms of investment, job creation, and wages as well as other factors.

These principles are used in determining the guidelines for each category of project, and will also be used in determining the length of an abatement within each category:

- Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business.
- Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
- Preference will be given to firms that diversify and fill in gaps in our local economy rather than those that compete for business in the local economy with existing firms.
- Products that are sold outside our local community and bring value to the local economy will be given a high priority.
- Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
- Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
- Projects that involve retail or are primarily office operations will be considered only in the locations described unless the office operations are technology related.
- The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
- The level of wages and benefits will be an important consideration for all applications.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
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- Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
- Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
- Adverse environmental impacts will negatively affect the consideration of abatement.
- Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
- Major development projects will be individually evaluated.
- The time period of depreciation of equipment will be considered in the length of abatement for equipment.

Abatement is only given on increases in assessed value. It cannot be used to reduce current taxes. The abatement phases in the full tax rate gradually over a time period of 1 to 10 years. If the investment does not take place as expected, there may be no increase in assessed value and no tax abatement. The City has provisions for recapturing abated taxes when personal property is moved out of the taxing district during the abatement period. Total taxes abated for the year ending December 31, 2017 was \$3,394,347.33.

I. Change in Accounting

Over the past two years the City has adopted GASB Statement Numbers 67 and 68, Accounting and Financial Reporting for Pension Plans. This statements required changes to the actuarial valuations resulting in a different measurement of the liability of the employer to plan members for benefits provided through the pension plan. As a result, the disclosures within the single employer pension footnotes have changed considerably along with the related schedules in the required supplementary information.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

J. Upcoming Accounting Pronouncements

In December 2015, the GASB issued Statement 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for the City's fiscal year ending December 31, 2017. Management has not determined what impact, if any, this statement will have on its financial statements. The City has not finalized its determination of the effect that the implementation of these new accounting standards will have on the City's financial statements or disclosures, as of the date of this report.

Required Supplementary Information

City of Lafayette
 Required Supplementary Information
 Schedule of City Contributions
 Last 10 Fiscal Years*
 1925 Police Officers' Pension Plan

Year Ending	Actuarially Determined Contribution	Contributions in relation to the actuarially determined contributions	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
12/31/2012	\$ 1,465,342	\$ 1,465,342	\$ -	\$ -	N/A
12/31/2013	\$ 1,438,259	\$ 1,438,259	\$ -	\$ -	N/A
12/31/2014	\$ 1,513,287	\$ 1,513,287	\$ -	\$ -	N/A
12/31/2015	\$ 1,451,763	\$ 1,451,763	\$ -	\$ -	N/A
12/31/2016	\$ 1,484,127	\$ 1,484,127	\$ -	\$ -	N/A
12/31/2017	\$ 1,538,098	\$ 1,538,098	\$ -	\$ -	N/A

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Single-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*
1925 Police Officers' Pension Plan

	2017	2016	2015	2014	2013
Total Pension Liability:					
Interest cost	\$ 622,433	\$ 535,828	\$ 552,149	\$ 832,716	\$ 1,015,686
Experience (gains)/losses	618,361	315,820	63,768	-	29,441
Assumption changes	848,249	(1,198,162)	(62,229)	2,607,220	2,777,858
Projected benefit payments	(1,472,568)	(1,425,223)	(1,442,779)	(1,422,776)	(1,438,259)
Net change in total pension liability	616,475	(1,771,737)	(889,091)	2,017,160	2,384,726
Total pension liability - beginning	19,388,281	21,160,018	22,049,109	20,031,949	17,647,223
Total pension liability - ending	\$ 20,004,756	\$ 19,388,281	\$ 21,160,018	\$ 22,049,109	\$ 20,031,949
Plan fiduciary net position:					
Non employer contributing entity contributions	\$ 1,531,472	\$ 1,434,207	\$ 1,533,290	\$ 1,456,071	\$ 1,406,303
Contributions - other	-	49,920	-	-	-
Benefit payments	(1,538,098)	(1,484,127)	(1,451,763)	(1,513,287)	(1,438,259)
Administrative expense	(5,550)	(55,283)	(1,435)	(4,743)	(133,743)
Net change in plan fiduciary net position	(12,176)	(55,283)	80,092	(61,959)	(165,699)
Plan fiduciary net position - beginning	910,684	965,967	885,875	947,834	1,013,533
Plan fiduciary net position - ending	\$ 898,508	\$ 910,684	\$ 965,967	\$ 885,875	\$ 947,834
Net pension liability	\$ 19,106,248	\$ 18,477,597	\$ 20,194,051	\$ 21,163,234	\$ 19,084,115
Plan fiduciary net position as a percentage of the total pension liability	4.49%	4.70%	4.57%	4.02%	4.23%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of employee covered payroll	N/A	N/A	N/A	N/A	N/A

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City of Lafayette
 Required Supplementary Information
 Schedule of City Contributions
 Last 10 Fiscal Years*
 1937 Firefighters' Pension Plan

Year Ending	Actuarially Determined Contribution	Contributions in relation to the actuarially determined contributions	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
12/31/2012	\$ 2,485,492	\$ 2,485,492	\$ -	\$ -	N/A
12/31/2013	\$ 2,507,210	\$ 2,507,210	\$ -	\$ -	N/A
12/31/2014	\$ 2,468,759	\$ 2,468,759	\$ -	\$ -	N/A
12/31/2015	\$ 2,459,366	\$ 2,459,366	\$ -	\$ -	N/A
12/31/2016	\$ 2,487,554	\$ 2,487,554	\$ -	\$ -	N/A
12/31/2017	\$ 2,536,591	\$ 2,536,591	\$ -	\$ -	N/A

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City of Lafayette
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Single-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*
1937 Firefighters' Pension Plan

	2017	2016	2015	2014	2013
Total Pension Liability:					
Interest cost	\$ 1,017,039	\$ 877,359	\$ 915,917	\$ 1,409,480	\$ 1,758,547
Experience (gains)/losses	467,395	751,240	(656,985)	-	(575,554)
Assumption changes	1,385,872	(1,987,298)	(103,515)	4,448,540	4,698,858
Benefit payments	<u>(2,471,516)</u>	<u>(2,415,498)</u>	<u>(2,451,363)</u>	<u>(2,469,604)</u>	<u>(2,507,210)</u>
Net change in total pension liability	398,790	(2,774,197)	(2,295,946)	3,388,416	3,374,641
Total pension liability - beginning	<u>32,255,629</u>	<u>35,029,826</u>	<u>37,325,772</u>	<u>33,937,356</u>	<u>30,562,715</u>
Total pension liability - ending	<u>\$ 32,654,419</u>	<u>\$ 32,255,629</u>	<u>\$ 35,029,826</u>	<u>\$ 37,325,772</u>	<u>\$ 33,937,356</u>
Plan fiduciary net position:					
Non employer contributing entity contributions	\$ 2,543,572	\$ 2,423,501	\$ 2,450,518	\$ 2,472,934	\$ 2,483,384
Contributions - other	-	3,000	8,848	-	23,826
Benefit payments	(2,536,591)	(2,487,554)	(2,459,366)	(2,468,759)	(2,507,210)
Administrative expense	<u>(15,353)</u>	<u>(15,399)</u>	<u>(15,677)</u>	<u>(7,097)</u>	<u>(1,459)</u>
Net change in plan fiduciary net position	(8,372)	(76,452)	(15,677)	(2,922)	(1,459)
Plan fiduciary net position - beginning	<u>921,404</u>	<u>997,856</u>	<u>1,013,533</u>	<u>1,016,455</u>	<u>1,017,914</u>
Plan fiduciary net position - ending	<u>\$ 913,032</u>	<u>\$ 921,404</u>	<u>\$ 997,856</u>	<u>\$ 1,013,533</u>	<u>\$ 1,016,455</u>
Net pension liability	<u>\$ 31,741,387</u>	<u>\$ 31,334,225</u>	<u>\$ 34,031,970</u>	<u>\$ 36,312,239</u>	<u>\$ 32,920,901</u>
Plan fiduciary net position as a percentage of the total pension liability	2.80%	2.86%	2.85%	2.72%	3.00%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of employee covered payroll	N/A	N/A	N/A	N/A	N/A

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The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 Public Employees' Retirement Fund
 Schedule of City Contributions
 Last 10 Fiscal Years *

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 1,878,322	\$ 1,782,752	\$ 1,702,637	\$ 1,614,615	\$ 1,599,063	\$ 960,581	\$ 936,589	\$ 797,835	\$ 765,168	\$ 783,626
Contributions in relation to the Actuarially required contribution	\$ 1,878,322	\$ 1,782,752	\$ 1,702,637	\$ 1,614,615	\$ 1,599,063	\$ 960,581	\$ 936,589	\$ 797,835	\$ 765,168	\$ 767,290
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,336.00
Covered Employee Payroll	\$ 16,770,570	\$ 15,924,151	\$ 15,354,135	\$ 14,416,207	\$ 14,536,933	\$ 13,875,392	\$ 13,307,268	\$ 1,388,435	\$ 13,307,268	\$ 13,628,273
Contributions as a Percentage of Covered Employee Payroll	11.2%	11.2%	11.2%	11.2%	11.0%	6.75%	6.75%	5.75%	5.75%	5.75%

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 Public Employees' Retirement Fund
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.33804%	0.33227%	0.32056%
City's proportionate share of the net pension liability (asset)	\$ 15,081,802	\$ 15,079,890	\$ 13,056,095
City's covered employee payroll	\$ 16,770,570	\$ 15,924,151	\$ 15,354,135
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	89.9%	94.7%	85.0%

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The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Police Officers' Pension and Disability Fund
 Schedule of City Contributions
 Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,564,803	\$ 1,493,436	\$ 1,452,580
Contributions in relation to the actuarially determined contribution	<u>\$ 1,564,803</u>	<u>\$ 1,493,436</u>	<u>\$ 1,452,580</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 8,439,259	\$ 7,580,954	\$ 7,373,572
Contributions as a Percentage of Covered Employee Payroll	18.5%	19.7%	19.7%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Police Officers' Pension and Disability Fund
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	1.04097%	0.98086%	0.98881%
City's proportionate share of the net pension liability (asset)	\$ (160,574)	\$ 871,366	\$ (1,460,671)
City's covered employee payroll	\$ 8,439,259	\$ 7,580,954	\$ 7,373,572
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	-1.90%	11.49%	-19.81%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.5%	104.5%	104.5%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Firefighters' Pension and Disability Fund
 Schedule of City Contributions
 Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,550,332	\$ 1,531,392	\$ 1,478,553
Contributions in relation to the actuarially contribution	<u>\$ 1,550,332</u>	<u>\$ 1,531,392</u>	<u>\$ 1,478,553</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 8,334,499	\$ 7,773,626	\$ 7,505,416
Contributions as a Percentage of Covered Employee Payroll	18.6%	19.7%	19.7%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
Required Supplemental Information
1977 Firefighters' Pension and Disability Fund
Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	1.0280500%	1.0057900%	1.0064900%
City's proportionate share of the net pension liability (asset)	\$ (158,581)	\$ 893,513	\$ (1,486,788)
City's covered employee payroll	\$ 8,334,499	\$ 7,773,626	\$ 7,505,416
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	-1.90%	11.49%	-19.81%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.0%	103.1%	100.0%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplementary Information
 Other Post Employment Benefits (OPEB)
 Funding Progress
 Last 10 Fiscal Years

The schedule of funding progress is as follows:

	2017	2016	2015	2014	2013	2012
Actuarial Accrued Liability as of beginning of year	\$ 6,491,931	\$ 6,257,111	\$ 10,421,180	\$ 10,856,434	\$ 9,271,753	\$ 7,592,431
Unfunded Actuarial Accrued Liability (UAAL)	\$ 6,491,931	\$ 6,257,111	\$ 10,421,180	\$ 10,856,434	\$ 9,271,753	\$ 7,592,431
Covered payroll	\$ 34,436,498	\$ 33,433,493	\$ 28,399,797	\$ 27,572,618	\$ 28,400,603	\$ 37,584,081
UALL as a % of covered payroll	18.9%	18.7%	36.7%	39.4%	32.6%	27.5%
 Annual Required Contribution						
Normal cost as of beginning of year	\$ 369,048	\$ 363,822	\$ 640,021	\$ 697,197	\$ 578,962	\$ 490,693
Amortization of the UAAL	264,791	255,214	425,057	442,810	378,174	309,678
Total normal cost and amortization payment	633,839	619,036	1,065,078	1,140,007	957,136	800,371
Interest to end of year	28,523	27,857	47,929	51,300	43,071	36,017
Total Annual Required Contribution (ARC)	<u>\$ 662,362</u>	<u>\$ 646,893</u>	<u>\$ 1,113,007</u>	<u>\$ 1,191,307</u>	<u>\$ 1,000,207</u>	<u>\$ 836,388</u>

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
For The Year Ended December 31, 2017

General Fund				
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 25,063,023	\$ 25,063,023	\$ 23,722,982	\$ (1,340,041)
Licenses and permits	302,200	302,200	484,018	181,818
Intergovernmental	9,895,406	9,895,406	10,107,723	212,317
Payment In Lieu of Taxes	2,700,000	2,700,000	1,930,000	(770,000)
Charges for services	4,000	4,000	16,153	12,153
Fines and forfeits	136,284	136,284	96,399	(39,885)
Other	426,500	426,500	669,093	242,593
Capital contributions	-	-	31,136	31,136
Interest and investment revenue	-	-	51,474	51,474
TOTAL REVENUES	38,527,413	38,527,413	37,108,978	(1,469,909)
Expenditures:				
Current:				
General government:				
Personal Services	2,119,792	2,119,792	1,842,568	277,224
Supplies	200,930	200,930	234,133	(33,203)
Other Srv & Chrgs	1,189,520	1,189,520	1,254,273	(64,753)
Capital Outlays	18,000	18,000	5,760	12,240
Total general government	3,528,242	3,528,242	3,336,734	191,508
Public safety:				
Personal Services	31,408,100	31,408,100	30,743,923	664,177
Supplies	842,500	842,500	820,482	22,018
Other Srv & Chrgs	422,600	422,600	443,917	(21,317)
Capital Outlays	100,000	100,000	147,055	(47,055)
Total public safety	32,773,200	32,773,200	32,155,377	617,823
Sanitation:				
Personal Services	1,794,650	1,794,650	1,648,511	146,139
Supplies	333,500	333,500	336,004	(2,504)
Other Srv & Chrgs	9,000	9,000	9,313	(313)
Capital Outlays	-	-	-	-
Total sanitation	2,137,150	2,137,150	1,993,828	143,322
TOTAL EXPENDITURES	38,438,592	38,438,592	37,485,939	952,653
Net change in fund balances	88,821	88,821	(376,961)	(2,422,562)
Fund balances - January 1	1,925,050	1,835,183	4,417,376	1,115,099
Fund balances - December 31	\$ 2,013,871	\$ 1,924,004	\$ 4,040,415	\$ 2,116,411

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2017

	Highway Funds (MVH, LRS and Highway Use Tax) Major Special Revenue Fund				Economic Dev Income Tax (EDIT)			
	Budgeted Amounts		Actual Budgetary	Variance	Budgeted Amounts		Actual Budgetary	Variance
	Original	Final	Basis Amounts	With Final Budget	Original	Final	Basis Amounts	With Final Budget
Revenues:								
Taxes:								
Property Taxes	\$ 2,599,622	\$ 2,599,622	\$ 2,464,162	\$ (135,460)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,092,178	4,092,178	4,660,662	568,484	6,202,642	6,202,642	6,255,043	52,401
Payment In Lieu of Taxes	-	-	-	-	-	-	-	-
Charges for services	30,000	30,000	29,859	(141)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	95,770	95,770	-	-	17,460	17,460
TOTAL REVENUES	<u>6,721,800</u>	<u>6,721,800</u>	<u>7,250,453</u>	<u>528,653</u>	<u>6,202,642</u>	<u>6,202,642</u>	<u>6,272,503</u>	<u>69,861</u>
Expenditures:								
Current:								
Highways and streets:								
Personal Services	4,380,151	4,380,151	4,037,013	343,138	-	-	-	-
Supplies	1,002,300	1,002,300	909,537	92,763	-	-	-	-
Other Srv & Chrgs	1,182,540	1,182,540	410,580	771,960	-	-	-	-
Capital Outlays	577,500	577,500	512,694	64,806	-	-	-	-
Total highways and streets	<u>7,142,491</u>	<u>7,142,491</u>	<u>5,869,824</u>	<u>1,272,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic development:								
Supplies	-	-	-	-	505,000	505,000	458,221	46,779
Other srv & chrgs	-	-	-	-	2,235,000	2,235,000	2,202,415	32,585
Debt Service	-	-	-	-	2,660,000	2,660,000	2,841,565	(181,565)
Capital outlays	-	-	-	-	175,000	175,000	2,022,271	(1,847,271)
Total economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,575,000</u>	<u>5,575,000</u>	<u>7,524,472</u>	<u>(1,949,472)</u>
TOTAL EXPENDITURES	<u>7,142,491</u>	<u>7,142,491</u>	<u>5,869,824</u>	<u>1,272,667</u>	<u>5,575,000</u>	<u>5,575,000</u>	<u>7,524,472</u>	<u>(1,949,472)</u>
Other financing sources and uses:								
Interest and investment revenue	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	357,000	357,000
Transfers Out	-	-	-	-	-	-	(37,250)	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,750</u>	<u>357,000</u>
Net change in fund balances	(420,691)	(420,691)	1,380,629	(744,014)	627,642	627,642	(932,219)	2,376,333
Fund balances - January 1	86,946	(549,422)	1,147,004	1,696,426	1,182,126	1,182,126	2,103,059	-
Fund balances - December 31	<u>\$ (333,745)</u>	<u>\$ (970,113)</u>	<u>\$ 2,527,633</u>	<u>\$ 3,497,746</u>	<u>\$ 1,809,768</u>	<u>\$ 1,809,768</u>	<u>\$ 1,170,840</u>	<u>\$ (638,928)</u>

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES (CONTINUED)
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2017

	Thoroughfare				Redevelopment Authority			
	Budgeted Amounts		Actual Budgetary	Variance	Budgeted Amounts		Actual Budgetary	Variance
	Original	Final	Basis Amounts	With Final Budget	Original	Final	Basis Amounts	With Final Budget
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	1,589	1,589	5,200,000	5,200,000	5,338,297	138,297
TOTAL REVENUES	-	-	1,589	1,589	5,200,000	5,200,000	5,338,297	138,297
Expenditures:								
Current:								
Highways and streets:								
Capital Outlays	7,000,000	7,000,000	7,408,045	(408,045)	-	-	-	-
Total highways and streets	7,000,000	7,000,000	7,408,045	(408,045)	-	-	-	-
Economic Development:								
Supplies	-	-	-	-	-	-	-	-
Other Srv & Chrgs	-	-	-	-	100,000	100,000	76,951	23,049
Capital Outlays	-	-	-	-	1,000,000	1,000,000	989,600	10,400
Total economic development	-	-	-	-	1,100,000	1,100,000	1,066,551	33,449
Debt service:								
Interest	-	-	-	-	985,000	985,000	915,509	69,491
Principal retirement	-	-	-	-	4,815,000	4,815,000	4,815,000	-
Total debt service	-	-	-	-	5,800,000	5,800,000	5,730,509	69,491
TOTAL EXPENDITURES	7,000,000	7,000,000	7,408,045	(408,045)	6,900,000	6,900,000	6,797,060	102,940
Other Financing Sources and Uses								
Transfers In	4,500,000	4,500,000	7,500,000	(3,000,000)	-	-	888,618	-
Transfer Out							(838,997)	
Total other financing sources and (uses)	4,500,000	4,500,000	7,500,000	3,000,000			49,621	-
Net change in fund balances	(2,500,000)	(2,500,000)	93,544	(2,591,955)	(1,700,000)	(1,700,000)	(1,409,142)	35,357
Fund balances - January 1	275,053	275,053	1,323,591	-	4,815,641	4,815,641	4,840,192	-
Fund balances - December 31	\$ (2,224,947)	\$ (2,224,947)	\$ 1,417,135	\$ 3,642,082	\$ 3,115,641	\$ 3,115,641	\$ 3,431,050	\$ 315,409

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES (CONTINUED)
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2017

TIF Creasy Central Consolidated				
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 7,518,372	\$ 7,518,372	\$ 8,797,866	\$ 1,279,494
Intergovernmental	-	-	182,423	182,423
Other	-	-	556,605	556,605
TOTAL REVENUES	7,518,372	7,518,372	9,536,894	2,018,522
Expenditures:				
Current:				
Economic Development:				
Supplies	-	-	66	(66)
Other Srv & Chrgs	256,000	256,000	820,383	(564,383)
Capital Outlays	7,420,833	7,420,833	4,123,873	3,296,960
Total economic development	7,676,833	7,676,833	4,944,322	2,732,577
Debt service:				
Interest	-	-	192,825	(192,825)
Principal retirement	3,513,693	4,203,520	2,875,000	1,328,520
Total debt service	3,513,693	4,203,520	3,067,825	1,135,695
TOTAL EXPENDITURES	11,190,526	11,880,353	8,012,147	3,868,272
Other Financing Sources and Uses				
Bond Proceeds	-	-	5,765,000	(5,765,000)
Transfer In	-	-	838,997	(838,997)
Transfer Out	-	-	(8,436,853)	8,436,853
Total other financing sources and (uses)	-	-	(1,832,856)	1,832,856
Net change in fund balances	(3,672,154)	(4,361,981)	(308,109)	(16,894)
Fund balances - January 1	851,038	851,038	5,174,348	-
Fund balances - December 31	\$ (2,821,116)	\$ (3,510,943)	\$ 4,866,239	\$ 8,377,182

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary date reflected in the budgetary comparison schedules:

The Controller's Office meets with each Department Head and their budget staff to review each budget expense line item and create a proposed operating budget for the next calendar year. Once accomplished the budget is then sent to the Mayor for his review. After the Mayoral review the budget is then shared with the Council President and or the Council Finance committee. Since the City is limited by law to a maximum levy amount, a great deal of attention is spent on balancing the budget as early in the process as can be done.

Prior to public meetings the budget is advertised. Following the advertisement Council then holds a public meeting and an initial vote is taken. 30 days after the first vote a second public meeting is held and again a vote is taken. At these meetings Council cannot raise the budget as presented but can take action to reduce it.

By November 1 the Council approved budget must be sent, along with proofs of advertisements to the State Department of Local Government Finance (DLGF) for approval. The DLGF will review to make sure that the budget expenditures and revenues are in balance and if acceptable will approve the budget as is or with certain adjustments and then set the tax rates.

Budgetary control is maintained by object classification within each department. Management cannot transfer appropriations between object classifications of the budget without the approval of the Common Council and in the case of certain funds, without the approval of the DLGF.

Formal budgetary integration is required by State statute and is used as a management control tool. An annual budget was legally adopted by for the following funds:

Major funds:

General fund

Special revenue funds – motor vehicle highway, economic development income tax (edit), thoroughfare, redevelopment authority, tif creasy central consolidated

Nonmajor governmental funds:

Special revenue funds – park and recreation operating, economic development, band, park bond, tif mccarty, tif tyeckenham

Capital projects funds – cumulative capital improvement, cumulative capital development

Pension trust funds – police pension, fire pension

The City's budgetary process is based upon the modified accrual basis, which is a GAAP basis presentation. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order on contract. Encumbered appropriations are carried over and added to the subsequent year's budget.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund which required legally approved budgets.

Note 2. Financial Reporting – Pension Plans

A. Change of assumptions

1. The interest rate for the 1925 Police Officers' and 1937 Firefighters' Pension plans decreased from 3.23% for the December 31, 2016 valuation to 2.75% for the December 31, 2017 valuation, based on the Barclay's 20-year Municipal Bond Index rate.

2. For the Public Employees Retirement Fund, in 2017 there were no changes in assumptions.
3. For the 1977 Police Officers' and Firefighters Pension plans, in 2017, there were no changes in assumptions.

B. Method and assumptions used in the calculations of actuarially determined contributions.

The actuarially determined contribution rates in the schedule of the 1925 Police Officers' and 1937 Firefighters' Pension plans contributions are calculated as of December 31, 2017. The following actuarial method and assumptions were used to determine contribution rates reported in their respective schedules:

1925 Police Officers' and 1937 Firefighters' Pension Plans

Actuarial cost method	Entry Age Normal – Level Percent of Payroll
Amortization method	Level percentage of projected payroll, closed
Remaining amortization period	20 years
Inflation	2.25%
Salary increases	2.50%
Cost-of-Living Increases	Non-converted-2.50% per year in retirement Converted-2.00% per year in retirement
Discount rate	2.75% (Based on Barclay's 20-year Municipal Bond Index rate)
Mortality assumption	RP-2014 Blue Collar Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report

Other Supplementary Information

CITY OF LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2017

	General Fund			
	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	With Final
			Basis	Budget
		Amounts		
General government:				
Mayor	\$ 103,650	\$ 103,650	\$ 102,027	\$ 1,623
Controller	164,800	164,800	129,823	34,977
Clerk	107,320	107,320	92,777	14,543
Human Resources	99,520	99,520	98,401	1,119
Common Council	127,420	127,420	128,084	(664)
Facilities	1,172,475	1,172,475	1,295,044	(122,569)
Engineering	947,900	947,900	866,017	81,883
Purchasing	62,637	62,637	28,392	34,245
IT	323,000	323,000	232,612	90,388
Human Relations	1,300	1,300	-	1,300
Board of Works	202,700	202,700	138,826	63,874
Animal Control	215,520	215,520	224,731	(9,211)
Total General government	3,528,242	3,528,242	3,336,734	191,508
Public Safety:				
Fire	15,173,700	15,173,700	15,189,657	(15,957)
Police	17,599,500	17,599,500	16,965,720	633,780
Total Public safety	32,773,200	32,773,200	32,155,377	617,823
Sanitation	2,137,150	2,137,150	1,993,828	143,322
Total General Fund	\$ 38,438,592	\$ 38,438,592	\$ 37,485,939	\$ 952,653

City of Lafayette
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions

Special Revenue Funds

Park and Recreation Operating—To account for expenditures of the City’s Park and Recreation Department. The City has a wide range of park and recreation activities including a zoo, picnic shelters, swimming pools, biking and walking trails and a fitness center. Financing is provided by a specific property tax levy.

Park Nonreverting Operating—To account for fees and related expenses from park department activities.

Health and Wellness—To account for the City’s health and wellness activities and programs.

Police Donations—To account for donations and expenditures for law enforcement-related activities and programs.

Economic Development—To account for expenditures related to projects promoting economic development.

Federal Grants—To account for expenditures of federal financial awards.

Police Continuing Education—To account for police fees collected to finance police officers’ continuing education, training, supplies and equipment.

Unsafe Building—To account for the demolition expenditures of abandoned properties and structures within the City.

State Grants—To account for expenditures of state financial awards.

Rainy Day—To account for unused and unencumbered funds that are transferred from a fund that has a tax levy.

LOIT Special Distribution—To account for expenditures of road construction and re-construction

Railroad—To account for expenditures relating to the City’s railroad relocation project.

Fire Donations—To account for donations and expenditures for firefighting-related activities and programs.

Band—A property tax-supported fund for a citizens’ band.

Police Training—To account for training expenditures of the City’s Police Department.

Fire Training (Arson Invstga)—To account for fire arson investigation training activities.

Police Unclaimed Property—To account for the confiscated property of the local police agencies.

HOME (Community Development)—The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing a direct rental assistance to low-income persons.

CDBG (Community Development)—Provides annual grants on a formula basis to entitled cities to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

Beautification—To account for expenditures of general landscaping and tree planting on City owned property.

Park Bond—Property tax-supported fund to account for the payment of principal and interest of a general obligation bond.

Park Nonreverting Capital—To account for specific revenues used to finance capital improvements at the City parks.

Tax Incremental Financing (TIF) McCarty—To account for expenditures for public improvement projects in the McCarty tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to assessed valuation of the property before redevelopment.

Tax Incremental Financing (TIF) Twyckenham—To account for expenditures for public improvement projects in the Twyckenham tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property before redevelopment.

Capital Projects Funds

Cumulative Capital Improvement—To account for state cigarette tax distributions used for improvement projects.

Cumulative Capital Development—To account for expenditures relating to the purchase or lease of capital improvements in the City. Financing is provided by a specific property tax levy.

Other Supplementary Information
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017
 Special Revenue Funds

	Park and Recreation Operating	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development	Federal Grants	Police Continuing Education	Unsafe Building	State Grants	Rainy Day
ASSETS										
Cash and cash equivalents	\$ 390,312	\$ 97,179	\$ 179,632	\$ 8,256	\$ 126,592	\$ 50,321	\$ 362,253	\$ 4,948	\$ (64,357)	\$ 8,741
Cash with fiscal agents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	4,032,872
Receivables (net of allowance for uncollectibles)										
Loans	-	-	-	-	-	-	-	-	-	-
Taxes	68,570	-	-	-	8,605	-	-	-	-	-
Accounts	-	-	-	-	7,325	23,994	-	-	-	-
Intergovernmental	35,487	-	-	-	4,447	-	-	-	-	-
Restricted cash and cash equivalents	12,553	-	-	-	-	-	-	-	-	-
Total assets	\$ 506,922	\$ 97,179	\$ 179,632	\$ 8,256	\$ 146,969	\$ 74,315	\$ 362,253	\$ 4,948	\$ (64,357)	\$ 4,041,613
LIABILITIES										
Accounts Payable	\$ 51,482	\$ 12,335	\$ 241	\$ -	\$ 69,035	\$ 721	\$ 9,918	\$ -	\$ 4,182	\$ -
Accrued payroll and withholding payable	76,162	6,691	-	-	15,077	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-	-	-
Unearned revenue	105,772	20,339	-	-	13,052	-	-	-	-	-
Customer deposits payable	-	3,700	-	-	-	-	-	1,500	-	-
Total liabilities	233,416	43,065	241	-	97,164	721	9,918	1,500	4,182	-
FUND BALANCES										
Restricted	273,506	54,114	-	-	-	73,594	-	-	(68,539)	-
Committed	-	-	-	-	49,805	-	-	-	-	-
Assigned	-	-	179,391	8,256	-	-	352,335	3,448	-	-
Unassigned	-	-	-	-	-	-	-	-	-	4,041,613
Total fund balances	\$ 273,506	\$ 54,114	\$ 179,391	\$ 8,256	\$ 49,805	\$ 73,594	\$ 352,335	\$ 3,448	\$ (68,539)	\$ 4,041,613
Total liabilities and fund balances	\$ 506,922	\$ 97,179	\$ 179,632	\$ 8,256	\$ 146,969	\$ 74,315	\$ 362,253	\$ 4,948	\$ (64,357)	\$ 4,041,613

The notes to financial statements are an integral part of this statement.

Other Supplementary Information
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017
 Special Revenue Funds

	LOIT Special Distribution	Railroad	Fire Donations	Band	Police Training	Fire Training (Arns Invstg)	Police Unclaimed Property	HOME - Community Development	CDBG - Community Development	Beautification
ASSETS										
Cash and cash equivalents	\$ 693,298	\$ 221,657	\$ 104,658	\$ 11,063	\$ 13,871	\$ 12,711	\$ 364,162	\$ 142,223	\$ (42,072)	\$ 34,098
Cash with fiscal agents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)										
Loans	-	-	-	-	-	-	-	49,895	12,061	-
Taxes	-	-	-	413	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	8,520	50,800	120
Intergovernmental	-	-	-	213	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 693,298	\$ 221,657	\$ 104,658	\$ 11,689	\$ 13,871	\$ 12,711	\$ 364,162	\$ 200,638	\$ 20,789	\$ 34,218
LIABILITIES										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,793	\$ 8,606	\$ 7,219	\$ -
Accrued payroll and withholding payable	-	-	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-	-	-
Performance deposits payable	260,280	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	626	-	-	-	-	-	-
Customer deposits payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	260,280	-	-	626	-	-	1,793	8,606	7,219	-
FUND BALANCES										
Restricted	433,018	-	-	-	-	-	-	192,032	13,570	-
Committed	-	221,657	-	-	-	-	-	-	-	-
Assigned	-	-	104,658	11,063	13,871	12,711	362,369	-	-	34,218
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ 433,018	\$ 221,657	\$ 104,658	\$ 11,063	\$ 13,871	\$ 12,711	\$ 362,369	\$ 192,032	\$ 13,570	\$ 34,218
Total liabilities and fund balances	\$ 693,298	\$ 221,657	\$ 104,658	\$ 11,689	\$ 13,871	\$ 12,711	\$ 364,162	\$ 200,638	\$ 20,789	\$ 34,218

The notes to financial statements are an integral part of this statement.

Other Supplementary Information
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	Special Revenue Funds				Capital Projects Funds					
	Park Bond	Park Nonreverting Capital	TIF MCCarty	TIF Twyckenham	Total Nonmajor Special Revenue Funds	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
ASSETS										
Cash and cash equivalents	\$ 30,944	\$ -	\$ 1,803,129	\$ 728,404	\$ 5,282,023	\$ 183,651	\$ 125,972	\$ 309,623	\$ 5,591,646	
Cash with fiscal agents	1	-	1,942,834	-	1,942,835	-	-	-	1,942,835	
Investments	-	-	-	-	4,032,872	-	-	-	4,032,872	
Receivables (net of allowance for uncollectibles)										
Loans	-	-	-	-	61,956	-	-	-	61,956	
Taxes	15,928	-	16,123	24,492	134,131	-	11,784	11,784	145,915	
Accounts	-	-	-	-	90,759	-	-	-	90,759	
Intergovernmental	7,768	-	-	77,371	125,286	15,015	6,092	21,107	146,393	
Restricted cash and cash equivalents	-	-	3,379,220	447,488	3,839,261	-	-	-	3,839,261	
Total assets	\$ 54,641	\$ -	\$ 7,141,306	\$ 1,277,755	\$ 15,509,123	\$ 198,666	\$ 143,848	\$ 342,514	\$ 15,851,637	
LIABILITIES										
Accounts Payable	\$ -	\$ -	\$ (1,939)	\$ 9,288	\$ 172,951	\$ 28,594	\$ 16,236	\$ 44,830	\$ 217,781	
Accrued payroll and withholding payable	-	-	-	-	97,930	-	-	-	97,930	
Intergovernmental payable	-	-	3,379,220	-	3,379,220	-	-	-	3,379,220	
Accrued interest payable	8,016	-	-	80,901	88,917	-	-	-	88,917	
Performance deposits payable	-	-	-	-	260,280	-	-	-	260,280	
Unearned revenue	23,696	-	16,123	24,492	204,100	15,014	17,876	32,890	236,990	
Customer deposits payable	-	-	-	-	5,130	-	-	-	5,130	
Total liabilities	31,712	-	3,393,404	114,681	4,208,528	43,608	34,112	77,720	4,286,248	
FUND BALANCES										
Restricted	22,929	-	3,747,902	1,163,074	5,905,200	155,058	109,736	264,794	6,169,994	
Committed	-	-	-	-	271,462	-	-	-	271,462	
Assigned	-	-	-	-	1,082,320	-	-	-	1,082,320	
Unassigned	-	-	-	-	4,041,613	-	-	-	4,041,613	
Total fund balances	\$ 22,929	\$ -	\$ 3,747,902	\$ 1,163,074	\$ 11,300,595	\$ 155,058	\$ 109,736	\$ 264,794	\$ 11,565,389	
Total liabilities and fund balances	\$ 54,641	\$ -	\$ 7,141,306	\$ 1,277,755	\$ 15,509,123	\$ 198,666	\$ 143,848	\$ 342,514	\$ 15,851,637	

The notes to financial statements are an integral part of this statement.

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

	Special Revenue Funds									
	Park and Recreation	Park	Health and	Police	Economic	Federal Grants	Police	Unsafe	State Grants	Rainy Day
	Operating	Nonreverting Operating	Wellness	Donations	Development		Continuing Education	Building		
REVENUES										
General Property Taxes	\$ 3,504,306	\$ -	\$ -	\$ -	\$ 439,742	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	535	-	-
Intergovernmental	266,020	-	-	-	33,338	186,794	-	-	6,576	-
Charges for services	65,355	1,065,502	-	-	3,300	-	67,060	12,898	-	-
Fines and forfeits	-	-	-	-	-	-	16,500	-	-	-
Other	47,910	85,469	82,878	3,512	13,848	38,887	1,591	27,949	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-	-	-	37,311
Total revenues	3,883,591	1,150,971	82,878	3,512	490,228	225,681	85,151	41,382	6,576	37,311
EXPENDITURES										
Current:										
General Government	-	-	73,609	-	-	6,461	-	72,447	-	-
Public Safety	-	-	-	4,784	-	101,988	65,192	-	64,447	-
Highways and Streets	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	3,869,747	1,133,898	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	507,711	159,629	-	-	-	-
Debt service:										
Interest	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-
Capital outlay:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	10,581	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,880,328	1,133,898	73,609	4,784	507,711	268,078	65,192	72,447	64,447	-
Excess (deficiency) of revenues over expenditures	3,263	17,073	9,269	(1,272)	(17,483)	(42,397)	19,959	(31,065)	(57,871)	37,311
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	(14,573)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(14,573)	-	-	-	-	-	-	-	-
Net change in fund balances	3,263	2,500	9,269	(1,272)	(17,483)	(42,397)	19,959	(31,065)	(57,871)	37,311
Fund balances - beginning	270,243	51,614	170,122	9,528	67,288	115,991	332,376	34,513	(10,668)	4,004,302
Fund balances - ending	\$ 273,506	\$ 54,114	\$ 179,391	\$ 8,256	\$ 49,805	\$ 73,594	\$ 352,335	\$ 3,448	\$ (68,539)	\$ 4,041,613

The notes to financial statements are an integral part of this statement.

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

	Special Revenue Funds									
	LOIT Special Distribution	Railroad	Fire Donations	Band	Police Training	Fire Training (Arns Invstg)	Police Unclaimed Property	HOME - Community Development	CDBG - Community Development	Beautification
REVENUES										
General Property Taxes	\$ -	\$ -	\$ -	\$ 21,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,598	-	-	-	650,632	679,352	-
Charges for services	-	-	25	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Other	-	7,200	211,727	-	7,610	11,495	101,739	131,622	-	1,137
Capital contributions	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	-	7,200	211,752	22,683	7,610	11,495	101,739	782,254	679,352	1,137
EXPENDITURES										
Current:										
General Government	-	-	-	23,076	-	-	-	-	-	-
Public Safety	-	-	22,832	-	2,663	24,348	30,363	-	-	-
Highways and Streets	762,215	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	558
Economic Development	-	-	-	-	-	-	-	656,307	707,130	-
Debt service:										
Interest	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-
Capital outlay:										
Public Safety	-	-	168,901	-	-	3,812	-	-	-	-
Highways and Streets	2,816,845	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,579,060	-	191,733	23,076	2,663	28,160	30,363	656,307	707,130	558
Excess (deficiency) of revenues over expenditures	(3,579,060)	7,200	20,019	(393)	4,947	(16,665)	71,376	125,947	(27,778)	579
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(3,579,060)	7,200	20,019	(393)	4,947	(16,665)	71,376	125,947	(27,778)	579
Fund balances - beginning	4,012,078	214,457	84,639	11,456	8,924	29,376	290,993	66,085	41,348	33,639
Fund balances - ending	\$ 433,018	\$ 221,657	\$ 104,658	\$ 11,063	\$ 13,871	\$ 12,711	\$ 362,369	\$ 192,032	\$ 13,570	\$ 34,218

The notes to financial statements are an integral part of this statement.

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

	Special Revenue Funds				Capital Projects Funds				
	Park Bond	Park Nonreverting Capital	TIF MCCarty	TIF Twyckenham	Total Nonmajor Special Revenue Funds	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES									
General Property Taxes	\$ 814,022	\$ -	\$ 2,823,163	\$ 1,251,697	\$ 8,854,015	\$ -	\$ 602,291	\$ 602,291	\$ 9,456,306
Licenses and permits	-	-	-	-	535	-	-	-	535
Intergovernmental	58,228	-	-	-	1,882,538	163,278	45,610	208,888	2,091,426
Charges for services	-	-	-	-	1,214,140	-	-	-	1,214,140
Fines and forfeits	-	-	-	-	16,500	-	-	-	16,500
Other	12	-	10,506	-	785,092	-	1,920	1,920	787,012
Capital contributions	-	-	14,770	12,655	27,425	-	-	-	27,425
Interest and investment revenue	-	-	-	1,209	38,520	-	-	-	38,520
Total revenues	872,262	-	2,848,439	1,265,561	12,818,765	163,278	649,821	813,099	13,631,864
EXPENDITURES									
Current:									
General Government	-	-	-	-	175,593	-	-	-	175,593
Public Safety	-	-	-	-	316,617	-	-	-	316,617
Highways and Streets	-	-	-	-	762,215	-	-	-	762,215
Culture and Recreation	2,416	-	-	-	5,006,619	-	-	-	5,006,619
Economic Development	-	-	1,452,255	11,505	3,494,537	86,880	328,078	414,958	3,909,495
Debt service:									
Interest	19,885	-	-	176,163	196,048	-	-	-	196,048
Principal retirement	910,000	-	-	595,000	1,505,000	-	-	-	1,505,000
Capital outlay:									
Public Safety	-	-	-	-	172,713	-	-	-	172,713
Highways and Streets	-	-	-	-	2,816,845	-	-	-	2,816,845
Culture and Recreation	-	-	-	-	10,581	-	-	-	10,581
Economic Development	-	-	716,210	61,556	777,766	122,000	573,053	695,053	1,472,819
Total expenditures	932,301	-	2,168,465	844,224	15,234,534	208,880	901,131	1,110,011	16,344,545
Excess (deficiency) of revenues over expenditures	(60,039)	-	679,974	421,337	(2,415,769)	(45,602)	(251,310)	(296,912)	(2,712,681)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	14,573	-	-	14,573	-	-	-	14,573
Transfers Out	-	-	-	(271,515)	(286,088)	-	-	-	(286,088)
Total other financing sources (uses)	-	14,573	-	(271,515)	(271,515)	-	-	-	(271,515)
Net change in fund balances	(60,039)	14,573	679,974	149,822	(2,687,284)	(45,602)	(251,310)	(296,912)	(2,984,196)
Fund balances - beginning	82,968	(14,573)	3,067,928	1,013,252	13,987,879	200,660	361,046	561,706	14,549,585
Fund balances - ending	\$ 22,929	\$ -	\$ 3,747,902	\$ 1,163,074	\$ 11,300,595	\$ 155,058	\$ 109,736	\$ 264,794	\$ 11,565,389

The notes to financial statements are an integral part of this statement.

City of Lafayette
Other Supplementary Information
Nonmajor Enterprise Funds
Fund Descriptions

Parking Operations-To account for revenues and expenditures related to the City's street parking and the parking garage.

Community Dev Blk Grant (LHR)-To account for an original grant for the redevelopment of urban housing. The fund has investments to repay the outstanding loan on the housing. The fund has a finite life.

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017

	Parking Operations	Community Dev Blk Grant (LHR)	Total Nonmajor Enterprise funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 369,322	\$ -	\$ 369,322
Accounts receivable (net of allowance)	17,778	-	17,778
Interest receivable	-	8,224	8,224
Total current assets	<u>387,100</u>	<u>8,224</u>	<u>395,324</u>
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Revenue bond covenant accounts	-	836,880	836,880
Investments	-	867,803	867,803
Capital Assets:			
Land, improvements, and construction in progress	683,981	-	683,981
Other capital assets, net of depreciation	2,145,237	-	2,145,237
Total noncurrent assets	<u>2,829,218</u>	<u>1,704,683</u>	<u>4,533,901</u>
Total assets	<u>3,216,318</u>	<u>1,712,907</u>	<u>4,929,225</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	4,718	-	4,718
Accrued payroll and withholding payable	4,730	-	4,730
Interfund loan payable	-	783,353	783,353
Accrued interest payable	-	11,115	11,115
Customer deposits	524	-	524
Notes and loans payable	-	805,000	805,000
Total current liabilities	<u>9,972</u>	<u>1,599,468</u>	<u>1,609,440</u>
Noncurrent liabilities:			
Notes and loans payable	-	855,000	855,000
Total noncurrent liabilities	<u>-</u>	<u>855,000</u>	<u>855,000</u>
Total liabilities	<u>9,972</u>	<u>2,454,468</u>	<u>2,464,440</u>
NET POSITION			
Net investment in capital assets	2,829,218	-	2,829,218
Restricted for:			
Debt service	-	1,704,683	1,704,683
Unrestricted	377,130	(1,641,244)	(1,264,114)
Total net position	<u>\$ 3,206,348</u>	<u>\$ 63,439</u>	<u>\$ 3,269,787</u>

Combining Statement of Revenues, Expenditures,
and Changes in Net Position
Nonmajor Enterprise funds
For the Year Ended December 31, 2017

	Parking Operations	Community Dev Blk Grant (LHR)	Total Enterprise funds
OPERATING REVENUES			
Miscellaneous revenue	\$ 446,297	\$ -	\$ 446,297
Total operating revenues	446,297	-	446,297
OPERATING EXPENSES			
Administration and general	1,411	2,200	3,611
Parking operations and maintenance	273,248	-	273,248
Depreciation and amortization	110,751	-	110,751
Total operating expenses	385,410	2,200	387,610
Operating income (loss)	60,887	(2,200)	58,687
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	-	19,980	19,980
Miscellaneous revenue	2,803	-	2,803
Interest expense	-	(40,341)	(40,341)
Miscellaneous expense	-	-	-
Total nonoperating revenues (expenses)	2,803	(20,361)	(17,558)
Change in net position	63,690	(22,561)	41,129
Total net position - beginning	3,142,658	86,000	3,228,658
Total net position - ending	\$ 3,206,348	\$ 63,439	\$ 3,269,787

The notes to financial statements are an integral part of this statement.

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	Parking Operations	Community Dev Blk Grant (LHR)	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 441,012	\$ -	\$ 441,012
Payments to employees	(187,179)	-	(187,179)
Payments to suppliers	(89,751)	(2,200)	(91,951)
Net cash provided (used) by operating activities	<u>164,082</u>	<u>(2,200)</u>	<u>161,882</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating Revenue	2,804	-	2,804
Loan Proceeds		39,050	39,050
Net cash provided (used) by noncapital financing activities	<u>2,804</u>	<u>39,050</u>	<u>41,854</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(46,509)	-	(46,509)
Principal paid on capital debt	-	(805,000)	(805,000)
Interest paid on capital debt	-	(34,584)	(34,584)
Net cash provided (used) by capital and related financing activities	<u>(46,509)</u>	<u>(839,584)</u>	<u>(886,093)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	-	815,000	815,000
Interest received	-	28,205	28,205
Net cash provided (used) by investing activities	<u>-</u>	<u>843,205</u>	<u>843,205</u>
Net increase (decrease) in cash and cash equivalents	120,377	40,471	160,848
Balances - beginning of year	248,946	796,409	1,045,355
Balances - end of the year	<u>\$ 369,323</u>	<u>\$ 836,880</u>	<u>\$ 1,206,203</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 60,887	\$ (2,200)	\$ 58,687
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	110,751	-	110,751
Changes in assets and liabilities:			
Accounts receivable	(4,540)	-	(4,540)
Customer Deposits	(745)	-	(745)
Accounts payable	(2,628)	-	(2,628)
Accrued wages payable	357	-	357
Net cash provided (used) by operating activities	<u>\$ 164,082</u>	<u>\$ (2,200)</u>	<u>\$ 161,882</u>

City of Lafayette
Other Supplementary Information
Nonmajor Fiduciary Funds
Fund Descriptions

Police Pension—To account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977.

Fire Pension—To account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977.

Combining Statement of Net Position
Pension Trust Funds
For the Year Ended December 31, 2017

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 898,508	\$ 913,032	\$ 1,811,540
Net Position			
Held in trust for pension benefits and other purposes	\$ 898,508	\$ 913,032	\$ 1,811,540

The notes to financial statements are an integral part of this statement.

Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended December 31, 2017

	Police Pension		Fire Pension		Totals
ADDITIONS					
Contributions:					
State Contributions	\$ 1,531,472		\$ 2,543,572		\$ 4,075,044
Miscellaneous revenue	3,000		3,000		6,000
Total contributions	1,534,472		2,546,572		4,081,044
DEDUCTIONS					
Administration and general	8,550		18,353		26,903
Benefits	1,538,098		2,536,591		4,074,689
Total deductions	1,546,648		2,554,944		4,101,592
Change in net position	(12,176)		(8,372)		(20,548)
Net Position -- beginning of the year	910,684		921,404		1,832,088
Net Position -- end of the year	\$ 898,508		\$ 913,032		\$ 1,811,540

The notes to financial statements are an integral part of this statement.

Other Supplementary Information
 Budgetary Comparison Schedules
 Other Non-Major Governmental Funds
 For the Year Ended December 31, 2017

	Park and Recreation Operating				Economic Development			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property Taxes	\$ 3,697,875	\$ 3,697,875	\$ 3,504,306	\$ (193,569)	\$ 463,425	\$ 463,425	\$ 439,742	\$ (23,683)
Intergovernmental	239,802	239,802	266,020	26,218	30,053	30,053	33,338	3,285
Charges for services	105,000	105,000	65,355	(39,645)	-	-	3,300	(3,300)
Other	20,000	20,000	47,910	27,910	30,000	30,000	13,848	43,848
TOTAL REVENUES	<u>4,062,677</u>	<u>4,062,677</u>	<u>3,883,591</u>	<u>(179,086)</u>	<u>523,478</u>	<u>523,478</u>	<u>490,228</u>	<u>20,150</u>
Expenditures:								
Current:								
Culture and Recreation:								
Personal Services	2,871,720	2,871,720	2,763,807	107,913	-	-	-	-
Supplies	373,650	373,650	363,829	9,821	-	-	-	-
Other Srv & Chrgs	748,215	748,215	742,111	6,104	-	-	-	-
Capital Outlays	4,000	4,000	10,581	(6,581)	-	-	-	-
Total culture and recreation	<u>3,997,585</u>	<u>3,997,585</u>	<u>3,880,328</u>	<u>117,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic development:								
Personal Services	-	-	-	-	468,550	468,550	476,873	(8,323)
Supplies	-	-	-	-	5,000	5,000	5,087	(87)
Other srv & chrgs	-	-	-	-	25,300	25,300	25,751	(451)
Total economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,850</u>	<u>498,850</u>	<u>507,711</u>	<u>(8,861)</u>
TOTAL EXPENDITURES	<u>3,997,585</u>	<u>3,997,585</u>	<u>3,880,328</u>	<u>117,257</u>	<u>498,850</u>	<u>498,850</u>	<u>507,711</u>	<u>(8,861)</u>
Net change in fund balances	65,092	65,092	3,263	(61,829)	24,628	24,628	(17,483)	11,289
Fund balances - January 1	<u>270,243</u>	<u>270,243</u>	<u>270,243</u>	<u>-</u>	<u>67,288</u>	<u>67,288</u>	<u>67,288</u>	<u>-</u>
Fund balances - December 31	<u>\$ 335,335</u>	<u>\$ 335,335</u>	<u>\$ 273,506</u>	<u>\$ (61,829)</u>	<u>\$ 91,916</u>	<u>\$ 91,916</u>	<u>\$ 49,805</u>	<u>\$ 11,289</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Other Non-Major Governmental Funds
 For the Year Ended December 31, 2017

	Band				Park Bond			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property Taxes	\$ 22,219	\$ 22,219	\$ 21,085	\$ (1,134)	\$ 809,406	\$ 809,406	\$ 814,022	\$ 4,616
Intergovernmental	1,347	1,347	1,598	251	52,489	52,489	58,228	5,739
Other	-	-	-	-	-	-	12	12
TOTAL REVENUES	<u>23,566</u>	<u>23,566</u>	<u>22,683</u>	<u>(883)</u>	<u>861,895</u>	<u>861,895</u>	<u>872,262</u>	<u>10,367</u>
Expenditures:								
Current:								
General government:								
Other Srv & Chrsg				-				-
Total highways and streets	-	-	-	-	-	-	-	-
Culture and Recreation:								
Other Srv & Chrsg	23,770	23,770	23,076	694	3,000	3,000	2,416	584
Total culture and recreation	<u>23,770</u>	<u>23,770</u>	<u>23,076</u>	<u>694</u>	<u>3,000</u>	<u>3,000</u>	<u>2,416</u>	<u>584</u>
Debt service:								
Interest	-	-	-	-	26,374	26,374	19,885	6,489
Principal retirement	-	-	-	-	910,000	910,000	910,000	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>936,374</u>	<u>936,374</u>	<u>929,885</u>	<u>6,489</u>
TOTAL EXPENDITURES	<u>23,770</u>	<u>23,770</u>	<u>23,076</u>	<u>694</u>	<u>939,374</u>	<u>939,374</u>	<u>932,301</u>	<u>7,073</u>
Net change in fund balances	(204)	(204)	(393)	(189)	(77,479)	(77,479)	(60,039)	17,440
Fund balances - January 1	<u>11,456</u>	<u>11,456</u>	<u>11,456</u>	<u>-</u>	<u>82,968</u>	<u>82,968</u>	<u>82,968</u>	<u>-</u>
Fund balances - December 31	<u>\$ 11,252</u>	<u>\$ 11,252</u>	<u>\$ 11,063</u>	<u>\$ (189)</u>	<u>\$ 5,489</u>	<u>\$ 5,489</u>	<u>\$ 22,929</u>	<u>\$ 17,440</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Other Non-Major Governmental Funds
 For the Year Ended December 31, 2017

	TIF McCarty				TIF Twyckenham			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final	Amounts	Budget	Original	Final	Amounts	Budget
Revenues:								
Taxes:								
Property Taxes	\$ 2,109,330	\$ 2,109,330	\$ 2,823,163	\$ 713,833	\$ 1,168,450	\$ 1,168,450	\$ 1,251,698	\$ 83,248
Other	-	-	25,276	25,276	-	-	13,864	13,864
TOTAL REVENUES	2,109,330	2,109,330	2,848,439	739,109	1,168,450	1,168,450	1,265,562	97,112
Expenditures:								
Current:								
Economic development:								
Other srv & chrgs	1,672,500	1,672,500	1,452,255	220,245	802,163	802,163	11,505	790,658
Capital outlays	1,207,490	1,207,490	716,210	491,280	625,500	625,500	61,556	563,944
Total economic development	2,879,990	2,879,990	2,168,465	711,525	1,427,663	1,427,663	73,061	1,354,602
Debt service:								
Interest	-	-	-	-	-	-	176,163	(176,163)
Principal retirement	-	-	-	-	-	-	595,000	(595,000)
Total debt service	-	-	-	-	-	-	771,163	(771,163)
TOTAL EXPENDITURES	2,879,990	2,879,990	2,168,465	711,525	1,427,663	1,427,663	844,224	583,439
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	271,515	-
Net change in fund balances	(770,660)	(770,660)	679,974	1,450,634	(259,213)	(259,213)	149,823	409,036
Fund balances - January 1	3,067,928	3,067,928	3,067,928	-	1,013,252	1,013,252	1,013,252	-
Fund balances - December 31	\$ 2,297,268	\$ 2,297,268	\$ 3,747,902	\$ 1,450,634	\$ 754,040	\$ 754,039	\$ 1,163,075	\$ 409,036

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Other Non-Major Governmental Funds
 For the Year Ended December 31, 2017

	Cumulative Capital Improvement				Cumulative Capital Development			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 634,828	\$ 634,828	\$ 602,291	\$ (32,537)
Intergovernmental	175,235	175,235	163,278	(11,957)	41,168	41,168	45,610	4,442
Other	-	-	-	-	-	-	1,920	1,920
TOTAL REVENUES	175,235	175,235	163,278	(11,957)	675,996	675,996	649,821	(26,175)
Expenditures:								
Current:								
Economic development:								
Other srv & chrgs	50,000	70,000	86,880	(16,880)	370,000	370,000	328,078	41,922
Capital outlays	140,000	140,000	122,000	18,000	538,300	538,300	573,053	(34,753)
Total economic development	190,000	210,000	208,880	1,120	908,300	908,300	901,131	7,169
TOTAL EXPENDITURES	190,000	210,000	208,880	1,120	908,300	908,300	901,131	7,169
Net change in fund balances	(14,765)	(34,765)	(45,602)	(10,837)	(232,304)	(232,304)	(251,310)	(19,006)
Fund balances - January 1	200,660	200,660	200,660	-	361,046	361,046	361,046	-
Fund balances - December 31	\$ 185,895	\$ 165,895	\$ 155,058	\$ (10,837)	\$ 128,742	\$ 128,742	\$ 109,736	\$ (19,006)

Statistical Section

This part of the City of Lafayette’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City’s overall financial health.

The statistical section is organized into the following main categories:

- Financial trends – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.
- Revenue capacity —These schedules contain information to help the reader assess the City’s most significant local revenue source, property taxes, and other major revenue sources.
- Debt capacity – These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.
- Demographic and economic information – These schedules offer demographic economic indicators to help the reader understand the environment within which the City’s financial activities take place.
- Operating information – These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

CITY OF LAFAYETTE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2017	2016	2015 (1)	2014 (1)	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets, net of related debt	\$ 200,313,371	\$ 189,907,832	\$ 172,421,498	\$ 154,609,386	\$ 161,561,118	\$ 150,361,978	\$ 141,133,453	\$ 135,035,618	\$ 124,720,267	\$ 117,602,942
Restricted	6,014,020	6,056,829	2,050,866	1,713,160	1,858,289	1,165,914	199,807	-	-	6,440,495
Unrestricted	<u>(33,986,327)</u>	<u>(27,671,396)</u>	<u>(19,238,638)</u>	<u>35,301,468</u>	<u>20,905,747</u>	<u>29,797,974</u>	<u>5,001,321</u>	<u>10,431,647</u>	<u>10,746,283</u>	<u>3,449,176</u>
Total governmental activities	<u>\$ 172,341,064</u>	<u>\$ 168,293,265</u>	<u>\$ 155,233,726</u>	<u>\$ 191,624,014</u>	<u>\$ 184,325,154</u>	<u>\$ 181,325,866</u>	<u>\$ 146,334,581</u>	<u>\$ 145,467,265</u>	<u>\$ 135,466,550</u>	<u>\$ 127,492,613</u>
Business-type activities										
Net investment in capital assets, net of related debt	\$ 104,409,458	\$ 138,610,168	\$ 127,894,536	\$ 112,992,073	\$ 106,883,781	\$ 110,981,625	\$ 100,964,208	\$ 101,628,288	\$ 92,680,086	\$ 80,482,479
Restricted	46,956,920	8,269,635	8,335,002	8,454,592	5,831,958	5,269,490	4,315,441	-	-	19,710,227
Unrestricted	<u>28,696,705</u>	<u>21,782,372</u>	<u>26,826,816</u>	<u>36,923,521</u>	<u>36,326,334</u>	<u>30,995,548</u>	<u>32,954,599</u>	<u>27,867,904</u>	<u>29,749,947</u>	<u>17,720,517</u>
Total business-type activities	<u>\$ 180,063,083</u>	<u>\$ 168,662,175</u>	<u>\$ 163,056,354</u>	<u>\$ 158,370,186</u>	<u>\$ 149,042,073</u>	<u>\$ 147,246,663</u>	<u>\$ 138,234,248</u>	<u>\$ 129,496,192</u>	<u>\$ 122,430,033</u>	<u>\$ 117,913,223</u>
Primary government										
Net investment in capital assets, net of related debt	304,722,829	328,518,000	300,316,034	267,601,459	268,444,899	261,343,603	242,097,661	236,663,906	217,400,353	198,085,421
Restricted	52,970,940	14,326,464	10,385,868	10,167,752	7,690,247	6,435,404	4,515,248	-	-	26,150,722
Unrestricted	<u>(5,289,622)</u>	<u>(5,889,024)</u>	<u>7,588,178</u>	<u>72,224,989</u>	<u>57,232,081</u>	<u>60,793,522</u>	<u>37,955,920</u>	<u>38,299,551</u>	<u>40,496,230</u>	<u>21,169,693</u>
Total primary government	<u>\$ 352,404,147</u>	<u>\$ 336,955,440</u>	<u>\$ 318,290,080</u>	<u>\$ 349,994,200</u>	<u>\$ 333,367,227</u>	<u>\$ 328,572,529</u>	<u>\$ 284,568,829</u>	<u>\$ 274,963,457</u>	<u>\$ 257,896,583</u>	<u>\$ 245,405,836</u>

Source - 2017 City of Lafayette Comprehensive Annual Financial Report, 2008-2016 City of Lafayette Audited Financial Statements

(1) The City implemented the reporting of net pension liability through GASB 68 during 2015. 2014 was restated.

Net position is defined as the difference between total assets and deferred outflows or resources less total liabilities and deferred inflows of resources and can generally be thought of as the net worth of the City of Lafayette

CITY OF LAFAYETTE
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 5,372,471	\$ 3,718,623	\$ 5,494,824	\$ 4,598,931	\$ 4,131,608	\$ 5,613,047	\$ 5,128,906	\$ 4,992,367	\$ 4,843,010	\$ 5,012,708
Public safety	34,115,434	26,762,483	29,221,205	28,310,091	27,583,781	26,532,846	24,203,644	24,985,993	26,054,109	27,747,475
Highways and streets	9,771,396	9,542,124	9,744,609	9,156,462	7,650,926	7,708,735	7,902,828	7,635,715	7,545,193	8,652,869
Sanitation	2,476,778	2,426,587	2,087,140	2,037,651	2,110,763	2,022,147	1,879,156	1,896,451	1,920,641	2,863,594
Culture and recreation	5,825,264	5,514,340	5,247,735	5,293,836	5,109,955	5,685,888	5,669,544	5,649,119	5,717,205	5,729,361
Economic development	17,140,165	18,668,916	10,854,496	9,237,249	9,707,497	8,378,482	19,221,279	9,066,563	7,874,160	6,713,456
Total governmental activities expenses	<u>74,701,508</u>	<u>66,633,073</u>	<u>62,650,009</u>	<u>58,634,220</u>	<u>\$ 56,294,530</u>	<u>\$ 55,941,145</u>	<u>\$ 64,005,357</u>	<u>\$ 54,226,208</u>	<u>\$ 53,954,318</u>	<u>\$ 56,719,463</u>
Business-type activities:										
Water	8,722,564	9,366,084	\$ 8,961,667	8,400,547	\$ 7,890,298	\$ 7,435,934	\$ 6,900,252	\$ 6,761,292	\$ 7,127,141	\$ 7,371,763
Wastewater	24,635,240	26,486,317	23,663,343	21,660,017	25,063,741	20,916,575	19,931,509	18,078,238	17,894,413	16,778,530
Parking garage	385,410	451,504	334,239	237,129	86,535	155,580	156,726	163,917	171,822	193,912
Section 108	42,541	64,520	73,192	75,512	74,216	80,595	75,965	334,765	(271)	195,869
Total business-type activities expenses	<u>33,785,755</u>	<u>36,368,425</u>	<u>33,032,441</u>	<u>30,373,205</u>	<u>33,114,790</u>	<u>28,588,684</u>	<u>27,064,452</u>	<u>25,338,212</u>	<u>25,193,105</u>	<u>24,540,074</u>
Total primary government expenses	<u>\$ 108,487,263</u>	<u>\$ 103,001,498</u>	<u>\$ 95,682,450</u>	<u>\$ 89,007,425</u>	<u>\$ 89,409,320</u>	<u>\$ 84,529,829</u>	<u>\$ 91,069,809</u>	<u>\$ 79,564,420</u>	<u>\$ 79,147,423</u>	<u>\$ 81,259,537</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	605,723	\$ 728,408	\$ 707,752	\$ 763,846	\$ 449,543	\$ 451,708	\$ 447,609	\$ 401,044	\$ 370,755	\$ 535,142
Public safety	84,689	107,467	164,163	100,794	127,729	120,088	120,666	91,886	121,374	111,386
Highways and streets	33,034	46,131	31,133	3,026,579	2,718,171	2,341,069	2,205,417	2,221,757	2,204,105	2,318,705
Sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,130,758	1,130,853	978,904	886,756	8,356	21,722	9,413	6,907	1,277,020	18,907
Economic development	38,792	13,541	2,100	8,655	1,002,517	1,444,534	1,166,699	1,293,707	24,278	1,426,814
Operating grants and contributions	1,545,839	2,254,635	2,719,778	2,194,428	1,956,023	5,407,377	8,915,457	4,832,881	3,079,205	3,029,188
Capital grants and contributions	4,722,960	2,919,780	10,385	39,050	172,965	27,909,900	2,326,873	1,650,608	1,042,193	2,583,856
Total governmental activities program revenues	<u>\$ 8,161,795</u>	<u>\$ 7,200,815</u>	<u>\$ 4,614,215</u>	<u>\$ 7,020,108</u>	<u>\$ 6,435,304</u>	<u>\$ 37,696,398</u>	<u>\$ 15,192,134</u>	<u>\$ 10,498,790</u>	<u>\$ 8,118,930</u>	<u>\$ 10,023,998</u>
Business-type activities:										
Charges for services:										
Water	7,488,320	7,454,864	7,317,615	7,474,195	\$ 7,448,458	\$ 7,986,406	\$ 7,675,608	\$ 7,385,503	\$ 7,331,670	\$ 7,548,683
Wastewater	35,564,862	32,603,704	31,706,401	30,516,869	27,625,118	25,299,461	25,493,837	22,942,360	21,103,192	21,987,022
Parking garage	446,297	380,178	328,006	287,114	84,366	76,682	108,884	90,826	119,608	161,353
Section 108	-	-	-	62,923	73,997	74,801	53,635	-	-	196,096
Capital grants and contributions	1,167,195	-	-	-	-	-	-	-	-	240,000
Total business-type activities program revenues	<u>44,666,674</u>	<u>40,438,746</u>	<u>39,352,022</u>	<u>38,341,101</u>	<u>35,231,939</u>	<u>33,437,350</u>	<u>33,331,964</u>	<u>30,418,689</u>	<u>28,554,470</u>	<u>30,133,154</u>
Total primary government program revenues	<u>\$ 52,828,469</u>	<u>\$ 47,639,561</u>	<u>\$ 43,966,237</u>	<u>\$ 45,361,209</u>	<u>\$ 41,667,243</u>	<u>\$ 71,133,748</u>	<u>\$ 48,524,098</u>	<u>\$ 40,917,479</u>	<u>\$ 36,673,400</u>	<u>\$ 40,157,152</u>

CITY OF LAFAYETTE
CHANGE IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expenses)/Revenue										
Governmental activities	\$ (66,539,713)	\$ (59,432,258)	\$ (58,035,794)	\$ (51,614,112)	\$ (49,859,226)	\$ (18,244,747)	\$ (48,813,223)	\$ (43,727,418)	\$ (45,835,388)	\$ (46,695,465)
Business-type activities	10,880,919	4,070,321	6,319,581	7,967,896	2,117,149	4,848,666	6,267,512	5,080,477	3,361,365	5,593,080
Total primary government net expenses	<u>\$ (55,658,794)</u>	<u>\$ (55,361,937)</u>	<u>\$ (51,716,213)</u>	<u>\$ (43,646,216)</u>	<u>\$ (47,742,077)</u>	<u>\$ (13,396,081)</u>	<u>\$ (42,545,711)</u>	<u>\$ (38,646,941)</u>	<u>\$ (42,474,023)</u>	<u>\$ (41,102,385)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 44,345,009	\$ 41,894,612	\$ 39,648,908	\$ 39,126,526	\$ 35,613,459	\$ 36,355,229	\$ 33,431,234	\$ 36,383,599	\$ 35,040,875	\$ 35,285,717
Intergovernmental revenues	21,538,613	25,325,917	18,768,874	15,161,246	14,603,682	15,174,836	12,092,519	13,167,939	14,183,145	15,274,885
Payment in lieu of taxes	1,930,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Unrestricted investment earnings	122,044	46,835	39,986	19,277	30,833	35,782	45,980	49,883	90,932	490,371
Other	2,651,846	2,524,964	2,590,125	1,509,494	1,416,608	1,658,545	2,101,809	2,245,623	1,805,155	1,935,564
Transfers	-	-	-	-	-	(2,688,353)	(691,003)	(818,911)	(10,778)	(3,036,723)
Total governmental activities	<u>\$ 70,587,512</u>	<u>\$ 72,492,328</u>	<u>\$ 63,747,893</u>	<u>\$ 58,516,543</u>	<u>\$ 54,364,582</u>	<u>\$ 53,236,039</u>	<u>\$ 49,680,539</u>	<u>\$ 53,728,133</u>	<u>\$ 53,809,329</u>	<u>\$ 52,649,814</u>
Business-type activities:										
Unrestricted investment earnings	\$ 322,048	\$ 141,449	\$ 149,674	\$ 250,039	\$ 59,490	\$ 73,419	\$ 87,536	\$ 457,215	\$ 190,784	\$ 231,763
Other	197,941	217,122	202,741	8,359	121,808	13,462	1,485	16,608	23,227	39,569
Transfers	-	-	-	-	-	2,688,353	691,003	818,911	10,778	3,036,723
Contributed capital	-	1,176,923	1,090,107	858,847	1,372,650	1,388,516	1,690,520	692,948	930,653	1,274,572
Total business-type activities	<u>519,989</u>	<u>1,535,494</u>	<u>1,442,522</u>	<u>1,117,245</u>	<u>1,553,948</u>	<u>4,163,750</u>	<u>2,470,544</u>	<u>1,985,682</u>	<u>1,155,442</u>	<u>4,582,627</u>
Total primary government	<u>\$ 71,107,501</u>	<u>\$ 74,027,822</u>	<u>\$ 65,190,415</u>	<u>\$ 59,633,788</u>	<u>\$ 55,918,530</u>	<u>\$ 57,399,789</u>	<u>\$ 52,151,083</u>	<u>\$ 55,713,815</u>	<u>\$ 54,964,771</u>	<u>\$ 57,232,441</u>
Change in Net Position										
Governmental activities	\$ 4,047,799	\$ 13,060,070	\$ 5,712,099	\$ 6,902,431	\$ 4,505,356	\$ 34,991,292	\$ 867,316	\$ 10,000,715	\$ 7,973,941	\$ 5,954,349
Business-type activities	11,400,908	5,605,815	7,762,103	9,085,141	3,671,097	9,012,416	8,738,056	7,066,159	4,516,807	10,175,707
Total primary government	<u>\$ 15,448,707</u>	<u>\$ 18,665,885</u>	<u>\$ 13,474,202</u>	<u>\$ 15,987,572</u>	<u>\$ 8,176,453</u>	<u>\$ 44,003,708</u>	<u>\$ 9,605,372</u>	<u>\$ 17,066,874</u>	<u>\$ 12,490,748</u>	<u>\$ 16,130,056</u>

Source - 2017 City of Lafayette Comprehensive Annual Financial Report, 2008-2016 City of Lafayette Audited Financial Statements

Changes in net assets is defined as the incremental difference between total assets and total liabilities as a result of operations during the fiscal year.

CITY OF LAFAYETTE
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011 (A)	2010	2009	2008
General Fund										
Unassigned fund balance	\$ 4,040,415	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868	\$ (510,470)	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	-	512,350	-	-
Unreserved	-	-	-	-	-	-	-	-	(1,990,398)	(1,446,739)
Total general fund	\$ 4,040,415	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868	\$ (510,470)	\$ 512,350	\$ (1,990,398)	\$ (1,446,739)
All Other Governmental Funds										
Restricted fund balance	\$ 13,545,811	\$ 16,568,759	\$ 28,250,624	\$ 42,849,878	\$ 28,569,046	\$ 37,092,660	\$ 7,980,254	\$ -	\$ -	\$ -
Committed fund balance	5,137,701	5,456,093	8,181,841	7,214,809	8,997,955	5,359,577	551,112	-	-	-
Assigned fund balance	2,253,160	3,108,625	1,696,153	1,555,337	4,060,365	4,293,273	463,444	-	-	-
Unassigned fund balance	4,041,613	4,004,302	2,804,302	2,869,203	-	-	3,146,026	-	-	-
Unrestricted	-	-	-	-	-	-	-	13,929,427	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	18,023,792	-
Special revenue funds	-	-	-	-	-	-	-	-	-	2,096,979
Debt service funds	-	-	-	-	-	-	-	-	-	12,418,871
Capital projects	-	-	-	-	-	-	-	-	-	5,129,674
Total all other governmental funds	\$ 24,978,285	\$ 29,137,779	\$ 40,932,920	\$ 54,489,227	\$ 41,627,366	\$ 46,745,510	\$ 12,140,836	\$ 13,929,427	\$ 18,023,792	\$ 19,645,524
Total all funds	\$ 29,018,700	\$ 33,555,155	\$ 43,672,713	\$ 55,092,752	\$ 41,206,632	\$ 47,114,378	\$ 11,630,366	\$ 14,441,777	\$ 16,033,394	\$ 18,198,785

Source - 2017 City of Lafayette Comprehensive Annual Financial Report, 2008-2016 City of Lafayette Audited Financial Statements

(A) In fiscal year 2011, the City implemented GASB Statement No. 54, which establishes criteria for classifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. Presentation is not comparable to prior years.

CITY OF LAFAYETTE
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 44,441,315	\$ 41,862,955	\$ 39,850,718	\$ 40,375,053	\$ 36,403,124	\$ 35,637,505	\$ 31,720,278	\$ 39,282,536	\$ 34,199,583	\$ 34,267,472
Licenses and permits	484,553	563,600	476,710	495,789	216,641	222,808	190,281	150,452	130,714	265,274
Intergovernmental	23,297,277	30,070,457	21,476,415	20,318,529	19,114,725	19,384,917	17,522,149	18,358,803	19,185,021	19,343,935
Payment in lieu of taxes	1,930,000	2,700,000	2,700,000							
Charges for services	1,260,153	1,313,281	1,346,138	1,247,357	1,627,977	1,946,896	1,677,357	1,900,788	1,855,085	1,892,143
Fine and forfeits	112,899	149,868	190,064	316,875	180,493	163,926	159,252	149,309	171,055	137,284
Other revenues	7,614,381	9,140,721	8,161,662	9,627,723	9,069,551	12,685,433	14,835,524	11,851,890	9,701,538	9,664,184
Total revenues	79,140,578	85,800,882	74,201,707	72,381,326	66,612,511	70,041,485	66,104,841	71,693,778	65,242,996	65,570,292
Expenditures										
General government	3,506,567	3,288,082	3,265,011	3,143,929	2,915,054	4,280,052	3,536,843	3,483,153	3,356,793	3,660,632
Public safety	32,324,941	31,031,660	29,330,561	28,497,785	27,293,929	26,439,852	24,138,135	25,670,931	24,994,073	25,889,101
Highways and streets	6,119,345	5,927,796	6,387,429	5,017,832	4,500,052	4,616,737	5,214,428	4,938,531	4,743,646	5,920,991
Sanitation	1,993,828	1,931,983	1,910,382	1,903,624	1,917,286	1,972,727	1,819,195	1,667,735	1,663,202	2,598,686
Culture and recreation	5,006,618	4,666,881	5,486,737	5,355,635	5,199,586	5,537,324	5,389,623	5,432,906	5,518,480	5,554,568
Economic development	7,467,531	13,556,675	23,167,009	20,309,626	20,171,964	19,142,600	26,867,353	21,454,849	18,151,446	19,210,188
Capital outlay	19,682,257	23,903,197	21,807,505	15,393,255	10,984,480	5,994,188	5,685,212	8,825,788	9,984,316	3,047,102
Debt service										
Principal	11,975,043	11,188,078	-	-	-	-	-	-	-	-
Interest	1,365,904	1,206,495	-	-	-	-	-	-	-	-
Total expenditures	89,442,034	96,700,847	91,354,634	79,621,686	72,982,351	67,983,480	72,650,789	71,473,893	68,411,956	65,881,268
Excess of revenues										
over (under) expenditures	(10,301,456)	(10,899,965)	(17,152,927)	(7,240,360)	(6,369,840)	2,058,005	(6,545,948)	219,885	(3,168,960)	(310,976)
Other Financing Sources (Uses)										
Transfers in	9,599,188	1,550,000	4,501,626	74,053	-	436,175	336,600	-	-	-
Transfers out	(9,599,188)	(1,550,000)	(4,501,626)	(74,053)	-	(1,647,785)	(1,027,605)	-	-	(422,502)
Bond issue proceeds	5,765,000	750,210	4,420,000	21,126,480	14,970,477	9,713,417	-	26,965,396	-	-
Interest and investment revenue	-	32,192	-	-	-	-	-	-	-	-
Contribution in aid of construction	-	-	-	-	-	21,006,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(14,554,782)	(8,368,909)	-	(27,340,000)	-	-
Loans proceeds	-	-	-	-	46,399	1,279,545	650,000	-	3,810,196	324,343
Capital leases	-	-	1,312,888	-	-	-	-	-	-	463,822
Total other financing sources (uses)	5,765,000	782,402	5,732,888	21,126,480	462,094	22,418,443	(41,005)	(374,604)	3,810,196	365,663
Net change in fund balances	\$ (4,536,456)	\$ (10,117,563)	\$ (11,420,039)	\$ 13,886,120	\$ (5,907,746)	\$ 24,476,448	\$ (6,586,953)	\$ (154,719)	\$ 641,236	\$ 54,687
Debt service as a percentage										
of noncapital expenditures (a)	23.6%									

Source - 2017 City of Lafayette Comprehensive Annual Financial Report, 2008-2016 City of Lafayette Audited Financial Statements

(a) Formula = Debt service payments (principal and interest) / (total Governmental Fund expenditures - Governmental Fund capital outlay) per reconciliation
 Debt service principal and interest were not presented separately in the 2007-2015 audit reports.

CITY OF LAFAYETTE
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	General Property	License Excise	Wheel	Financial Institution	COIT	CEDIT	Total
2017	\$ 31,571,808	\$ 1,825,592	\$ 936,602	\$ 396,773	\$ 7,664,262	\$ 6,202,642	\$ 48,597,679
2016	31,013,758	1,820,132	894,396	440,947	6,868,751	5,583,378	46,621,362
2015	29,388,808	1,563,772	903,786	409,028	6,524,892	5,319,034	44,109,320
2014	28,035,956	1,742,572	874,404	385,745	6,448,037	5,455,096	42,941,810
2013	25,664,330	1,605,494	853,375	400,849	5,606,328	4,446,630	38,577,006
2012	25,585,023	1,548,269	866,208	404,532	5,322,352	4,645,154	38,371,538
2011	24,242,804	1,386,005	850,552	398,660	4,384,399	3,896,425	35,158,845
2010	25,580,617	1,428,135	853,989	401,302	5,103,091	4,453,068	37,820,202
2009	24,725,485	1,362,950	784,858	424,620	5,618,851	5,090,454	38,007,218
2008	25,935,068	1,448,928	739,302	428,142	4,223,427	4,301,096	37,075,963

Source: City of Lafayette Statement of Revenues, Expenditures and Changes in Fund Balances. While the Statement of Revenues list total tax revenue, the sources were itemized for this schedule.

CITY OF LAFAYETTE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT FISCAL YEARS

<u>Tax Collections Measurement:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Tax Levy	\$ 33,290,398	\$ 32,066,206	\$ 30,744,984	\$ 29,242,542	\$ 28,290,954	\$ 27,655,516	\$ 27,782,034	\$ 26,192,192
Circuit Breaker Levy Reduction	1,868,196	1,505,375	1,664,486	1,584,752	1,483,207	1,424,486	1,475,662	898,527
Adjusted Current Tax Levy	31,422,202	30,560,831	29,080,498	27,657,790	26,807,747	26,231,030	26,306,372	25,293,665
Current Tax Collections	30,727,037	29,150,171	27,205,325	24,334,048	21,738,452	21,657,352	20,364,381	22,950,875
Percent of Current Tax Levy Collected	92.3%	90.9%	88.5%	83.2%	76.8%	78.3%	73.3%	87.6%
Delinquent Tax Collections	679,909	1,863,588	2,183,483	3,701,908	3,925,878	3,927,671	3,878,423	2,629,742
Total Tax Collections	31,406,946	31,013,759	29,388,808	28,035,956	25,664,330	25,585,023	24,242,804	25,580,617
Percent of Total Tax Collections of Current Tax Levy	100.0%	101.5%	101.1%	101.4%	95.7%	97.5%	92.2%	101.1%
Outstanding Delinquent Taxes	2,104,199	882,999	2,270,478	2,838,429	4,426,191	4,538,700	4,549,908	4,881,887
Percent of Delinquent Taxes to Current Tax Levy	6.7%	2.9%	7.4%	9.7%	15.6%	16.4%	16.4%	18.6%

Source - Tippecanoe County Auditor's Settlement Worksheets and Abstract. City of Lafayette budget forms approved by the Department of Local Government Finance (DLGF).

CITY OF LAFAYETTE

ACTUAL AND ASSESSED VALUE OF TAXABLE PROPERTY

<u>Fiscal Year</u>	<u>Actual Value</u>	<u>Assessed Valuation</u>	<u>Assessed Valuation Percent Increase</u>	<u>Assessed Valuation Percent of Actual</u>
2017	\$ 5,343,681,608	\$ 3,174,141,686	2.5%	59.4%
2016	5,194,766,034	3,096,090,188	1.7%	59.6%
2015	5,032,933,928	3,043,153,744	3.1%	60.5%
2014	4,970,655,230	2,950,513,823	5.7%	59.4%
2013	4,725,260,097	2,790,860,693	2.9%	59.1%
2012	4,634,505,003	2,712,920,917	-0.2%	58.5%
2011	4,789,280,121	2,717,069,303	-6.9%	56.7%
2010	4,923,281,070	2,918,350,046	-2.5%	59.3%
2009	5,030,259,760	2,993,993,285	-9.7%	59.5%
2008	4,939,226,130	3,315,677,205	-	67.1%
Average Annual Rate of Increase (Decrease)			-0.4%	

Note: GASB Statement 44 has called for a new report on the assessed values that breaks the total value into major components such as residential, commercial and industrial property as well as any adjustments and credits. At the time of CAFR production, this information is not available from the County Auditor's office. Therefore, the City has presented this information in the prior year format.

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)

Fiscal Year	CITY OF LAFAYETTE							OVERLAPPING RATES (B)						
	General Fund Rate	Fire Pension	Police Pension	Redevelopment General Rate	Cumulative Capital Development Rate	Band Rate	Motor Vehicle Highway Rate	Park And Recreation Rate	Park Bond Rate	(A) Total City	(B), (C) Municipal Corporations	(B), (C) School Districts	Tippecanoe County	(B), (C) Townships and Other
2017	0.7896	0.0000	0.0000	0.0146	0.0200	0.0007	0.0819	0.1165	0.0255	1.0488	0.8728	1.0357	0.4076	0.1610
2016	0.7822	0.0000	0.0000	0.0141	0.0200	0.0007	0.0802	0.1099	0.0286	1.0357	0.1103	0.8728	0.3908	0.1579
2015	0.7810	0.0000	0.0000	0.0095	0.0200	0.0007	0.0707	0.1072	0.0212	1.0103	0.1161	1.0167	0.3914	0.1562
2014	0.7557	0.0000	0.0000	0.0143	0.0200	0.0008	0.0652	0.1106	0.0245	0.9911	0.1212	0.9944	0.3986	0.1893
2013	0.7362	0.0000	0.0000	0.0150	0.0200	0.0006	0.0833	0.1215	0.0371	1.0137	0.1221	1.0403	0.4122	0.1873
2012	0.7644	0.0000	0.0000	0.0140	0.0200	0.0009	0.0879	0.1142	0.0180	1.0194	0.1205	1.0416	0.4093	0.1797
2011	0.7509	0.0000	0.0000	0.0147	0.0200	0.0002	0.0729	0.1109	0.0529	1.0225	0.1153	1.0320	0.3989	0.1725
2010	0.6543	0.0000	0.0000	0.0114	0.0200	0.0006	0.0825	0.0971	0.0316	0.8975	0.1110	0.9877	0.3801	0.1740
2009	0.6086	0.0187	0.0154	0.0096	0.0200	0.0007	0.0511	0.0838	0.0310	0.8389	0.1044	1.1245	0.3598	0.2347
2008	0.5813	0.0006	0.0044	0.0077	0.0185	0.0006	0.0608	0.0900	0.0224	0.7863	0.0890	1.4816	0.4292	0.1625

Source - From Published Rates obtained from approved budget orders of the Indiana Department of Local Government Finance (DLGF)

(A) Obtained from the Budget Order (Lafayette Civil City).

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Lafayette. Not all overlapping rates apply to all Lafayette property owners.

(C) Obtained from the Indiana Department of Local Government Finance (DLGF), Tippecanoe County Auditor's Office and the various governmental units.

The figures used for the municipal corporations, school districts, and townships represent citywide averages.

Notes: The City's levy increases are limited to the 6-year average increase in Indiana personal income.

City of Lafayette
 Statistical Section
 Detail of Net Assessed Valuation
 (Assessment for the Year 2016 Payable in 2017)

	Lafayette Fairfield Twp-LSC	Lafayette Fairfield Twp-TSC	Lafayette Wea Twp-LSC	Lafayette Wea Twp-TSC	Lafayette Sheffield Twp-TSC	Lafayette Wea Twp-TSC-Annex	Lafayette Perry Twp-TSC	Totals	Percent
Value of Land	\$ 367,750,900	\$ 32,885,800	\$ 81,554,800	\$ 108,417,900	\$ 13,113,700	\$ 6,973,300	\$ 9,413,700	\$ 620,110,100	
Value of Improvements	2,053,442,280	274,762,800	310,665,850	591,176,000	68,361,700	22,574,400	69,002,500	3,389,985,530	
Total value of real estate	2,421,193,180	307,648,600	392,220,650	699,593,900	81,475,400	29,547,700	78,416,200	4,010,095,630	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(570,966,961)	(9,918,818)	(170,778,203)	(192,843,661)	-	-	-	(944,507,643)	
Tax-exempt property	(151,027,655)	(8,234,430)	(6,500,300)	(10,951,430)	-	-	(41,664,328)	(218,378,143)	
Tax increment financing	(298,328,803)	(102,553,228)	(41,528,444)	(94,165,786)	(27,615,963)	(13,305,707)	(10,467,494)	(587,965,425)	
Tax abatements	(70,263,828)	(1,322,470)	-	(72,700,492)	(8,909,167)	-	(732,746)	(153,928,703)	
Net value of real estate	1,330,605,933	185,619,654	173,413,703	328,932,531	44,950,270	16,241,993	25,551,632	2,105,315,716	66.33%
Gross personal property assessments	608,928,780	91,610,090	3,264,828	213,161,780	334,787,400	2,663,550	21,499,910	1,275,916,338	
Less: Tax-exempt property	(31,489,474)	(304,900)	(19,150)	(407,310)	-	(4,860)	(19,241,030)	(51,466,724)	
Tax increment financing	(4,199,970)	-	(347,120)	(507,920)	(44,012,140)	(22,704)	-	(49,089,854)	
Enterprise zone investment credit		(1,376,960)		(55,500,500)	(107,131,160)		(444,900)	(164,453,520)	
Net value of personal property	573,239,336	89,928,230	2,898,558	156,746,050	183,644,100	2,635,986	1,813,980	1,010,906,240	31.85%
Net value of railroads and utilities	43,443,220	5,034,620	4,707,690	4,484,110	47,030	172,810	30,250	57,919,730	1.82%
Total net assessed valuation	\$ 1,947,288,489	\$ 280,582,504	\$ 181,019,951	\$ 490,162,691	\$ 228,641,400	\$ 19,050,789	\$ 27,395,862	\$ 3,174,141,686	100.00%
Percentage of Total	61.35%	8.84%	5.70%	15.44%	7.20%	0.60%	0.86%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total Value	\$ 4,010,095,630	\$ 1,333,836,068	\$ 5,343,931,698	100.00%
Deduction & exemptions	(944,507,643)	-	(944,507,643)	-17.67%
Tax exempt property	(218,378,143)	(51,466,724)	(269,844,867)	-5.05%
Tax increment financing	(587,965,425)	(49,089,854)	(637,055,279)	-11.92%
Tax abatements	(153,928,703)	-	(153,928,703)	-2.88%
Ent. Zone investment credits	-	(164,453,520)	(164,453,520)	-3.08%
Total net assessed valuation	\$ 2,105,315,716	\$ 1,068,825,970	\$ 3,174,141,686	59.40%
Percent	66.33%	33.67%	100.00%	

Source: Tippecanoe County Auditor's Office - Information from the County Abstract prepared by the Indiana Department of Local Government Finance.

Statistical Section
 Property Tax Collections-Cash Basis
 2008-2017

Fund Name	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual	2009 Actual	2008 Actual
General	\$ 23,726,260	\$ 23,377,466	\$ 22,690,077	\$ 21,331,402	\$ 18,635,832	\$ 19,182,698	\$ 17,801,131	\$ 16,696,417	\$ 17,675,555	\$ 18,387,483
MVH	2,464,162	2,402,210	2,054,084	1,845,575	2,109,816	2,206,919	1,729,006	2,106,504	1,484,096	1,925,376
Park and Recreation	3,504,305	3,290,322	3,114,037	3,130,488	3,077,342	2,867,237	2,630,271	2,479,292	2,433,801	2,850,064
Park Bond	814,022	900,254	652,140	733,581	939,666	451,929	1,254,656	806,855	900,332	709,349
Economic Development	439,742	422,796	276,347	405,333	379,809	351,500	348,647	291,081	278,813	243,895
Band	21,085	20,991	20,362	22,676	15,197	22,596	4,744	15,320	20,330	19,112
Cumulative Capital Development	602,232	599,720	581,760	566,900	506,558	502,143	474,350	510,668	580,860	585,902
Total	\$ 31,571,808	\$ 31,013,759	\$ 29,388,807	\$ 28,035,955	\$ 25,664,220	\$ 25,585,022	\$ 24,242,805	\$ 22,906,137	\$ 23,373,787	\$ 24,721,181

Source: City's tax collection records

CITY OF LAFAYETTE
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR

Taxpayer	2017			Type of Business
	(A) Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Subaru of Indiana Automotive, Inc.	\$ 223,704,302	1	7.05%	Automotive
Caterpillar, Inc.	221,452,870	2	6.98%	Manufacturing
Tate & Lyle Ingredients America, Inc.	164,223,580	3	5.17%	Food Manufacturing
Simon Property Group, L.P.	45,462,300	7	1.43%	Retail
Fairfield Manufacturing Company	44,355,030	6	1.40%	Manufacturing
Aloca, Inc.	43,603,770	4	1.37%	Manufacturing
Wabash National	41,381,610	5	1.30%	Manufacturing
Nanshan America Advanced Alum Tech LLC	34,759,130	8	1.10%	Manufacturing
Hawthorne Holdings LLC	30,124,700	9	0.95%	Property Management
Wal-Mart Real Estate Business Trust	25,211,300	10	0.79%	Retail
Total	\$ 874,278,592			

Source - Tippecanoe County Auditor's Office

CITY OF LAFAYETTE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2017

Market value	\$	1,058,047,229
Applicable percentage		<u>2%</u>
Debt limit		21,160,945
Debt applicable to limit:		
Total bonded debt		188,635,000
Less:		
Tax increment bonds		(37,980,000)
Enterprise fund debt		<u>(142,165,000)</u>
Legal debt margin	\$	<u>8,490,000</u>

Legal Debt Margin Calculation for Fiscal Years 2008 Through 2017

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2017	74,352	\$ 21,160,945	\$ 12,670,945	\$ 8,490,000	59.88%	\$ 170
2016	71,189	20,640,601	11,525,000	9,115,601	55.84%	162
2015	71,111	20,287,692	14,490,000	5,797,692	71.42%	204
2014	70,873	19,670,092	17,390,000	2,280,092	88.41%	245
2013	70,804	18,605,738	20,240,000	(1,634,262)	108.78%	286
2012	69,978	18,086,139	16,285,000	1,801,139	90.04%	233
2011	69,807	18,113,795	17,990,000	123,795	99.32%	258
2010	68,904	19,455,667	25,290,000	(5,834,333)	129.99%	367
2009	65,704	19,959,955	7,990,000	11,969,955	40.03%	122
2008	64,650	22,104,515	8,750,000	13,354,515	39.58%	135

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(dollars in thousands)

Governmental Unit	Debt Outstanding	(A) Estimated Percentage Applicable (%)	Estimated Share of Overlapping Debt	Debt per Capita	Ratio of Debt/ Net Assessed Value	Ratio of Debt/ Personal Income
Debt repaid with property taxes						
Overlapping Debt						
Lafayette School Corporation	\$ 74,045,500	100.00%	\$ 74,045,500			
Tippecanoe County Public Library	2,105,000	32.71%	688,625			
Tippecanoe County	7,613,136	30.10%	2,291,418			
Greater Lafayette Public Transportation Corp	2,326,003	37.07%	862,326			
Tippecanoe School Corporation	100,137,312	14.25%	<u>14,269,567</u>			
Subtotal, overlapping debt			<u>\$ 92,157,435</u>	\$ 1,239	2.90%	3.45%
City direct debt						
General obligation bonds	1,385,000	100%	1,385,000			
Redevelopment bonds	45,085,000	100%	45,085,000			
Loans and notes payable	1,920,000	100%	1,920,000			
Sewer revenue bonds	142,165,000	100%	142,165,000			
Capital leases	1,693,522	100%	<u>1,693,522</u>			
Subtotal, city direct debt			<u>\$ 192,248,522</u>	\$ 2,586	6.06%	7.20%
Total direct and overlapping debt			<u>\$ 284,405,957</u>	\$ 3,825	8.96%	10.66%

(A) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Assessed value data used to estimate applicable percentages and the debt outstanding provided the by the Indiana Gateway Portal.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lafayette. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF LAFAYETTE
RATIOS OF OUTSTANDING DEBT BY TYPE
AS OF DECEMBER 31, 2017

Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>				Total Government	Estimated Population	Debt Per Capita	Lafayette Estimated Personal Income	Lafayette Debt Percent of Income
	General Obligation Bonds	Redevelopment Bonds	Capital Leases	Sewer Revenue Bonds	Water Revenue Bonds	Parking Revenue Bonds	Loans and Capital Leases					
2017	\$ 1,385,000	\$ 45,085,000	\$ 1,693,522	\$ 142,165,000	\$ -	\$ -	\$ 1,920,000	\$ 192,248,522	74,352	\$ 2,586	\$ 2,668,301,000	7.2%
2016	2,295,000	44,645,000	2,110,733	93,810,000	-	-	2,791,000	145,651,733	71,189	2,046	2,551,612,000	5.7%
2015	3,190,000	50,805,000	1,780,472	104,020,000	-	-	3,610,000	163,405,472	71,111	2,298	2,497,418,000	6.5%
2014	4,075,000	52,615,000	1,022,598	110,810,000	-	-	3,757,000	172,279,598	70,873	2,431	2,449,017,000	7.0%
2013	4,955,000	37,140,000	1,550,458	106,680,000	-	-	3,897,000	154,222,458	70,804	2,178	2,377,244,000	6.5%
2012	5,880,000	41,320,000	2,137,145	53,690,000	-	-	48,362,080	151,389,225	69,978	2,163	2,341,744,000	6.5%
2011	6,370,000	44,550,000	1,443,117	55,505,000	340,000	1,327,000	51,877,080	161,412,197	69,807	2,312	2,270,124,000	7.1%
2010	7,195,000	47,655,000	1,396,885	57,260,000	1,110,000	1,492,000	54,196,970	170,305,855	68,904	2,472	2,104,742,000	8.1%
2009	7,990,000	52,675,000	5,038,163	58,935,000	1,850,000	1,643,000	55,304,862	183,436,025	65,704	2,792	1,958,768,000	9.4%
2008	8,750,000	56,395,000	1,954,033	60,520,000	2,555,000	1,782,000	58,160,530	190,116,563	64,650	2,941	2,007,706,000	9.5%

CITY OF LAFAYETTE
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
AS OF DECEMBER 31, 2017

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	EDIT Bonds	Total		
2017	\$ 1,385,000	\$ 7,105,000	\$ 8,490,000	0.3%	\$ 114.19
2016	2,295,000	9,230,000	11,525,000	0.4%	161.89
2015	3,190,000	11,300,000	14,490,000	0.5%	203.77
2014	4,075,000	13,315,000	17,390,000	0.6%	245.37
2013	4,955,000	15,285,000	20,240,000	0.7%	285.86
2012	5,880,000	10,405,000	16,285,000	0.6%	232.72
2011	6,370,000	11,620,000	17,990,000	0.7%	257.71
2010	7,195,000	18,095,000	25,290,000	0.9%	367.03
2009	7,990,000	-	7,990,000	0.3%	121.61
2008	8,750,000	-	8,750,000	0.3%	135.34

CITY OF LAFAYETTE
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Wastewater Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage %
				Principal	Interest		
2017	35,564,862	\$ 19,366,865	16,197,997	6,645,000	2,828,069	9,473,069	1.71
2016	32,556,664	18,474,270	14,082,394	6,965,000	3,890,038	10,855,038	1.30
2015	31,706,401	18,379,485	13,326,916	6,790,000	4,204,735	10,994,735	1.21
2014	30,510,429	17,387,484	13,122,945	6,445,000	4,155,679	10,600,679	1.24
2013	27,624,802	18,445,358	9,179,444	5,932,000	3,861,796	9,793,796	0.94
2012	25,285,883	16,811,912	8,473,971	5,260,000	3,959,464	9,219,464	0.92
2011	25,488,412	15,688,011	9,800,401	5,147,340	4,104,666	9,252,006	1.06
2010	22,945,861	14,559,082	8,386,779	3,301,000	3,369,207	6,670,207	1.26
2009	21,120,014	13,746,664	7,373,350	1,585,000	2,512,793	4,097,793	1.80
2008	21,987,023	13,243,808	8,743,215	1,025,000	2,529,310	3,554,310	2.46

CITY OF LAFAYETTE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate (%)
2017	74,352	\$ 2,701,506	\$ 36,334	2.7%
2016	71,189	2,551,612	35,843	3.4%
2015	71,111	2,497,418	35,120	4.0%
2014	70,873	2,449,017	34,555	4.8%
2013	70,804	2,377,244	33,575	5.8%
2012	69,978	2,341,744	33,464	8.2%
2011	69,807	2,270,124	32,520	8.2%
2010	68,904	2,104,742	30,546	8.5%
2009	65,704	1,958,768	29,812	10.2%
2008	64,650	2,007,706	31,055	7.1%

CITY OF LAFAYETTE
 PRINCIPAL EMPLOYERS
 CURRENT YEAR

Employer	Type of Business	2017		
		Employees	Rank	(A) Percentage of Total (%)
Purdue University	Education	17,324	1	32.18%
Subaru (SIA)	Automotive Manufacturing	5,600	2	10.40%
Wabash National	Manufacturing	3,200	3	5.94%
IU Health Arnett	Health Care	1,808	4	3.36%
Franciscan-St. E Health	Health Care	2,100	5	3.90%
Lafayette School Corp.	Education	1,500	6	2.79%
Tippecanoe School Corp.	Education	1,500	7	2.79%
Caterpillar	Manufacturing	1,850	8	3.44%
Wal-Mart	Retail	1,050	9	1.95%
Oerlikon Fairfield	Manufacturing	765	10	1.42%
Total Number of Employees		36,697		68.17%
Total Employees - Lafayette Area Labor Force (Employers >300 Employees)		53,835		100.00%

Sources: EMSI and Hoosier Data lookup

CITY OF LAFAYETTE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2017

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government	26	24	24	23	23	24	25	28	26	33
Public Safety										
Police	187	183	174	171	168	166	164	164	162	160
Fire	150	145	142	141	136	143	142	145	143	149
Highways and Streets	63	58	56	57	58	57	56	60	58	63
Sanitation	23	24	23	23	23	23	24	25	23	23
Culture and Recreation	39	33	34	33	35	36	36	37	37	35
Economic Development	5	5	5	5	5	5	5	6	6	5
Urban redevelopment and housing	0	-	2	3	3	3	3	3	3	4
City Utilities										
Water Utility	54	52	50	50	50	47	47	47	45	50
Wastewater Utility	97	<u>91</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>77</u>	<u>75</u>	<u>63</u>	<u>66</u>	<u>65</u>
Total	<u>644</u>	<u>615</u>	<u>595</u>	<u>591</u>	<u>586</u>	<u>581</u>	<u>577</u>	<u>578</u>	<u>569</u>	<u>587</u>

Source - City of Lafayette Payroll Department

Notes: The functional breakout is from the "Statement of Activities."

CITY OF LAFAYETTE
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/program										
Police										
Physical arrests	8244	6,810	6,268	4,927	5,199	5,574	5,850	5,514	5,461	5,959
Parking violations	89	98	104	410	259	174	352	302	393	260
Traffic violations	18932	17,883	14,201	12,752	13,198	15,849	17,586	15,115	14,433	6,474
Fire										
Emergency responses	7645	7,333	7,406	5,844	6,260	6,042	5,903	5,415	4,866	5,054
Fires extinguished	346	269	256	321	376	316	294	302	256	237
Inspections	3430	3,011	4,629	4,095	3,327	3,059	4,423	2,785	2,350	3,162
Refuse collection										
Refuse collected (tons/month)	1551	1,550	1,583	1,743	1,649	1,616	1,646	1,681	1,658	1,721
Recycling collected (tons/month)	423	415	385	389	354	391	302	256	204	246
Other public works										
Street Maintained (miles)	303.36	303.36	268.41	267.64	264.57	264.36	260.78	259.91	259.74	259.74
Potholes repaired (tonnage)	2322	2,014	1,977	1,873	1,636	1,106	1,555	1,778	1,303	1,206
Crack Sealing (tons used)	27	25	26	31	18	23	11	18	10	10
Parks and recreation										
Zoo Education Programs	2,526	2,208	1,981	1,857	1,933	1,720	1,554	1,635	1,311	968
Zoo Education Participation	53,672	43,363	38,017	33,233	37,540	25,147	24,635	34,564	30,327	24,053
Kids Camp Participation	9,956	11,475	9,471	8,947	10,051	10,089	8,845	8,326	7,207	7,255
Camp Participation Hours	76,768	91,800	72,768	71,576	80,592	80,712	70,780	70,696	64,064	61,880
Water										
New billable housing starts	218	99	87	81	83	95	96	92	56	86
Water mains breaks	52	60	59	92	79	59	62	75	58	74
Average daily consumption (thousands of gallons)	9.01	8.77	8.50	7.40	8.23	9.32	9.04	9.86	10.14	9.86
Wastewater										
Average daily sewage treatment (thousands of gallons)	19,950	18,660	19,970	18,570	18,420	17,650	20,650	18,370	19,800	18,200

Sources - Various city departments

CITY OF LAFAYETTE
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Training Center	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Patrol Units	90.00	90.00	66.00	66.00	66.00	45.00	45.00	45.00	45.00	45.00
Fire										
Fire Stations	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Training Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Trucks	15.00	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00
Refuse Collection										
Collection Trucks	23.00	23.00	24.00	21.00	21.00	23.00	19.00	17.00	17.00	17.00
Highways and Streets										
Traffic Signals	110.00	110.00	107.00	107.00	106.00	108.00	108.00	108.00	89.00	89.00
Miles of Streets	307.05	306.36	268.41	268.20	264.57	264.36	260.78	259.91	259.74	259.62
Culture and Recreation										
Acreage	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
Playgrounds	16.00	16.00	16.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00
Baseball/Softball Diamonds	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Soccer/Football Fields	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Swimming Pools	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water										
Water Mains (miles)	341.07	341.07	340.17	339.13	337.47	336.46	335.43	332.55	331.93	331.40
Fire Hydrants	3,368.00	3,368.00	3,360.00	3,347.00	3,332.00	3,285.00	3,209.00	3,184.00	3,158.00	3,158.00
Storage Capacity (thousand of gallons)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Wastewater										
Sanitary Sewers (miles)	309.72	309.72	309.09	308.33	307.54	307.03	306.14	304.79	302.73	302.52
Storm Sewers (miles)	166.77	166.77	166.43	166.02	165.59	165.33	164.85	164.12	163.01	162.89
Treatment Capacity (thousand of gallons)	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00

Sources - Various city departments

Note: No capital asset indicators are available for the general government function



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDING ON DECEMBER 31, 2017

