



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

August 16, 2018

Mayor Joe Hogsett
Members of the City-County Council
200 East Washington St., Suite 2501
Indianapolis, IN 46204

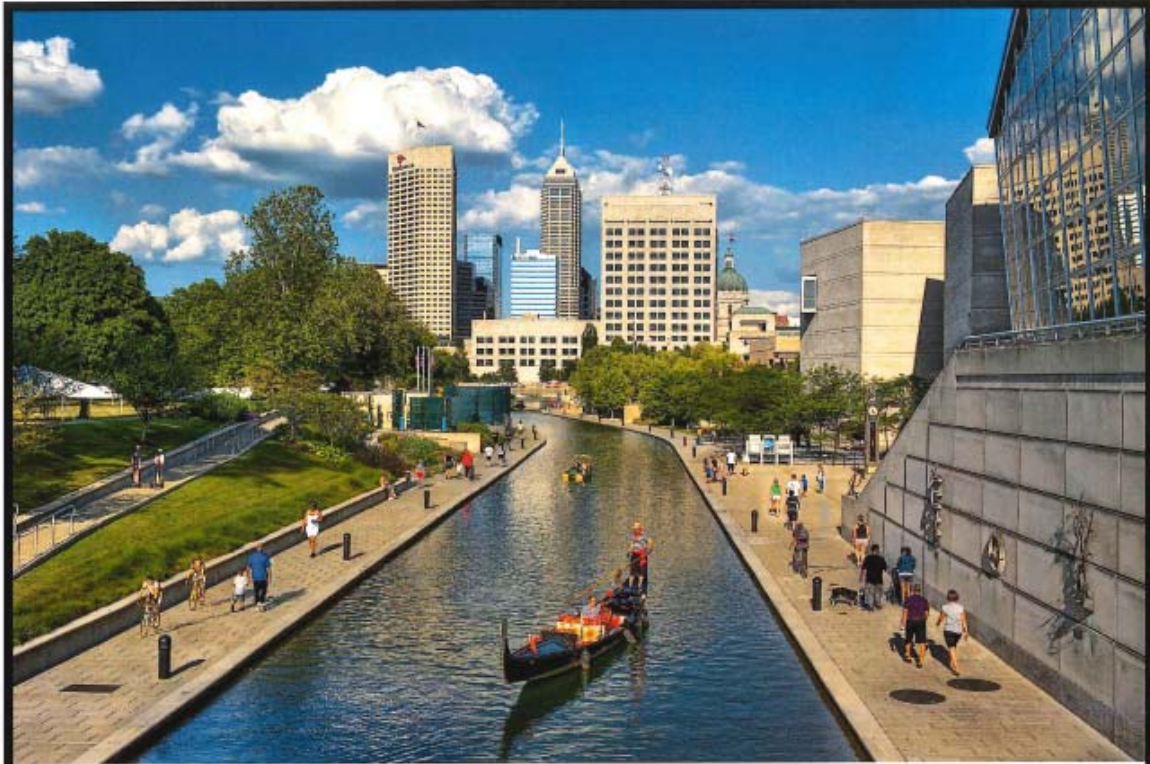
We have reviewed the Comprehensive Annual Financial and Single Audit Reports of Marion County, Indiana which have been opined on by BKD LLP, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. In our opinion, the audit reports were prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the Comprehensive Annual Financial Report present fairly the financial condition of Marion County, as of December 31, 2017, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the Single Audit Report on pages 11-15. Findings 2017-001 through 2017-005 describe material weaknesses and significant deficiencies in internal control over financial reporting that are required to be reported in accordance with *Government Auditing Standards*. These findings are referenced in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* which is included in the Single Audit Report.

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

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

Paul D. Joyce, CPA
State Examiner



Year Ended December 31, 2017
Comprehensive Annual Financial Report



Marion County, Indiana

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



Comprehensive Annual Financial Report

Marion County

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

For the Year Ended December 31, 2017

Office of Finance and Management



Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2017

Contents

	Page
INTRODUCTORY SECTION (UNAUDITED)	
Letter of Transmittal	1
Organization of Local Government and Taxing Districts	
Introduction.....	6
Form of Government.....	6
Other Governmental Units.....	6
Unigov Organizational Chart – Consolidated Government for Indianapolis – Marion County	8
Marion County Organization Chart	9
Schedule of Elected Officials, Department Heads, City-County Council Members, and Judiciary..	11
INDEPENDENT AUDITOR’S REPORT.....	14
MANAGEMENT’S DISCUSSION AND ANALYSIS – REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	32
Statement of Activities.....	33
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	34
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position.....	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Statement of Net Position - Proprietary Fund.....	38
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund.....	39
Statement of Cash Flows - Proprietary Fund.....	40
Statement of Fiduciary Net Position - Fiduciary Funds.....	41
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	42
Notes to Basic Financial Statements.....	43

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2017

Contents (Continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Budgetary Comparison Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	89
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Safety Income Tax Fund.....	90
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - State Grants Fund	91
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – MECA Emergency Communication	92
Notes to Required Supplementary Information - Budgetary Comparison.....	93
Pension Information	
Schedule of Changes in the County’s Net Pension Liability - Sheriff’s Retirement Plan - Last 10 Fiscal Years.....	95
Schedule of Changes in the County’s Net Pension Liability - Sheriff’s Disability Plan - Last 10 Fiscal Years.....	96
Schedule of Net Pension Liabilities and Related Ratios - Last 10 Fiscal Years.....	97
Schedule of Investment Return - Last 10 Fiscal Years.....	98
Schedule of County’s Proportionate Share of Net Pension Liability - Last 10 Fiscal Years.....	99
Schedule of County’s Pension Contributions - Last 10 Fiscal Years	100
Other Postemployment Benefit Information	
Schedule of Funding Progress under GASB 45.....	102
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES – OTHER SUPPLEMENTARY INFORMATION	
Balance Sheet - General Fund	103
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....	104
Schedule of Expenditures by Character - General Fund - Budget and Actual.....	105
Combining Balance Sheet - Nonmajor Governmental Funds by Fund Type	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds by Type.....	109
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	114

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2017

Contents (Continued)

	Page
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES – OTHER SUPPLEMENTARY INFORMATION (CONTINUED)	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds - Budget and Actual.....	118
Schedule of Expenditures by Character - Nonmajor Special Revenue Funds - Budget and Actual.....	125
Combining Balance Sheet - Nonmajor Debt Service Funds.....	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds.....	133
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	135
Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds - Budget and Actual.....	136
Schedule of Expenditures by Character - Nonmajor Capital Projects Funds - Budget and Actual.....	137
Combining Statement of Fiduciary Net Position - Pension Trust Funds.....	138
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds.....	139
Combining Statement of Assets and Liabilities - Agency Funds.....	140
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	142
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component.....	146
Changes in Net Position.....	147
Program Revenues by Function/Program.....	148
Fund Balances – Governmental Funds.....	149
Changes in Fund Balances – Governmental Funds.....	150
Tax Revenues by Source – Governmental Funds.....	151
Assessed Value and Estimated Actual Value of Taxable Property.....	152
Direct and Overlapping Governments – Property Tax Rates.....	153
Principal Property Tax Payers.....	154
Property Tax Levies and Collections.....	155
Ratios of Outstanding Debt by Type.....	156

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2017

Contents (Continued)

	Page
STATISTICAL SECTION (UNAUDITED) (CONTINUED)	
Schedule of Direct and Overlapping Debt and Bonded Debt Limit	157
Demographic and Economic Statistics	160
Principal Employers.....	161
Full-Time Equivalent County Government Employees by Function/Program.....	162
Operating Indicators by Function/Program	163
Capital Asset Statistics by Function/Program.....	165



Introductory Section



June 28, 2018

To the Honorable County Chief Executive Joe Hogsett, County Commissioners, Members of the City-County Council, and Citizens of Marion County:

I submit to you the Comprehensive Annual Financial Report (“CAFR”) of Marion County (“County”) for the fiscal year ended December 31, 2017. The County is a component unit of the Consolidated City of Indianapolis – Marion County Reporting Entity. This report was prepared by the Office of Finance and Management (“OFM”). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Controller of the City of Indianapolis. The data, as presented, is accurate in all material respects. It is presented in a manner designed to set forth the financial position and results of operations of the County. Disclosures necessary to enable the reader to gain the maximum understanding of the County’s financial affairs are included.

The CAFR conforms to the standards for financial reporting of the Governmental Accounting Standards Board (“GASB”) and the Government Finance Officers Association of the United States and Canada (“GFOA”). There are three main sections to this report. The Introductory Section includes this letter, a description of the government, a list of elected officials, and the County’s organizational charts. The Financial Section includes the independent auditor’s report, management’s discussion and analysis (“MD&A”), the basic financial statements for the County, and supplementary information. The Statistical Section includes selected financial and demographic information presented on a multiyear basis. The MD&A can be found starting on page 17.

The County is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor’s reports on internal control and compliance with applicable laws and regulations, is included in a separate report.

This report contains all funds of the County. The County Auditor, Treasurer, Coroner, Prosecutor, Recorder, Sheriff, Surveyor, Assessor, Clerk of the Circuit Court, Judge of the Circuit Court, Superior Court Judges, and the Mayor, as the County Chief Executive, serve as the executive body for the County, while the City-County Council (“Council”) serves as the legislative body for both the City and the County. The Circuit Court and Marion Superior Court serve as the judicial body of the County. The

County provides services in protection of people and property, corrections, judicial, culture and recreation, real estate and assessments, and health and welfare.

ECONOMIC CONDITION AND OUTLOOK

In 2017, the primary economic development goals for Marion County were to assist existing businesses and attract new businesses within its targeted cluster industries to bring high-wage jobs to Marion County. In addition to these goals, the County, in partnership with the Indy Chamber, completed long-term economic development planning through a regional economic development strategy. This strategic planning is complemented by the Global Cities Initiative, a joint project of The Brookings Institution and JPMorgan Chase as well as an Inclusive Growth Study and Economic Development Incentives Study, both projects of The Brookings Institution.

Targeted Industry Success

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

Companies in these targeted industries accounted for nearly 67 percent of the new and retained job announcements in 2017. Information technology was the highest growth industry with nearly 3,964 new and retained job commitments, followed by professional services with more than 3,171 new and retained jobs and manufacturing with nearly 1,451 new and retained job commitments. The average hourly wage for all new job commitments was \$28.69 in 2017.

2017 Job Commitments and Investments

In support of the primary economic development goals for the County, 11,888 job commitments (6,688 new jobs/5,200 current and retained jobs) and over \$1.3 billion in capital investment from 86 companies were announced in 2017. The average wage for retained jobs was \$30.57 per hour and the average wage for new jobs was \$28.69 per hour. These successes were realized due to the partnership between the Indianapolis Mayor's Office and the Indy Chamber.

The commitment from companies to add and retain over 11,000 jobs and invest more than \$1.3 billion in Marion County is a testament to the fact that the County continues to be a great place to live and do business. Companies benefit from the stable, affordable and pro-growth economic environment, skilled workforce, central location, and overall low cost of doing business.

2017 Projects of Note

CraftMark Bakery, LLC, a leading supplier of frozen bakery products to the food service and in-store bakery industries announced plans to invest \$16.5 million in new machinery and equipment at their Indianapolis facility. The project also included the retention of 237 jobs and hiring of 29 new full-time employees. A few months later, CraftMark announced plans to invest an additional \$16.3 million on new building construction and building improvements, \$39.9 million in new machinery and equipment, and the creation of an addition 118 new full-time employees. The two projects total a committed \$72.7 in investment from Craftmark in 2017.

Daechang Seat Company, a global supplier of specialized automotive seats based in South Korea announced plans for its first U.S. operation to be located in the Park 100 business park on the County's north side. The project expects to hire 180 new full-time equivalent ("FTEs") over 5 years with a capital investment of approximately \$16 million.

Federal Express, provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce, and business services. The company plans to add on to its sorting hub by spending \$400 million in building improvements and new construction and \$385 million on new machinery and equipment and would retain 800 jobs and hire 125 new FTEs over 8 years.

Levementum, is a one-stop-shop for customer engagement solutions, delivering superior sales and service process solutions and implementing market leading CRM applications with an emphasis on Salesforce platforms. The company announced plans for an expansion including \$1.3 million in new investment and 140 new jobs.

The historic rehabilitation of the **Ford Assembly Plant** at 1301 E. Washington Street is a mixed-use project that includes 105 apartment units with 90% at market rate and 10% workforce housing. The project also includes 22,500 square feet of office space and 17,500 square feet of additional commercial space.

The **Riverview** project is a mixed-use development by Riverview Partners LLC, a joint venture between Goodwill of Central and Southern Indiana and Indianapolis-based Strategic Capital Partners LLC. The project includes the construction of 200+ workforce housing apartments. Each apartment unit will be reserved for residents with incomes between 61 percent and 120 percent of area median incomes. The project has an estimated total investment of \$26 million.

LONG-TERM FINANCIAL PLANNING

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

The County collected \$133 million in net property tax revenue in 2017. The County expects to collect \$154 million in net property tax revenue in 2018. The Circuit breaker impact is estimated to be \$20 million in 2018, approximately 15% of certified property tax levies. This represents a slight decrease from the \$21 million loss in property tax revenue experienced in 2017.

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

- Maximum liability equals 1% of parcel AV - homesteads;
- Maximum liability equals 2% of parcel AV - agricultural and other residential;
- Maximum liability equals 3% of parcel AV - commercial and industrial.

The State of Indiana Department of Revenue serves as the collection agent for all County income taxes. Thus, each county relies on annual distributions of county income tax revenues from the State. The State Budget Agency, in collaboration with the State Department of Revenue and the Department of Local Government Finance, administers these annual distributions. These annual distributions are shared among the county government, all townships and the municipalities located within the county. For Marion County, OFM is responsible for calculating the proper allocation of county income tax revenues to all eligible entities per a formula prescribed in State statute. OFM works very closely with the State Budget Agency to track and forecast income tax collections generated from Marion County residents.

For 2017, total income tax revenue distributed to the County was \$82 million, which includes the three components of the incomes taxes: County Option Income Tax (“COIT”), Public Safety Income Tax (“PSIT”) and the Local Option Income Tax (“LOIT”) Levy Freeze. In 2016, total income taxes distributed to the County were \$75 million. An increase of \$7 million is attributable to organic growth in income tax revenue. The effects of economic events on income tax collections are not revealed in annual distributions to counties until two years later. With this said, Marion County certified income tax distributions have shown organic growth in 2017, and this is anticipated to continue in 2018.

As part of the long-term financial planning for the County, the City Controller has developed a 5-year financial plan focusing on available funds over the next 5 years. The 5-year financial plan will provide projections of major revenue sources such as property taxes, income taxes, other major miscellaneous revenues sources, and the impact of the circuit breaker. In addition, the plan makes various assumptions for major expenditures such as personnel costs, contractual obligations, and capital needs. The 5-year financial plan will be reviewed and updated monthly to monitor and respond to changes in fund balances, revenues, and expenditures.

RELEVANT FINANCIAL POLICIES

Internal Control Structure

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

Budgetary Control

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

MAJOR INITIATIVES

In 2013, the Indiana General Assembly passed Senate Enrolled Act 621-2013. Senate Enrolled Act 621 (“SEA 621”) provided that County budgets must be allocated on a semiannual basis as designated by the City Controller. In addition, if revenues and fund balance are less than budgeted expenditures, the City Controller can reduce County agency budgets to create a funded budget. In 2014, the County implemented a quarterly allotment system within the County’s financial accounting system. The County continued this in 2017. While the County has not taken all actions allowed by SEA 621, the County did impose management reserves in 2017. This places a percentage of each agency’s budget into reserve and does not allow for expenditure unless the Controller believes the appropriation is fully supported by a combination of current revenues and existing fund balance. The County will continue this in 2018.

The County continues to identify ways to create efficiencies and improve the delivery of services to the County despite limited resources. OFM and the Office of Audit and Performance (“OAP”) work closely with County agencies and the County administration to create opportunities to reduce expenditures and identify new revenue sources. Along with OAP’s work, the County has found ways to reduce liabilities through smart-sizing initiatives to reduce cost and provide appropriate coverage where applicable. In addition, the County is working to become more efficient in service delivery by utilizing technology, business intelligence, and taking on current operations with a smaller workforce.

OTHER INFORMATION

Audit Committee

The Consolidated City-County’s Audit Committee was formalized by City-County Council ordinance to provide an independent review body for the audit activities of the County. At December 31, 2017, the Audit Committee members were:

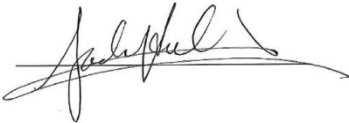
Mr. Charles Johnson III , <i>Chairperson</i>	Engaging Solutions
Mr. David Reynolds	Indiana General Assembly
Ms. Debra Shoffner	Retired
Mr. Leroy Robinson	City-County Councillor, City of Indianapolis – Marion County
Ms. Bengu Powell	Comer Nowling
Ms. Janice McHenry	City-County Councillor, City of Indianapolis – Marion County
Mr. Tim Moriarty	Mayor’s Office

Acknowledgment

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

The County Chief Executive, Major Hogsett, and I also appreciate your continued guidance, interest, and support of excellence in accounting and financial reporting.

Respectfully submitted,



Fady Qaddoura
Controller

MARION COUNTY

ORGANIZATION OF LOCAL GOVERNMENT AND TAXING DISTRICTS

Introduction

Marion County (“County”) was originally incorporated in 1822. It is the largest county in the State of Indiana (“State”) with a population of 950,082 and a metropolitan area population of approximately 2.0 million people. The County encompasses a land area of 402 square miles. The County, located at the geographic center of the State, serves as the physical, economic, and cultural capital. Marion County, Indiana has a stable and diversified economy with employment rates and income levels consistently above the national averages.

Form of Government

On January 1, 1970, the governments of the County and City of Indianapolis (“City”) were unified (“Consolidated City of Indianapolis – Marion County” or “Unigov”), in accordance with Indiana Code (“IC”), Section 36-3. Their form of service delivery was consolidated and certain service boundaries of the City were extended to generally coincide with those of the County. Four municipalities (Beech Grove, Lawrence, Speedway, and Southport) located within the County boundaries are specifically excluded from most functions of Unigov by the consolidating act.

In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity* (“GASB Statement No. 14”) and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* (“GASB Statement No. 61”), the County is considered a component unit of the Consolidated City of Indianapolis - Marion County. The elected officials and the Mayor, as the County Chief Executive, serve as the executive body for both the County and the City, while the City-County Council (“Council”) serves as the legislative body for both the City and the County. The Circuit Court and Marion Superior Court serve as the judicial body of the County. Otherwise, the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations, and accountability for fiscal matters.

Based on the criteria established in GASB Statement No. 14 and GASB Statement No. 61, the County has no component units under the current financial reporting requirements.

Other Governmental Units

The following governmental entities are within the boundaries of Marion County:

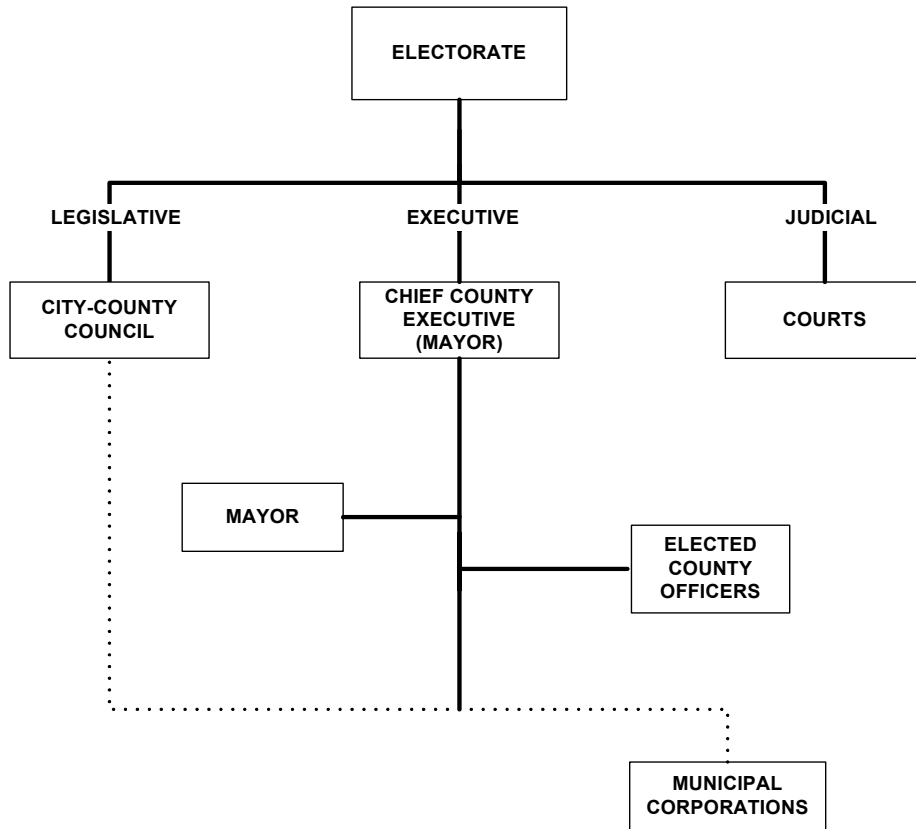
- **City of Indianapolis** as a governmental unit provides the following services: public safety (police and fire), culture and recreation, community development and welfare (including planning and zoning), highways and streets, environmental service (solid waste collection and disposal), and general administrative services.
- The **Capital Improvement Board of Managers of Marion County** (“CIB”) is a separate and distinct municipal corporation with territory coterminous to the territory of Marion County. The CIB is authorized to finance, construct, equip, operate, and maintain any capital facilities or improvements of general public benefit or welfare, which would tend to promote cultural, recreational, public, or civic well-being of the community. The CIB operates facilities used for sports, recreation, and convention activities in downtown Indianapolis. The **Marion County Convention and Recreational Facilities Authority** was created in 1985 under applicable State statutes to provide certain financing for projects of the Board.

- The **Indianapolis Airport Authority** (“Airport Authority”) and the **Health and Hospital Corporation of Marion County** (“HHC”) are separate and distinct municipal corporations with territory coterminous to the territory of Marion County. The Airport Authority was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in and bordering on Marion County. HHC was given the mandate to provide preventative and curative health programs for the residents of the County, including indigent health care.
- The **Indianapolis-Marion County Building Authority** (“Building Authority”) is a separate and distinct municipal corporation that acts as landlord for the City-County Building. The County pays 58% and the City pays 42% of the total lease rental. The Building Authority also has outstanding bonds payable from lease rentals (which are paid from taxes levied) from the County for the Marion County Arrestee Processing Center.
- The **Indianapolis Public Transportation Corporation** (“IndyGo”) is a separate and distinct municipal corporation with territory coterminous to the territory of the consolidated Civil City of Indianapolis. IndyGo provides public transportation service within the County.
- The **Indianapolis Marion County Public Library** is a separate and distinct municipal corporation, the territory of which includes the property in Marion County, excluding the Town of Speedway.

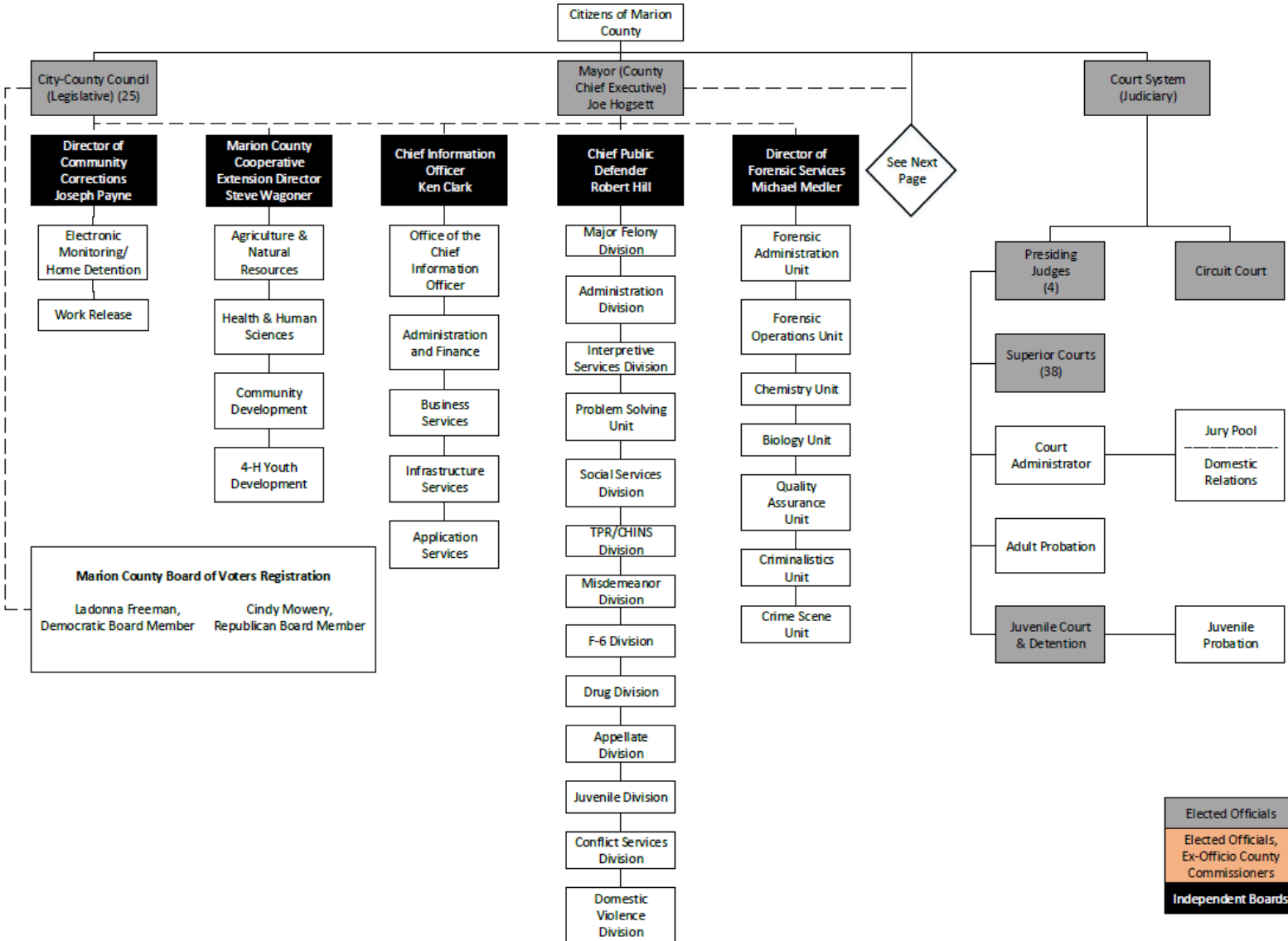
There are also several separate school districts in Marion County. In addition to the general obligation bonds of these school districts, various school building corporations have outstanding bonds payable from lease rentals (which are paid from taxes levied) from school districts for the lease of school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

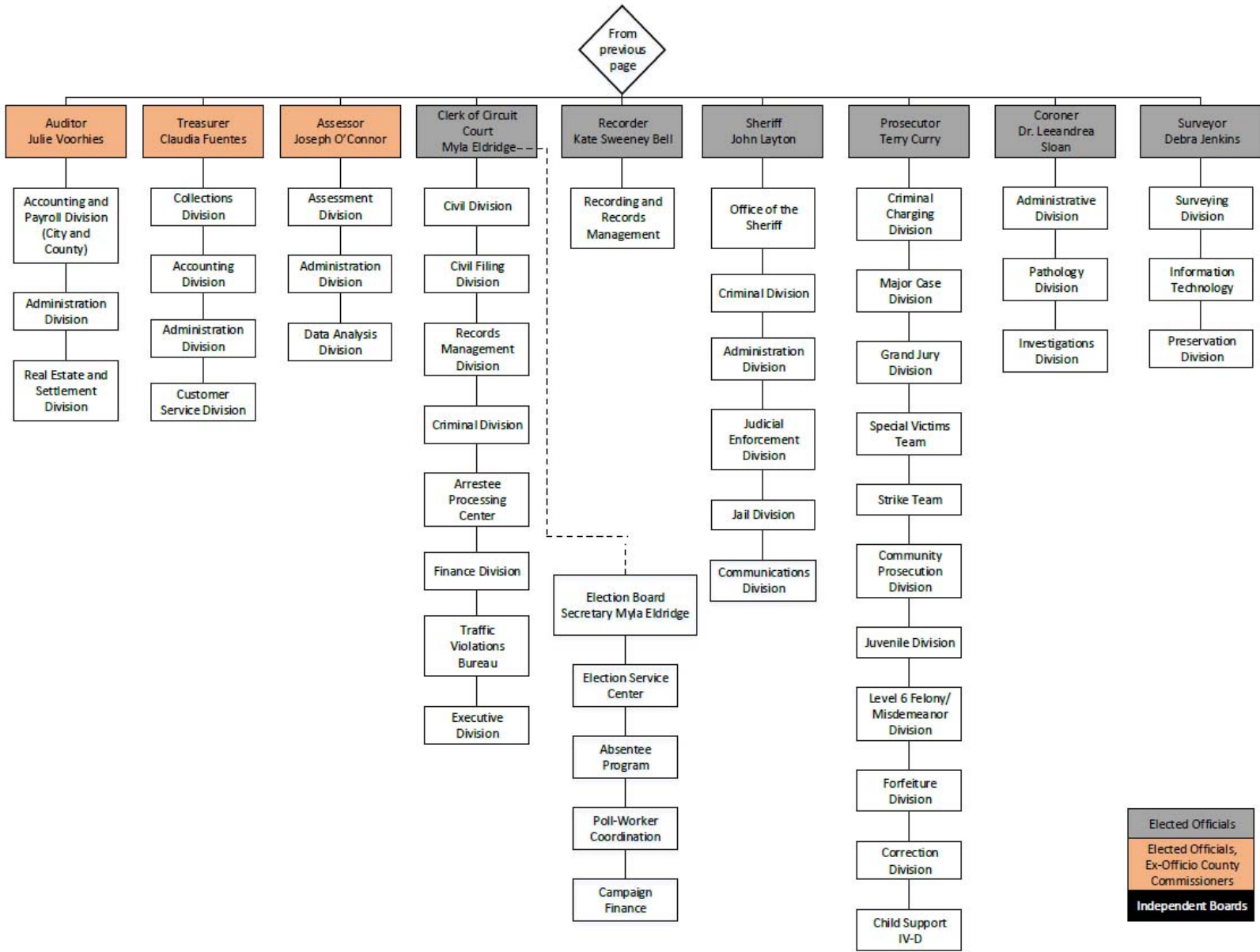
See page 8 for the Unigov Organizational Chart and page 9 for the Marion County Organizational Chart.

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



Marion County, Indiana Government Organization Chart





Marion County, Indiana 2017 County Elected Officials

	TERM
AuditorJulie L. Voorhies	1-1-15 to 12-31-18
TreasurerClaudia O. Fuentes	1-1-17 to 12-31-20
Clerk.....Myla A. Eldridge	1-1-15 to 12-31-18
SheriffJohn R. Layton	1-1-15 to 12-31-18
Recorder.....Kate Sweeney Bell	1-1-15 to 12-31-18
AssessorJoseph P. O'Connor	1-1-15 to 12-31-18
Surveyor..... Debra S. Jenkins	1-1-17 to 12-31-20
Coroner Dr. Leeandrea Sloan	1-1-17 to 12-31-20
Prosecutor Terry Curry	1-1-15 to 12-31-18
County Chief ExecutiveJoe Hogsett	1-1-16 to 12-31-19
Board of County Commissioners (Ex-Officio).....Claudia O. Fuentes	1-1-17 to 12-31-20
Board of County Commissioners (Ex-Officio).....Julie L. Voorhies	1-1-15 to 12-31-18
Board of County Commissioners (Ex-Officio)..... Joseph P. O'Connor	1-1-15 to 12-31-18

2017 Department Heads

Voters Registration	Cindy Mowery LaDonna Freeman
Marion County Cooperative Extension.....	Steve Wagoner
Criminal Probation.....	Christine Kerl
Court Administrator	Emily VanOsdol
Community Corrections.....	Joseph Payne
Forensic Services	Michael Medler
Chief Public Defender.....	Robert Hill
Chief Information Officer	Ken Clark
Prosecutor - Child Support.....	John Owens

Marion County, Indiana

2017 City-County Council Members

Name	Service	Occupation
Maggie Lewis, President	9	Director of Quality Assurance & Community Outreach, Centaur
Zach Adamson, Vice-President	6	Vice President of Compliance and Regulatory Affairs, NESCO
Stephen J. Clay	3	Senior Pastor, Messiah Missionary Baptist Church
Jeff Coats	2	Product Manager, Salesforce
Susie Cordi	2	Bus Driver
Jared Evans	2	Consultant
Colleen Fanning	2	Owner, Grey Market Wine
Monroe Gray, Jr.	25	Retired
Jason Holliday	6	Account Executive, Ray's Trash Service
LaKeisha Jackson	3	Executive Director, Pathway Resource Center
Blake Johnson	2	Director of Communications, Complete College America
Scott Kreider	2	Partner, Kreider McNevin Schiff, LLP
Frank Mascari	7	Jeweler, Spalding Jewelry
Janice McHenry	10	Retired
Michael McQuillen	10	Owner, PoliticalParade.com
Jeff Miller	8	Consultant
Brian Mowery	2	Logistics Freight Broker, Direct Connect Logistix
William C. Oliver	14	Retired
Vop Osili	7	Architect/Principal, A+X Design and Development
Marilyn Pfisterer	14	Retired
David Ray	2	Account Manager, Miller-Eads Company
Leroy Robinson	7	CEO, Winthrop Tech
Christine Scales	10	Retired
Joseph Simpson	7	Director of Administration, Indiana Legal Services
John Wesseler	2	Retired

Marion County, Indiana

2017 Judiciary

CIRCUIT COURT Sheryl L. Lynch

SUPERIOR COURT

Criminal Division:

Court 1 Major Felony	Kurt Eisgruber
Court 2 Major Felony	Marc T. Rothenberg
Court 3 Major Felony	Sheila A. Carlisle**
Court 4 Major Felony	Lisa F. Borges
Court 5 Major Felony	Grant Hawkins
Court 6 Major Felony	Mark D. Stoner
Court 7 Misdemeanor	Clayton Graham
Court 8 Misdemeanor / PAIR / Behavioral Health Court.....	Amy Jones
Court 9 Level Six Felony.....	Barbara Crawford
Court 10 Misdemeanor	Linda E. Brown
Court 11 Initial Hearing /APC	Commissioners
Court 12 Misdemeanor / Veteran’s Court	David Certo
Court 13 Traffic Court	Marcel Pratt
Court 14 Level Six Felony / Drug Court/Re-entry Court	Jose D. Salinas
Court 15 Level Six Felony	Helen Marchal
Court 16 Domestic Violence/Protective Order	Angela D. Davis
Court 17 Domestic Violence/Protective Order	Christina Klineman**
Court 18 Level Six Felony.....	William Nelson
Court 19 Misdemeanor	Rebekah F. Pierson -Treacy
Court 20 Major Felony - Drug	Shatrese Flowers
Court 21 Major Felony - Drug	Alicia Gooden
Court 24 Level Six Felony	Elizabeth A. Christ
Court 25 Level Six Felony Drug Court.....	Clark H. Rogers

Civil Division:

Court 1 Civil / Commercial Court	Heather Welch**
Court 2	Timothy Oakes*
Court 3	Gary L. Miller
Court 4 / Magistrate Court.....	Cynthia J. Ayers
Court 5	John M.T. Chavis II
Court 6	Thomas J. Carroll
Court 7	Michael Keele
Court 8 Probate Division	Steven R. Eichholtz
Court 9 Juvenile Division	Marilyn Moores
Court 10	David Dreyer
Court 11	John Hanley
Court 12	P. J. Dietrick
Court 13	James Joven
Court 14	James Osborn
Title IV-D	Magistrate

*denotes Presiding Judge; ** denotes Associate Presiding Judge

CERTIFIED PUBLIC ACCOUNTANTS

BKD, LLP



Financial Section

Independent Auditor's Report

To the Honorable Mayor and Members of the City-County Council
Marion County, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Marion County, Indiana (County), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County'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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other postemployment information 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 County's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

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

BKD, LLP

Indianapolis, Indiana
June 28, 2018

Management's Discussion and Analysis

Marion County, Indiana

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

Management's Discussion and Analysis

For the Year Ended December 31, 2017

This Comprehensive Annual Financial Report presents an analysis of the financial activities of Marion County ("County") for the year ended December 31, 2017 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the County's financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the County's liabilities exceeded its assets at December 31, 2017 by \$25.8 million, which represents the total net deficit of the County's governmental activities. Included in this net position amount is a \$115.8 million unrestricted deficit.
- On a government-wide basis, for 2017, the County's total expenses were \$316.5 million or \$2.6 million less than the \$319.1 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$43.0 million. Of this amount, \$28.4 million was restricted, \$1.4 million was assigned, and \$13.2 million was unassigned.
- The unassigned fund balance for the general fund was \$13.6 million or 6.8% of total general fund expenditures. The unrestricted fund balance, which includes the assigned and unassigned fund balances, was \$15.0 million or 7.5% of total general fund expenditures.
- The general fund revenues were \$36.5 million higher than original budget estimates and \$33.7 million higher than the final budget estimate.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The first set of financial statements are the government-wide statements, which report information about the County as a whole using accounting methods similar to those used by private sector companies. The two government-wide statements, **Statement of Net Position** and **Statement of Activities**, report the County's net position and how it has changed. Governmental activities are those normally associated with the operation of a government, such as judicial services and community corrections.

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

The Statement of Activities presents information showing how the County's net position changed during the year. All current year's revenues and expenses are accounted for in the statement of activities regardless of the timing of related cash flows. The statement of activities presents the various functions of the County and the extent to which they are supported by charges for services, grants and contributions, taxes, and investment income. The governmental activities of the County include: administration and finance, protection of people and property, corrections, judicial, cultural and recreation, real estate and assessments, and health and welfare.

Fund Financial Statements

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

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

The County maintains several individual governmental funds according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Public Safety Income Tax Fund, State Grants Funds, and MECA Emergency Communication which are considered to be major funds. Individual fund data for each of the nonmajor governmental funds are provided in the form of combining statements as supplementary information.

2. *Proprietary Funds*. Proprietary funds offer short-term and long-term financial information about services for which the County charges customers, both external customers and internal departments of the County. The County maintains the following type of proprietary funds:
 - *Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis. An internal service fund has been established for the County's Information Services Agency, which provides information technology services to other agencies of the County, and to the City, on a cost reimbursement basis.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Additional Supplementary Information

The combining statements provide fund-level detail for all nonmajor governmental funds, pension trust funds, and agency funds. Also in this section are comparisons of actual to budget for all other annually budgeted funds.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's governmental activities net position at December 31, 2017 and 2016 was a \$25.8 million deficit and a \$28.4 million deficit, respectively.

Statement of Net Position

	Governmental Activities	
	2017	2016
Assets		
Current and other assets	\$ 76,164,781	\$ 66,307,711
Capital assets net of accumulated depreciation	96,304,731	87,250,871
Total assets	<u>172,469,512</u>	<u>153,558,582</u>
Deferred Outflows of Resources	<u>25,354,053</u>	<u>47,900,414</u>
Total assets and deferred outflow of resources	<u>197,823,565</u>	<u>201,458,996</u>
Liabilities		
Other liabilities	16,633,638	33,536,708
Long-term liabilities	204,480,042	192,972,466
Total liabilities	<u>221,113,680</u>	<u>226,509,174</u>
Deferred Inflows of Resources	<u>2,535,025</u>	<u>3,370,408</u>
Total liabilities and deferred inflow of resources	<u>223,648,705</u>	<u>229,879,582</u>
Net Position		
Net investment in capital assets	65,800,865	66,590,393
Restricted	24,145,835	19,926,161
Unrestricted (deficit)	<u>(115,771,840)</u>	<u>(114,937,140)</u>
Total net deficit	<u>\$ (25,825,140)</u>	<u>\$ (28,420,586)</u>

ANALYSIS OF NET POSITION

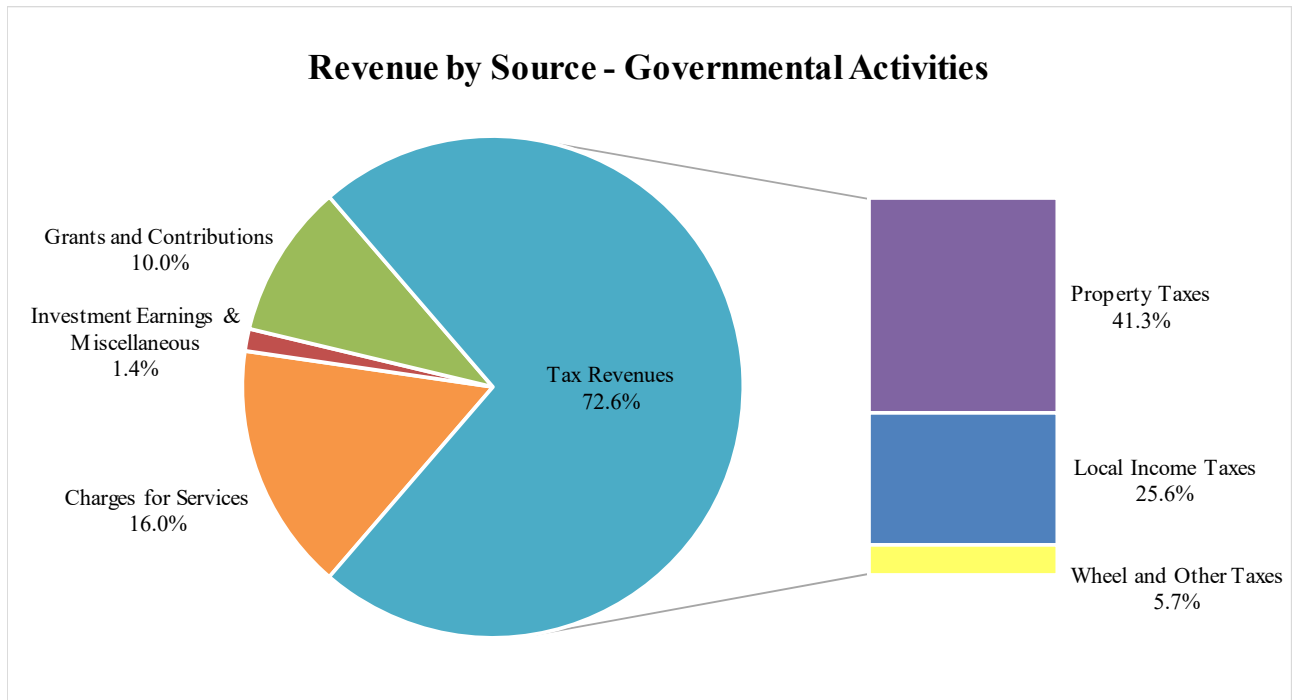
As noted earlier, net position may serve as a useful indicator of a government's financial position. The largest portion of the County's net position reflects its investments of \$65.8 million in capital assets (e.g., net book value of land, buildings, improvements, furniture and equipment, vehicles and software), less related outstanding debt used to acquire those assets. The 2016 balance was \$66.6 million. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities. Included in the County's total net position is \$24.1 million, versus \$19.9 million in 2016, which represents resources that are subject to external restrictions on how they may be used.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

All net position generated by governmental activities are either externally restricted, restricted by enabling legislation, or invested in capital assets.

Unrestricted governmental net position showed a \$115.8 million deficit at the end of the year as compared to a \$114.9 million deficit for the prior year. This deficit does not mean the County does not have resources available to pay its bills. Rather, it is the result of having long-term commitments that are greater than currently available resources, mainly net pension liabilities of \$164.0 million.

Change in net position. The County's total revenue on a government-wide basis for 2017 was \$319.1 million and \$310.1 million for 2016. Taxes represent 72.6% of the County's revenue (71.1% for 2016). Another 16.0% of revenue (16.6% in 2016) came from fees charged for services, and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues.



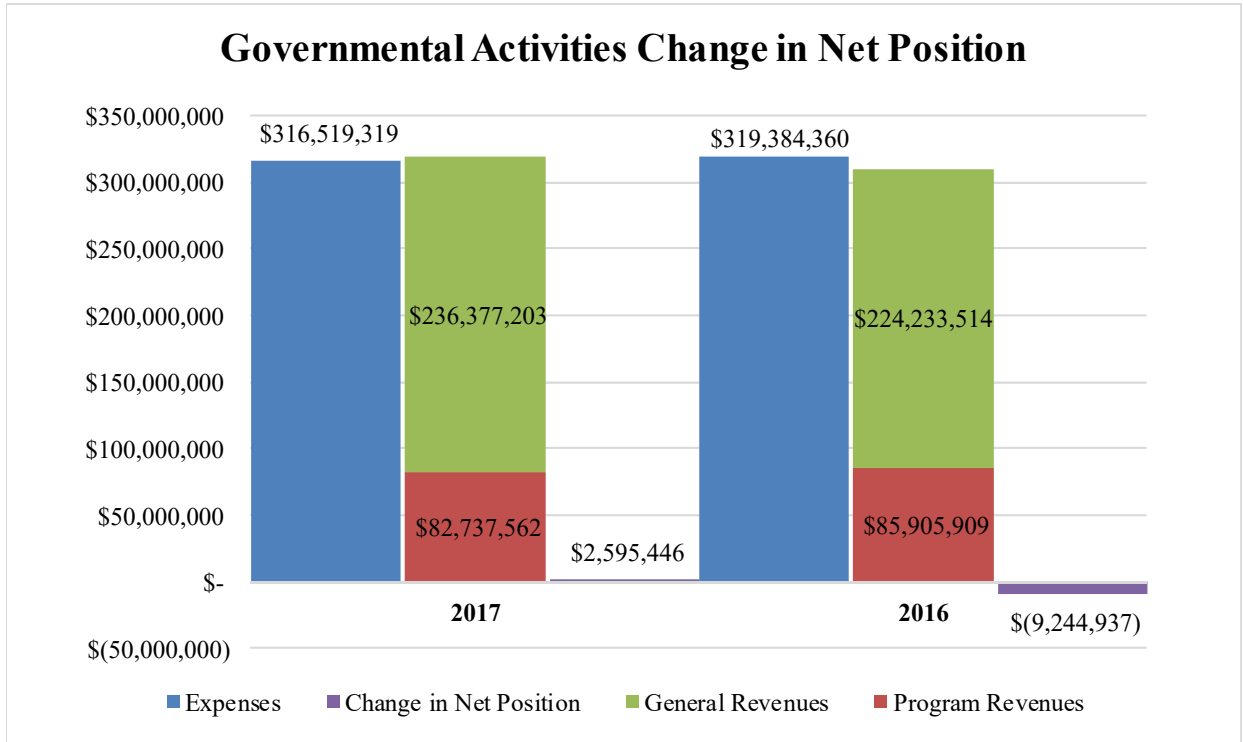
Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

The changes in net position for the years ended December 31, 2017 and 2016 are as follows:

Schedule of Changes in Net Position
For the Years Ended December 31, 2017 and 2016

	Governmental Activities	
	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 50,972,016	\$ 51,533,193
Operating grants and contributions	28,752,831	34,372,716
Capital grants and contributions	3,012,715	-
General revenues:		
Property tax	131,817,727	125,822,359
Local income taxes	81,768,609	75,100,242
Other taxes	18,217,037	19,652,233
Other general revenues	4,573,830	3,658,680
Total revenues	<u>319,114,765</u>	<u>310,139,423</u>
Expenses		
Administration and finance	48,406,528	41,571,975
Protection of people and property	11,074,959	11,929,592
Corrections	126,526,606	133,711,478
Judicial	115,740,755	115,680,791
Culture and recreation	184,500	526,889
Real estate and assessments	7,929,212	9,412,762
Health and welfare	5,500,026	5,808,973
Interest	1,156,733	741,900
Total expenses	<u>316,519,319</u>	<u>319,384,360</u>
Change in Net Position	2,595,446	(9,244,937)
Net Position, Beginning of Year , as previously reported	(28,420,586)	39,825,068
Adjustment to convert from a special purpose framework	-	(59,000,717)
Net Position, Beginning of Year , restated	<u>(28,420,586)</u>	<u>(19,175,649)</u>
Net Position, End of Year	<u>\$ (25,825,140)</u>	<u>\$ (28,420,586)</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017



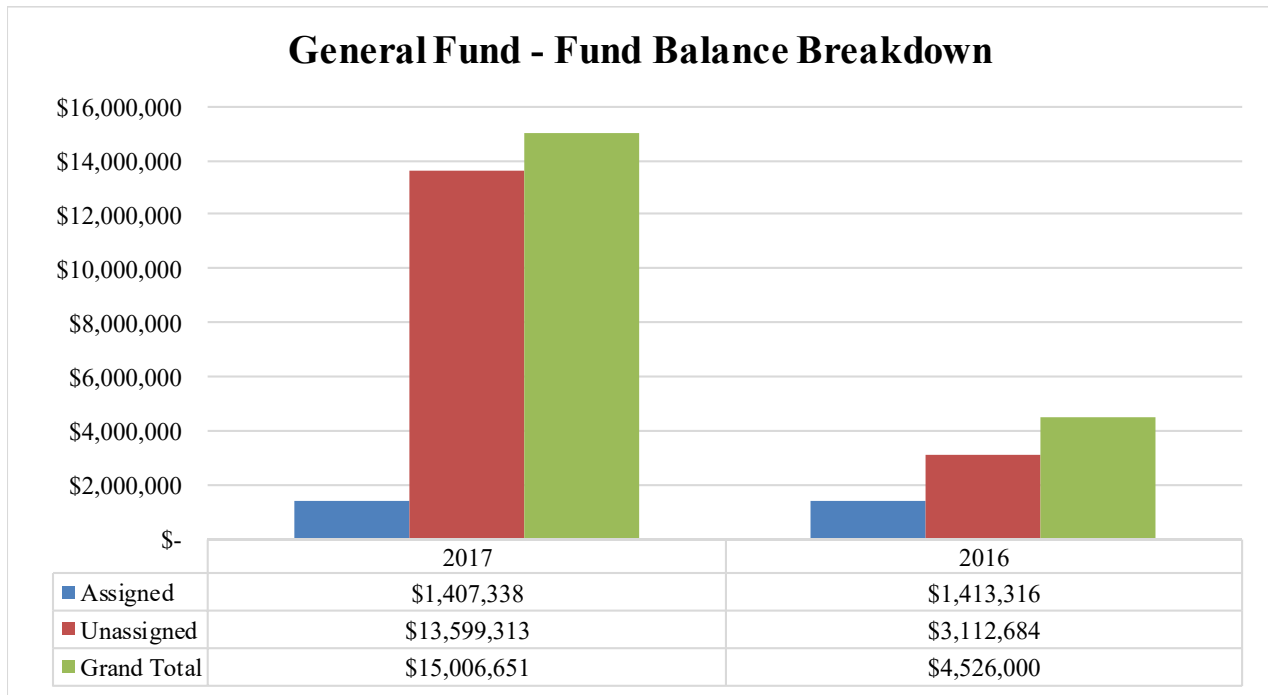
Governmental activities. The County’s governmental activities net position increased by \$2.6 million compared to a decrease in net position of \$9.2 million in the prior year. Total expenses for governmental activities for 2017 were \$316.5 million, a decrease of \$2.9 million from the prior year. Total revenues for governmental activities for 2017 were \$319.1 million, an increase of \$9.0 million from the prior year. This is mainly attributable to an \$11.2 million increase in taxes and decreases in other revenues.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

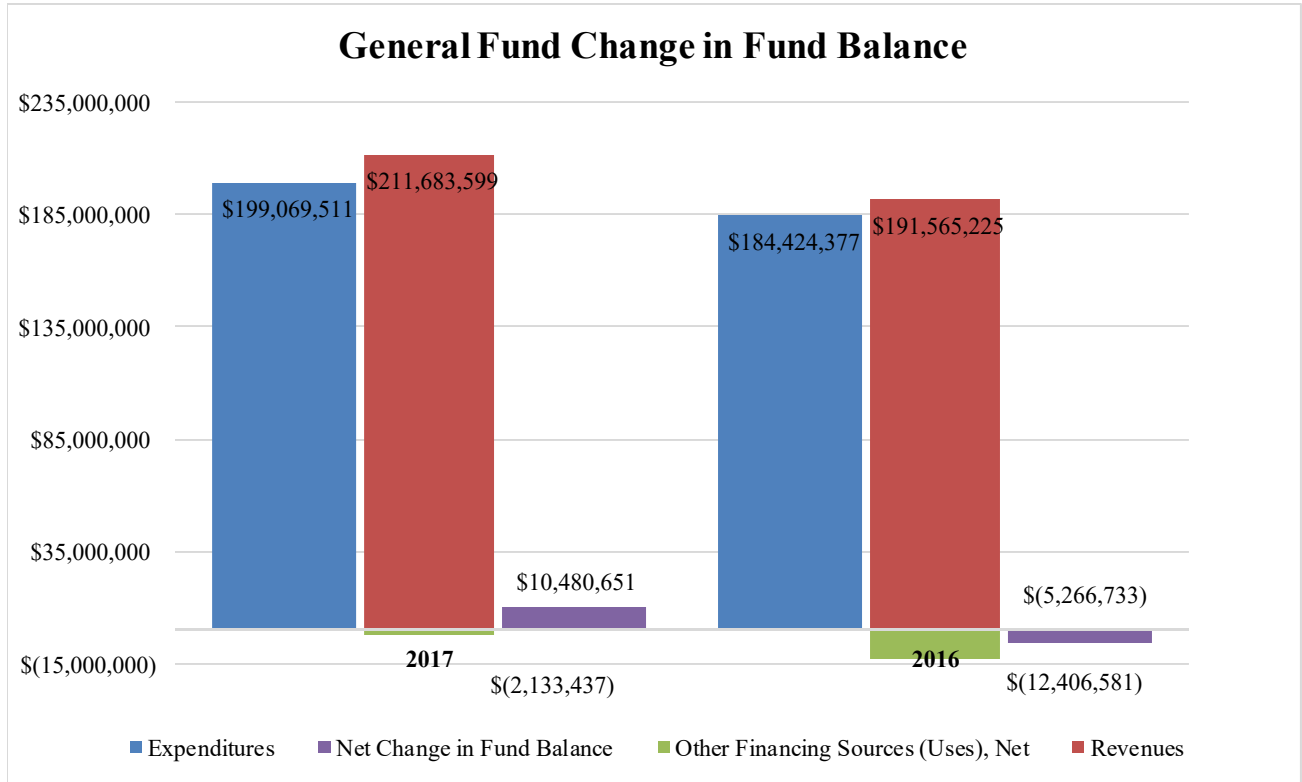
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

At December 31, 2017, the unassigned fund balance of the General Fund was \$13.6 million (as compared to \$3.1 million in 2016) while the total General Fund balance was \$15.0 million (as compared to \$4.5 million in 2016). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.8% of total General Fund expenditures (as compared to 1.7% for 2016), while total fund balance represents 7.5% (2.5% for 2016) of total General Fund expenditures. The fund balance in the County's General Fund increased by \$10.5 million or 231.6% from the prior year fund balance. This is mainly attributable to an increase in property tax revenue of \$7.5 million and a \$6.2 million increase in income tax.



Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

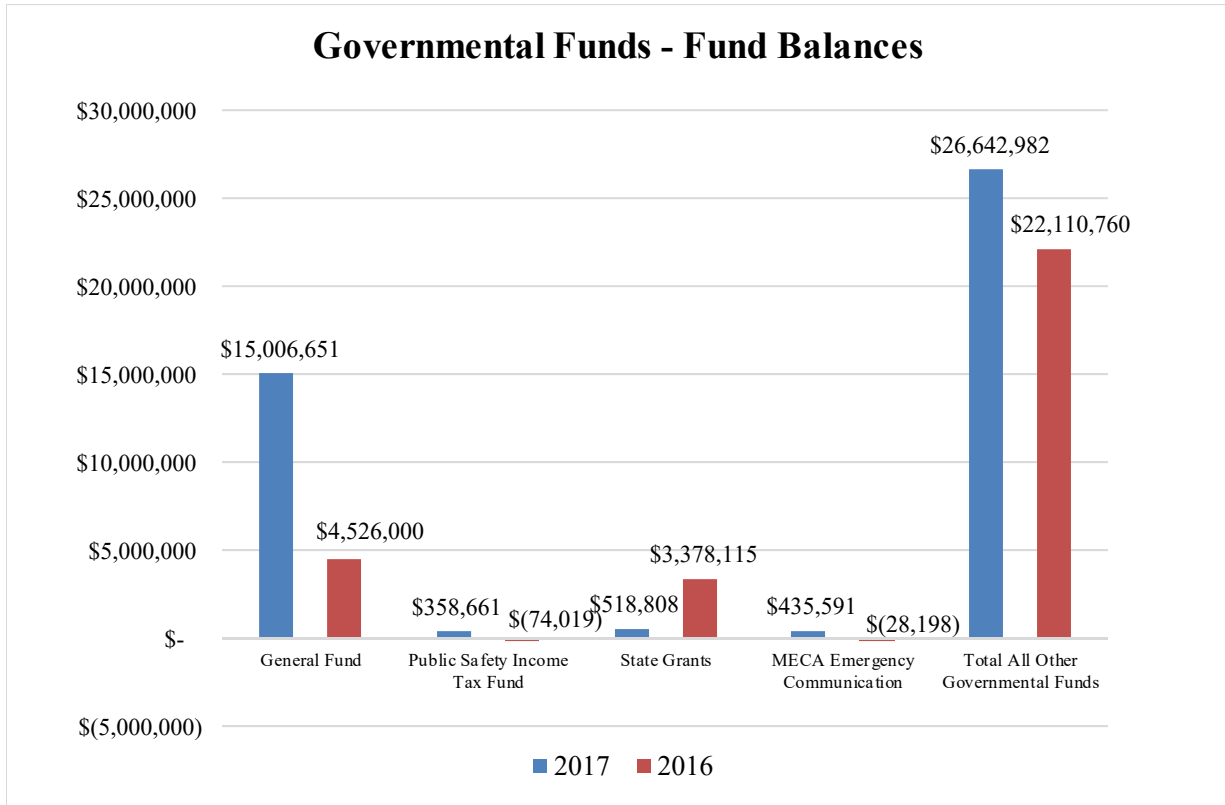


The Public Safety Income Tax Fund ended the year with a \$0.4 million fund balance (as compared to a \$74 thousand deficit in 2016). The fund balance for the Public Safety Income Tax Fund increased by \$0.4 million mainly due to increased tax revenues.

The State Grants Fund ended the year with a \$0.5 million fund balance (as compared to a \$3.4 million balance in 2016). The fund balance for the State Grants Fund decreased by \$2.9 million mainly due to an increase in upfront grants received in 2017, these upfront awards are recognized as a deferred inflow of resources on the fund statements, instead of revenue.

The MECA Emergency Communication fund ended the year with a \$0.4 million fund balance (as compared to a \$28 thousand deficit in 2016). The fund balance increased by \$0.4 million mainly due to an increase in taxes.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017



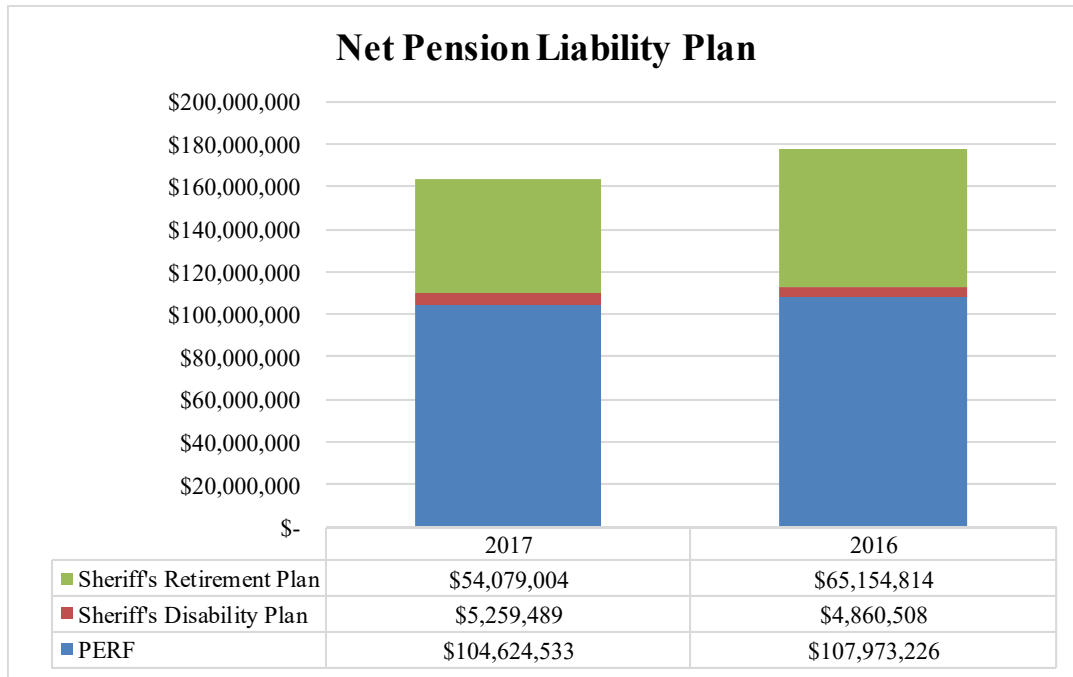
Fiduciary Funds

The County maintains fiduciary funds for the assets of the pension trust funds for the Sheriff's Retirement and Disability plan. At the end of 2017, the net position of these pension trust funds amounted to \$221.6 million, which represents an increase of \$16.6 million in total net position during the year.

Marion County, Indiana

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

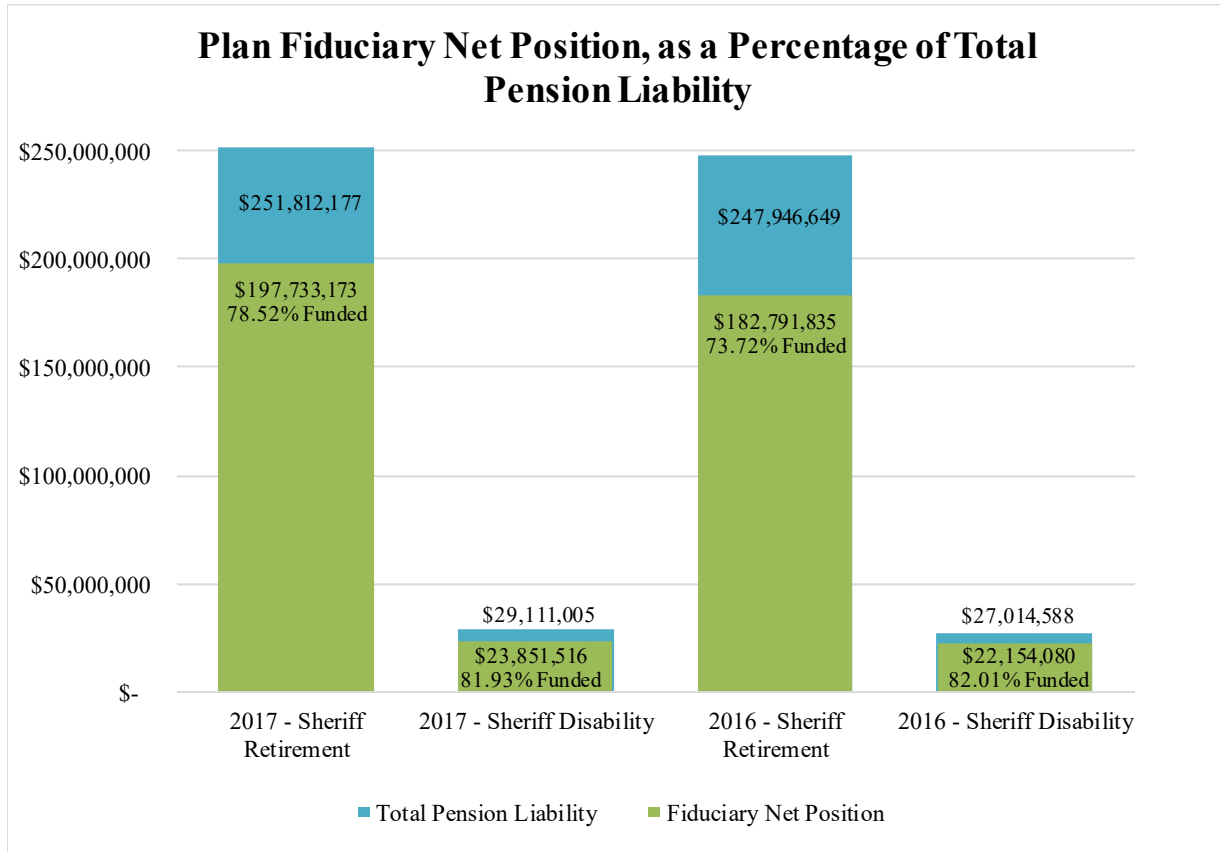
Management's Discussion and Analysis For the Year Ended December 31, 2017



The County is the custodian of certain agency funds, and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there are no net assets. At the end of 2017, the combined gross assets of the agency funds totaled \$136.4 million (\$121.7 million in 2016). This amount is composed of activity from the following agency funds: HEA 1001 HSC, Property Tax Refunds, State Taxes, Tax Sale Redemption, Tax Sale Surplus, Assessor's Cash, Sale of County Owner Property, Treasurer's Surplus, Court Costs to Municipalities, Homestead Credit Rebate, Local Option Income Tax, Treasurer's Tax Collection, Delinquent Business Personal Property, Law Enforcement Continuing Education, Payroll, Clerk of Circuit Court, Sheriff, Recorder's Cash, and Other.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

The chart below demonstrates that the County's percentage of funded status improved for the Sheriff's Retirement plan and remained stable for the Sheriff's Disability plan from 2016 to 2017.



Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

General Fund Budgetary Highlights

The final budget for the County's general fund represents the original budget plus any adjustments to appropriations during the year. It does not include encumbrances carried over from the prior year. In 2017, there was an \$8.8 million increase in appropriations during the year to the original General Fund budget or an increase of 4.9%.

Excluding prior year encumbrances, the original General Fund expenditures budget for 2017 was \$178.9 million. The final General Fund expenditures budget was \$187.7 million. Actual expenditures were \$184.9 million. Of the total \$2.8 million underspent from the final budget, \$1.6 million was in general government, \$0.6 million was in public safety, \$0.5 million was in cultural and recreation, and \$.1 million in capital outlays. These underspent amounts were due to planned reductions in the budget to fund future budget years. General revenues were originally estimated at \$171.2 million, final estimated at \$174.0 million, and the actual was \$207.7 million, which was \$33.7 million greater than budgeted. Of the \$33.7 million increase, \$25.0 million was originally budgeted to be deposited into another fund, subsequent to the budget process a decision was made to deposit the county option income tax directly into the General Fund. In addition, property tax and income tax revenue was up \$13.0 million.

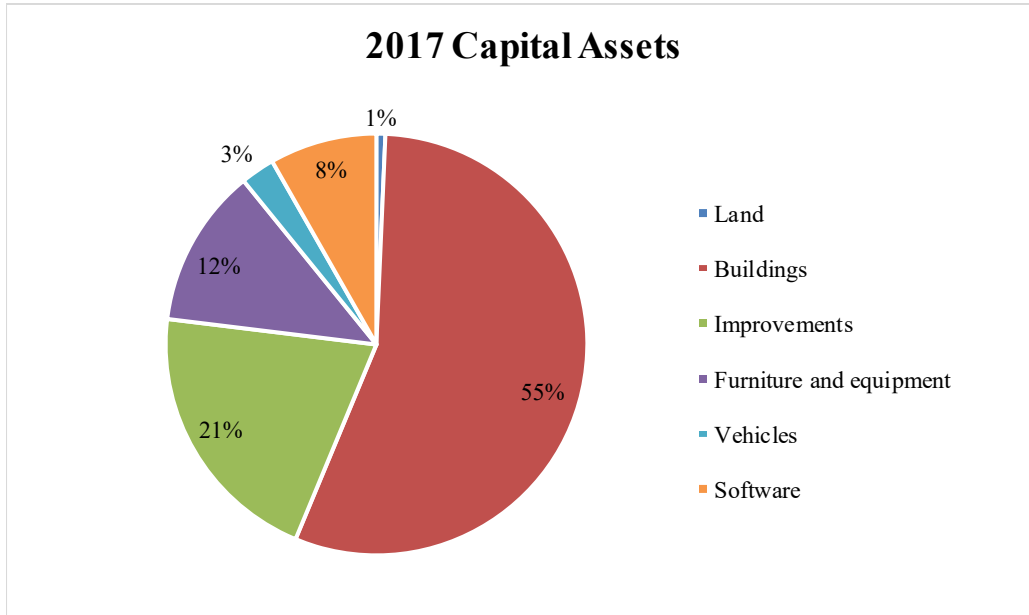
CAPITAL ASSETS

Capital Assets

The County had \$96.3 million invested in capital assets at December 31, 2017 (net of accumulated depreciation of \$118.2 million) in a broad range of capital assets. This amount represents a net increase for the current year (including additions and deductions) of \$9.1 million.

	Schedule of Capital Assets	
	Governmental Activities	
	2017	2016
Land	\$ 655,172	\$ 721,051
Buildings	53,536,874	40,566,692
Improvements	19,894,510	21,681,643
Furniture and equipment	11,767,003	12,843,657
Vehicles	2,515,136	2,461,798
Software	7,936,036	8,976,030
	<u>\$ 96,304,731</u>	<u>\$ 87,250,871</u>
Total assets		

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017



Major capital asset additions in 2017 for governmental activities included:

- \$16.8 million of additions to buildings, principally new capital leases for office space.
- \$2.7 million of additions to equipment, principally new election machines and equipment transferred from the City of Indianapolis to the County.
- \$1.0 million of additions to vehicles.

Donated capital assets for governmental activities were \$3.2 million, mainly attributable to equipment from the City of Indianapolis. Depreciation expense for 2017 for governmental activities was \$10.3 million.

See footnote 8 to the basic financial statements for more information regarding capital assets.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Management's Discussion and Analysis
For the Year Ended December 31, 2017

ECONOMIC FACTORS AND THE 2018 BUDGET

The 2018 original budget for all annually budgeted funds was \$320.0 million. Revisions of \$0.6 million have been made through June 2018, which were primarily due to increases for corrections of \$0.2 million and for judicial of \$0.4 million.

The 2018 General Fund original budget was \$186 million, an increase of 4.5% from the 2017 original General Fund budget of \$178 million. Revisions have been made through June 2018.

Unemployment rates were as follows:

	May 2018	May 2017
Marion County	n/a	3.4%
State of Indiana	3.2%	3.5%
United States	3.8%	4.3%

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

REQUESTS FOR INFORMATION

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

Basic Financial Statements

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2017

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 52,879,736
Investments	2,894,916
Property tax receivable	4,792,584
Accounts receivable	14,169,057
Due from federal and state governments	1,202,086
Due from others	226,402
Capital assets (net of accumulated depreciation):	
Land	655,172
Buildings	53,536,874
Improvements	19,894,510
Furniture and equipment	11,767,003
Vehicles	2,515,136
Software	7,936,036
Total assets	172,469,512
Deferred Outflows of Resources	
Deferred outflows - pensions	25,354,053
Total assets and deferred outflows of resources	197,823,565
Liabilities	
Accounts payable	9,591,556
Accrued payroll and payroll taxes	2,761,429
Unearned revenue	4,280,653
Long-term liabilities:	
Due within one year	13,213,868
Due in more than one year	191,266,174
Total liabilities	221,113,680
Deferred Inflows of Resources	
Deferred inflows - pensions	2,535,025
Total liabilities and deferred inflows of resources	223,648,705
Net Position	
Net investment in capital assets	65,800,865
Restricted for:	
Other purposes by grantors	7,723,057
Statutory restrictions	16,422,778
Unrestricted (deficit)	(115,771,840)
Total net position (deficit)	\$ (25,825,140)

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
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	Capital		Governmental Activities
			Grants and Contributions	Grants and Contributions		
Governmental Activities						
Administration and finance	\$ 48,406,528	\$ 20,637,831	\$ 2,880,329	\$ 2,861,252	\$ (22,027,116)	
Protection of people and property	11,074,959	11,685,296	752,848	1,095	1,364,280	
Corrections	126,526,606	3,418,422	8,502,546	17,628	(114,588,010)	
Judicial	115,740,755	10,774,720	16,617,108	100,190	(88,248,737)	
Culture and recreation	184,500	-	-	-	(184,500)	
Real estate and assessments	7,929,212	4,455,747	-	-	(3,473,465)	
Health and welfare	5,500,026	-	-	32,550	(5,467,476)	
Interest	1,156,733	-	-	-	(1,156,733)	
Total governmental activities	\$ 316,519,319	\$ 50,972,016	\$ 28,752,831	\$ 3,012,715	(233,781,757)	
General revenues:						
Property taxes					131,817,727	
Local income taxes					81,768,609	
Other taxes					18,217,037	
Unrestricted investment earnings					1,770,874	
Other					2,802,956	
Total general revenues					<u>236,377,203</u>	
Change in net position					2,595,446	
Net deficit - beginning of year					<u>(28,420,586)</u>	
Net deficit - end of year					<u>\$ (25,825,140)</u>	

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet - Governmental Funds
December 31, 2017

	General	Public Safety Income Tax	State Grants	MECA Emergency Communication	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 14,244,039	\$ 810,148	\$ 4,673,776	\$ -	\$ 25,376,377	\$ 45,104,340
Investments	916,182	42,791	246,864	-	1,278,392	2,484,229
Property tax receivable	4,548,830	-	-	-	243,754	4,792,584
Accounts receivable	6,028,716	-	-	3,663,330	1,626,569	11,318,615
Due from other funds	3,838,897	-	-	-	-	3,838,897
Due from federal and state governments	-	-	262,446	-	939,640	1,202,086
	<u>\$ 29,576,664</u>	<u>\$ 852,939</u>	<u>\$ 5,183,086</u>	<u>\$ 3,663,330</u>	<u>\$ 29,464,732</u>	<u>\$ 68,740,751</u>
Total assets						
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 3,633,885	\$ 3,806	\$ 241,734	\$ -	\$ 1,191,632	\$ 5,071,057
Accrued payroll and payroll taxes	1,841,403	490,472	103,234	126,047	157,516	2,718,672
Unearned revenue	-	-	4,258,106	-	22,547	4,280,653
Due to other funds	-	-	-	3,101,692	510,803	3,612,495
Total liabilities	<u>5,475,288</u>	<u>494,278</u>	<u>4,603,074</u>	<u>3,227,739</u>	<u>1,882,498</u>	<u>15,682,877</u>
Deferred Inflows of Resources						
Unavailable revenues	<u>9,094,725</u>	<u>-</u>	<u>61,204</u>	<u>-</u>	<u>939,252</u>	<u>10,095,181</u>
Fund Balances						
Restricted	-	358,661	518,808	435,591	27,089,016	28,402,076
Assigned	1,407,338	-	-	-	-	1,407,338
Unassigned (deficit)	13,599,313	-	-	-	(446,034)	13,153,279
Total fund balances	<u>15,006,651</u>	<u>358,661</u>	<u>518,808</u>	<u>435,591</u>	<u>26,642,982</u>	<u>42,962,693</u>
Total liabilities, deferred inflows of resources and fund balances						
	<u>\$ 29,576,664</u>	<u>\$ 852,939</u>	<u>\$ 5,183,086</u>	<u>\$ 3,663,330</u>	<u>\$ 29,464,732</u>	<u>\$ 68,740,751</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Balance Sheet for Governmental Funds
to the Statement of Net Position
December 31, 2017

Fund balances - total governmental funds	\$ 42,962,693
Amounts reported for governmental activities in the statement of net position are different because:	
Net capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the fund statements	81,416,537
Net position of internal service fund not reported in the fund statements	16,204,872
Net pension liabilities are not due and payable in the current period and, therefore, are not recorded in the funds liabilities	(162,517,274)
Deferred inflows of resources not meeting availability criteria in fund statements are not in the statement of net position	10,095,181
Deferred inflows of resources related to pensions are not available to pay for current period expenditures and, therefore, are not reported in the fund statements	(2,437,607)
Deferred outflows of resources related to pension are not financial resources and, therefore, are not reported in the fund statements	24,974,356
Other liabilities not in the fund statements	(671,677)
Long-term liabilities (excluding net pension liabilities) are not due and payable in the current period and, therefore, are not reported in the fund statements	<u>(35,852,221)</u>
Net deficit of governmental activities	<u><u>\$ (25,825,140)</u></u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2017

	General	Public Safety Income Tax	State Grants	MECA Emergency Communication	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 180,556,457	\$ 40,597,449	\$ -	\$ 2,670,000	\$ 8,519,880	\$ 232,343,786
Intergovernmental	16,213,880	10,669	5,670,269	-	6,503,255	28,398,073
Interest	1,779,171	-	-	3,172	3,516	1,785,859
Charges for services	9,282,118	-	-	6,414,900	17,133,537	32,830,555
Traffic violations and court fees	1,981	-	-	-	3,422	5,403
Contributions	2,345,611	-	-	-	-	2,345,611
Miscellaneous	1,504,381	113	100	-	931,087	2,435,681
Total revenues	<u>211,683,599</u>	<u>40,608,231</u>	<u>5,670,369</u>	<u>9,088,072</u>	<u>33,094,697</u>	<u>300,144,968</u>
Expenditures						
Current:						
General government	99,450,978	14,552,498	3,053,391	-	25,396,779	142,453,646
Public safety	77,367,790	25,582,144	5,343,687	8,624,283	19,811,603	136,729,507
Culture and recreation	182,997	-	-	-	-	182,997
Debt service						
Redemption of notes	-	-	-	-	241,422	241,422
Interest	721,758	-	-	-	236,200	957,958
Lease payments	4,005,028	-	-	-	740,245	4,745,273
Capital outlays	17,340,960	4,794	121,157	-	1,787,572	19,254,483
Total expenditures	<u>199,069,511</u>	<u>40,139,436</u>	<u>8,518,235</u>	<u>8,624,283</u>	<u>48,213,821</u>	<u>304,565,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,614,088</u>	<u>468,795</u>	<u>(2,847,866)</u>	<u>463,789</u>	<u>(15,119,124)</u>	<u>(4,420,318)</u>
Other Financing Sources (Uses)						
Notes issued	-	-	-	-	616,396	616,396
Issuance of capital leases	16,853,957	-	-	-	-	16,853,957
Transfers in	6,192	4,603	537,824	-	19,409,106	19,957,725
Transfers out	(18,993,586)	(40,718)	(549,265)	-	(374,156)	(19,957,725)
Total other financing sources (uses)	<u>(2,133,437)</u>	<u>(36,115)</u>	<u>(11,441)</u>	<u>-</u>	<u>19,651,346</u>	<u>17,470,353</u>
Net change in fund balances	10,480,651	432,680	(2,859,307)	463,789	4,532,222	13,050,035
Fund (deficit) balances - beginning of year	<u>4,526,000</u>	<u>(74,019)</u>	<u>3,378,115</u>	<u>(28,198)</u>	<u>22,110,760</u>	<u>29,912,658</u>
Fund balances - end of year	<u>\$ 15,006,651</u>	<u>\$ 358,661</u>	<u>\$ 518,808</u>	<u>\$ 435,591</u>	<u>\$ 26,642,982</u>	<u>\$ 42,962,693</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2017

Net changes in fund balances - total governmental funds	\$	13,050,035
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation expense is not reported in the fund statements, but is reported as a decrease in net position in the statement of activities		(5,898,860)
Capital outlays are reported as expenditures in the fund statements, but are reported as additions to capital assets in the statement of net position		18,398,025
Donations of capital assets not recorded in the fund statements		1,440,585
Loss on disposals of capital assets not recorded in the fund statements		(1,094,066)
Expenses in the statement of activities that are not expenditures recorded in the fund statements		(81,899)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements		10,095,181
Revenues in the fund statements but not in the current year statement of activities due to the current financial resources focus of the governmental funds		(10,286,064)
Note payable payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities		241,422
Notes issued reported as financing sources in the fund statements but as additions to long-term liabilities in the statement of net position		(616,396)
Change in net position of internal service funds reported with governmental activities		(2,413,060)
Decrease in compensated absences that is not reported in the fund statements		248,217
Capital lease payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities		4,745,273
Inception of capital lease recorded as other financing sources in the fund statements but not recorded in the statement of activities		(16,853,957)
Net increase in the postemployment benefit obligation that is not reported in the fund statements		(516,000)
Pension expense recognized in the statement of activities in excess of pension contributions recognized as expenditures in the fund statements		(7,862,990)
Change in net position of governmental activities	\$	<u>2,595,446</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position - Proprietary Fund
December 31, 2017

	<u>Internal Service Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 7,775,396
Investments	410,687
Due from other governments	2,850,442
Total current assets	<u>11,036,525</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation):	
Furniture and equipment	6,958,512
Software	7,929,682
Total capital assets (net of accumulated depreciation)	<u>14,888,194</u>
Total assets	25,924,719
Deferred Outflows of Resources	
Deferred outflows - pensions	379,697
Total assets and deferred outflows of resources	<u>26,304,416</u>
Liabilities	
Current Liabilities	
Accounts payable	3,848,822
Accrued payroll and payroll taxes	42,757
Compensated absences	117,613
Capital lease obligation - current	1,636,017
Total current liabilities	<u>5,645,209</u>
Noncurrent Liabilities	
Capital lease obligation	2,911,165
Net pension liability	1,445,752
Total noncurrent liabilities	<u>4,356,917</u>
Total liabilities	10,002,126
Deferred Inflows of Resources	
Deferred inflows - pensions	97,418
Total liabilities and deferred inflows of resources	<u>10,099,544</u>
Net Position	
Unrestricted	<u>\$ 16,204,872</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Fund
For the Year Ended December 31, 2017

	<u>Internal Service Fund</u>
Operating Revenues	
Charges for services	\$ 29,113,718
Miscellaneous	23,383
Total operating revenues	<u>29,137,101</u>
Operating Expenses	
Services and charges	24,615,772
Administration, including salaries and wages	2,229,475
Depreciation and amortization	4,424,874
Other	81,267
Total operating expenses	<u>31,351,388</u>
Operating loss	<u>(2,214,287)</u>
Nonoperating Expenses	
Interest expense	(198,773)
Total nonoperating expenses	<u>(198,773)</u>
Change in Net Position	
Total net position - beginning of year	<u>18,617,932</u>
Total net position - end of the year	<u><u>\$ 16,204,872</u></u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2017

	Internal Service Fund
Cash Flows From Operating Activities	
Receipts from users	\$ 30,391,857
Payments for services	(22,885,648)
Payments for administration	(2,471,338)
Net cash provided by operating activities	5,034,871
Cash Flows From Capital and Related Financing Activities	
Purchases of capital assets	(39,667)
Payment on notes payable	(1,341,388)
Payment of capital lease obligations	(1,892,264)
Interest expense payments	(198,773)
Net cash used in capital and related financing activities	(3,472,092)
Cash Flows From Investing Activities	
Purchases of investments	(410,687)
Net cash used in investing activities	(410,687)
Net Increase in Cash and Cash Equivalents	1,152,092
Cash and Cash Equivalents, January 1	6,623,304
Cash and Cash Equivalents, December 31	\$ 7,775,396
Noncash Investing, Capital and Financing Activities	
Issuance of capital leases	\$ 593,381
Total noncash investing, capital and financing activities	\$ 593,381
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ (2,214,287)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization expense	4,424,874
Changes in assets and liabilities:	
Due from other governments	1,254,756
Deferred outflows - pensions	322,233
Accounts payable and accrued liabilities	1,747,062
Net pension liability	(457,700)
Deferred inflows - pensions	(42,067)
Total adjustments	7,249,158
Net cash provided by operating activities	\$ 5,034,871

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2017

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 34,462,782	\$ 92,422,588
Investments	176,762,660	17,583,126
Accounts receivable	10,611,754	26,392,864
Total current assets	221,837,196	\$ 136,398,578
Liabilities		
Accounts payable	252,507	\$ -
Amounts held in custody	-	136,172,176
Due to other funds	-	226,402
Total current liabilities	252,507	\$ 136,398,578
Net Position		
Net position restricted for pensions	221,584,689	
Total net position	\$ 221,584,689	

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended December 31, 2017

	Pension Trust Funds
Additions	
Employer contributions	\$ 9,822,249
Employee contributions	696,277
Investment income	7,848,129
Unrealized gains	12,841,399
Total additions	31,208,054
Deductions	
Benefit payments	14,381,440
Administrative expense	187,839
Total deductions	14,569,279
Change in Net Position Restricted for Pensions	
Total net position restricted for pensions - beginning of year	16,638,775 204,945,914
Total net position restricted for pensions - end of the year	\$ 221,584,689

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

Marion County, Indiana (“County”), was incorporated as a unit of local government by the State of Indiana in 1822, to be governed by the following officials, each of whom is granted certain independent executive authority under the State Constitution:

County Auditor	County Prosecutor	County Surveyor
County Treasurer	County Recorder	Clerk of the Circuit Court
County Coroner	County Sheriff	Judge of the Circuit Court

The legislature of the State of Indiana has provided for certain additional elected officials who are not mentioned in the Constitution to exercise certain independent executive authority. These are the county assessor and superior court judges.

On January 1, 1970, the governments of the City of Indianapolis (“City”) and the County were unified (“Consolidated City of Indianapolis – Marion County” or “Unigov”), in accordance with Indiana Code (“IC”), Section 36-3. Their form of service delivery was consolidated and certain service boundaries of the City were extended to generally coincide with those of the County. Four other municipalities (Speedway, Lawrence, Southport and Beech Grove) located within the County boundaries are specifically excluded from most functions of Unigov by the consolidating act.

In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity* (“GASB Statement No. 14”) and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* (“GASB Statement No. 61”), the County is considered a component unit of the Consolidated City of Indianapolis - Marion County. The elected officials and the Mayor, as the County Chief Executive, serve as the executive body for both the City and the County, while the City-County Council (“Council”) serves as the legislative body for both the City and the County. The Circuit Court and Marion Superior Court serve as the judicial body of the County. Otherwise, the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations, and accountability for fiscal matters.

Based on the criteria established in GASB Statement No. 14 and GASB Statement No. 61, the County has no component units under the current financial reporting requirements.

Government-Wide and Fund Financial Statements

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all local taxes.

Following the government-wide financial statement are separate financial statements for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements since their resources are not available to fund County operations. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the period in which the tax levy and rates are certified, which is the period for which the taxes 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*. Under this basis of accounting, revenues are recognized as they become susceptible to accrual; generally, as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, including taxes other than property taxes, the County considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants, and interest on investments. Bonds and notes issued are recorded as other financing sources, along with any related premium or discounts.

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

- 1) Expenditures related to compensated absences and claims and judgments are recorded only when payment is due (i.e., matured).
- 2) Prepaid expenditures are not recorded as an asset in the fund financial statements.
- 3) Unmatured debt and accrued interest are not reported because they are not expected to be liquidated currently with expendable available financial resources.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

For financial reporting purposes, groups nonexchange transactions are grouped into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government-mandated nonexchange transactions, and voluntary nonexchange transactions.

The County recognizes assets from derived tax revenue transactions (such as local income tax) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred and the resources are available. Resources received in advance in relation to derived tax revenue nonexchange transactions are reported as liabilities until the period of exchange.

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

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units, and government-mandated nonexchange transactions are generally recognized as revenues in the period when all eligibility requirements have been met. For these types of transactions, resources received before eligibility requirements are met (excluding time requirements) are reported as liabilities, while resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources in accordance with GASB 65, *Items Previously Reported as Assets and Liabilities*.

Charges for services in the governmental funds, which are exchange transactions are recognized as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available.

All proprietary funds and pension trust funds are accounted for using the same measurement focus and basis of accounting as the government-wide financial statements. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, except as to the accounting for certain pension costs. Unfunded pension liabilities are recorded in the government-wide and proprietary fund financial statements as long-term liabilities due in more than one year.

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The following are the County's major governmental funds:

The *General Fund* is used to account for all receipts and disbursements applicable to the general operations of governmental agencies of the County, except those required to be accounted for in another fund. All operating receipts that are not restricted as to use by sources external to the County are recorded in the General Fund.

The *Public Safety Income Tax*, a special revenue fund, accounts for public safety income tax receipts that are to be appropriated for use by public safety related agencies.

The *State Grant Fund*, a special revenue fund, accounts for state grant programs received from the State of Indiana Department of Corrections, Indiana Criminal Justice Institute, Indiana Division of Family and Children, and various other state agencies.

The *MECA Emergency Communication*, a special revenue fund, created in 1999 by General Ordinance #148, based on guidance for E-911 fees collected under IC 36-8-16.7. Monies in this fund shall be used only for the purpose allowed by IC 36-8-16.7.

The other governmental funds of the County are considered nonmajor. They include *special revenue funds*, which account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and *capital projects funds*, which account for financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the County reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis. An internal service fund has been established for the County's Information Services Agency, which provides information technology services to other agencies of the County, and to the City, on a cost reimbursement basis.

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the two single employer pension plans of the County. Agency funds are custodial in nature and do not present results of operations. These funds account for the collection, distribution, and escrow of various tax types, fees, and set aside funding.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic 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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all local taxes. State-shared revenues are reported as grants and contributions not restricted to specific functions, unless they are restricted to specific functions, in which case they are reported as operating grants and contributions.

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

Proprietary funds report operating revenues and expenses (those related to goods sold and services provided to customers (other funds, departments or agencies)). All other revenues and expenses are reported as nonoperating.

Stewardship, Compliance and Accountability

Annual budgets are adopted on a budgetary basis, which is essentially the cash basis with the exception of revenues received in the current year but budgeted for in a prior year and that encumbrances and certain accounts payable are treated as expenditures. All annual appropriations lapse at the end of the calendar year, except for capital project funds, which are budgeted on a project basis.

Prior to the first required publication, the Mayor submits to the City-County 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 City-County Council to obtain taxpayer comments. In October of each year, the City-County Council, through the passage of an ordinance, approves the budget for the next year. The budget becomes legally certified after approval from the State of Indiana Department of Local Government Finance.

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations for tax-supported funds require approval of the City-County Council and the State of Indiana Department of Local Government Finance.

Cash, Cash Equivalents and Investments

The County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2017, cash equivalents consisted primarily of money market mutual funds, overnight repurchase agreements, mutual funds and collective investment trusts. Investments are stated at fair value. Fair values for investments are determined by closing market prices at year-end as reported by the investment custodian.

A substantial portion of the County's cash resources are combined to form a cash and investment pool managed by the County Treasurer. All earnings from the pooled investments under Indiana Code 5-13-9-6 are required to be retained in the County's General Fund, except as otherwise provided by law.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Receivables

All property tax and other receivables are shown net of an allowance, if any, for uncollectible balances. There is no allowance at December 31, 2017.

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

Inventory

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

Capital Assets

Capital assets, which include land, buildings, improvements, furniture, equipment and vehicles are reported in the government-wide financial statements. Capital assets are defined by the County as assets with cost or acquisition value beyond prescribed levels and estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The prescribed capitalization levels for the County are as follows:

All land acquired by the County is capitalized. Land improvements of \$25,000 or greater are capitalized.

All buildings and improvements of \$75,000 or greater are capitalized.

Equipment and vehicles of \$5,000 or greater are capitalized.

Intangible assets such as computer software are required to be reported as capital assets under GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Other intangible assets are capitalized if the historical cost or acquisition value is \$100,000 or greater.

Depreciation is provided over the following estimated useful lives using the straight-line method:

	<u>Years</u>
Buildings	50
Building improvements	20
Furniture, equipment and vehicles	3 - 20
Software	5 - 15

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Unearned Revenue

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

Compensated Absences

County employees earn benefit leave days (in lieu of all vacation, sick, and other accrued leave time), which accumulate to a maximum of 37 days per year, depending on length of service. A total of 165 hours (based on a 37.5-hour work week) or 176 hours (based on a 40-hour work week) earned benefit leave can be carried forward to subsequent years. Accumulated unused sick leave earned before September 1, 1994 is payable only upon the death or retirement of an employee, and only half the accumulated sick leave is then payable.

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated benefit and sick leave days are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. The entire cost of benefit and sick leave is recorded in the government-wide financial statements as a current liability as it is expected to be used within one year.

Interfund Transactions

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

Transfers

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

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures or expenses if they involved organizations external to the County.

Certain internal payments are treated as a reduction of expense, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statement except for amounts reported in funds as receivable from or payable to fiduciary funds, which are reported as receivables or payables to external parties.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Deferred Outflows of Resources and Deferred Inflows of Resources

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

The County reports both deferred outflows of resources and deferred inflows of resources in the government-wide statement of net position for pension items.

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

Net Position/Fund Balances

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

Net investment in capital assets - This category is comprised of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition or construction of those assets.

Restricted - This category consists of resources that have external restrictions imposed by outside parties (e.g., creditors, grantors, contributors) or by law through constitutional provisions or enabling legislation.

Unrestricted - This category represents resources of the County that are not subject to externally imposed restrictions and that may be used to meet the ongoing obligations to the public and creditors.

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

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

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

Nonspendable - This consists of resources that are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This consists of resources that can be spent only for the specific purpose stipulated by constitutional provisions, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.

Committed - This consists of resources that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority. The County's highest level of decision-making authority rests with the Council. Resources are reported as committed by the Council through passage of an ordinance. The Council can modify or rescind a commitment of resources through passage of a new ordinance.

Assigned - This consists of resources constrained by the government's intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of \$1,407,338, which have been assigned to cover future purchases.

Unassigned - This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed or assigned. The general fund is the only fund that reports a positive unassigned fund balance.

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

Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Marion County Sheriff's Department Personnel Retirement Plan, the Marion County Sheriff's Department Personnel Benefit Plan and the Indiana Public Employees' Retirement Fund, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Use of Estimates

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

Future Adoption of Accounting Standards

GASB has issued a number of pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the County:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- GASB Statement No. 83, *Certain Asset Retirement Obligations*
- GASB Statement No. 84, *Fiduciary Activities*
- GASB Statement No. 85, *Omnibus 2017*
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*
- GASB Statement No. 87, *Leases*
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 2: Deposits and Investments

The County's deposits and investments are reflected in the financial statements at December 31, 2017 as follows:

Cash and cash equivalents - governmental funds	\$ 45,104,340
Cash and cash equivalents - internal service fund	7,775,396
Cash and cash equivalents subtotal - governmental activities	52,879,736
Investments - governmental funds	2,484,229
Investments - internal service fund	410,687
Investments subtotal - governmental activities	2,894,916
Cash and cash equivalents - pension trust funds	34,462,782
Investments - pension trust funds	176,762,660
Cash and cash equivalents - agency funds	92,422,588
Investments - agency funds	17,583,126
Total deposits and investments	\$ 377,005,808

Deposits

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

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

Investments

Investment Policy - Primary Government

Indiana statutes authorize the County to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, municipal securities of Indiana issuers that have not defaulted during the previous twenty years, certificates of deposit and open-end money market mutual funds. It is the policy of the County to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state/local statutes governing the investment of public funds.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The primary objectives, in priority order, of the County's investment activities are as follows:

Safety: Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that no individual investment has a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.

Liquidity: The County's investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that might be reasonably anticipated.

Return on Investments: The County's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the County's investment risk constraints and the cash flow characteristics of the portfolio.

Investment Policy – Marion County Sheriff's Department Personnel Retirement and Disability Plans

The primary objectives for the investment activities of the Marion County Sheriff's Retirement and Disability Plans shall be the following:

Time Horizon: Investment guidelines are based upon an investment horizon of greater than five years.

Risk Tolerances: To achieve the long-term objectives of the plans, the following factors are considered when establishing the risk tolerance.

1. Each plan's financial condition.
2. Liquidity reserves are established, and any remaining assets are fully invested at all times.

Performance Expectations: The desired investment objective is a long-term rate of return on assets that is at least 8.1%. Additionally, it is expected the return will be at least 5.3% greater than the anticipated rate of inflation as measured by the Consumer Price Index.

Asset Allocation Constraints: The Board has reviewed the long-term performance characteristics of various asset classes, focusing on balancing risks and rewards and has selected the following asset classes for allowable investments:

1. Domestic large-capitalization equities
2. Domestic small-capitalization equities
3. International equities
4. Domestic fixed income
5. Cash equivalents

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The County's investment policy provides that the County seek to minimize the risk that the fair value of securities in its portfolio will decrease due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The County may invest in securities for more than two years and not more than five years in accordance with IC 5-13-9-5.7. Under this policy, investments having maturities of more than two years are limited to 25% of the total portfolio. In accordance with Indiana statutes, this policy will expire four years from its effective date of December 18, 2014.

Below is a segmented time distribution for the County's investments at December 31, 2017:

	Fair Value	Investment	Investment
		Maturities (in Years)	Maturities (in Years)
		Less Than 1	1-2
U.S. Government-sponsored enterprise securities			
Federal home loan mortgage corporation	\$ 248,565	\$ -	\$ 248,565
Federal national mortgage association	1,493,769	1,246,504	247,265
Federal home loan bank	1,247,070	998,682	248,388
Total U.S. Government-sponsored enterprise securities	2,989,404	2,245,186	744,218
United States treasury notes	993,130	-	993,130
Municipal bonds	1,370,849	-	1,370,849
Money market mutual funds	4,411,241	4,411,241	-
Overnight repurchase agreements	428,226	428,226	-
Mutual funds - bond	70,931,602	70,931,602	-
Mutual funds - equity	91,471,510	91,471,510	-
Mutual funds - international equity	14,359,548	14,359,548	-
State external investment pool - TrustIndiana	3,702,508	3,702,508	-
	<u>\$ 190,658,018</u>	<u>\$ 187,549,821</u>	<u>\$ 3,108,197</u>

Credit Risk

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

At December 31, 2017, the County's investments were rated by Standard & Poor's, Moody's, or Fitch as follows:

	Fair Value	Aaa/AAA	Not Rated
U.S. Government-sponsored enterprise securities			
Federal home loan mortgage corporation	\$ 248,565	\$ 248,565	\$ -
Federal national mortgage association	1,493,769	1,493,769	-
Federal home loan bank	1,247,070	1,247,070	-
Total U.S. Government-sponsored enterprise	2,989,404	2,989,404	-
United States treasury notes	993,130	993,130	-
Municipal bonds	1,370,849	1,370,849	-
Money market mutual funds	4,411,241	4,411,241	-
Mutual funds - bond	70,931,602	-	70,931,602
State external investment pool - TrustIndiana	3,702,508	-	3,702,508
	<u>\$ 84,398,734</u>	<u>\$ 9,764,624</u>	<u>\$ 74,634,110</u>

Custodial Credit Risk

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

The County's investments in money market mutual funds and an external investment pool are not exposed to custodial credit risk because their existence are not evidenced by securities that exist in physical or book entry form. At December 31, 2017, all of the County's remaining investments and collateral securities pledged against County investments are held by the counterparty's trust department or agent in the County's name and are therefore not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investment in a single issuer. It is the policy of the County to diversify its investment portfolio to avoid incurring undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities or to investments held in the pension trust funds.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

As of December 31, 2017, investments that represent 5% or greater of the combined assets of the Retirement and Disability Plans include the following:

Investment	Fair Value
Vanguard Stk Mkt Inst	\$ 49,718,600
Blackrock Total Return-BR	17,301,857
Janus Flexible Bond Fund	17,250,516
Loomis Sales Strategic Alpha	15,131,740
Reams Unconstrained Bond Fund	15,038,895
Fidelity Low Price STK Fund	14,646,132
Vanguard Total International Stock Index Instl	14,359,548
Mainstay Epoch Global EQ YLD-I	14,315,345
Putnam Capital Spectrum Fund CLY	12,791,432
	<u>\$ 170,554,065</u>

Foreign Currency Risk

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

Note 3: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Investment by fair value level			
U.S. Government-sponsored enterprise securities			
Federal home loan mortgage corporation	\$ 248,565	\$ -	\$ 248,565
Federal national mortgage association	1,493,769	-	1,493,769
Federal home loan bank	<u>1,247,070</u>	<u>-</u>	<u>1,247,070</u>
Total U.S. Government-sponsored enterprise	2,989,404	-	2,989,404
United States treasury notes	993,130	993,130	-
Municipal bonds	1,370,849	-	1,370,849
Money market mutual funds	4,411,241	4,411,241	-
Overnight repurchase agreements	428,226	428,226	-
Mutual funds - bond	40,755,568	40,755,568	-
Mutual funds - equity	91,471,510	91,471,510	-
Mutual funds - international equity	<u>14,359,548</u>	<u>14,359,548</u>	<u>-</u>
Total investments measured at fair value	156,779,476	<u>\$ 152,419,223</u>	<u>\$ 4,360,253</u>
Investments measured at the net asset value (NAV) (a)			
State external investment pool - TrustIndiana	3,702,508		
Columbus Unconstrained Bond Fund, LLC	15,038,895		
Loomis Sayles Strategic Alpha Fund	<u>15,137,139</u>		
Total	<u>\$ 190,658,018</u>		

- (a) Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net position.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Investments at NAV

TrustIndiana, a local government investment pool, seeks to allow local units of government, as well as the State of Indiana, to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly liquid and maximizes the return on the investment. There are no unfunded commitments or restrictions on redemptions.

The Columbus Unconstrained Bond Fund, LLC is an alternative asset fund that seeks to maximize risk-adjusted total return by systematically pursuing relative value opportunities throughout all sectors of the fixed income market. There are no unfunded commitments or restrictions on redemptions.

The Loomis Sayles Strategic Alpha Fund seeks to provide an attractive absolute total return, complemented by prudent investment management designed to manage risks and protect investor capital. The secondary goal of the Fund is to achieve these returns with relatively low volatility. There are no unfunded commitments or restrictions on redemptions.

Note 4: Property Taxes

Property taxes levied for all governmental entities located within Marion County are collected by the Marion County Treasurer ("Treasurer"). On or before August 1 each year, the Marion County Auditor ("Auditor") must submit to each underlying taxing unit a statement of (i) the estimated assessed value ("AV") of the taxing unit as of March 1 of that year, and (ii) an estimate of the taxes to be distributed to the taxing unit during the last six months of the current budget year. The estimated value is based on property tax lists delivered to the Marion County Auditor by the Marion County Assessor on or before July 1.

The estimated value is used when the Council meets to establish its budget for the next fiscal year (January 1 through December 31), and to set tax rates and levies. The budget, tax rates and levy must be adopted no later than November 1. The budget, tax levy and tax rate are subject to review and revision by the Indiana Department of Local Government Finance ("DLGF") which, under certain circumstances, may revise, reduce or increase the budget, tax rate, or levy of the County. The DLGF may increase the tax rate and levy if the tax rate and levy proposed by the County is not sufficient to make its debt service or lease rental payments. The DLGF must certify the levy on or before February 15 of the year following the property tax assessment, which then gives taxing units the ability to accurately project revenue loss due to the circuit breaker impact.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Circuit breakers were enacted by the Indiana General Assembly in 2008 and are better known as property tax caps. The cap guarantees that property tax rates in overlapping districts cannot exceed a certain capped percent of the parcel's gross assessed value. The circuit breaker amount represents property tax liability waived because the parcel is above the level allowed under the property tax caps. The property tax caps are as follows:

Maximum liability equals 1% of parcel AV - homesteads;

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

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

Taxes are distributed by the Auditor to the County and other units of government by June 30 and December 31 of each year. The County can request advances of its share of collected taxes from the Treasurer once the levy and tax rates are certified by the DLGF.

As noted above, the assessment (or lien) date for Indiana property taxes is January 1 of each year; however, the County does not recognize a receivable on the assessment date since the amount of property taxes to be collected cannot be measured until the levy and tax rates are certified in the subsequent year.

Typically, property tax bills are mailed in April and October of each year and are due and payable by the property owners in May (spring) and November (fall), respectively. Property tax billings are considered delinquent if they are not paid by the respective due date, at which time the applicable property is subject to lien, and penalties and interest are assessed. Appeals may be filed within 45 days following the date the bills are mailed.

Changes in assessed values of real property occur periodically as a result of general reassessments required by the State legislature, as well as when changes occur in the property value due to new construction, demolition or improvements.

Property taxes outstanding at December 31, 2017, net of an allowance for uncollectible amounts, are recorded as a receivable in the governmental fund and government-wide financial statements. However, for the governmental fund financial statements, all property tax receivable amounts are offset by deferred inflows of resources.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 5: Tax Abatements

The County promotes a series of real and personal property tax abatement programs available under Indiana law, including:

Real Property Tax Abatement (IC 6-1.1-12.1)

Real property tax abatements are achieved through the phase-in of real property tax obligations from the improvements being made. The phase-in can span a period of one to ten years and is based on a declining percentage of the increase in assessed value of such improvements.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and the economic impact of project. The City's Metropolitan Development Commission ("MDC") is responsible for approving the abatement and determining the time period for the abatement. In some cases, City-County Council approval is also required for the abatement. Required approval(s) must occur before construction permits are obtained.

Personal Property Tax Abatement (IC 6-1.1-12.1)

Similarly, personal property tax abatements for manufacturing, research and development, information technology and logistics/distribution equipment are accomplished through the phase-in of personal property tax obligations over a one to ten year period, based on a declining percentage of the assessed value of the newly installed equipment.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and the economic impact of project. MDC and possibly City-County Council approval is required and must occur prior to the equipment being operational and the MDC determines the time period for the abatement.

Vacant Building Abatement (IC 6-1.1-12.1)

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year.

The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the MDC. Prior approval of the MDC must occur before occupying the facility and the MDC determines the time period for the abatement.

All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

In return for such abatements, the City generally commits to permit, zoning and job training assistance. An abatement can be terminated if the MDC determines that the commitments made by the company receiving the abatement were not met and, per statute, such non-compliance was not due to factors beyond the company's control. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient ("AVGQ"). Statutory property tax caps for homesteads, agricultural and other residential, and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps ("circuit breaker credits") reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The estimated gross amount, on an accrual basis, by which the County's property tax revenues (payable 2017 taxes) were reduced as a result of the aforementioned abatement programs that have been entered into by the City of Indianapolis follows:

Real Property Tax Abatement	\$ 814,246
Personal Property Tax Abatement	1,363,864
Vacant Building Abatement	<u>4,227</u>
Total	<u><u>\$ 2,182,337</u></u>

While the County has calculated the potential impact of existing tax abatements on its property tax revenues for 2017, as shown above, the actual extent of lost revenues is something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

Note 6: Receivables Disaggregation

Accounts receivable as of December 31, 2017, for the County are as follows:

	Accounts	Due From Other Governments	Total Accounts Receivable
Governmental Activities			
General Fund	\$ 3,746,350	\$ 2,282,366	\$ 6,028,716
MECA Emergency Communication	3,663,330	-	3,663,330
Other Nonmajor Governmental Funds	858,553	768,016	1,626,569
Internal Service Fund	<u>-</u>	<u>2,850,442</u>	<u>2,850,442</u>
Total governmental activities	<u><u>\$ 8,268,233</u></u>	<u><u>\$ 5,900,824</u></u>	<u><u>\$ 14,169,057</u></u>

Accounts receivable include certain taxes (other than property taxes), fees and charges and amounts due from other governments.

Note 7: Due From Federal and State Governments

Amounts due under federal grants at December 31, 2017 for specific programs and capital projects include:

	Governmental Activities		
	State Grants	Other Nonmajor Governmental	Total
Reimbursements under federal grants:			
Department of Justice (DOJ)	\$ -	\$ 743,819	\$ 743,819
Department of Health and Human Services (HHS)	-	150,206	150,206
State of Indiana	<u>262,446</u>	<u>45,615</u>	<u>308,061</u>
Total governmental activities	<u><u>\$ 262,446</u></u>	<u><u>\$ 939,640</u></u>	<u><u>\$ 1,202,086</u></u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 8: Capital Assets

Following is a summary of changes in capital assets for the County's governmental activities for the year ended December 31, 2017:

	January 1, 2017	Transfers/ Additions	Transfers/ Disposals	December 31, 2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 721,051	\$ -	\$ 65,879	\$ 655,172
Total capital assets not being depreciated	<u>721,051</u>	<u>-</u>	<u>65,879</u>	<u>655,172</u>
Capital assets being depreciated:				
Buildings	114,359,068	16,821,407	472,865	130,707,610
Improvements	31,455,544	-	353,139	31,102,405
Furniture and equipment	26,232,431	2,672,811	519,940	28,385,302
Vehicles	9,368,356	970,012	662,755	9,675,613
Software	13,975,356	7,430	-	13,982,786
Total capital assets being depreciated	<u>195,390,755</u>	<u>20,471,660</u>	<u>2,008,699</u>	<u>213,853,716</u>
Less accumulated depreciation for:				
Buildings	73,792,376	3,378,360	-	77,170,736
Improvements	9,773,901	1,433,994	-	11,207,895
Furniture and equipment	13,388,774	3,705,373	475,848	16,618,299
Vehicles	6,906,558	758,583	504,664	7,160,477
Software	4,999,326	1,047,424	-	6,046,750
Total accumulated depreciation	<u>108,860,935</u>	<u>10,323,734</u>	<u>980,512</u>	<u>118,204,157</u>
Total capital assets being depreciated, net	<u>86,529,820</u>	<u>10,147,926</u>	<u>1,028,187</u>	<u>95,649,559</u>
Governmental activities capital assets, net	<u>\$ 87,250,871</u>	<u>\$ 10,147,926</u>	<u>\$ 1,094,066</u>	<u>\$ 96,304,731</u>

Within the statement of activities, depreciation expense was charged to functions/programs of the County during 2017 as follows:

Governmental Activities:	
Administration and finance	\$ 524,401
Protection of people and property	724,578
Corrections	1,561,183
Judicial	3,039,105
Real estate and assessments	8,803
Health and welfare	40,790
Depreciation on capital assets held by the government's internal services are charged to the administration and finance function	<u>4,424,874</u>
Total depreciation and amortization, governmental activities	<u>\$ 10,323,734</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 9: Accounts Payable and Other Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2017 for the County are as follows:

	Vendors	Due to Other Governments	Claims and Settlements	Total Payables
Governmental activities				
General Fund	\$ 3,175,015	\$ 458,870	\$ -	\$ 3,633,885
Public Safety Income Tax Fund	-	3,806	-	3,806
State Grants	228,051	13,683	-	241,734
Other Nonmajor Governmental	1,163,616	28,016	-	1,191,632
Internal Service Fund	3,802,527	46,295	-	3,848,822
Adjustment to government-wide	-	-	671,677	671,677
	<u>-\$ 8,369,209</u>	<u>\$ 550,670</u>	<u>\$ 671,677</u>	<u>\$ 9,591,556</u>
Total governmental activities				

Note 10: Leases and Management Contracts

Lessee Arrangements

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

The City and the County lease the office building and parking lot facilities they share, among other properties, from the Building Authority. The Building Authority is a separate municipal corporation, acting as a joint building authority, whose purpose is to finance, acquire, construct, improve, renovate, equip, operate, maintain, and manage land, governmental buildings and communication systems for governmental entities within Marion County. Such facilities are sometimes financed by the Building Authority through the issuance of bonded debt.

The Building Authority enters into long-term lease agreements, primarily with the City and the County, which provide for sufficient rent to service the debt (“Fixed Rentals”) and offset budgeted operating costs (“Additional Rentals”) of the leased facilities. All of the leases contain renewal and purchase options and provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. If the purchase options are not exercised, the leases generally provide for the transfer, upon expiration of the lease, of ownership of the facilities to the lessee governments free and clear of all obligations of the lease.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The governing Indiana statute with respect to each of the Building Authority’s leases provides that the lessee governments shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. During 2017, the County paid \$966,000 and \$7,357,831, respectively, in Fixed Rentals and Additional Rentals. Fixed Rental obligations are accounted for as capital leases and are discussed further in Note 11, while Additional Rental obligations are treated as operating leases. The County’s lease agreements with the Building Authority expire on various dates through 2024.

The City and the County have also entered into a number of management contracts with the Building Authority. Such contracts provide for the construction, operation and/or maintenance of facilities for use by various departments of the City and the County. In some instances, the City and the County advance funds to the Building Authority for construction of new facilities. In other instances, management contracts are established for existing facilities. Under each of their management contracts, the City and the County designate the Building Authority as their agent and manager for purposes of constructing, maintaining and/or managing the facilities. Like Additional Rentals, annual Maintenance Fees are payable to the Building Authority for facilities covered under management contracts and vary each year based on the operating expense budgets for the facilities. During 2017, the County paid the Building Authority \$127,300 in Maintenance Fees. The County’s only management contract automatically renews on an annual basis.

Other Lessee Arrangements

The County, as lessee, has also entered into various other operating leases for rental of equipment and properties. Total rental expense in relation to other operating leases was \$1,573,885 for governmental activities for 2017. The leases expire at various dates through 2034.

Minimum future payments on all noncancelable operating leases as of December 31, 2017 are as follows:

2018	\$	1,452,499
2019		1,260,574
2020		958,610
2021		421,494
2022		261,872
2023 - 2027		1,151,309
2028 - 2032		749,295
2033 - 2037		217,917
Total future minimum payments	\$	6,473,570

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 11: Capital Lease Obligations

The County enters into financing arrangements for capital leases from time to time, which for accounting purposes are considered capital lease obligations. These include the previously disclosed leases for certain facilities financed through and maintained by the Building Authority. At December 31, 2017, the total net book value of capital assets under such leases was \$35,730,947 and the related capital lease obligations amounted to \$29,684,042.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2017.

2018	\$ 5,677,406
2019	4,464,700
2020	3,592,696
2021	3,306,667
2022	2,445,891
2023 - 2027	7,363,994
2028 - 2032	8,332,370
2033 - 2037	576,241
	35,759,965
Amount representing interest	(6,075,923)
	\$ 29,684,042

Note 12: Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2017 follow:

	January 1, 2017	Additions	Reductions	December 31, 2017	Due Within One Year
Governmental Activities:					
Capital lease payable	\$ 18,874,240	\$ 17,447,338	\$ 6,637,536	\$ 29,684,042	\$ 4,705,105
Note payable	1,786,238	616,396	1,582,810	819,824	445,529
Net pension liabilities	177,988,548	30,959,842	44,985,364	163,963,026	-
Postemployment benefit obligation	1,320,000	1,103,000	587,000	1,836,000	-
Accrued compensated absences	8,413,803	11,417,843	11,654,496	8,177,150	8,063,234
Total governmental activities	\$ 208,382,829	\$ 61,544,419	\$ 65,447,206	\$ 204,480,042	\$ 13,213,868

As discussed later in these notes, the County provides pension and postemployment healthcare benefits for employees of the Marion County Sheriff's Department. Civilian employees may continue healthcare coverage but are required to contribute 100% of their annual premium. The County's single employer pension plans are funded on a "pay-as-you-go" basis.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Additionally, long-term liabilities for benefit and sick leave earned but not paid and certain claims and judgments are recorded in the government-wide statements. Other long-term liabilities such as these are generally to be liquidated by the General Fund.

Note 13: Pension Plans

The County participates in three separate defined-benefit pension plans. The Public Employees' Retirement Fund of Indiana ("PERF"), administered by the Indiana Public Retirement System ("INPRS"), applies to all full-time County employees. The Marion County Sheriff's Department Personnel Retirement Plan ("Sheriff's Retirement Plan") and the Marion County Sheriff's Department Personnel Benefit Plan ("Sheriff's Disability Plan") covers former Marion County Sheriff Deputies, who effective 1/1/2007 were merged into the Indianapolis Metropolitan Police Department (IMPD). The Sheriff's Retirement and Disability Plans are both closed to new participants.

Marion County Sheriff's Retirement Plan and Sheriff's Disability Plan - Pension Trust Funds

Plan Descriptions

The Sheriff's Retirement Plan is a single-employer defined-benefit pension plan established to provide retirement, termination/severance, disability, and survivor benefits for a person employed by the Marion County Sheriff's Department as a County Police Officer, Sheriff, or Deputy Sheriff with full police power, as such terms are used in Indiana Code. IC 36-8-10-12 grants the authority to the Sheriff's Department and a trustee to establish and amend the benefit terms to the plan with approval of the City-County Council. The Sheriff's Retirement Plan was established on January 1, 1963 and is administered by the Marion County Sheriff's Department Pension Board ("Pension Board"), comprised of the Sheriff, two members who are participants in the plan elected by a secret vote of the participants of the plan, one member appointed by the Sheriff who is a pensioner currently receiving a benefit per the terms of the plan and one member appointed by the Sheriff from the tax-paying citizens. The County does not issue a separate financial report for this plan, which is included as a pension trust fund in this report.

The Sheriff's Disability Plan is a single-employer defined-benefit pension plan established to provide disability, death, and survivor/dependent benefits for a person employed by the Marion County Sheriff's Department as a County Police Officer, Sheriff, or Deputy Sheriff with full police power, as such terms are used in Indiana Code. IC 36-8-10, Sections 14, 15, 16 and 17, grant the authority to the Sheriff's Department and a trustee to establish and amend the benefit terms to the plan with approval of the City-County Council. The Sheriff's Disability Plan was established on November 1, 1972 and is also administered by the Pension Board. The County does not issue separate financials.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Plan Membership

The plan membership of the Sheriff’s Retirement and Disability Plans as of December 31, 2017 follows:

	Sheriff’s Retirement Plan	Sheriff’s Disability Plan
Inactive plan members or beneficiaries currently receiving benefits	359	111
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	3	280
Active plan members	226	226
Total	588	617

Funding Policy

The Marion County Sheriff’s Department intends to contribute to the Sheriff’s Retirement and Disability Plans each year such amounts as may be required to operate the plan on a sound actuarial basis. The minimum annual contribution by the Sheriff’s Department must be sufficient, as determined by the plans’ consultants, to prevent deterioration in the actuarial status of the trust funds during the year. According to IC 36-8-10-12(e), if the Sheriff’s Department fails to make minimum contributions for three successive years, the pension trusts terminate and the trust funds shall be liquidated. For the year ended December 31, 2017, the mandatory member contribution rate for the Sheriff’s Retirement Plan was 4.25% of annual pay and the actuarially determined employer contribution rate was 44.4% of annual payroll. For the year ended December 31, 2017, the actuarially determined employer contribution rate for the Sheriff’s Disability Plan was 10.1% of annual payroll.

Retirement and Severance Benefits - Sheriff’s Retirement Plan

The Sheriff’s Retirement Plan provides that the monthly retirement benefit shall be a pension payable for the member’s lifetime equal to 2.50% of the member’s average monthly wage received during the highest paid five calendar years before retirement plus one dollar (\$1.00); this sum is multiplied by the member’s years of credited service up to 20 years; plus an additional 2% of the member’s average monthly wage, as outlined above, multiplied by the member’s years of credited service in excess of 20 years up to an additional 12 years. Members are eligible to retire as of normal retirement for an unreduced benefit upon the earlier of the attainment of age 50 and completion of at least 20 years of credited service or attainment of age 55. A member’s normal retirement benefit is limited to 74% of the member’s average monthly wage, as outlined above, plus \$20.00.

A reduced early retirement benefit is available to members with at least ten years of credited service any time after attainment of age 30 with a reduction factor as defined in the plan legal document based upon age and credited service at the early retirement date.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

A member who continues employment beyond normal retirement age is eligible for a late retirement benefit upon actual retirement equal to the member's benefit earned in accordance to the normal retirement formula with credit given for subsequent service (provided that the 32-year credited service maximum shall not be exceeded in computing the benefit).

The severance benefit payable to a member prior to completion of ten years of credited service is a lump-sum payment of the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service. After completion of ten years of credited service, a member may elect to receive either a lump-sum, as outlined above, or a monthly benefit equal to the amount earned under the normal retirement benefit formula, using credited service as of the date of severance, with unreduced payment commencing on the member's normal retirement date or a reduced payment commencing at an earlier date with the reduction factor as defined in the plan legal document.

A member who retires as of an early, normal, or late retirement date, who has attained age 55 as of July 1 of the calendar year in which benefits are increased, and who is receiving monthly retirement benefits from the Plan for July of the payment calendar year shall be eligible for a cost of living adjustment ("COLA") applied until the member's death. The COLA shall be a percentage increase in the eligible retiree's monthly benefit equal to the percentage increase, if any, in the average of the Consumer Price Index prepared by the United States Department of Labor for the first three months of the payment calendar year over the average for the same three months of the preceding calendar year. However, the annual percentage increase shall not exceed two percent 2%.

Disability and Survivor Benefits - Sheriff's Retirement Plan

If a member separates employment due to disability, the member will receive the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service.

In the event of the death of a member of the Sheriffs' Retirement Plan, not from causes suffered in the line of duty, prior to age 30 or prior to completion of ten years of credited service, the designated beneficiary is entitled to receive a death benefit in the form of a lump-sum equal to the member's net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service.

In the event of the death of a member, not from causes suffered in the line of duty, who has attained age 30 and is credited with at least ten years of credited service, the designated beneficiary is entitled to receive a death benefit equal to the commuted value of the monthly benefit determined in accordance with the standard benefit definition, as though the member had severed employment immediately prior to death. Such commuted value is payable to the beneficiary in either the monthly amount that would have been payable to the member until the commuted value is exhausted or as an actuarially equivalent monthly annuity amount for the remainder of the beneficiary's life.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

In the event of the death of a member, from causes suffered in the line of duty, who has attained age 30 and is credited with at least ten years of credited service, the designated beneficiary is entitled to receive a death benefit equal to the commuted value of the monthly benefit determined in accordance with the standard benefit definition, as though the member had severed employment immediately prior to death. Such commuted value is payable to the beneficiary in either the monthly amount that would have been payable to the member until the commuted value is exhausted or as an actuarially equivalent monthly annuity amount for the remainder of the beneficiary's life.

Disability and Survivor Benefits - Sheriff's Disability Plan

If an eligible member of the Sheriffs' Disability Plan becomes disabled, the plan provides a monthly benefit payable for life or until recovery from the disability. The amount of the monthly benefit is equal to the retirement benefit to which the member would be entitled under the terms of the Retirement Plan at age 50, assuming 20 years of credited service if the disability was not incurred in the line of duty and 32 years of credited service if the disability was incurred in the line of duty. In addition, in the case of disability incurred in the line of duty, medical expenses resulting from such disability may be paid from the plan in an amount, if any, approved by the Pension Board.

Each eligible member is insured by a life insurance contract in the face amount of \$25,000, with a matching amount of accidental death insurance. The purchase and maintenance of the insurance contract is provided outside of the plan

In the event that an eligible member dies prior to the termination of employment for whatever reason or after actual retirement as of an early, normal, or late retirement date or for reason of disability, a \$200 monthly benefit is payable to the surviving spouse to whom the member was married on the date of death or on the date of retirement, if earlier, for the spouse's remaining lifetime.

In addition, to the surviving spouse's death benefit, a monthly benefit is payable on behalf of each dependent child under the age of 18 years of such deceased member in an amount equal to \$30 per month. The dependent child's monthly benefit ceases upon the earlier of the child's 18th birthday or date of death.

Contributions Required and Contributions Made

The Sheriff's Retirement Plan is funded through a combination of employer and required employee contributions. For the year ended December 31, 2017, the mandatory employee contribution rate (per the plan's legal document) was 4.25% of annual pay and the actuarially determined minimum required employer contribution was \$8,501,853 (47.9% of annual covered payroll), equal to the actual amount contributed by the Sheriff's Department plus a portion of the County's delinquent tax collections.

The Sheriff's Disability Plan is funded only through employer contributions. For the year ended December 31, 2017, the actuarially determined minimum employer contribution was \$1,865,836 (10.5% of annual covered payroll), equal to the actual amount contributed by the Sheriff's Department.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Deferred Retirement Option Plan

A Deferred Retirement Option Plan (“DROP”) was established on January 1, 2006 pursuant to the plan legal document and is governed by the Sheriff’s Department and a trustee. Members of the Sheriff’s Retirement Plan that are eligible to retire with an unreduced benefit may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period.

A member of the Sheriff’s Retirement Plan who has attained normal retirement age, or is eligible for immediate payment of an unreduced benefit, may irrevocably elect to enter the DROP for a period not longer than three years and shall not extend beyond the date the member is credited with 32 years of service. The member will not be credited with any additional years of service from the date of entry into the DROP. The member’s DROP frozen benefit will be equal to the monthly pension benefit calculated under the standard benefit formula based upon the member’s salary and years of credited service as of the DROP entry date. Upon actual severance of employment by retirement at any time after the DROP entry date, the member will receive a DROP benefit accumulation in the available form/option elected by the member in addition to the DROP frozen benefit to be paid as a monthly annuity. As of December 31, 2017, the balance of the amounts held by the plan pursuant to the DROP is \$1,454,360.

Indiana Public Employees’ Retirement Fund

Plan Description

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

There are two tiers to the PERF plan. The first is the Public Employee’s Defined Benefit Plan (“PERF Hybrid Plan”) and the second is the Public Employees’ ASA Only Plan (“PERF ASA Only Plan”). The PERF ASA Only Plan was originally available only to employees of the State of Indiana. As of July 1, 2016, employees of Indiana political subdivisions may be eligible to participate in the PERF ASA Only Plan if their political subdivision chooses to participate.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

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

Funding Policy

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

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2017, the County contributed 11.2% of employee compensation to the plan. The ASA consists of the employee contribution, which is 3% of compensation as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee’s account. The employer may choose to make the contributions on behalf of its participating employees, which the County has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their ASA. An employee’s contribution and interest credits belong to the employee and do not belong to the state or the County.

Retirement Benefits

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

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

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

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

The monthly pension benefits for employees in pay status may be increased periodically by a COLA. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

Disability and Survivor Benefits

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

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

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the County, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The County's contractually required contribution rate for 2017 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2017, the County's actual employer contributions made of \$12,252,354 (11.2% of annual pay) were equal to the actuarially required contributions, which excludes ASA.

Actuarial Assumptions

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

Assumptions	Sheriff's Retirement Plan	Sheriff's Disability Plan	PERF
Date of valuation	December 31, 2017	December 31, 2017	June 30, 2016 - rolled forward to measurement date
Measurement date	December 31, 2017	December 31, 2017	June 30, 2017
Actuarial cost method	Frozen initial liability	Aggregate	Entry age normal - Level Percent of Payroll
Long-term expected return on plan assets	6.75%	6.75%	6.75%
Money-weighted rate of return	10.87%	7.63%	7.60%
Inflation rate	3.00%	3.00%	2.25%
Cost of living adjustment	2.00%	2.00%	1.00%
Salary increase	4.00%	4.00%	2.50% - 4.25%
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2016 (separate employee & annuitant tables and male & female tables)	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2016 (separate employee & annuitant tables and male & female tables)	RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report
Experience period	N/A	N/A	7/1/10 to 6/30/14
Discount rate			
2017	6.75%	6.75%	6.75%
2016	6.75%	6.75%	6.75%
Asset valuation method	5 year asset smoothing	5 year asset smoothing	5-year smoothing of gains/losses on market value with a 20% corridor
Amortization method	Level percentage of payroll	N/A	Level dollar
Amortization period	Open - 20 years	N/A	Closed - 20 years

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The long-term expected rates of return on pension plan investments was determined using a building-block approach and assumes a pre-defined time horizon. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted-average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for each of the County's pension plans:

Asset Class	Sheriff's Retirement and Disability Plans		PERF	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	37.00 %	6.90 %	22.00 %	4.90 %
Private equity	-	-	14.00	5.70
Global ex-U.S. equity	13.00	7.05	-	-
Fixed income - ex inflation linked	-	-	20.00	2.30
Fixed income - inflation linked	-	-	7.00	0.60
Domestic fixed	33.00	3.02	-	-
Commodities	-	-	8.00	2.20
Real estate	-	-	7.00	3.70
Absolute return	-	-	10.00	3.90
Risk parity	-	-	12.00	5.10
Short duration	15.00	2.60	-	-
Cash equivalents	2.00	2.27	-	-
Total	<u>100.00 %</u>		<u>100.00 %</u>	

Discount Rates

The discount rate used to measure the total pension liability for each of the County's pension plans was 6.75% for the year ended December 31, 2017. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the fiduciary net position for each of these plans was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the respective total pension liabilities.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

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

The following represents the County's net pension liabilities, by plan and in the aggregate, calculated using discount rates 1% higher and 1% lower than their respective discount rates at December 31, 2017:

Plan	1% Decrease	Current Rate	1% Increase
Sheriff's Retirement Plan (current rate: 6.75%)	\$ 82,791,392	\$ 54,079,004	\$ 30,138,613
Sheriff's Disability Plan (current rate: 6.75%)	8,868,787	5,259,489	2,304,418
PERF (current rate: 6.75%) - proportionate share	<u>152,590,662</u>	<u>104,624,533</u>	<u>64,751,328</u>
Total	<u>\$ 244,250,841</u>	<u>\$ 163,963,026</u>	<u>\$ 97,194,359</u>

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

The net pension liabilities for the Sheriff's Retirement and Disability Plans were measured as of December 31, 2017 and the total pension liability used to calculate the net liability was determined by actuarial valuations as of that date.

The net pension liability for PERF was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017. Member census data as of June 30, 2016, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2016 to the June 30, 2017 measurement date. Wages reported by the County relative to the collective wages of the plan served as the basis to determine the County's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2017, the County's proportion was 2.34503%, which was a decrease of .03405% from its proportion measured as of June 30, 2016.

At December 31, 2017 and for the year then ended, the County reported the following net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to the County's three pension plans in which it participates:

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Sheriff's Retirement Plan	\$ 54,079,004	\$ 2,040,665	\$ 709,428	\$ 7,870,683
Sheriff's Disability Plan	5,259,489	1,081,436	21,283	2,054,580
PERF	<u>104,624,533</u>	<u>22,231,952</u>	<u>1,804,314</u>	<u>20,380,685</u>
Total	<u>\$ 163,963,026</u>	<u>\$ 25,354,053</u>	<u>\$ 2,535,025</u>	<u>\$ 30,305,948</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The components of the net pension liability of the County for the Sheriff's retirement and Disability Plans as of December 31, 2017 were as follows:

	Sheriff's Retirement Plan	Sheriff's Disability Plan
Total pension liability	\$ 251,812,177	\$ 29,111,005
Plan's fiduciary net position	(197,733,173)	(23,851,516)
County's net pension liability	\$ 54,079,004	\$ 5,259,489
Plan fiduciary net position as a percentage of the total pension liability	78.52 %	81.93 %

The changes in the net pension liability for the Sheriff's Retirement and Disability Plans follow:

	Sheriff's Retirement Plan			Sheriff's Disability Plan		
	Total Pension Liability	Fiduciary Net Pension	Net Pension Liability	Total Pension Liability	Fiduciary Net Pension	Net Pension Liability
Balances as of January 1, 2017	\$ 247,946,649	\$ 182,791,834	\$ 65,154,815	\$ 27,014,588	\$ 22,154,080	\$ 4,860,508
Changes for the year						
Service cost	3,353,009	-	3,353,009	791,832	-	791,832
Interest on total pension liability	16,501,226	-	16,501,226	1,812,612	-	1,812,612
Difference between expected and actual experience	(1,882,023)	-	(1,882,023)	1,377,816	-	1,377,816
Effect of assumptions changes	(1,484,444)	-	(1,484,444)	(126,643)	-	(126,643)
County contributions	-	8,501,853	(8,501,853)	-	1,320,396	(1,320,396)
Employee contributions	-	696,277	(696,277)	-	-	-
Net transfers	-	(545,440)	545,440	-	545,440	(545,440)
Net investment income	-	19,092,015	(19,092,015)	-	1,597,513	(1,597,513)
Administrative expenses	-	(181,126)	181,126	-	(6,713)	6,713
Benefit payments	(12,622,240)	(12,622,240)	-	(1,759,200)	(1,759,200)	-
Total net changes	3,865,528	14,941,339	(11,075,811)	2,096,417	1,697,436	398,981
Balances as of December 31, 2017	\$ 251,812,177	\$ 197,733,173	\$ 54,079,004	\$ 29,111,005	\$ 23,851,516	\$ 5,259,489

Detailed information regarding the fiduciary net position for PERF is available in the separately issued financial report for this plan.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Deferred outflows of resources and deferred inflows of resources related to pensions as of December 31, 2017 are from the following sources:

	Sheriff's Retirement Plan		Sheriff's Disability Plan		PERF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 396,605	\$ 231,546	\$ -	\$ 1,986,934	\$ 81,198	\$ 2,218,480	\$ 477,803
Net difference between projected and actual earnings on pension plan investments	7,564,427	5,523,762	928,657	78,767	16,549,765	5,245,512	25,042,849	10,848,041
Changes of assumptions	-	312,823	-	21,283	1,679,833	-	1,679,833	334,106
Changes in proportion and differences between the County's contribution and proportionate share contribution	-	-	-	-	855,095	1,723,116	855,095	1,723,116
County's contributions subsequent to the measurement date	-	-	-	-	6,405,837	-	6,405,837	-
Total net changes	7,564,427	6,233,190	1,160,203	100,050	27,477,464	7,049,826	36,202,094	13,383,066
Netting required under GASB Statement No. 68	(5,523,762)	(5,523,762)	(78,767)	(78,767)	(5,245,512)	(5,245,512)	(10,848,041)	(10,848,041)
Adjusted total	\$ 2,040,665	\$ 709,428	\$ 1,081,436	\$ 21,283	\$ 22,231,952	\$ 1,804,314	\$ 25,354,053	\$ 2,535,025

At December 31, 2017, the County reported \$6,405,837 as deferred outflows of resources related to pensions resulting from plan contributions made by the County to PERF, subsequent to the measurement date. Therefore, this amount will be recognized as a decrease in the net pension liability for PERF in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2017, related to pensions will be recognized in pension expense as follows:

	Sheriff's Retirement Plan	Sheriff's Disability Plan	PERF	Total
2018	\$ 1,957,607	\$ 682,017	\$ 5,630,041	\$ 8,269,665
2019	1,892,590	355,260	6,648,631	8,896,481
2020	(1,138,474)	42,567	2,305,972	1,210,065
2021	(1,380,486)	(19,691)	(562,843)	(1,963,020)
Total	\$ 1,331,237	\$ 1,060,153	\$ 14,021,801	\$ 16,413,191

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Pension Trust Fund Financial Statements

As separately issued financial statements are not available for the Sheriff's Retirement and Disability Plans, summarized financial statements for those pension trust funds follow:

	Sheriff's Retirement Plan	Sheriff's Disability Plan	Total
Assets			
Cash and cash equivalents	\$ 31,845,533	\$ 2,617,249	\$ 34,462,782
Investments	157,750,530	19,012,130	176,762,660
Accounts receivable	8,745,491	1,866,263	10,611,754
Due from retirement plan	-	545,440	545,440
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 198,341,554</u>	<u>\$ 24,041,082</u>	<u>\$ 222,382,636</u>
Liabilities			
Accounts payable	\$ 62,941	\$ 189,566	\$ 252,507
Due to disability plan	545,440	-	545,440
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>608,381</u>	<u>189,566</u>	<u>797,947</u>
Net Position			
Net position restricted for pensions	<u>\$ 197,733,173</u>	<u>\$ 23,851,516</u>	<u>\$ 221,584,689</u>

	Sheriff's Retirement Plan	Sheriff's Disability Plan	Total
Additions			
Employer contributions	\$ 8,501,853	\$ 1,320,396	\$ 9,822,249
Employee contributions	696,277	-	696,277
Investment income	7,071,244	776,885	7,848,129
Unrealized gains	12,020,771	820,628	12,841,399
Transfer into disability plan	-	545,440	545,440
	<u> </u>	<u> </u>	<u> </u>
Total additions	<u>28,290,145</u>	<u>3,463,349</u>	<u>31,753,494</u>
Deductions			
Benefit payments	12,622,240	1,759,200	14,381,440
Administrative expense	181,126	6,713	187,839
Transfer from retirement plan	545,440	-	545,440
	<u> </u>	<u> </u>	<u> </u>
Total deductions	<u>13,348,806</u>	<u>1,765,913</u>	<u>15,114,719</u>
Net change in net position	14,941,339	1,697,436	16,638,775
Net position restricted for pensions - beginning of year	<u>182,791,834</u>	<u>22,154,080</u>	<u>204,945,914</u>
Net position restricted for pensions - end of year	<u>\$ 197,733,173</u>	<u>\$ 23,851,516</u>	<u>\$ 221,584,689</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 14: Postemployment Benefits Other Than Pensions

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

Plan Description

Current County Employees:

Eligible retirees and their spouses are covered under the County’s health plan until the retiree attains age 65. Spouses still under age 65 when the retiree attains age 65 may elect to stay in the plan until age 65 by paying 100% of the appropriate premium. Retirees and covered spouses pay 100% of the charged premium.

County employees may retire at any time after age 50 with at least 15 years of service and be eligible for the postemployment benefit.

Former Marion County Sheriff Deputies:

Former Marion County Sheriff Deputies that retired prior to July 1, 2007, and their spouses, are covered under the County’s health plan for life. Upon attaining age 65, the retiree/spouse is transferred into the Cigna health plan.

Former Marion County Sheriff Deputies that retired on or after July 1, 2007 are eligible for subsidized premiums. These retirees and any covered family members pay approximately 40% of the monthly premium until they are age 65. Members pay 25% of the monthly premium for the Cigna health plan.

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

Funding Policy

Contribution requirements are negotiated between the County and union representatives. For fiscal year 2017, the County contributed \$587,000 to the plan and the active officers’ contributions were \$0.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

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

Annual OPEB Cost and Net OPEB Obligation

The County’s annual OPEB cost is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 and, in accordance therewith, the County has elected to perform an actuarial valuation of the OPEB on a biennial basis. The last actuarial valuation performed by the County was as of December 31, 2017. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The County’s annual OPEB cost for the current year and the related information are as follows at December 31, 2017:

Annual required contribution	\$ 1,104,000
Interest on net OPEB obligation	48,000
Adjustment to annual required contribution	<u>(49,000)</u>
Annual OPEB cost (expense)	1,103,000
Contributions made	<u>(587,000)</u>
Increase in net OPEB obligation	516,000
Net OPEB obligation - beginning of year	<u>1,320,000</u>
 Net OPEB obligation - end of year	 <u><u>\$ 1,836,000</u></u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016 and 2015 were as follows:

Year	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 1,103,000	\$ 587,000	53.22 %	\$ 1,836,000
2016	1,064,000	643,000	60.43	1,320,000
2015	968,000	613,000	63.33	899,000

Funded Status and Funding Progress

The funded status of the plan based on the most recent biennial actuarial valuation for the plan, dated as of December 31, 2017, was as follows:

Actuarial accrued liability	\$ 13,782,000	
Actuarial value of plan assets	<u>-</u>	
Unfunded actuarial liability	<u>\$ 13,782,000</u>	
Funded ratio		0.00 %
Covered payroll	\$ 117,350,167	
Unfunded actuarial accrued liability as a percentage of covered payroll		11.74 %

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Actuarial Methods and Assumptions

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

Actuarial valuation date	December 31, 2017
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of expected payroll
Amortization period	30 years open
Actuarial assumptions	
Discount rate	3.44% effective annual rate
Projected salary increases	2.75%
General inflation rate	2.20% for the first 15 years and 2.50% thereafter, compounded annually
Healthcare inflation rate	Starting at 6.20% per year and gradually decreasing to 4.50% over a period of 55-70 years, depending on the medical plan

Note 15: Deferred Compensation Plan

Employees of Marion County are eligible to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (“IRC”) Section 457. The deferred compensation plan is available to all employees of the County. Under this plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries and are not included within the accompanying financial statements.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 16: Fund Balances

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

	General Fund	Public Safety Income Tax	State Grants	MECA Emergency Communication	Nonmajor Governmental Funds	Total
Governmental Activities:						
Restricted for						
Administration and finance	\$ -	\$ -	\$ -	\$ -	\$ 4,557,973	\$ 4,557,973
Protection of people and property	-	358,661	-	435,591	21,217	815,469
Corrections	-	-	-	-	2,025,000	2,025,000
Judicial	-	-	-	-	4,537,460	4,537,460
Real estate and assessments	-	-	-	-	4,816,579	4,816,579
Health and welfare	-	-	-	-	6,346,215	6,346,215
Debt service	-	-	-	-	10,781	10,781
Capital projects	-	-	-	-	3,491,038	3,491,038
Other purposes by grantors	-	-	518,808	-	1,282,753	1,801,561
	<u>-</u>	<u>358,661</u>	<u>518,808</u>	<u>435,591</u>	<u>27,089,016</u>	<u>28,402,076</u>
Assigned to						
Operating expenditures	1,407,338	-	-	-	-	1,407,338
	<u>1,407,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,407,338</u>
Unassigned (deficit)						
	13,599,313	-	-	-	(446,034)	13,153,279
	<u>13,599,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(446,034)</u>	<u>13,153,279</u>
Total Fund Balance	<u>\$ 15,006,651</u>	<u>\$ 358,661</u>	<u>\$ 518,808</u>	<u>\$ 435,591</u>	<u>\$ 26,642,982</u>	<u>\$ 42,962,693</u>

Deficit fund balances by fund are as follows:

Nonmajor Special Revenue Funds	
Law Enforcement Equitable Sharing	\$ (14,417)
MC Sheriff Medical Care for Inmates	(362,244)
Supplemental Public Defender Fee	(12,443)
Nonmajor Debt Service Fund	
Capital Improvement Sinking	(44,686)
Nonmajor Capital Project Funds	
Public Safety Capital Projects	(12,244)

The deficit in the Law Enforcement Equitable Sharing Fund will be covered from reimbursements from the City. The deficit in the MC Sheriff's Medical Care for Inmates Fund will be covered by a transfer from the General Fund. The deficit in the Supplemental Public Defender Fee Fund will be covered by future charges for services. The County intends to reduce the deficit in the Capital Improvement Sinking Fund and the Public Safety Capital Project Fund by a transfer from the General Fund.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 17: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is self-insured for vehicle, workers' compensation, general liability, and high-deductible health insurance. Additionally, the County purchases commercial insurance for claims for all other risks of loss. Settled claims have not exceeded the insurance coverage in any of the past three years. Additionally, the County participates in the City's self-insurance fund for high-deductible health insurance plan that is offered to current and eligible retired employees. In 2017, the County paid \$27,624,047 relating to these self-insured risks.

The change in claims for 2017, including an estimate of incurred but not reported claims, is as follows:

	Risk Management	Public Liability Self- Insurance	Total
Unpaid claims, December 31, 2015	\$ 328,046	\$ 155,000	\$ 483,046
Incurred claims and changes in estimates	1,254,009	237,000	1,491,009
Claims paid	<u>(1,142,277)</u>	<u>(242,000)</u>	<u>(1,384,277)</u>
Unpaid claims, December 31, 2016	439,778	150,000	589,778
Incurred claims and changes in estimates	1,139,204	33,500	1,172,704
Claims paid	<u>(1,057,305)</u>	<u>(33,500)</u>	<u>(1,090,805)</u>
Unpaid claims, December 31, 2017	<u>\$ 521,677</u>	<u>\$ 150,000</u>	<u>\$ 671,677</u>

The unpaid claim liability as of December 31, 2017 is included in accounts payable.

Note 18: Contingent Liabilities and Commitments

Lawsuits

Various lawsuits are pending against the County. In the opinion of the County's Corporation Counsel, the aggregate potential loss on all outstanding litigation for public liability self-insurance was estimated to be \$150,000 at December 31, 2017. This amount has been accrued for in the government-wide statement of net position. Indiana tort law limits the County's liability to \$700,000 per person and \$5,000,000 per occurrence. Additionally, the County is a defendant in various lawsuits for which management has determined that there is a reasonable possibility of an adverse outcome. No accrual has been made in the financial statements for these items, which approximate \$5,100,000 - \$60,000,000, as these potential losses are not both probable and estimable.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Government Grants

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

Note 19: Related Party Transactions

The legislative body of the County is the same in several respects as that of the City, and the position of chief executive is held by the Mayor of the City. The County provides certain information technology and telephone services to the City. Receipts from these services were \$16,968,995 for information system costs and \$686,723 for telephone costs in 2017, of which approximately \$2,381,645 is receivable from the City at December 31, 2017. In 2017, the County also received \$6,414,900 of 911 dispatch fees from the City and paid \$619,000 for fuel charges to the City.

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

The County acted as either a subrecipient or a pass-through agent for various state and federal grant programs received from the City during 2017.

The County has entered into various contracts with Health and Hospital Corporation of Marion County ("HHC"). HHC is a separate municipal corporation and is considered to be a component unit of the Consolidated City of Indianapolis - Marion County. HHC has its own governing board, separate from the County's legislative body. HHC activities include the administration of the Division of Public Health and the Division of Public Hospitals. In 2017, the County made \$1,171,471 in distributions funded from property taxes to HHC in support of community mental health centers.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2017

Note 20: Interfund Transactions and Balances

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. The composition of interfund receivable and payable balances as of December 31, 2017 is as follows:

Interfund Receivables	Interfund Payables	Amount
General Fund	MECA Emergency Communication	\$ 3,101,692
General Fund	Nonmajor Governmental Funds	510,803
General Fund	Agency Fund	<u>226,402</u>
		<u><u>\$ 3,838,897</u></u>

Interfund transfers for the year ended December 31, 2017 consisted of the following:

	Transfers In				Total
	General Fund	Public Safety Income Tax	State Grants	Nonmajor Governmental Funds	
Transfers Out					
General Fund	\$ -	\$ 4,603	\$ 537,824	\$ 18,451,159	\$ 18,993,586
Public Safety Income Tax Fund	-	-	-	40,718	40,718
State Grants	-	-	-	549,265	549,265
Nonmajor Governmental Funds	<u>6,192</u>	<u>-</u>	<u>-</u>	<u>367,964</u>	<u>374,156</u>
Total	<u><u>\$ 6,192</u></u>	<u><u>\$ 4,603</u></u>	<u><u>\$ 537,824</u></u>	<u><u>\$ 19,409,106</u></u>	<u><u>\$ 19,957,725</u></u>

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

Required Supplementary Information

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
(Budgetary Basis)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 143,007,749	\$ 145,802,271	\$ 180,546,020	\$ 34,743,749
Intergovernmental	18,660,365	18,660,365	15,481,917	(3,178,448)
Charges for services	8,465,805	8,465,805	8,855,169	389,364
Interest	750,000	750,000	1,503,367	753,367
Miscellaneous	363,465	363,465	1,329,404	965,939
Total revenues	<u>171,247,384</u>	<u>174,041,906</u>	<u>207,715,877</u>	<u>33,673,971</u>
Expenditures				
General government	102,052,005	103,548,535	101,980,419	1,568,116
Public safety	75,554,891	82,948,349	82,377,889	570,460
Cultural and recreation	727,273	727,273	183,472	543,801
Capital outlays	517,186	450,186	378,516	71,670
Total expenditures	<u>178,851,355</u>	<u>187,674,343</u>	<u>184,920,296</u>	<u>2,754,047</u>
Other Financing Sources (Uses)				
Transfers in	11,185,433	11,185,433	-	(11,185,433)
Transfers out	-	-	(18,141,485)	(18,141,485)
Sale of capital assets	50,000	50,000	-	(50,000)
Total other financing sources	<u>11,235,433</u>	<u>11,235,433</u>	<u>(18,141,485)</u>	<u>(29,376,918)</u>
Net change in fund balances	3,631,462	(2,397,004)	4,654,096	7,051,100
Fund balances - beginning of year	4,795,761	1,260,351	6,384,077	5,123,726
Cancellation of purchase orders and other	(3,535,410)	3,101,261	3,774,054	672,793
Fund balances - end of year	<u>\$ 4,891,813</u>	<u>\$ 1,964,608</u>	<u>\$ 14,812,227</u>	<u>\$ 12,847,619</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Public Safety Income Tax Fund
(Budgetary Basis)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 40,655,330	\$ 40,655,330	\$ 40,597,449	\$ (57,881)
Intergovernmental	-	-	10,669	10,669
Total revenues	<u>40,655,330</u>	<u>40,655,330</u>	<u>40,608,118</u>	<u>(47,212)</u>
Expenditures				
General government	14,681,639	14,681,639	14,472,134	(209,505)
Public safety	25,826,848	25,826,848	25,592,196	(234,652)
Total expenditures	<u>40,508,487</u>	<u>40,508,487</u>	<u>40,064,330</u>	<u>(444,157)</u>
Other Financing Uses				
Transfers out	-	-	(40,718)	(40,718)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(40,718)</u>	<u>(40,718)</u>
Net change in fund balances	146,843	146,843	503,070	356,227
Fund balances - beginning of year	1	194,968	296,751	101,783
Cancellation of purchase orders and other	194,967	67,671	2,394	(65,277)
Fund balances - end of year	<u>\$ 341,811</u>	<u>\$ 409,482</u>	<u>\$ 802,215</u>	<u>\$ 392,733</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - State Grants Fund
(Budgetary Basis)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 10,948,571	\$ 10,546,283	\$ 9,682,172	\$ (864,111)
Miscellaneous	-	212,966	(100)	(213,066)
Total revenues	<u>10,948,571</u>	<u>10,759,249</u>	<u>9,682,072</u>	<u>(1,077,177)</u>
Expenditures				
General government	3,780,134	4,580,134	3,079,516	(1,500,618)
Public safety	6,666,537	6,831,188	5,405,386	(1,425,802)
Capital outlays	501,900	509,300	39,613	(469,687)
Total expenditures	<u>10,948,571</u>	<u>11,920,622</u>	<u>8,524,515</u>	<u>(3,396,107)</u>
Other Financing Uses				
Transfers out	-	-	(114,383)	(114,383)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(114,383)</u>	<u>(114,383)</u>
Net change in fund balances	-	(1,161,373)	1,043,174	2,204,547
Fund balances - beginning of year	-	194,968	296,751	101,783
Cancellation of purchase orders and other	-	1,375,887	(537,710)	(1,913,597)
Fund balances - end of year	<u>\$ -</u>	<u>\$ 409,482</u>	<u>\$ 802,215</u>	<u>\$ 392,733</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - MECA Emergency Communication
(Budgetary Basis)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,670,000	\$ 2,670,000	\$ 2,670,000	\$ -
Charges for services	5,503,850	5,503,850	2,751,925	(2,751,925)
Interest	-	-	2,818	2,818
Total revenues	<u>8,173,850</u>	<u>8,173,850</u>	<u>5,424,743</u>	<u>(2,749,107)</u>
Expenditures				
General government	-	-	-	-
Public safety	<u>8,113,495</u>	<u>8,624,495</u>	<u>8,624,495</u>	<u>-</u>
Total expenditures	<u>8,113,495</u>	<u>8,624,495</u>	<u>8,624,495</u>	<u>-</u>
Net change in fund balances	60,355	(450,645)	(3,199,752)	(2,749,107)
Fund balances - beginning of year	310,553	8,264	94,883	86,619
Cancellation of purchase orders and other	<u>(302,289)</u>	<u>4,900,437</u>	<u>3,176</u>	<u>(4,897,261)</u>
Fund balances - end of year	<u>\$ 68,619</u>	<u>\$ 4,458,056</u>	<u>\$ (3,101,693)</u>	<u>\$ (7,559,749)</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Required Supplementary Information - Budgetary Comparison

Budgets and Budgetary Accounting

Budgets, detailed to the agency (i.e., department) and character level, are adopted for all governmental funds except Clerk’s Title IV D Incentive, Clerk’s Title IV D ARRA, General Title IV D ARRA, Sheriff Commissary, Prosecutor’s Title IV D Incentive, Prosecutor’s Title IV D ARRA, Campaign Finance Fines, Court Violations Bureau, and other Special Revenue Funds that are not legally required to do so.

Child Advocacy (Special Revenue Fund), Prosecutor’s PCA Fee (Special Revenue Fund), Sheriff Training and Gun Permit (Special Revenue Fund), Sheriff Accident Report Fees (Special Revenue Fund), Capital Improvement Sinking (Debt Service Fund), Public Safety Interest Escrow (Capital Projects Fund) and Public Safety Capital Projects (Capital Projects Fund) were not budgeted during 2017 due to no expenditure activity.

A separate budgetary report has been prepared, which is detailed to the agency and character level and is available upon request. The budgetary basis of accounting is essentially the cash basis with the exception of revenues received in the current year but budgeted for in a prior year and that encumbrances and certain accounts payable are treated as expenditures.

The timetable for the budgetary process is as follows:

- June 1** Office of Finance and Management provides guidelines to County agencies
- July 1** County officials submit budgets
- August** Office of Finance and Management recommends budget to City-County Council
- September** Council committees review/amend budgets based on public testimony
- October** Council approves budget by last meeting of October
- December** State of Indiana, Department of Local Government Finance reviews/adjusts and gives final approval to budget
- January 1** Budget becomes effective

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations require approval of the City-County Council, and if the increased appropriation occurs in a fund that has a tax rate, then the State of Indiana Department of Local Government Finance also must approve the increase.

During the year, the following supplementary appropriations were properly approved for the General Fund, Public Safety Income Tax Fund, State Grants Fund, and MECA Emergency Communication Fund:

	General	Public Safety Income Tax	State Grants	MECA Emergency Communication
Original appropriation	\$ 178,851,355	\$ 40,508,487	\$ 10,948,571	\$ 8,113,495
Revisions	<u>8,822,988</u>	<u>-</u>	<u>972,051</u>	<u>511,000</u>
Revised appropriation	<u>\$ 187,674,343</u>	<u>\$ 40,508,487</u>	<u>\$ 11,920,622</u>	<u>\$ 8,624,495</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Required Supplementary Information - Budgetary Comparison
(Continued)

Unencumbered appropriations lapse at year-end and represent fund balances available for future commitment, except for capital projects funds, which are budgeted on a project basis.

Adjustments necessary to convert the results of 2017 operations from a budgetary basis to a GAAP basis are as follows:

	General	Public Safety Income Tax	State Grants	MECA Emergency Communication
Net change in fund balance - budgetary basis	\$ 4,654,096	\$ 503,070	\$ 1,043,174	\$ (3,199,752)
Add (Deduct):				
Accrued revenues	1,622,110	113	(3,974,303)	3,663,330
Accrued expenditures	3,501,203	(15,978)	2,698	81,330
Transfer, net	(845,909)	4,604	65,539	-
Encumbrances	3,408,037	-	265,565	-
Expenditures from prior year encumbrances	<u>(1,858,886)</u>	<u>(59,129)</u>	<u>(261,980)</u>	<u>(81,119)</u>
Net change in fund balance - GAAP basis	<u>\$ 10,480,651</u>	<u>\$ 432,680</u>	<u>\$ (2,859,307)</u>	<u>\$ 463,789</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability -
Sheriff's Retirement Plan * - Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service cost	\$ 3,353,009	\$ 3,377,204	\$ 3,438,958	\$ 3,512,394
Interest cost	16,501,226	16,004,062	16,038,453	15,287,781
Experience (gains)/losses	(1,882,023)	(2,410,307)	(4,536,384)	(2,796,688)
Assumption changes	(1,484,444)	2,891,811	(3,008,899)	7,557,415
Projected benefit payments	<u>(12,622,240)</u>	<u>(12,297,015)</u>	<u>(12,477,800)</u>	<u>(12,234,746)</u>
Net change in total pension liability	3,865,528	7,565,755	(545,672)	11,326,156
Total pension liability - beginning	<u>247,946,649</u>	<u>240,380,894</u>	<u>240,926,566</u>	<u>229,600,410</u>
Total pension liability - ending	<u>\$ 251,812,177</u>	<u>\$ 247,946,649</u>	<u>\$ 240,380,894</u>	<u>\$ 240,926,566</u>
Plan Fiduciary Net Position				
County employer contributions	\$ 8,501,853	\$ 8,051,621	\$ 8,158,271	\$ 7,910,245
Employee contributions	696,277	701,867	737,899	789,236
Net transfers	(545,440)	-	1,371	-
Net investment income	19,092,015	10,529,310	(2,962,919)	8,029,616
Administrative expenses	(181,126)	(138,803)	(173,623)	(155,593)
Actual benefit payments	<u>(12,622,240)</u>	<u>(12,297,015)</u>	<u>(12,477,800)</u>	<u>(12,234,746)</u>
Net change in plan fiduciary net position	14,941,339	6,846,980	(6,716,801)	4,338,758
Plan fiduciary net position - beginning	<u>182,791,834</u>	<u>175,944,854</u>	<u>182,661,655</u>	<u>178,322,897</u>
Plan fiduciary net position - ending	<u>\$ 197,733,173</u>	<u>\$ 182,791,834</u>	<u>\$ 175,944,854</u>	<u>\$ 182,661,655</u>
County's Net Pension Liability	<u>\$ 54,079,004</u>	<u>\$ 65,154,815</u>	<u>\$ 64,436,040</u>	<u>\$ 58,264,911</u>

Notes to Schedule

* Plan is closed to new members.

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

Benefit changes: None

Changes in assumptions: The following change in assumptions was made from the December 31, 2017 valuation.

- Change from the use of the RP-2014 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables).

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability -
Sheriff's Disability Plan * - Last 10 Fiscal Years

	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 791,832	\$ 791,666	\$ 791,002	\$ 799,921
Interest cost	1,812,612	1,878,146	1,807,899	1,682,982
Experience (gains)/losses	1,377,816	(2,025,092)	413,949	182,988
Assumption changes	(126,643)	125,792	(255,746)	854,598
Projected benefit payments	<u>(1,759,200)</u>	<u>(1,720,689)</u>	<u>(1,712,811)</u>	<u>(1,599,643)</u>
Net change in total pension liability	2,096,417	(950,177)	1,044,293	1,920,846
Total pension liability - beginning	<u>27,014,588</u>	<u>27,964,765</u>	<u>26,920,472</u>	<u>24,999,626</u>
Total pension liability - ending	<u>\$ 29,111,005</u>	<u>\$ 27,014,588</u>	<u>\$ 27,964,765</u>	<u>\$ 26,920,472</u>
Plan Fiduciary Net Position				
County employer contributions	\$ 1,320,396	\$ 2,418,032	\$ 2,160,004	\$ 1,840,453
Net transfers	545,440	-	(1,371)	-
Net investment income	1,597,513	1,089,224	(189,118)	719,888
Administrative expenses	(6,713)	(6,834)	(3,822)	(6,466)
Actual benefit payments	<u>(1,759,200)</u>	<u>(1,720,689)</u>	<u>(1,712,811)</u>	<u>(1,599,643)</u>
Net change in plan fiduciary net position	1,697,436	1,779,733	252,882	954,232
Plan fiduciary net position - beginning	<u>22,154,080</u>	<u>20,374,347</u>	<u>20,121,465</u>	<u>19,167,233</u>
Plan fiduciary net position - ending	<u>\$ 23,851,516</u>	<u>\$ 22,154,080</u>	<u>\$ 20,374,347</u>	<u>\$ 20,121,465</u>
County's Net Pension Liability	<u>\$ 5,259,489</u>	<u>\$ 4,860,508</u>	<u>\$ 7,590,418</u>	<u>\$ 6,799,007</u>

Notes to Schedule

* Plan is closed to new members.

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

Benefit changes: None

Changes in assumptions: The following change in assumptions was made from the December 31, 2017 valuation.

- Change from the use of the RP-2014 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables).

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Net Pension Liabilities and Related Ratios -
Last 10 Fiscal Years

Actuarial Valuation Date	Total Pension Liability	Plan Fiduciary Net Position	County's Net Pension Liability	Fiduciary Net Position as a % of Total Pension Liability	County's Covered Payroll	County's Net Pension Liability as a % of Covered Payroll
Sheriff's Retirement Plan *						
12/31/2017	\$ 251,812,177	\$ 197,733,173	\$ 54,079,004	78.52 %	\$ 17,767,398	304.37 %
12/31/2016	247,946,649	182,791,835	65,154,814	73.72	18,104,156	359.89
12/31/2015	240,380,894	175,944,854	64,436,040	73.19	18,425,920	349.70
12/31/2014	240,926,566	182,661,655	58,264,911	75.82	18,831,122	309.41
Sheriff's Disability Plan *						
12/31/2017	\$ 29,111,005	\$ 23,851,516	\$ 5,259,489	81.93 %	\$ 17,767,398	29.60 %
12/31/2016	27,014,588	22,154,080	4,860,508	82.01	18,104,056	26.85
12/31/2015	27,964,765	20,374,347	7,590,418	72.86	18,425,920	41.19
12/31/2014	26,920,472	20,121,465	6,799,007	74.74	18,831,122	36.11

* Plans closed to new members

Notes to Schedule

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Investment Return -
Last 10 Fiscal Years

Actuarial Valuation Date	December 31			
	2017	2016	2015	2014
Sheriff's Retirement Plan *				
Annual money-weighted rate of return, net of investment expense	10.87%	6.22%	-1.70%	4.70%
Sheriff's Disability Plan *				
Annual money-weighted rate of return, net of investment expense	7.63%	5.63%	-1.03%	3.95%

* Plans closed to new members

Notes to Schedule

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of County's Proportionate Share of Net Pension Liability -
PERF Plan - Last 10 Fiscal Years

	2017	2016	2015	2014
PERF				
County's proportion of the net pension liability	2.35 %	2.38 %	2.32 %	2.27 %
County's proportionate share of the net pension liability	\$ 104,624,533	\$ 107,973,226	\$ 94,632,250	\$ 59,656,492
County's covered payroll	116,340,785	114,019,597	111,289,286	110,832,741
County's proportionate share of the net pension liability as a percentage of its covered payroll	90 %	95 %	85 %	54 %
Plan fiduciary net position as a percentage of the total pension liability	76.65 %	75.35 %	77.35 %	84.29 %

Notes to Schedule

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

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

Benefit changes: None

Changes in assumptions during 2017:

- For active and inactive vested members, a salary load of \$400 was added to approximate the impact on average monthly earnings of unused sick leave accumulated at termination of employment.
- For disabled members, the mortality assumption was updated from the RP-2014 (with RP-2014 improvement removed) Total Data Set Mortality tables to the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables.

Changes in actuarial methods: None

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of County's Pension Contributions -
Last 10 Fiscal Years

	2017	2016	2015	2014
Sheriff's Retirement Plan *				
Actuarially determined contribution	\$ 8,169,492	\$ 7,756,375	\$ 7,900,004	\$ 7,730,980
Contributions in relation to the actuarially determined contribution	8,501,853	8,051,621	8,158,275	7,910,245
Contribution deficiency (excess)	(332,361)	(295,246)	(258,271)	(179,265)
County's covered payroll	17,767,398	18,104,056	18,425,920	18,831,122
Contributions as a percentage of covered payroll	47.9 %	44.5 %	44.3 %	42.0 %
Sheriff's Disability Plan *				
Actuarially determined contribution	\$ 1,865,836	\$ 2,418,032	\$ 2,160,004	\$ 1,840,453
Contributions in relation to the actuarially determined contribution	1,865,836	2,418,032	2,160,004	1,840,453
Contribution deficiency (excess)	-	-	-	-
County's covered payroll	17,767,398	18,104,056	18,425,920	18,831,122
Contributions as a percentage of covered payroll	10.5 %	13.4 %	11.7 %	9.8 %
PERF				
Contractually required contribution	\$ 12,252,354	\$ 12,919,625	\$ 13,051,666	\$ 12,112,202
Contributions in relation to the contractually required contribution	12,252,354	12,919,625	13,051,666	12,112,202
Contribution deficiency (excess)	-	-	-	-
County's covered payroll	109,396,020	115,353,798	116,532,728	110,110,926
Contributions as a percentage of covered payroll	11.2 %	11.2 %	11.2 %	11.0 %

* Plans closed to new members

Notes to Schedule

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

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of County's Pension Contributions -
Last 10 Fiscal Years (Continued)

PERF

Benefit changes: None

Changes in assumptions during 2017:

- For active and inactive vested members, a salary load of \$400 was added to approximate the impact on average monthly earnings of unused sick leave accumulated at termination of employment.
- For disabled members, the mortality assumption was updated from the RP-2014 (with RP-2014 improvement removed) Total Data Set Mortality tables to the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables.

Changes in actuarial methods: None

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Other Postemployment Benefit Information
Schedule Funding Progress Under GASB 45

Actuarial Valuation Date	Actuarial Valuation of Assets	Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a % of Covered Payroll
12/31/2017	\$ -	\$ 13,782,000	\$ 13,782,000	- %	\$ 117,350,167	11.74 %
12/31/2016*	-	17,295,000	17,295,000	-	117,827,638	14.68
12/31/2015	-	17,295,000	17,295,000	-	118,113,271	14.64

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

Other Supplementary Information

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet - General Fund
December 31, 2017

Assets

Cash and cash equivalents	\$ 14,244,039
Investments	916,182
Property tax receivable	4,548,830
Accounts receivable	6,028,716
Due from other funds	<u>3,838,897</u>
Total assets	<u><u>\$ 29,576,664</u></u>

**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Liabilities

Accounts payable	\$ 3,633,885
Accrued payroll and payroll taxes	1,841,403
Total liabilities	<u>5,475,288</u>

Deferred Inflows of Resources

Unavailable revenues	<u>9,094,725</u>
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Fund Balances

Assigned	1,407,338
Unassigned	<u>13,599,313</u>
Total fund balances	<u>15,006,651</u>

Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 29,576,664</u></u>
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Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund
Year Ended December 31, 2017

Revenues	
Taxes	\$ 180,556,457
Intergovernmental	16,213,880
Interest	1,779,171
Charges for services	9,282,118
Traffic violations and court fees	1,981
Contributions	2,345,611
Miscellaneous	1,504,381
Total revenues	<u>211,683,599</u>
Expenditures	
Current:	
General government	99,450,978
Public safety	77,367,790
Culture and recreation	182,997
Debt service	
Interest	721,758
Lease payments	4,005,028
Capital outlays	17,340,960
Total expenditures	<u>199,069,511</u>
Excess of Revenues Over Expenditures	<u>12,614,088</u>
Other Financing Sources (Uses)	
Issuance of capital leases	16,853,957
Transfers in	6,192
Transfers out	<u>(18,993,586)</u>
Total other financing sources (uses)	<u>(2,133,437)</u>
Net change in fund balances	10,480,651
Fund balances - beginning of year	<u>4,526,000</u>
Fund balances - end of year	<u><u>\$ 15,006,651</u></u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character - General Fund
Budget and Actual (Budgetary Basis)
Year Ended December 31, 2017

Department and Division	Fund	Final budget	Actual	Variance
Prosecuting Attorney	County General			
Personal services		\$ 14,366,955	\$ 14,273,711	\$ 93,244
Supplies		150,850	124,533	26,317
Other services and charges		2,415,561	2,317,299	98,262
Capital outlay		35,000	29,737	5,263
Total		<u>16,968,366</u>	<u>16,745,280</u>	<u>223,086</u>
Prosecutor's Child Support IV-D Agency	County General			
Personal services		3,273,309	3,190,744	82,565
Supplies		45,450	38,818	6,632
Other services and charges		1,084,516	870,003	214,513
Capital outlay		5,000	4,912	88
Total		<u>4,408,275</u>	<u>4,104,477</u>	<u>303,798</u>
Forensic Services	County General			
Personal services		5,504,439	5,400,747	103,692
Supplies		403,454	322,179	81,275
Other services and charges		769,774	682,541	87,233
Capital outlay		48,000	46,306	1,694
Total		<u>6,725,667</u>	<u>6,451,773</u>	<u>273,894</u>
County Sheriff	County General			
Personal services		35,658,682	35,658,682	-
Supplies		1,583,222	1,486,268	96,954
Other services and charges		35,661,583	35,661,583	-
Capital outlay		65,800	61,233	4,567
Total		<u>72,969,287</u>	<u>72,867,766</u>	<u>101,521</u>
Community Corrections	County General			
Personal services		1,428,489	1,428,489	-
Supplies		140,600	120,880	19,720
Other services and charges		1,798,108	1,615,055	183,053
Capital outlay		28,000	18,096	9,904
Total		<u>3,395,197</u>	<u>3,182,520</u>	<u>212,677</u>
Circuit Court	County General			
Personal services		1,114,037	955,371	158,666
Supplies		5,000	4,468	532
Other services and charges		305,203	286,286	18,917
Capital outlay		3,000	1,771	1,229
Total		<u>1,427,240</u>	<u>1,247,896</u>	<u>179,344</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character - General Fund
Budget and Actual (Budgetary Basis) (Continued)
Year Ended December 31, 2017

Department and Division	Fund	Final budget	Actual	Variance
Marion County Superior Court	County General			
Personal services		\$ 19,954,620	\$ 19,719,356	\$ 235,264
Supplies		126,685	126,652	33
Other services and charges		11,013,591	11,003,756	9,835
Capital outlay		31,500	31,441	59
Total		<u>31,126,396</u>	<u>30,881,205</u>	<u>245,191</u>
County Auditor	County General			
Personal services		1,413,742	1,180,270	233,472
Supplies		26,455	11,532	14,923
Other services and charges		7,928,870	7,928,870	-
Capital outlay		18,000	17,219	781
Total		<u>9,387,067</u>	<u>9,137,891</u>	<u>249,176</u>
Clerk of the Circuit Court	County General			
Personal services		5,028,018	4,896,377	131,641
Supplies		14,518	12,167	2,351
Other services and charges		1,238,198	1,169,826	68,372
Total		<u>6,280,734</u>	<u>6,078,370</u>	<u>202,364</u>
County Election Board	County General			
Personal services		493,928	419,920	74,008
Supplies		15,600	15,187	413
Other services and charges		847,020	732,146	114,874
Capital outlay		18,500	1,291	17,209
Total		<u>1,375,048</u>	<u>1,168,544</u>	<u>206,504</u>
Voters' Registration	County General			
Personal services		783,729	647,923	135,806
Supplies		18,300	18,268	32
Other services and charges		280,741	184,342	96,399
Capital outlay		8,604	2,928	5,676
Total		<u>1,091,374</u>	<u>853,461</u>	<u>237,913</u>
County Coroner	County General			
Personal services		1,134,481	1,112,494	21,987
Supplies		74,520	72,058	2,462
Other services and charges		1,751,509	1,748,623	2,886
Capital outlay		68,782	66,363	2,419
Total		<u>3,029,292</u>	<u>2,999,538</u>	<u>29,754</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character - General Fund
Budget and Actual (Budgetary Basis) (Continued)
Year Ended December 31, 2017

Department and Division	Fund	Final budget	Actual	Variance
County Recorder	County General			
Supplies		\$ 332	\$ -	\$ 332
Other services and charges		165,585	158,914	6,671
Total		<u>165,917</u>	<u>158,914</u>	<u>7,003</u>
County Treasurer	County General			
Personal services		1,400,572	1,363,880	36,692
Supplies		9,525	9,181	344
Other services and charges		1,010,509	988,521	21,988
Capital outlay		6,000	5,326	674
Total		<u>2,426,606</u>	<u>2,366,908</u>	<u>59,698</u>
County Surveyor	County General			
Personal services		304,884	283,534	21,350
Other services and charges		96,221	92,092	4,129
Capital outlay		40,000	30,394	9,606
Total		<u>441,105</u>	<u>406,020</u>	<u>35,085</u>
County Assessor	County General			
Personal services		3,554,766	3,429,369	125,397
Supplies		22,893	22,384	509
Other services and charges		983,828	856,577	127,251
Capital outlay		14,000	1,773	12,227
Total		<u>4,575,487</u>	<u>4,310,103</u>	<u>265,384</u>
Marion County Public Defender Agency	County General			
Personal services		16,566,351	16,496,383	69,968
Supplies		27,500	27,499	1
Other services and charges		4,500,152	4,379,195	120,957
Capital outlay		60,000	59,726	274
Total		<u>21,154,003</u>	<u>20,962,803</u>	<u>191,200</u>
Cooperative Extension Service	County General			
Personal services		209,889	176,129	33,760
Supplies		5,030	4,833	197
Other services and charges		512,363	511,329	1,034
Total		<u>727,282</u>	<u>692,291</u>	<u>34,991</u>
Total – General Funds – by Department and Division		<u>\$ 187,674,343</u>	<u>\$ 184,615,760</u>	<u>\$ 3,058,583</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Governmental Funds by Fund Type
December 31, 2017

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 22,049,614	\$ 10,781	\$ 3,315,982	\$ 25,376,377
Investments	1,103,335	-	175,057	1,278,392
Property tax receivable	59,092	-	184,662	243,754
Accounts receivable	1,559,400	-	67,169	1,626,569
Due from federal and state governments	939,640	-	-	939,640
	<u>25,711,081</u>	<u>10,781</u>	<u>3,742,870</u>	<u>29,464,732</u>
Total assets	<u>\$ 25,711,081</u>	<u>\$ 10,781</u>	<u>\$ 3,742,870</u>	<u>\$ 29,464,732</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,191,632	\$ -	\$ -	\$ 1,191,632
Accrued payroll and payroll taxes	157,516	-	-	157,516
Unearned revenue	22,547	-	-	22,547
Due to other funds	453,873	44,686	12,244	510,803
Total liabilities	<u>1,825,568</u>	<u>44,686</u>	<u>12,244</u>	<u>1,882,498</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>687,421</u>	<u>-</u>	<u>251,831</u>	<u>939,252</u>
Fund Balances				
Restricted	23,587,196	10,781	3,491,039	27,089,016
Unassigned (deficits)	<u>(389,104)</u>	<u>(44,686)</u>	<u>(12,244)</u>	<u>(446,034)</u>
Total fund balances (deficits)	<u>23,198,092</u>	<u>(33,905)</u>	<u>3,478,795</u>	<u>26,642,982</u>
	<u>\$ 25,711,081</u>	<u>\$ 10,781</u>	<u>\$ 3,742,870</u>	<u>\$ 29,464,732</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,711,081</u>	<u>\$ 10,781</u>	<u>\$ 3,742,870</u>	<u>\$ 29,464,732</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds by Fund Type
Year Ended December 31, 2017

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 2,838,398	\$ -	\$ 5,681,482	\$ 8,519,880
Intergovernmental	6,503,255	-	-	6,503,255
Interest	3,516	-	-	3,516
Charges for services	17,133,537	-	-	17,133,537
Traffic violations and court fees	3,422	-	-	3,422
Miscellaneous	911,660	-	19,427	931,087
Total revenues	<u>27,393,788</u>	<u>-</u>	<u>5,700,909</u>	<u>33,094,697</u>
Expenditures				
Current				
General government	20,983,330	-	4,413,449	25,396,779
Public safety	19,811,603	-	-	19,811,603
Debt service				
Redemption of notes	241,422	-	-	241,422
Interest on notes	10,445	-	225,755	236,200
Lease payments	-	-	740,245	740,245
Capital outlays	1,243,443	-	544,129	1,787,572
Total expenditures	<u>42,290,243</u>	<u>-</u>	<u>5,923,578</u>	<u>48,213,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,896,455)</u>	<u>-</u>	<u>(222,669)</u>	<u>(15,119,124)</u>
Other Financing Sources (Uses)				
Notes issued	616,396	-	-	616,396
Transfers in	19,409,106	-	-	19,409,106
Transfers out	(374,156)	-	-	(374,156)
Total other financing sources (uses)	<u>19,651,346</u>	<u>-</u>	<u>-</u>	<u>19,651,346</u>
Net change in fund balances	4,754,891	-	(222,669)	4,532,222
Fund balances (deficits) - beginning of year	<u>18,443,201</u>	<u>(33,905)</u>	<u>3,701,464</u>	<u>22,110,760</u>
Fund balances (deficits) - end of year	<u>\$ 23,198,092</u>	<u>\$ (33,905)</u>	<u>\$ 3,478,795</u>	<u>\$ 26,642,982</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for operating revenues that are restricted for particular purposes by state or federal statute or that are committed to expenditures for specific purposes other than debt service or capital projects designated by authority of the City-County Council to be maintained in separate funds.

IDENTIFICATION SECURITY PROTECTION—This fund was created by IC 36-2-7.5-11 for the purpose of purchasing, upgrading, implementing, or maintaining redacting technology used in the office of the County Recorder.

ADULT PROBATION—Established to account for receipt of adult probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to adults.

CLERK'S RECORD PERPETUATION—Created by IC 33-19-6-1.5. Established to account for all revenue for access provided to public records received pursuant to section 285-307(3) of this Code, all revenue for facsimile documents sent by the clerk, and all revenue received for the facsimile transmission to the clerk of court pleadings. This fund is to be used for the preservation of records or the improvement of record keeping systems and equipment.

SURVEYOR'S CORNER PERPETUATION—Established to account for receipt of fees collected by the County Recorder to be appropriated by the City-County Council for establishing or relocating corners and the keeping of the corner record book.

COUNTY RECORDS PERPETUATION—Established to account for certain fees that are collected by the County Recorder for the preservation of records and the improvement of recording systems and equipment. (IC 36-2-7-10(d))

PROPERTY REASSESSMENT—Used for the purpose of receiving and holding in escrow tax distribution for the funding for the next property reassessment. Funds held in escrow until distributions are authorized by the State Legislature, whereby the distribution is made to the Marion County Assessor.

PROSECUTOR'S DIVERSION—Established to account for collection of user fees related to the operation of pretrial diversion programs. All money collected in this fund must be appropriated by the City-County Council and can be used only as the Prosecuting Attorney directs for pretrial diversion programs.

LAW ENFORCEMENT—Established to account for the payment of restitution by certain offenders.

CLERK'S TITLE IV D INCENTIVE—This fund was created by IC 12-17-2-26. The revenues received in this fund are an incentive from the state/federal government for enhancing child support enforcement. These funds per the statute are eligible to be spent without appropriation.

SHERIFF'S COMMISSARY—Established to account for money collected in the jail commissary, which is required to be spent according to IC 36-8-10-21.

GUARDIAN AD LITEM—Created by IC 31-40-3-1. This fund was created to collect from the parent or guardian of the estate of any child for whom a guardian ad litem is appointed to pay to the probation department a user fee of not more than one hundred dollars (\$100) for deposit by the probation department in the guardian ad litem fund if a guardian ad litem has been appointed. The fund is to be used by the juvenile courts in providing guardian ad litem services and the costs of representation for the guardians ad litem.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

COUNTY MISDEMEANANT—Established by the State of Indiana to provide incentive to counties to locally house misdemeanants. This fund may be used only for funding the operation of a county jail, jail programs, or other local correctional facilities. (IC 11-12-6-6)

ALCOHOL AND DRUG SERVICES—Established to account for the collection of court fees to be appropriated by the City-County Council for the operation of alcohol and drug services program.

COMMUNITY CORRECTIONS HOME DETENTION—Established to collect user fees related to the supervision of home detention. (IC 11-2-7-1)

COUNTY AUDITOR'S INELIGIBLE DEDUCTIONS—This fund was created by IC 6-1.1-12-17. Monies in the fund may be used only for specific purposes outlined under IC 6-1.1-36-17 (e) and may be expended upon appropriation by the county fiscal body.

LAW ENFORCEMENT EQUITABLE SHARING—Established in accordance with federal guidelines to track all funds received under the Equitable Sharing Program.

LOCAL EMERGENCY PLANNING—This fund was established to account for any revenue produced by any fee or charge imposed under section 10 or 10.4 of chapter 2 of IC 13-25 and accrued interest and other investment earnings. The purpose of the fund is to provide the county with funds to help implement SARA (42 U.S.C. 11001 et seq.).

SUPPLEMENTAL PUBLIC DEFENDER FEE—Established to account for the collection of fees assessed, at the discretion of the judge, on a defendant to cover costs incurred by the County as a result of court appointed legal services rendered to the defendant. (IC 33-40-3-1, 3 & 4)

DEFERRAL PROGRAM FEES—Established to account for the collection of traffic violation process fees for people who are released on their own recognizance.

COUNTY DRUG FREE COMMUNITY—Established to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education, and criminal justice efforts. (IC 5-2-11-2).

COUNTY ELECTED OFFICIALS' TRAINING—Established to account for money deposited by the county recorder in accordance with the requirements of IC 36-2-7.5-6(c)(3) and for any other sources required or permitted by law. Monies may be used solely to provide training of County elected officials required by IC 36-2-11-2.5, IC 36-2-12-2.5, and other similar laws.

FEDERAL GRANTS—Established to account for federal grant programs received from the U.S. Marshal, U.S. Department of Justice, U.S. Department of Health and Human Services, and various other federal agencies.

PROSECUTOR'S PCA FEE—Pursuant to IC 31-25-4-14.1, chooses a Private Collection Agency (PCA) to collect arrears on child support cases that only have state assigned arrears. A contract is entered into with the PCA, which stipulates that 10% of collected money goes to the Prosecutor's office. There is no restriction on the usage of PCA money, but the County policy on the usage of funds must be followed.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

ENHANCED ACCESS—Established for the replacement, improvement, and expansion of capital expenditures and the reimbursement of operating expenses incurred in providing enhanced access to public information. (IC 5-14-3-8.3) Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 135 Article V Sec. 135-511.

PROSECUTOR’S TITLE IV D INCENTIVE—Created by IC 12-17-2-26, the receipts received in this fund are an incentive from the state/federal government for enhancing child support enforcement. These funds per the statute are eligible to be spent without appropriation.

SHERIFF’S CIVIL DIVISION FEES—Created by the City-County Council, Ordinance No. 86 (2004), the fund shall consist of fees collected in the processing of real estate foreclosures and orders of eviction. Receipts received in this fund are for the purpose of carrying out the functions of the Marion County Sheriff’s Department. Amounts shall be paid from this fund only pursuant to appropriations authorized by the City-County Council. Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 135 Article II Sec. 135-281 (c).

ENDORSEMENT FEE—Established to account for the receipt of fees charged on documents for endorsing a document affecting an interest in real property. This fund is to be used for the improvement and maintenance of the real property records systems and equipment. (IC 36-2-11-14) Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 135 Article II Sec. 135-222.

COUNTY SALES DISCLOSURE—Established to account for the receipt of fees charged on the filing of a sales disclosure form. This fund is to be used for the administration of the sales disclosure function, training of assessing officials, or the purchasing of computer software or hardware for a property record system (IC 6-1.1-5.5-4.5).

GENERAL TITLE IV D INCENTIVE—Created by IC 31-25-4-23.5 (a). Receipts received will come from incentive payments outlined in 23(a)(1) of the above chapter referenced above. Monies may be used solely for child support enforcement purposes.

COMMISSIONER & GUARDIAN AD LITEM—Created by IC 34-28-5-4 (h) and IC 34-28-5-5 (e). This fund was created to collect an additional infraction judgment fee of \$35 on traffic violations. Funds may be used solely for the purposes of funding compensation of commissioners and the cost of the County’s Guardian Ad Litem program.

MC SHERIFF MEDICAL CARE FOR INMATES FUND—Established to account for all fees and moneys generated by health care and prescription co-payments by incarcerated persons and also for all moneys generated by contracts, grants, gifts, appropriations and any other source, which are designated for inmate medical expenses.

OTHER—Used to account for activities of 21 other less significant revenue sources and related expenditures.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2017

	Identification Security Protection	Adult Probation	Clerk's Record Perpetuation	Surveyor's Corner Perpetuation	County Records Perpetuation	Property Reassessment	Prosecutor's Diversion	Law Enforcement
Assets								
Cash and cash equivalents	\$ 225,102	\$ 58,841	\$ 1,690,727	\$ 435,329	\$ 1,487,794	\$ 1,076,379	\$ 277,858	\$ 72,870
Investments	11,890	3,108	89,302	22,994	78,584	56,853	14,677	3,849
Property tax receivable	-	-	-	-	-	59,092	-	-
Accounts receivable	5,636	94,555	63,879	55,475	128,580	19,666	15,438	-
Due from federal and state governments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 242,628</u>	<u>\$ 156,504</u>	<u>\$ 1,843,908</u>	<u>\$ 513,798</u>	<u>\$ 1,694,958</u>	<u>\$ 1,211,990</u>	<u>\$ 307,973</u>	<u>\$ 76,719</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 150,598	\$ -	\$ 3,184	\$ 819	\$ 14,077	\$ 214	\$ -	\$ 5,762
Accrued payroll and payroll taxes	-	16,606	1,678	3,337	14,445	24,677	4,742	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>150,598</u>	<u>16,606</u>	<u>4,862</u>	<u>4,156</u>	<u>28,522</u>	<u>24,891</u>	<u>4,742</u>	<u>5,762</u>
Deferred Inflows of Resources								
Unavailable revenues	-	-	-	-	-	78,758	-	-
Fund Balances								
Restricted	92,030	139,898	1,839,046	509,642	1,666,436	1,108,341	303,231	70,957
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>92,030</u>	<u>139,898</u>	<u>1,839,046</u>	<u>509,642</u>	<u>1,666,436</u>	<u>1,108,341</u>	<u>303,231</u>	<u>70,957</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 242,628</u>	<u>\$ 156,504</u>	<u>\$ 1,843,908</u>	<u>\$ 513,798</u>	<u>\$ 1,694,958</u>	<u>\$ 1,211,990</u>	<u>\$ 307,973</u>	<u>\$ 76,719</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
December 31, 2017

	Clerk's Title IV D Incentive	Sheriff Commissary	Guardian Ad Litem	County Misdemeanant	Alcohol and Drug Services	Community Corrections Home Detention	County Auditor's Ineligible Deductions	Law Enforcement Equitable Sharing	Local Emergency Planning
Assets									
Cash and cash equivalents	\$ 1,270,002	\$ 1,154,388	\$ 615,189	\$ 107,860	\$ 67,637	\$ 652,952	\$ 4,240,003	\$ -	\$ 327,306
Investments	67,080	-	32,494	5,697	3,573	34,488	223,950	-	17,288
Property tax receivable	-	-	-	-	-	-	-	-	-
Accounts receivable	175,634	-	63,716	-	25,396	89,265	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,512,716	\$ 1,154,388	\$ 711,399	\$ 113,557	\$ 96,606	\$ 776,705	\$ 4,463,953	\$ -	\$ 344,594
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 149	\$ -	\$ 488,282	\$ 57,935	\$ -	\$ 330,677	\$ 37,408	\$ 11,386	\$ 879
Accrued payroll and payroll taxes	5,627	-	-	699	1,366	33,868	6,948	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	73,800	-	3,031	-
Total liabilities	5,776	-	488,282	58,634	1,366	438,345	44,356	14,417	879
Deferred Inflows of Resources									
Unavailable revenues	87,817	-	-	-	-	-	-	-	-
Fund Balances									
Restricted	1,419,123	1,154,388	223,117	54,923	95,240	338,360	4,419,597	-	343,715
Unassigned	-	-	-	-	-	-	-	(14,417)	-
Total fund balances (deficits)	1,419,123	1,154,388	223,117	54,923	95,240	338,360	4,419,597	(14,417)	343,715
Total liabilities, deferred inflows of resources and fund balances	\$ 1,512,716	\$ 1,154,388	\$ 711,399	\$ 113,557	\$ 96,606	\$ 776,705	\$ 4,463,953	\$ -	\$ 344,594

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
December 31, 2017

	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	County Elected Elected Officials' Training	Federal Grants	Prosecutor's PCA Fee	Enhanced Access	Prosecutor's Title IV D Incentive
Assets								
Cash and cash equivalents	\$ -	\$ 236,192	\$ 33,550	\$ 422,613	\$ 658,877	\$ 280,360	\$ 932,201	\$ 2,645,417
Investments	-	12,475	1,772	22,322	34,801	14,808	49,238	139,728
Property tax receivable	-	-	-	-	-	-	-	-
Accounts receivable	7,913	86,160	19,422	5,636	-	23,297	10,312	264,242
Due from federal and state governments	-	-	37,735	-	897,734	-	-	-
	<u>7,913</u>	<u>334,827</u>	<u>92,479</u>	<u>450,571</u>	<u>1,591,412</u>	<u>318,465</u>	<u>991,751</u>	<u>3,049,387</u>
Total assets								
	<u>\$ 7,913</u>	<u>\$ 334,827</u>	<u>\$ 92,479</u>	<u>\$ 450,571</u>	<u>\$ 1,591,412</u>	<u>\$ 318,465</u>	<u>\$ 991,751</u>	<u>\$ 3,049,387</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 5,722	\$ 14,227	\$ 4,645	\$ -	\$ 62,334	\$ -	\$ -	\$ 1,281
Accrued payroll and payroll taxes	-	8,746	-	-	23,336	-	-	382
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	14,634	-	-	-	-	-	-	-
Total liabilities	<u>20,356</u>	<u>22,973</u>	<u>4,645</u>	<u>-</u>	<u>85,670</u>	<u>-</u>	<u>-</u>	<u>1,663</u>
Deferred Inflows of Resources								
Unavailable revenues	-	-	37,735	-	263,173	-	-	132,121
Fund Balances								
Restricted	-	311,854	50,099	450,571	1,242,569	318,465	991,751	2,915,603
Unassigned (deficits)	(12,443)	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>(12,443)</u>	<u>311,854</u>	<u>50,099</u>	<u>450,571</u>	<u>1,242,569</u>	<u>318,465</u>	<u>991,751</u>	<u>2,915,603</u>
Total liabilities, deferred inflows of resources and fund balances								
	<u>\$ 7,913</u>	<u>\$ 334,827</u>	<u>\$ 92,479</u>	<u>\$ 450,571</u>	<u>\$ 1,591,412</u>	<u>\$ 318,465</u>	<u>\$ 991,751</u>	<u>\$ 3,049,387</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
December 31, 2017

	Sheriff's Civil Division Fees	Endorsement Fee	County Sales Disclosure	General Title IV D Incentive	Commissioner & Guardian Ad Litem	MC Sheriff Medical Care for Inmates	Other	Total Special Revenue
Assets								
Cash and cash equivalents	\$ 188,796	\$ 231,239	\$ 258,016	\$ 1,280,163	\$ 199,206	\$ 1	\$ 922,746	\$ 22,049,614
Investments	9,972	12,214	13,628	67,617	10,522	-	48,411	1,103,335
Property tax receivable	-	-	-	-	-	-	-	59,092
Accounts receivable	76,027	15,305	11,465	175,634	90,731	84	35,932	1,559,400
Due from federal and state governments	-	-	-	-	-	-	4,171	939,640
	<u>274,795</u>	<u>258,758</u>	<u>283,109</u>	<u>1,523,414</u>	<u>300,459</u>	<u>85</u>	<u>1,011,260</u>	<u>25,711,081</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,053	\$ 1,191,632
Accrued payroll and payroll taxes	1,988	-	1,460	-	4,597	-	3,014	157,516
Unearned revenue	-	-	-	-	-	-	22,547	22,547
Due to other funds	-	-	-	-	-	362,329	79	453,873
Total liabilities	<u>1,988</u>	<u>-</u>	<u>1,460</u>	<u>-</u>	<u>4,597</u>	<u>362,329</u>	<u>27,693</u>	<u>1,825,568</u>
Deferred Inflows of Resources								
Unavailable revenues	-	-	-	87,817	-	-	-	687,421
Fund Balances								
Restricted	272,807	258,758	281,649	1,435,597	295,862	-	983,567	23,587,196
Unassigned (deficits)	-	-	-	-	-	(362,244)	-	(389,104)
Total fund balances (deficits)	<u>272,807</u>	<u>258,758</u>	<u>281,649</u>	<u>1,435,597</u>	<u>295,862</u>	<u>(362,244)</u>	<u>983,567</u>	<u>23,198,092</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 274,795</u>	<u>\$ 258,758</u>	<u>\$ 283,109</u>	<u>\$ 1,523,414</u>	<u>\$ 300,459</u>	<u>\$ 85</u>	<u>\$ 1,011,260</u>	<u>\$ 25,711,081</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Identification Security Protection	Adult Probation	Clerk's Record Perpetuation	Surveyor's Corner Perpetuation	County Records Perpetuation	Property Reassessment	Prosecutor's Diversion	Law Enforcement
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,794,882	\$ -	\$ -
Intergovernmental	-	-	16,922	-	-	-	-	-
Interest	-	3,516	-	-	-	-	-	-
Charges for services	73,078	1,408,266	901,969	467,860	1,388,240	-	221,515	-
Traffic violations and court fees	-	-	-	-	-	-	-	-
Miscellaneous	-	6,465	21	-	499	6,263	-	504,286
Total revenues	<u>73,078</u>	<u>1,418,247</u>	<u>918,912</u>	<u>467,860</u>	<u>1,388,739</u>	<u>1,801,145</u>	<u>221,515</u>	<u>504,286</u>
Expenditures								
Current								
General government	394,096	1,655,627	290,502	158,850	1,004,347	1,620,737	128,210	425,445
Public safety	-	-	-	-	-	-	-	89,429
Debt service								
Redemption of notes	-	-	-	-	-	-	-	-
Interest on notes	-	-	-	-	-	-	-	-
Capital outlays	-	-	1,278	4,134	960	-	-	27,033
Total expenditures	<u>394,096</u>	<u>1,655,627</u>	<u>291,780</u>	<u>162,984</u>	<u>1,005,307</u>	<u>1,620,737</u>	<u>128,210</u>	<u>541,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(321,018)</u>	<u>(237,380)</u>	<u>627,132</u>	<u>304,876</u>	<u>383,432</u>	<u>180,408</u>	<u>93,305</u>	<u>(37,621)</u>
Other Financing Sources (Uses)								
Notes issued	-	-	-	-	-	-	-	-
Transfers in	13	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(321,005)	(237,380)	627,132	304,876	383,432	180,408	93,305	(37,621)
Fund balances (deficits) - beginning of year	<u>413,035</u>	<u>377,278</u>	<u>1,211,914</u>	<u>204,766</u>	<u>1,283,004</u>	<u>927,933</u>	<u>209,926</u>	<u>108,578</u>
Fund balances (deficits) - end of year	<u>\$ 92,030</u>	<u>\$ 139,898</u>	<u>\$ 1,839,046</u>	<u>\$ 509,642</u>	<u>\$ 1,666,436</u>	<u>\$ 1,108,341</u>	<u>\$ 303,231</u>	<u>\$ 70,957</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2017

	Clerk's Title IV D Incentive	Sheriff Commissary	Guardian Ad Litem	County Misdemeanant	Alcohol and Drug Services	Community Corrections Home Detention	County Auditor's Ineligible Deductions	Law Enforcement Equitable Sharing	Local Emergency Planning
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,043,516	\$ -	\$ -
Intergovernmental	536,781	-	-	582,583	-	626,525	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for services	-	3,738,397	1,122,120	-	376,273	2,943,819	-	-	-
Traffic violations and court fees	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	110,883	-	97,117	92,038
Total revenues	<u>536,781</u>	<u>3,738,397</u>	<u>1,122,120</u>	<u>582,583</u>	<u>376,273</u>	<u>3,681,227</u>	<u>1,043,516</u>	<u>97,117</u>	<u>92,038</u>
Expenditures									
Current									
General government	370,090	-	6,533,387	-	344,901	180,985	758,496	10,642	43,400
Public safety	-	3,080,969	-	589,465	-	5,269,331	-	-	-
Debt service									
Redemption of notes	-	241,422	-	-	-	-	-	-	-
Interest on notes	-	10,445	-	-	-	-	-	-	-
Capital outlays	44,719	616,396	-	-	-	-	-	3,354	-
Total expenditures	<u>414,809</u>	<u>3,949,232</u>	<u>6,533,387</u>	<u>589,465</u>	<u>344,901</u>	<u>5,450,316</u>	<u>758,496</u>	<u>13,996</u>	<u>43,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>121,972</u>	<u>(210,835)</u>	<u>(5,411,267)</u>	<u>(6,882)</u>	<u>31,372</u>	<u>(1,769,089)</u>	<u>285,020</u>	<u>83,121</u>	<u>48,638</u>
Other Financing Sources (Uses)									
Notes issued	-	616,396	-	-	-	-	-	-	-
Transfers in	-	-	5,250,000	-	-	1,872,028	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>616,396</u>	<u>5,250,000</u>	<u>-</u>	<u>-</u>	<u>1,872,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	121,972	405,561	(161,267)	(6,882)	31,372	102,939	285,020	83,121	48,638
Fund balances (deficits) - beginning of year	<u>1,297,151</u>	<u>748,827</u>	<u>384,384</u>	<u>61,805</u>	<u>63,868</u>	<u>235,421</u>	<u>4,134,577</u>	<u>(97,538)</u>	<u>295,077</u>
Fund balances (deficits) - end of year	<u>\$ 1,419,123</u>	<u>\$ 1,154,388</u>	<u>\$ 223,117</u>	<u>\$ 54,923</u>	<u>\$ 95,240</u>	<u>\$ 338,360</u>	<u>\$ 4,419,597</u>	<u>\$ (14,417)</u>	<u>\$ 343,715</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2017

	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	County Elected Officials' Training	Federal Grants	Prosecutor's PCA Fee	Enhanced Access	Prosecutor's Title IV D Incentive
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,310	17,780	-	3,333,677	23,297	-	807,391
Interest	-	-	-	-	-	-	-	-
Charges for services	133,783	1,409,647	287,856	73,078	-	-	41,587	-
Traffic violations and court fees	-	-	-	-	-	-	-	-
Miscellaneous	-	400	-	-	-	36,276	-	-
Total revenues	<u>133,783</u>	<u>1,414,357</u>	<u>305,636</u>	<u>73,078</u>	<u>3,333,677</u>	<u>59,573</u>	<u>41,587</u>	<u>807,391</u>
Expenditures								
Current								
General government	81,808	2,329,087	384,731	1,815	1,672,963	-	12,775	439,330
Public safety	-	-	-	-	1,025,881	-	-	-
Debt service								
Redemption of notes	-	-	-	-	-	-	-	-
Interest on notes	-	-	-	-	-	-	-	-
Capital outlays	-	5,000	-	-	511,185	-	-	26,417
Total expenditures	<u>81,808</u>	<u>2,334,087</u>	<u>384,731</u>	<u>1,815</u>	<u>3,210,029</u>	<u>-</u>	<u>12,775</u>	<u>465,747</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>51,975</u>	<u>(919,730)</u>	<u>(79,095)</u>	<u>71,263</u>	<u>123,648</u>	<u>59,573</u>	<u>28,812</u>	<u>341,644</u>
Other Financing Sources (Uses)								
Notes issued	-	-	-	-	-	-	-	-
Transfers in	-	-	39,399	-	276,362	-	-	-
Transfers out	-	-	(4,082)	-	(296,244)	-	(13)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>35,317</u>	<u>-</u>	<u>(19,882)</u>	<u>-</u>	<u>(13)</u>	<u>-</u>
Net change in fund balances	51,975	(919,730)	(43,778)	71,263	103,766	59,573	28,799	341,644
Fund balances (deficits) - beginning of year	(64,418)	1,231,584	93,877	379,308	1,138,803	258,892	962,952	2,573,959
Fund balances (deficits) - end of year	<u>\$ (12,443)</u>	<u>\$ 311,854</u>	<u>\$ 50,099</u>	<u>\$ 450,571</u>	<u>\$ 1,242,569</u>	<u>\$ 318,465</u>	<u>\$ 991,751</u>	<u>\$ 2,915,603</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2017

	Sheriff's Civil Division Fees	Endorsement Fee	County Sales Disclosure	General Title IV D Incentive	Commissioner & Guardian & Guardian Ad Litem	MC Sheriff Medical Care for Inmates	Other	Total Special Revenue
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,838,398
Intergovernmental	-	-	-	536,781	-	-	17,208	6,503,255
Interest	-	-	-	-	-	-	-	3,516
Charges for services	466,227	244,695	163,922	-	1,376,574	27,785	266,846	17,133,537
Traffic violations and court fees	3,422	-	-	-	-	-	-	3,422
Miscellaneous	-	-	-	-	-	200	57,212	911,660
Total revenues	<u>469,649</u>	<u>244,695</u>	<u>163,922</u>	<u>536,781</u>	<u>1,376,574</u>	<u>27,985</u>	<u>341,266</u>	<u>27,393,788</u>
Expenditures								
Current								
General government	-	143,870	103,681	353,697	1,280,245	-	259,613	20,983,330
Public safety	152,091	-	-	-	-	9,604,437	-	19,811,603
Debt service								
Redemption of notes	-	-	-	-	-	-	-	241,422
Interest on notes	-	-	-	-	-	-	-	10,445
Capital outlays	-	-	-	-	-	-	2,967	1,243,443
Total expenditures	<u>152,091</u>	<u>143,870</u>	<u>103,681</u>	<u>353,697</u>	<u>1,280,245</u>	<u>9,604,437</u>	<u>262,580</u>	<u>42,290,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>317,558</u>	<u>100,825</u>	<u>60,241</u>	<u>183,084</u>	<u>96,329</u>	<u>(9,576,452)</u>	<u>78,686</u>	<u>(14,896,455)</u>
Other Financing Sources (Uses)								
Notes issued	-	-	-	-	-	-	-	616,396
Transfers in	-	-	-	300,000	-	11,496,560	174,744	19,409,106
Transfers out	-	-	-	-	-	-	(73,817)	(374,156)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>11,496,560</u>	<u>100,927</u>	<u>19,651,346</u>
Net change in fund balances	317,558	100,825	60,241	483,084	96,329	1,920,108	179,613	4,754,891
Fund balances (deficits) - beginning of year	<u>(44,751)</u>	<u>157,933</u>	<u>221,408</u>	<u>952,513</u>	<u>199,533</u>	<u>(2,282,352)</u>	<u>803,954</u>	<u>18,443,201</u>
Fund balances (deficits) - end of year	<u>\$ 272,807</u>	<u>\$ 258,758</u>	<u>\$ 281,649</u>	<u>\$ 1,435,597</u>	<u>\$ 295,862</u>	<u>\$ (362,244)</u>	<u>\$ 983,567</u>	<u>\$ 23,198,092</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis)
For the Year Ended December 31, 2017

	Identification Security				Surveyor's Corner				County Records Perpetuation		Property Reassessment	
	Protection		Adult Probation		Clerk's Record Perpetuation		Perpetuation		Final Budget	Actual	Final Budget	Actual
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual				
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,718,659	\$ 1,796,944
Intergovernmental	-	-	-	-	12,000	16,210	-	-	-	-	-	-
Interest	-	-	-	50	-	-	-	-	-	-	-	-
Charges for services	67,513	67,443	1,514,000	1,317,177	585,000	838,801	165,000	412,385	780,832	1,259,660	-	-
Traffic violations and court fees	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>67,513</u>	<u>67,443</u>	<u>1,514,000</u>	<u>1,317,227</u>	<u>597,000</u>	<u>855,011</u>	<u>165,000</u>	<u>412,385</u>	<u>780,832</u>	<u>1,259,660</u>	<u>1,718,659</u>	<u>1,796,944</u>
Expenditures												
Current												
General government	296,876	283,539	1,660,765	1,656,866	598,712	557,440	159,288	159,038	1,074,584	1,000,909	1,954,301	1,616,177
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	2,876	-	-	-	20,000	19,278	5,400	5,129	7,124	960	-	-
Total expenditures	<u>299,752</u>	<u>283,539</u>	<u>1,660,765</u>	<u>1,656,866</u>	<u>618,712</u>	<u>576,718</u>	<u>164,688</u>	<u>164,167</u>	<u>1,081,708</u>	<u>1,001,869</u>	<u>1,954,301</u>	<u>1,616,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(232,239)</u>	<u>(216,096)</u>	<u>(146,765)</u>	<u>(339,639)</u>	<u>(21,712)</u>	<u>278,293</u>	<u>312</u>	<u>248,218</u>	<u>(300,876)</u>	<u>257,791</u>	<u>(235,642)</u>	<u>180,767</u>
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-	447	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(232,239)	(216,096)	(146,765)	(339,639)	(21,712)	278,293	312	248,218	(300,876)	258,238	(235,642)	180,767
Fund balances (deficits) - beginning of year	288,471	291,512	310,517	293,086	931,688	1,098,394	62,430	190,682	1,114,702	1,221,873	570,329	948,264
Cancellation of purchase orders and other	225,333	6,243	-	108,502	1	83,032	(1)	18,158	(2)	71,809	(33,867)	4,201
Fund balances (deficits) - end of year	<u>\$ 281,565</u>	<u>\$ 81,659</u>	<u>\$ 163,752</u>	<u>\$ 61,949</u>	<u>\$ 909,977</u>	<u>\$ 1,459,719</u>	<u>\$ 62,741</u>	<u>\$ 457,058</u>	<u>\$ 813,824</u>	<u>\$ 1,551,920</u>	<u>\$ 300,820</u>	<u>\$ 1,133,232</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

	Prosecutor's Diversion		Law Enforcement		Guardian Ad Litem		County Misdemeanant		Alcohol and Drug Services		Community Corrections Home Detention	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	Revenues											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	900,000	-	582,583	582,583	-	-	-	589,375
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	221,211	206,075	-	-	-	1,239,865	-	-	350,000	350,878	4,541,488	2,906,170
Traffic violations and court fees	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	219,986	-
Total revenues	<u>221,211</u>	<u>206,075</u>	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>1,239,865</u>	<u>582,583</u>	<u>582,583</u>	<u>350,000</u>	<u>350,878</u>	<u>4,761,474</u>	<u>3,495,545</u>
Expenditures												
Current												
General government	300,000	123,469	506,728	425,536	6,600,000	6,600,000	-	-	349,614	344,872	180,000	179,554
Public safety	-	-	100,000	97,418	-	-	633,198	633,125	-	-	5,555,976	5,278,857
Capital outlays	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>300,000</u>	<u>123,469</u>	<u>606,728</u>	<u>522,954</u>	<u>6,600,000</u>	<u>6,600,000</u>	<u>633,198</u>	<u>633,125</u>	<u>349,614</u>	<u>344,872</u>	<u>5,735,976</u>	<u>5,458,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(78,789)</u>	<u>82,606</u>	<u>(606,728)</u>	<u>(522,954)</u>	<u>(5,700,000)</u>	<u>(5,360,135)</u>	<u>(50,615)</u>	<u>(50,542)</u>	<u>386</u>	<u>6,006</u>	<u>(974,502)</u>	<u>(1,962,866)</u>
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(78,789)	82,606	(606,728)	(522,954)	(5,700,000)	(5,360,135)	(50,615)	(50,542)	386	6,006	(974,502)	(1,962,866)
Fund balances (deficits) - beginning of year	179,108	187,142	1,553,235	80,891	(4,686,886)	(4,338,157)	99,615	89,338	53,549	38,605	271,269	(159,021)
Cancellation of purchase orders and other	-	22,787	-	1,610,867	10,606,857	9,857,694	-	6,216	-	26,600	949,999	1,740,331
Fund balances (deficits) - end of year	<u>\$ 100,319</u>	<u>\$ 292,535</u>	<u>\$ 946,507</u>	<u>\$ 1,168,804</u>	<u>\$ 219,971</u>	<u>\$ 159,402</u>	<u>\$ 49,000</u>	<u>\$ 45,012</u>	<u>\$ 53,935</u>	<u>\$ 71,211</u>	<u>\$ 246,766</u>	<u>\$ (381,556)</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

	County Auditor's Ineligible Deductions		Law Enforcement		Local Emergency Planning		Supplemental Public		MC Sheriff Medical	
	Deductions		Equitable Sharing				Defender Fee		Care for Inmates	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Revenues										
Taxes	\$ 1,100,000	\$ 1,059,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	180,000	125,869	212,500	27,701
Traffic violations and court fees	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	37,500	92,038	-	-	-	200
Total revenues	<u>1,100,000</u>	<u>1,059,168</u>	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>92,038</u>	<u>180,000</u>	<u>125,869</u>	<u>212,500</u>	<u>27,901</u>
Expenditures										
Current										
General government	601,641	522,979	70,000	-	110,000	42,522	119,700	79,565	-	-
Public safety	-	-	-	-	-	-	-	-	11,809,008	11,809,008
Capital outlays	17,649	-	30,000	3,354	-	-	-	-	-	-
Total expenditures	<u>619,290</u>	<u>522,979</u>	<u>100,000</u>	<u>3,354</u>	<u>110,000</u>	<u>42,522</u>	<u>119,700</u>	<u>79,565</u>	<u>11,809,008</u>	<u>11,809,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>480,710</u>	<u>536,189</u>	<u>(100,000)</u>	<u>(3,354)</u>	<u>(72,500)</u>	<u>49,516</u>	<u>60,300</u>	<u>46,304</u>	<u>(11,596,508)</u>	<u>(11,781,107)</u>
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	480,710	536,189	(100,000)	(3,354)	(72,500)	49,516	60,300	46,304	(11,596,508)	(11,781,107)
Fund balances (deficits) - beginning of year	153,055	2,724,676	368,870	(22,457)	214,921	295,077	1,883	(79,600)	200,123	(77,782)
Cancellation of purchase orders and other	19,648	72,332	200,000	94,459	(10,396)	-	-	10,431	11,315,935	12,221,218
Fund balances (deficits) - end of year	<u>\$ 653,413</u>	<u>\$ 3,333,197</u>	<u>\$ 468,870</u>	<u>\$ 68,648</u>	<u>\$ 132,025</u>	<u>\$ 344,593</u>	<u>\$ 62,183</u>	<u>\$ (22,865)</u>	<u>\$ (80,450)</u>	<u>\$ 362,329</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

	County Elected Officials'											
	Deferral Program Fees		County Drug Free Community		Training		Federal Grants		Enhanced Access		Sheriff's Civil Division Fees	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,310	-	1,100	-	-	8,204,457	2,470,479	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	2,300,000	1,323,488	355,000	268,434	67,513	67,443	-	-	242,220	34,224	692,000	436,400
Traffic violations and court fees	-	-	-	-	-	-	-	-	-	-	-	3,423
Miscellaneous	-	400	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>2,300,000</u>	<u>1,328,198</u>	<u>355,000</u>	<u>269,534</u>	<u>67,513</u>	<u>67,443</u>	<u>8,204,457</u>	<u>2,470,479</u>	<u>242,220</u>	<u>34,224</u>	<u>692,000</u>	<u>439,823</u>
Expenditures												
Current												
General government	2,638,141	2,318,119	60,375	39,250	10,635	3,538	4,176,973	1,633,621	279,333	279,333	-	-
Public safety	-	-	-	-	-	-	2,530,059	1,085,849	-	-	600,000	152,731
Capital outlays	5,000	5,000	-	-	-	-	1,324,880	471,674	-	-	-	-
Total expenditures	<u>2,643,141</u>	<u>2,323,119</u>	<u>60,375</u>	<u>39,250</u>	<u>10,635</u>	<u>3,538</u>	<u>8,031,912</u>	<u>3,191,144</u>	<u>279,333</u>	<u>279,333</u>	<u>600,000</u>	<u>152,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(343,141)</u>	<u>(994,921)</u>	<u>294,625</u>	<u>230,284</u>	<u>56,878</u>	<u>63,905</u>	<u>172,545</u>	<u>(720,665)</u>	<u>(37,113)</u>	<u>(245,109)</u>	<u>92,000</u>	<u>287,092</u>
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(343,141)	(994,921)	294,625	230,284	56,878	63,905	172,545	(720,665)	(37,113)	(245,109)	92,000	287,092
Fund balances (deficits) - beginning of year	1,340,328	1,127,422	54,153	69,310	344,828	366,706	-	-	888,140	909,069	1,200	(186,923)
Cancellation of purchase orders and other	(575,000)	103,541	(315,000)	(269,332)	21,160	12,602	(172,545)	720,665	279,333	15,146	-	98,599
Fund balances (deficits) - end of year	<u>\$ 422,187</u>	<u>\$ 236,042</u>	<u>\$ 33,778</u>	<u>\$ 30,262</u>	<u>\$ 422,866</u>	<u>\$ 443,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,130,360</u>	<u>\$ 679,106</u>	<u>\$ 93,200</u>	<u>\$ 198,768</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

	Endorsement Fee		County Sales Disclosure		Commissioner & Guardian Ad Litem		Other - County Grants		Other - Marion Superior Court Equipment		Other - Section 102 HAVA Reimbursement	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	215,000	10,471	-	-	32,000	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	204,240	218,425	125,280	143,958	1,360,001	1,285,843	-	-	-	28,207	-	-
Traffic violations and court fees	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	24,000	13,427	-	-
Total revenues	<u>204,240</u>	<u>218,425</u>	<u>125,280</u>	<u>143,958</u>	<u>1,360,001</u>	<u>1,285,843</u>	<u>215,000</u>	<u>10,471</u>	<u>24,000</u>	<u>41,634</u>	<u>32,000</u>	<u>-</u>
Expenditures												
Current												
General government	159,317	143,871	107,595	103,680	1,300,468	1,282,830	135,000	17,980	30,000	30,000	14,000	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	30,000	-	-	-	18,000	-
Total expenditures	<u>159,317</u>	<u>143,871</u>	<u>107,595</u>	<u>103,680</u>	<u>1,300,468</u>	<u>1,282,830</u>	<u>165,000</u>	<u>17,980</u>	<u>30,000</u>	<u>30,000</u>	<u>32,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,923</u>	<u>74,554</u>	<u>17,685</u>	<u>40,278</u>	<u>59,533</u>	<u>3,013</u>	<u>50,000</u>	<u>(7,509)</u>	<u>(6,000)</u>	<u>11,634</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	44,923	74,554	17,685	40,278	59,533	3,013	50,000	(7,509)	(6,000)	11,634	-	-
Fund balances (deficits) - beginning of year	2,759	157,790	53,678	222,868	3,801	129,306	-	-	19,701	82,410	4,104	24,094
Cancellation of purchase orders and other	-	11,109	-	8,498	-	77,409	(50,000)	48,846	-	2,068	-	-
Fund balances (deficits) - end of year	<u>\$ 47,682</u>	<u>\$ 243,453</u>	<u>\$ 71,363</u>	<u>\$ 271,644</u>	<u>\$ 63,334</u>	<u>\$ 209,728</u>	<u>\$ -</u>	<u>\$ 41,337</u>	<u>\$ 13,701</u>	<u>\$ 96,112</u>	<u>\$ 4,104</u>	<u>\$ 24,094</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

	Other - Sheriff's Continuing		Other - Jury Pay		Other - Juvenile Probation		Other - County Extradition	
	Education		Other - Jury Pay		Other - Juvenile Probation		Other - County Extradition	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Charges for services	14,301	3,820	75,000	114,100	10,000	25,840	-	-
Traffic violations and court fees	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>14,301</u>	<u>3,820</u>	<u>75,000</u>	<u>114,100</u>	<u>10,000</u>	<u>25,840</u>	<u>-</u>	<u>-</u>
Expenditures								
Current								
General government	-	-	115,000	114,997	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>114,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,301</u>	<u>3,820</u>	<u>(40,000)</u>	<u>(897)</u>	<u>10,000</u>	<u>25,840</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,301	3,820	(40,000)	(897)	10,000	25,840	-	-
Fund balances (deficits) - beginning of year	67,590	63,895	8,452	37,870	20,094	59,496	5,810	6,810
Cancellation of purchase orders and other	-	1	95,601	11,393	49,458	6,948	-	1,000
Fund balances (deficits) - end of year	<u>\$ 81,891</u>	<u>\$ 67,716</u>	<u>\$ 64,053</u>	<u>\$ 48,366</u>	<u>\$ 79,552</u>	<u>\$ 92,284</u>	<u>\$ 5,810</u>	<u>\$ 7,810</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

	Other - Alt Dispute Resolution		Other - Drug Treatment Diversion		Other - County Sex & Violent Offender Administration		Other - County Offender Transportation	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Charges for services	80,000	27,532	-	1,335	25,000	7,545	2,000	12,245
Traffic violations and court fees	-	-	-	-	-	-	-	-
Miscellaneous	2,000	49,089	-	-	-	-	-	-
Total revenues	<u>82,000</u>	<u>76,621</u>	<u>-</u>	<u>1,335</u>	<u>25,000</u>	<u>7,545</u>	<u>2,000</u>	<u>12,245</u>
Expenditures								
Current								
General government	89,372	89,372	48,626	9,705	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Capital outlays	-	-	1,374	-	-	-	-	-
Total expenditures	<u>89,372</u>	<u>89,372</u>	<u>50,000</u>	<u>9,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,372)</u>	<u>(12,751)</u>	<u>(50,000)</u>	<u>(8,370)</u>	<u>25,000</u>	<u>7,545</u>	<u>2,000</u>	<u>12,245</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(7,372)	(12,751)	(50,000)	(8,370)	25,000	7,545	2,000	12,245
Fund balances (deficits) - beginning of year	-	1,900	25,855	92,026	68,590	59,780	11,778	12,198
Cancellation of purchase orders and other	8,144	10,772	58,841	600	-	-	-	249
Fund balances (deficits) - end of year	<u>\$ 772</u>	<u>\$ (79)</u>	<u>\$ 34,696</u>	<u>\$ 84,256</u>	<u>\$ 93,590</u>	<u>\$ 67,325</u>	<u>\$ 13,778</u>	<u>\$ 24,692</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
Prosecuting Attorney	MCPO Law Enforcement			
Personal services		\$ 384,228	\$ 315,618	\$ 68,610
Supplies		12,500	8,866	3,634
Other services and charges		110,000	101,052	8,948
Total		<u>506,728</u>	<u>425,536</u>	<u>81,192</u>
Prosecuting Attorney	Diversion			
Personal services		300,000	123,468	176,532
Total		<u>300,000</u>	<u>123,468</u>	<u>176,532</u>
Prosecuting Attorney	Public Safety Income Tax Fund			
Personal services		2,236,927	2,236,927	-
Total		<u>2,236,927</u>	<u>2,236,927</u>	<u>-</u>
Prosecuting Attorney	Deferral Program Fee			
Personal services		2,081,927	1,974,000	107,927
Supplies		30,000	18,916	11,084
Other services and charges		419,500	219,935	199,565
Capital outlay		5,000	5,000	-
Total		<u>2,536,427</u>	<u>2,217,851</u>	<u>318,576</u>
Prosecuting Attorney	Federal Grants			
Personal services		1,333,431	784,248	549,183
Supplies		25,000	136	24,864
Other services and charges		804,960	3,976	800,984
Capital outlay		756,909	7,418	749,491
Total		<u>2,920,300</u>	<u>795,778</u>	<u>2,124,522</u>
Prosecuting Attorney	State Grants			
Personal services		1,380,891	1,054,729	326,162
Supplies		50,000	4,179	45,821
Other services and charges		61,500	28,947	32,553
Capital outlay		30,000	9,835	20,165
Total		<u>1,522,391</u>	<u>1,097,690</u>	<u>424,701</u>
Total - Prosecuting Attorney		<u>\$ 10,022,773</u>	<u>\$ 6,897,250</u>	<u>\$ 3,125,523</u>
Forensic Services	Federal Grants			
Personal services		\$ 448,411	\$ 221,557	\$ 226,854
Supplies		237,843	212,818	25,025
Other services and charges		326,778	209,503	117,275
Capital outlay		118,598	69,802	48,796
Total		<u>1,131,630</u>	<u>713,680</u>	<u>417,950</u>
Total - Forensic Services		<u>\$ 1,131,630</u>	<u>\$ 713,680</u>	<u>\$ 417,950</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
County Sheriff	MECA Emergency Phone System			
Personal services		\$ 5,950,250	\$ 5,950,250	\$ -
Total		<u>5,950,250</u>	<u>5,950,250</u>	<u>-</u>
County Sheriff	MECA			
Personal services		1,700,805	1,700,805	-
Other services and charges		973,440	973,440	-
Total		<u>2,674,245</u>	<u>2,674,245</u>	<u>-</u>
County Sheriff	MC Sheriff's Civil Div Fees			
Personal services		600,000	152,731	447,269
Total		<u>600,000</u>	<u>152,731</u>	<u>447,269</u>
County Sheriff	MC Sheriff's Med Care Inmates			
Other services and charges		11,809,008	11,809,008	-
Total		<u>11,809,008</u>	<u>11,809,008</u>	<u>-</u>
County Sheriff	Public Safety Income Tax Fund			
Personal services		25,047,219	24,815,368	231,851
Total		<u>25,047,219</u>	<u>24,815,368</u>	<u>231,851</u>
County Sheriff	County (Corr) Misdemeanant			
Supplies		142,277	142,208	69
Other services and charges		190,621	190,621	-
Total		<u>332,898</u>	<u>332,829</u>	<u>69</u>
County Sheriff	Federal Grants			
Personal services		300,000	8,333	291,667
Supplies		294,000	107,095	186,905
Other services and charges		292,000	84,679	207,321
Capital outlay		265,610	263,750	1,860
Total		<u>1,151,610</u>	<u>463,857</u>	<u>687,753</u>
County Sheriff	State Grants			
Personal services		393,538	216,835	176,703
Supplies		13,400	7,659	5,741
Capital outlay		167,400	7,502	159,898
Total		<u>574,338</u>	<u>231,996</u>	<u>342,342</u>
Total - County Sheriff		<u>\$ 48,139,568</u>	<u>\$ 46,430,284</u>	<u>\$ 1,709,284</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
Community Corrections	Public Safety Income Tax Fund			
Personal services		\$ 779,629	\$ 776,829	\$ 2,800
Total		<u>779,629</u>	<u>776,829</u>	<u>2,800</u>
Community Corrections	County Corrections Misdemeanant			
Personal services		300,300	300,300	-
Total		<u>300,300</u>	<u>300,300</u>	<u>-</u>
Community Corrections	Home Detention			
Personal services		569,327	547,101	22,226
Other services and charges		3,334,618	3,334,617	1
Total		<u>3,903,945</u>	<u>3,881,718</u>	<u>22,227</u>
Community Corrections	Community Correction Work Release			
Personal services		1,240,681	1,036,133	204,548
Other services and charges		238,783	238,783	-
Total		<u>1,479,464</u>	<u>1,274,916</u>	<u>204,548</u>
Community Corrections	Community Transition Program			
Personal services		135,986	102,098	33,888
Other services and charges		36,581	20,125	16,456
Total		<u>172,567</u>	<u>122,223</u>	<u>50,344</u>
Community Corrections	Federal Grants			
Personal services		258,619	194,055	64,564
Supplies		3,000	2,750	250
Other services and charges		369,408	45,058	324,350
Total		<u>631,027</u>	<u>241,863</u>	<u>389,164</u>
Community Corrections	State Grants			
Personal services		3,736,244	3,198,165	538,079
Supplies		15,488	12,080	3,408
Other services and charges		2,672,518	1,970,172	702,346
Capital outlay		102,900	16,260	86,640
Total		<u>6,527,150</u>	<u>5,196,677</u>	<u>1,330,473</u>
Total - Community Corrections		<u>\$ 13,794,082</u>	<u>\$ 11,794,526</u>	<u>\$ 1,999,556</u>
Marion County Superior Court	Adult Probation			
Personal services		\$ 1,660,765	\$ 1,656,865	\$ 3,900
Total		<u>1,660,765</u>	<u>1,656,865</u>	<u>3,900</u>
Marion County Superior Court	Marion Superior Court Equip			
Other services and charges		30,000	30,000	-
Total		<u>30,000</u>	<u>30,000</u>	<u>-</u>
Marion County Superior Court	Comm & Gaurdian Ad Litem			
Personal services		1,300,468	1,282,830	17,638
Total		<u>1,300,468</u>	<u>1,282,830</u>	<u>17,638</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
Marion County Superior Court	Gaurdian Ad Litem			
Other services and charges		\$ 6,600,000	\$ 6,600,000	\$ -
Total		<u>6,600,000</u>	<u>6,600,000</u>	<u>-</u>
Marion County Superior Court	Alt Dispute Resolution - Sup			
Personal services		89,372	89,372	-
Total		<u>89,372</u>	<u>89,372</u>	<u>-</u>
Marion County Superior Court	Alcohol & Drug Laboratory			
Personal services		349,614	344,872	4,742
Total		<u>349,614</u>	<u>344,872</u>	<u>4,742</u>
Marion County Superior Court	Drug Testing Laboratory			
Other services and charges		8,907	8,907	-
Total		<u>8,907</u>	<u>8,907</u>	<u>-</u>
Marion County Superior Court	Drug Free Community			
Personal services		7,375	-	7,375
Other services and charges		53,000	39,250	13,750
Total		<u>60,375</u>	<u>39,250</u>	<u>21,125</u>
Marion County Superior Court	Public Safety Income Tax Fund			
Personal services		12,444,713	12,235,207	209,506
Total		<u>12,444,713</u>	<u>12,235,207</u>	<u>209,506</u>
Marion County Superior Court	Jury Pay Fund			
Other services and charges		115,000	114,997	3
Total		<u>115,000</u>	<u>114,997</u>	<u>3</u>
Marion County Superior Court	Drug Treatment Diversion Prog			
Personal services		18,626	68	18,558
Other services and charges		30,000	9,637	20,363
Capital outlay		1,374	-	1,374
Total		<u>50,000</u>	<u>9,705</u>	<u>40,295</u>
Marion County Superior Court	Community Transition Program			
Personal services		146,262	146,262	-
Supplies		1,200	1,192	8
Other services and charges		32,538	32,098	440
Total		<u>180,000</u>	<u>179,552</u>	<u>448</u>
Marion County Superior Court	Federal Grants			
Personal services		615,517	299,378	316,139
Supplies		58,343	113	58,230
Other services and charges		1,093,980	382,662	711,318
Capital outlay		183,763	130,703	53,060
Total		<u>1,951,603</u>	<u>812,856</u>	<u>1,138,747</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
Marion County Superior Court	State Grants			
Personal services		\$ 1,383,086	\$ 1,268,627	\$ 114,459
Supplies		235,640	13,091	222,549
Other services and charges		1,353,939	710,413	643,526
Capital outlay		209,000	6,016	202,984
Total		<u>3,181,665</u>	<u>1,998,147</u>	<u>1,183,518</u>
Marion County Superior Court	County Grants			
Personal services		20,000	11,311	8,689
Supplies		50,000	156	49,844
Other services and charges		65,000	6,513	58,487
Capital outlay		30,000	-	30,000
Total		<u>165,000</u>	<u>17,980</u>	<u>147,020</u>
Total - Marion County Superior Court		<u>\$ 28,187,482</u>	<u>\$ 25,420,540</u>	<u>\$ 2,766,942</u>
County Auditor	Property Reassessment			
Personal services		\$ 45,450	\$ 45,450	\$ -
Other services and charges		5,330	5,330	-
Total		<u>50,780</u>	<u>50,780</u>	<u>-</u>
County Auditor	MC AUD Ineligible Deductions			
Personal services		581,153	502,491	78,662
Other services and charges		20,489	20,489	-
Capital outlay		17,649	-	17,649
Total		<u>619,291</u>	<u>522,980</u>	<u>96,311</u>
County Auditor	Local Emrg Plan & Right to Know			
Other services and charges		110,000	42,522	67,478
Total		<u>110,000</u>	<u>42,522</u>	<u>67,478</u>
Total - County Auditor		<u>\$ 780,071</u>	<u>\$ 616,282</u>	<u>\$ 163,789</u>
Clerk of the Circuit Court	Clerk's Perpetuation Fund			
Personal services		\$ 112,711	\$ 110,755	\$ 1,956
Supplies		75,500	36,486	39,014
Other services and charges		410,500	410,200	300
Capital outlay		20,000	19,278	722
Total		<u>618,711</u>	<u>576,719</u>	<u>41,992</u>
Total - Clerk of the Circuit Court		<u>\$ 618,711</u>	<u>\$ 576,719</u>	<u>\$ 41,992</u>
County Election Board	Section 102 HAVA Reimbursement			
Supplies		\$ 14,000	\$ -	\$ 14,000
Capital outlay		18,000	-	18,000
Total		<u>32,000</u>	<u>-</u>	<u>32,000</u>
Total - County Election Board		<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 32,000</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
County Coroner	Federal Grants			
Other services and charges		\$ 1,000	\$ -	\$ 1,000
Total		<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total - County Coroner		<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
County Recorder	County Elected Officials Training			
Other services and charges		\$ 4,635	\$ 655	\$ 3,980
Total		<u>4,635</u>	<u>655</u>	<u>3,980</u>
County Recorder	ID Security Protection			
Other services and charges		296,876	283,539	13,337
Capital outlay		2,876	-	2,876
Total		<u>299,752</u>	<u>283,539</u>	<u>16,213</u>
County Recorder	County Records Perpetuation			
Personal services		979,635	912,740	66,895
Supplies		7,639	5,406	2,233
Other services and charges		87,311	82,763	4,548
Capital outlay		7,124	960	6,164
Total		<u>1,081,709</u>	<u>1,001,869</u>	<u>79,840</u>
Total - County Recorder		<u>\$ 1,386,096</u>	<u>\$ 1,286,063</u>	<u>\$ 100,033</u>
County Surveyor	County Elected Officials Training			
Other services and charges		\$ 6,000	\$ 2,882	\$ 3,118
Total		<u>6,000</u>	<u>2,882</u>	<u>3,118</u>
County Surveyor	Surveyor's Perpetuation			
Personal services		144,864	144,863	1
Supplies		14,425	14,175	250
Capital outlay		5,400	5,128	272
Total		<u>164,689</u>	<u>164,166</u>	<u>523</u>
Total - County Surveyor		<u>\$ 170,689</u>	<u>\$ 167,048</u>	<u>\$ 3,641</u>
Information Services Agency	Enhanced Access			
Other services and charges		\$ 279,333	\$ 279,333	\$ -
Total		<u>279,333</u>	<u>279,333</u>	<u>-</u>
Total - Information Services Agency		<u>\$ 279,333</u>	<u>\$ 279,333</u>	<u>\$ -</u>
County Assessor	Property Reassessment			
Personal services		\$ 1,534,186	\$ 1,343,022	\$ 191,164
Other services and charges		369,333	222,375	146,958
Total		<u>1,903,519</u>	<u>1,565,397</u>	<u>338,122</u>
County Assessor	Endorsement Fee - Plat Book			
Other services and charges		159,317	143,871	15,446
Total		<u>159,317</u>	<u>143,871</u>	<u>15,446</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Special Revenue Funds - Budget and Actual
(Budgetary Basis) (Continued)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
County Assessor	County Sales Disclosure Fund			
Personal services		\$ 83,855	\$ 83,855	\$ -
Other services and charges		23,740	19,826	3,914
Total		<u>107,595</u>	<u>103,681</u>	<u>3,914</u>
Total - County Assessor		<u>\$ 2,170,431</u>	<u>\$ 1,812,949</u>	<u>\$ 357,482</u>
Marion County Public Defender Agency	Supplemental Public Defender			
Other services and charges		\$ 119,700	\$ 79,566	\$ 40,134
Total		<u>119,700</u>	<u>79,566</u>	<u>40,134</u>
Marion County Public Defender Agency	State Grants			
Personal services		115,077	-	115,077
Total		<u>115,077</u>	<u>-</u>	<u>115,077</u>
Marion County Public Defender Agency	Federal Grants			
Personal services		244,743	163,109	81,634
Total		<u>244,743</u>	<u>163,109</u>	<u>81,634</u>
Total - Marion County Public Defender Agency		<u>\$ 479,520</u>	<u>\$ 242,675</u>	<u>\$ 236,845</u>
Total - Special Revenue Funds - by Department and Division		<u>\$ 107,193,386</u>	<u>\$ 96,237,349</u>	<u>\$ 10,956,037</u>

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

COUNTY SINKING—Established to account for the resources devoted to the payment of interest and principal on long-term general obligation debt issued by the County.

CAPITAL IMPROVEMENT SINKING—Established to account for the resources devoted to the payment of interest and principal on long-term debt issued by the County.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Debt Service Funds
December 31, 2017

	County Sinking	Capital Improvement Sinking	Total Debt Service
Assets			
Cash and cash equivalents	\$ 10,781	\$ -	\$ 10,781
Total assets	<u>\$ 10,781</u>	<u>\$ -</u>	<u>\$ 10,781</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ 44,686	\$ 44,686
Total liabilities	<u>-</u>	<u>44,686</u>	<u>44,686</u>
Fund Balance			
Restricted	10,781	-	10,781
Unassigned (deficits)	-	(44,686)	(44,686)
Total fund balances (deficit)	<u>10,781</u>	<u>(44,686)</u>	<u>(33,905)</u>
Total liabilities and fund balances	<u>\$ 10,781</u>	<u>\$ -</u>	<u>\$ 10,781</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Debt Service Funds
For the Year Ended December 31, 2017

	County Sinking	Capital Improvement Sinking	Total Debt Service
Revenues			
Total revenues	\$ -	\$ -	\$ -
Expenditures			
Total expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances (deficit) - beginning of year	10,781	(44,686)	(33,905)
Fund balances (deficit) - end of year	\$ 10,781	\$ (44,686)	\$ (33,905)

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the construction of capital facilities and other capital assets.

PUBLIC SAFETY CAPITAL PROJECTS—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

CUMULATIVE CAPITAL DEVELOPMENT—Used to account for financial resources to be used for the renovation and/or construction of major capital facilities as approved by the City-County Council, other than those financed by proprietary funds.

PUBLIC SAFETY INTEREST ESCROW—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

CAPITAL IMPROVEMENT LEASE—Established for the purpose of funding capital lease obligations of County offices. The fund shall consist of all taxes and miscellaneous receipts allocated to the capital lease fund. Amounts may be paid from this fund from appropriations authorized by the City-County Council.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet - Nonmajor Capital Projects Funds
December 31, 2017

	Public Safety Capital Projects	Cumulative Capital Development	Public Safety Interest Escrow	Capital Improvement Lease	Total Capital Projects
Assets					
Cash and cash equivalents	\$ -	\$ 3,210,885	\$ 1,685	\$ 103,412	\$ 3,315,982
Investments	-	169,595	-	5,462	175,057
Property tax receivable	-	157,578	-	27,084	184,662
Accounts receivable	-	52,024	-	15,145	67,169
	<u>-</u>	<u>52,024</u>	<u>-</u>	<u>15,145</u>	<u>67,169</u>
Total assets	<u>\$ -</u>	<u>\$ 3,590,082</u>	<u>\$ 1,685</u>	<u>\$ 151,103</u>	<u>\$ 3,742,870</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Due to other funds	\$ 12,244	\$ -	\$ -	\$ -	\$ 12,244
Total liabilities	<u>12,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,244</u>
Deferred Inflows of Resources					
Unavailable revenues	-	209,602	-	42,229	251,831
	<u>-</u>	<u>209,602</u>	<u>-</u>	<u>42,229</u>	<u>251,831</u>
Fund Balances					
Restricted	-	3,380,480	1,685	108,874	3,491,039
Unassigned (deficits)	(12,244)	-	-	-	(12,244)
Total fund balances (deficit)	<u>(12,244)</u>	<u>3,380,480</u>	<u>1,685</u>	<u>108,874</u>	<u>3,478,795</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 3,590,082</u>	<u>\$ 1,685</u>	<u>\$ 151,103</u>	<u>\$ 3,742,870</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Public Safety Capital Projects	Cumulative Capital Development	Public Safety Interest Escrow	Capital Improvement Lease	Total Capital Projects
Revenues					
Taxes	\$ -	\$ 4,693,914	\$ -	\$ 987,568	\$ 5,681,482
Miscellaneous	-	16,360	-	3,067	19,427
Total revenues	<u>-</u>	<u>4,710,274</u>	<u>-</u>	<u>990,635</u>	<u>5,700,909</u>
Expenditures					
Current					
General government	-	4,413,449	-	-	4,413,449
Debt service					
Interest	-	-	-	225,755	225,755
Lease payments	-	-	-	740,245	740,245
Capital outlays	-	544,129	-	-	544,129
Total expenditures	<u>-</u>	<u>4,957,578</u>	<u>-</u>	<u>966,000</u>	<u>5,923,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(247,304)</u>	<u>-</u>	<u>24,635</u>	<u>(222,669)</u>
Net change in fund balances	-	(247,304)	-	24,635	(222,669)
Fund balances (deficit) - beginning of year	<u>(12,244)</u>	<u>3,627,784</u>	<u>1,685</u>	<u>84,239</u>	<u>3,701,464</u>
Fund balances - end of year	<u>\$ (12,244)</u>	<u>\$ 3,380,480</u>	<u>\$ 1,685</u>	<u>\$ 108,874</u>	<u>\$ 3,478,795</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds - Budget and Actual
(Budgetary Basis)
For the Year Ended December 31, 2017

	Cumulative Capital Development		Capital Improvement Lease	
	Final Budget	Actual	Final Budget	Actual
Revenue				
Taxes	\$ 4,497,177	\$ 4,693,914	\$ 1,010,061	\$ 987,568
Miscellaneous	-	16,360	-	3,067
Total revenues	<u>4,497,177</u>	<u>4,710,274</u>	<u>1,010,061</u>	<u>990,635</u>
Expenditures				
Current				
General government	366,179	366,179	-	-
Public safety	-	-	966,000	966,000
Capital outlays	546,431	544,129	-	-
Total expenditures	<u>912,610</u>	<u>910,308</u>	<u>966,000</u>	<u>966,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,584,567</u>	<u>3,799,966</u>	<u>44,061</u>	<u>24,635</u>
Net change in fund balances	3,584,567	3,799,966	44,061	24,635
Fund balances - beginning of year	3,008,404	3,119,826	63,175	84,239
Cancellation of purchase orders and other	<u>(3,834,239)</u>	<u>(3,744,472)</u>	<u>(56,715)</u>	<u>-</u>
Fund balances - end of year	<u>\$ 2,758,732</u>	<u>\$ 3,175,320</u>	<u>\$ 50,521</u>	<u>\$ 108,874</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures by Character -
Nonmajor Capital Projects Funds - Budget and Actual
(Budgetary Basis)
For the Year Ended December 31, 2017

Department and Division	Fund	Final Budget	Actual	Variance
Forensic Services	County Cumulative Capital Improvement			
Capital outlay		\$ 53,348	\$ 51,046	\$ 2,302
Total		<u>53,348</u>	<u>51,046</u>	<u>2,302</u>
County Sheriff	Capital Improvement Leases			
Other services and charges		966,000	966,000	-
Total		<u>966,000</u>	<u>966,000</u>	<u>-</u>
Circuit Court	County Cumulative Capital Improvement			
Other services and charges		17,100	17,100	-
Total		<u>17,100</u>	<u>17,100</u>	<u>-</u>
Marion County Superior Court	County Cumulative Capital Improvement			
Other services and charges		233,631	233,631	-
Total		<u>233,631</u>	<u>233,631</u>	<u>-</u>
County Election Board	County Cumulative Capital Improvement			
Other services and charges		115,448	115,448	-
Capital outlay		493,083	493,083	-
Total		<u>608,531</u>	<u>608,531</u>	<u>-</u>
Total – Capital Projects Funds – by Department and Division		<u>\$ 1,878,610</u>	<u>\$ 1,876,308</u>	<u>\$ 2,302</u>

FIDUCIARY FUND TYPES

PENSION TRUST FUNDS

Pension Trust Funds are those funds held in trust for disbursement to covered employees.

MARION COUNTY SHERIFF'S DEPARTMENT PERSONNEL RETIREMENT PLAN (RETIREMENT)—To account for assets held in the Marion County Law Enforcement Personnel Retirement Plan for eligible employees of the Marion County Sheriff's Department.

MARION COUNTY SHERIFF'S DEPARTMENT PERSONNEL BENEFITS PLAN (DISABILITY)—To account for assets held in the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan for eligible employees of the Marion County Sheriff's Department.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Fiduciary Net Position - Pension Trust Funds
December 31, 2017

	<u>Retirement</u>	<u>Disability</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 31,845,533	\$ 2,617,249	\$ 34,462,782
Investments	157,750,530	19,012,130	176,762,660
Accounts receivable	8,745,491	1,866,263	10,611,754
Due from retirement plan	-	545,440	545,440
Total current assets	<u>198,341,554</u>	<u>24,041,082</u>	<u>222,382,636</u>
Liabilities			
Accounts payable	62,941	189,566	252,507
Due to disability plan	545,440	-	545,440
Total current liabilities	<u>608,381</u>	<u>189,566</u>	<u>797,947</u>
Net Position			
Net position restricted for pensions	<u>197,733,173</u>	<u>23,851,516</u>	<u>221,584,689</u>
Total net position	<u><u>\$ 197,733,173</u></u>	<u><u>\$ 23,851,516</u></u>	<u><u>\$ 221,584,689</u></u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Changes in Fiduciary Net Position -
Pension Trust Funds
For the Year Ended December 31, 2017

	<u>Retirement</u>	<u>Disability</u>	<u>Total</u>
Additions			
Employer contributions	\$ 8,501,853	\$ 1,320,396	\$ 9,822,249
Employee contributions	696,277	-	696,277
Investment income	7,071,244	776,885	7,848,129
Unrealized gains	12,020,771	820,628	12,841,399
Transfer into disability plan	-	545,440	545,440
Total additions	<u>28,290,145</u>	<u>3,463,349</u>	<u>31,753,494</u>
Deductions			
Benefit payments	12,622,240	1,759,200	14,381,440
Administrative expense	181,126	6,713	187,839
Transfer from retirement plan	545,440	-	545,440
Total deductions	<u>13,348,806</u>	<u>1,765,913</u>	<u>15,114,719</u>
Changes in net position	14,941,339	1,697,436	16,638,775
Total net position - beginning of year	<u>182,791,834</u>	<u>22,154,080</u>	<u>204,945,914</u>
Total net position - end of the year	<u>\$ 197,733,173</u>	<u>\$ 23,851,516</u>	<u>\$ 221,584,689</u>

FIDUCIARY FUND TYPES

AGENCY FUNDS

Agency Funds are used to account for transactions related to assets of others held on their behalf by the County.

HEA 1001 HSC—Established to account for homestead credit relief to property taxpayers.

PROPERTY TAX REFUNDS—Established to refund money to taxpayers where an error has occurred in the assessment of property tax.

STATE TAXES—Established to account for inheritance taxes, forfeiture of bonds, and fines paid in all courts, which are collected by the County and remitted to the State of Indiana.

TAX SALE REDEMPTION—Established as an escrow account for funds received from property sold in a tax sale.

TAX SALE SURPLUS—Established to account for funds received over and above delinquent taxes received from property sold in a tax sale.

ASSESSOR'S CASH—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

SALE OF COUNTY OWNED PROPERTY—Established to record funds received from the sale of County properties that were claimed for delinquent taxes.

TREASURER'S SURPLUS—Established to account for overpayment of taxes or misapplication of tax payments received.

COURT COSTS TO MUNICIPALITIES—Established to account for the portion of court costs collected and subsequently disbursed to various municipalities, maintaining a law enforcement agency that prosecutes at least 50% of the City's or town's ordinance violations in Marion County.

HOMESTEAD CREDIT REBATE—Established to account for monies related to the property tax relief approved by the Indiana General Assembly in 2007. The rebates were distributed to homeowners who had a valid homestead deduction and were not delinquent on their property taxes.

LOCAL OPTION INCOME TAX—Established to account for monies received from local option income taxes.

TREASURER'S TAX COLLECTION—Established to account for advancement and final distribution of taxes collected by the County Treasurer for all taxing units within the County (including entities outside of Marion County's reporting entity).

DELINQUENT BUSINESS PERSONAL PROPERTY—Established to account for monies collected on delinquent business personal property tax returns. The monies collected shall be to pay the contract for the audit of the business personal property returns, with any remaining balance distributed to the appropriate taxing units.

LAW ENFORCEMENT CONTINUING EDUCATION—Established to account for fees collected by the County and subsequently disbursed to various law enforcement agencies for continuing education programs.

FIDUCIARY FUND TYPES

AGENCY FUNDS (CONTINUED)

PAYROLL—Established to account for the receipt of the gross payroll transfers from all County funds having personal services expenditures and the subsequent disbursements of net payroll checks and withholdings.

CLERK OF CIRCUIT COURT—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

SHERIFF—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

RECORDER'S CASH—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

OTHER—Represents 24 other less significant fiduciary funds that are maintained by Marion County on behalf of others.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Assets and Liabilities - Agency Funds
December 31, 2017

	HEA 1001 HSC	Property Tax Refunds	State Taxes	Tax Sale Redemption	Tax Sale Surplus	Assessor's Cash	Sale of County Owned Property	Treasurer's Surplus	Court Costs to Municipalities	Homestead Credit Rebate
Assets										
Cash and cash equivalents	\$ -	\$ 2,757,250	\$ -	\$ -	\$ 19,057,585	\$ 206,684	\$ 1,446,034	\$ 753,222	\$ 1,046,078	\$ 4,433,868
Investments	-	145,635	-	-	1,006,600	10,917	76,378	39,784	55,253	234,192
Accounts receivable	-	-	-	275,697	-	2,885	-	-	13,782	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 2,902,885</u>	<u>\$ -</u>	<u>\$ 275,697</u>	<u>\$ 20,064,185</u>	<u>\$ 220,486</u>	<u>\$ 1,522,412</u>	<u>\$ 793,006</u>	<u>\$ 1,115,113</u>	<u>\$ 4,668,060</u>
Liabilities										
Amounts held in custody	\$ -	\$ 2,902,885	\$ (20,508)	\$ 89,684	\$ 20,064,185	\$ 220,486	\$ 1,522,412	\$ 793,006	\$ 1,115,113	\$ 4,668,060
Due to other funds	-	-	20,508	186,013	-	-	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 2,902,885</u>	<u>\$ -</u>	<u>\$ 275,697</u>	<u>\$ 20,064,185</u>	<u>\$ 220,486</u>	<u>\$ 1,522,412</u>	<u>\$ 793,006</u>	<u>\$ 1,115,113</u>	<u>\$ 4,668,060</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Assets and Liabilities - Agency Funds (Continued)
December 31, 2017

	Local Option Income Tax	Treasurer's Tax Collection	Delinquent Business Personal Property	Law Enforcement Continuing Education	Payroll	Clerk of Circuit Court	Sheriff	Recorder's Cash	Other	Total Agency
Assets										
Cash and cash equivalents	\$ 4,334	\$ 23,398,969	\$ 6,308,951	\$ 1,203,241	\$ 3,335,741	\$ 20,844,049	\$ 6,659,950	\$ 552,533	\$ 414,099	\$ 92,422,588
Investments	229	15,387,191	333,232	63,554	176,190	-	-	29,184	24,787	17,583,126
Accounts receivable	-	25,698,407	-	10,842	308,364	-	-	27,574	55,313	26,392,864
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 4,563</u>	<u>\$ 64,484,567</u>	<u>\$ 6,642,183</u>	<u>\$ 1,277,637</u>	<u>\$ 3,820,295</u>	<u>\$ 20,844,049</u>	<u>\$ 6,659,950</u>	<u>\$ 609,291</u>	<u>\$ 494,199</u>	<u>\$ 136,398,578</u>
Liabilities										
Amounts held in custody	\$ 4,563	\$ 64,484,567	\$ 6,642,183	\$ 1,277,637	\$ 3,810,228	\$ 20,844,049	\$ 6,659,950	\$ 609,291	\$ 484,385	\$ 136,172,176
Due to other funds	-	-	-	-	10,067	-	-	-	9,814	226,402
Total liabilities	<u>\$ 4,563</u>	<u>\$ 64,484,567</u>	<u>\$ 6,642,183</u>	<u>\$ 1,277,637</u>	<u>\$ 3,820,295</u>	<u>\$ 20,844,049</u>	<u>\$ 6,659,950</u>	<u>\$ 609,291</u>	<u>\$ 494,199</u>	<u>\$ 136,398,578</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
HEA 1001 HSC (Homestead Credit)				
Assets				
Cash and cash equivalents	\$ 939,771	\$ -	\$ 939,771	\$ -
Total assets	<u>\$ 939,771</u>	<u>\$ -</u>	<u>\$ 939,771</u>	<u>\$ -</u>
Liabilities				
Amounts held in custody	\$ 939,771	\$ -	\$ 939,771	\$ -
Total liabilities	<u>\$ 939,771</u>	<u>\$ -</u>	<u>\$ 939,771</u>	<u>\$ -</u>
Property Tax Refunds				
Assets				
Cash and cash equivalents	\$ 355,586	\$ 31,408,153	\$ 29,006,489	\$ 2,757,250
Investments	-	145,635	-	145,635
Total assets	<u>\$ 355,586</u>	<u>\$ 31,553,788</u>	<u>\$ 29,006,489</u>	<u>\$ 2,902,885</u>
Liabilities				
Amounts held in custody	\$ 355,586	\$ 31,553,788	\$ 29,006,489	\$ 2,902,885
Total liabilities	<u>\$ 355,586</u>	<u>\$ 31,553,788</u>	<u>\$ 29,006,489</u>	<u>\$ 2,902,885</u>
State Taxes				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Amounts held in custody	\$ (23,521)	\$ -	\$ (3,013)	\$ (20,508)
Due to other funds	23,521	-	3,013	20,508
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Tax Sale Redemption				
Assets				
Cash and cash equivalents	\$ 231,358	\$ 3,692,386	\$ 3,923,744	\$ -
Accounts receivable	-	275,697	-	275,697
Total assets	<u>\$ 231,358</u>	<u>\$ 3,968,083</u>	<u>\$ 3,923,744</u>	<u>\$ 275,697</u>
Liabilities				
Amounts held in custody	\$ 231,358	\$ 3,782,070	\$ 3,923,744	\$ 89,684
Due to other funds	-	186,013	-	186,013
Total liabilities	<u>\$ 231,358</u>	<u>\$ 3,968,083</u>	<u>\$ 3,923,744</u>	<u>\$ 275,697</u>
Tax Sale Surplus				
Assets				
Cash and cash equivalents	\$ 20,423,574	\$ 16,948,084	\$ 18,314,073	\$ 19,057,585
Investments	-	1,006,600	-	1,006,600
Total assets	<u>\$ 20,423,574</u>	<u>\$ 17,954,684</u>	<u>\$ 18,314,073</u>	<u>\$ 20,064,185</u>
Liabilities				
Amounts held in custody	\$ 20,423,574	\$ 17,954,684	\$ 18,314,073	\$ 20,064,185
Total liabilities	<u>\$ 20,423,574</u>	<u>\$ 17,954,684</u>	<u>\$ 18,314,073</u>	<u>\$ 20,064,185</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Changes in Assets and Liabilities - Agency Funds
(Continued)
December 31, 2017

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2017</u>
Assessor's Cash				
Assets				
Cash and cash equivalents	\$ 504,802	\$ 423,302	\$ 721,420	\$ 206,684
Investments	-	10,917	-	10,917
Accounts receivable	-	2,885	-	2,885
Total assets	<u>\$ 504,802</u>	<u>\$ 437,104</u>	<u>\$ 721,420</u>	<u>\$ 220,486</u>
Liabilities				
Amounts held in custody	\$ 504,802	\$ 437,104	\$ 721,420	\$ 220,486
Total liabilities	<u>\$ 504,802</u>	<u>\$ 437,104</u>	<u>\$ 721,420</u>	<u>\$ 220,486</u>
Sale of County Owned Property				
Assets				
Cash and cash equivalents	\$ 1,509,123	\$ 340,116	\$ 403,205	\$ 1,446,034
Investments	-	76,378	-	76,378
Total assets	<u>\$ 1,509,123</u>	<u>\$ 416,494</u>	<u>\$ 403,205</u>	<u>\$ 1,522,412</u>
Liabilities				
Amounts held in custody	\$ 1,509,123	\$ 416,494	\$ 403,205	\$ 1,522,412
Total liabilities	<u>\$ 1,509,123</u>	<u>\$ 416,494</u>	<u>\$ 403,205</u>	<u>\$ 1,522,412</u>
Treasurer's Surplus				
Assets				
Cash and cash equivalents	\$ 827,881	\$ 739,616	\$ 814,275	\$ 753,222
Investments	-	39,784	-	39,784
Total assets	<u>\$ 827,881</u>	<u>\$ 779,400</u>	<u>\$ 814,275</u>	<u>\$ 793,006</u>
Liabilities				
Amounts held in custody	\$ 827,881	\$ 779,400	\$ 814,275	\$ 793,006
Total liabilities	<u>\$ 827,881</u>	<u>\$ 779,400</u>	<u>\$ 814,275</u>	<u>\$ 793,006</u>
Court Costs to Municipalities				
Assets				
Cash and cash equivalents	\$ 884,729	\$ 216,602	\$ 55,253	\$ 1,046,078
Investments	-	55,253	-	55,253
Accounts receivable	-	13,782	-	13,782
Total assets	<u>\$ 884,729</u>	<u>\$ 285,637</u>	<u>\$ 55,253</u>	<u>\$ 1,115,113</u>
Liabilities				
Amounts held in custody	\$ 884,729	\$ 285,637	\$ 55,253	\$ 1,115,113
Total liabilities	<u>\$ 884,729</u>	<u>\$ 285,637</u>	<u>\$ 55,253</u>	<u>\$ 1,115,113</u>
Homestead Credit Rebate				
Assets				
Cash and cash equivalents	\$ 4,669,003	\$ -	\$ 235,135	\$ 4,433,868
Investments	-	234,192	-	234,192
Total assets	<u>\$ 4,669,003</u>	<u>\$ 234,192</u>	<u>\$ 235,135</u>	<u>\$ 4,668,060</u>
Liabilities				
Amounts held in custody	\$ 4,669,003	\$ 234,192	\$ 235,135	\$ 4,668,060
Total liabilities	<u>\$ 4,669,003</u>	<u>\$ 234,192</u>	<u>\$ 235,135</u>	<u>\$ 4,668,060</u>

Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County) Combining Statement of Changes in Assets and Liabilities - Agency Funds (Continued)

December 31, 2017

	<u>Balance</u>		<u>Balance</u>		<u>Balance</u>
	<u>January 1,</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31,</u>	<u>2017</u>
	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2017</u>
Local Option Income Tax					
Assets					
Cash and cash equivalents	\$ -	\$ 2,704,479	\$ 2,700,145	\$	4,334
Investments	-	229	-	-	229
Total assets	<u>\$ -</u>	<u>\$ 2,704,708</u>	<u>\$ 2,700,145</u>	<u>\$</u>	<u>4,563</u>
Liabilities					
Amounts held in custody	\$ -	\$ 2,704,708	\$ 2,700,145	\$	4,563
Total liabilities	<u>\$ -</u>	<u>\$ 2,704,708</u>	<u>\$ 2,700,145</u>	<u>\$</u>	<u>4,563</u>
Treasurer's Tax Collection					
Assets					
Cash and cash equivalents	\$ 30,524,560	\$ 3,753,520,268	\$ 3,760,645,859	\$	23,398,969
Investments	-	15,387,191	-	-	15,387,191
Accounts receivable	27,314,520	28,980,536	30,596,649	-	25,698,407
Due from other funds	23,521	-	23,521	-	-
Total assets	<u>\$ 57,862,601</u>	<u>\$ 3,797,887,995</u>	<u>\$ 3,791,266,029</u>	<u>\$</u>	<u>64,484,567</u>
Liabilities					
Amounts held in custody	\$ 57,862,601	\$ 3,797,887,995	\$ 3,791,266,029	\$	64,484,567
Total liabilities	<u>\$ 57,862,601</u>	<u>\$ 3,797,887,995</u>	<u>\$ 3,791,266,029</u>	<u>\$</u>	<u>64,484,567</u>
Delinquent Business Personal Property					
Assets					
Cash and cash equivalents	\$ 6,495,589	\$ 1,252,794	\$ 1,439,432	\$	6,308,951
Investments	-	333,232	-	-	333,232
Total assets	<u>\$ 6,495,589</u>	<u>\$ 1,586,026</u>	<u>\$ 1,439,432</u>	<u>\$</u>	<u>6,642,183</u>
Liabilities					
Amounts held in custody	\$ 6,495,589	\$ 1,586,026	\$ 1,439,432	\$	6,642,183
Total liabilities	<u>\$ 6,495,589</u>	<u>\$ 1,586,026</u>	<u>\$ 1,439,432</u>	<u>\$</u>	<u>6,642,183</u>
Law Enforcement Continuing Education					
Assets					
Cash and cash equivalents	\$ 1,223,026	\$ 210,935	\$ 230,720	\$	1,203,241
Investments	-	63,554	-	-	63,554
Accounts receivable	-	10,842	-	-	10,842
Total assets	<u>\$ 1,223,026</u>	<u>\$ 285,331</u>	<u>\$ 230,720</u>	<u>\$</u>	<u>1,277,637</u>
Liabilities					
Amounts held in custody	\$ 1,223,026	\$ 285,331	\$ 230,720	\$	1,277,637
Total liabilities	<u>\$ 1,223,026</u>	<u>\$ 285,331</u>	<u>\$ 230,720</u>	<u>\$</u>	<u>1,277,637</u>
Payroll					
Assets					
Cash and cash equivalents	\$ 2,608,996	\$ 172,521,906	\$ 171,795,161	\$	3,335,741
Investments	-	176,190	-	-	176,190
Accounts receivable	19,989	288,375	-	-	308,364
Total assets	<u>\$ 2,628,985</u>	<u>\$ 172,986,471</u>	<u>\$ 171,795,161</u>	<u>\$</u>	<u>3,820,295</u>
Liabilities					
Amounts held in custody	\$ 2,618,918	\$ 172,986,471	\$ 171,795,161	\$	3,810,228
Due to other funds	10,067	-	-	-	10,067
Total liabilities	<u>\$ 2,628,985</u>	<u>\$ 172,986,471</u>	<u>\$ 171,795,161</u>	<u>\$</u>	<u>3,820,295</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Changes in Assets and Liabilities - Agency Funds
(Continued)
December 31, 2017

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2017</u>
Clerk of Circuit Court				
Assets				
Cash and cash equivalents	\$ 16,606,049	\$ 53,835,585	\$ 49,597,585	\$ 20,844,049
Total assets	<u>\$ 16,606,049</u>	<u>\$ 53,835,585</u>	<u>\$ 49,597,585</u>	<u>\$ 20,844,049</u>
Liabilities				
Amounts held in custody	\$ 16,606,049	\$ 53,835,585	\$ 49,597,585	\$ 20,844,049
Total liabilities	<u>\$ 16,606,049</u>	<u>\$ 53,835,585</u>	<u>\$ 49,597,585</u>	<u>\$ 20,844,049</u>
Sheriff				
Assets				
Cash and cash equivalents	\$ 5,602,123	\$ 79,913,431	\$ 78,855,604	\$ 6,659,950
Total assets	<u>\$ 5,602,123</u>	<u>\$ 79,913,431</u>	<u>\$ 78,855,604</u>	<u>\$ 6,659,950</u>
Liabilities				
Amounts held in custody	\$ 5,602,123	\$ 79,913,431	\$ 78,855,604	\$ 6,659,950
Total liabilities	<u>\$ 5,602,123</u>	<u>\$ 79,913,431</u>	<u>\$ 78,855,604</u>	<u>\$ 6,659,950</u>
Recorder's Cash				
Assets				
Cash and cash equivalents	\$ 546,252	\$ 454,992	\$ 448,711	\$ 552,533
Investments	-	29,184	-	29,184
Accounts receivable	-	27,574	-	27,574
Total assets	<u>\$ 546,252</u>	<u>\$ 511,750</u>	<u>\$ 448,711</u>	<u>\$ 609,291</u>
Liabilities				
Amounts held in custody	\$ 546,252	\$ 511,750	\$ 448,711	\$ 609,291
Total liabilities	<u>\$ 546,252</u>	<u>\$ 511,750</u>	<u>\$ 448,711</u>	<u>\$ 609,291</u>
Other				
Assets				
Cash and cash equivalents	\$ 419,597	\$ 294,700	\$ 300,198	\$ 414,099
Investments	-	24,787	-	24,787
Accounts receivable	-	55,313	-	55,313
Total assets	<u>\$ 419,597</u>	<u>\$ 374,800</u>	<u>\$ 300,198</u>	<u>\$ 494,199</u>
Liabilities				
Amounts held in custody	\$ 409,783	\$ 350,013	\$ 275,411	\$ 484,385
Due to other funds	9,814	-	-	9,814
Total liabilities	<u>\$ 419,597</u>	<u>\$ 350,013</u>	<u>\$ 275,411</u>	<u>\$ 494,199</u>
Total Agency				
Assets				
Cash and cash equivalents	\$ 94,372,019	\$ 4,118,477,349	\$ 4,120,426,780	\$ 92,422,588
Investments	-	17,583,126	-	17,583,126
Accounts receivable	27,334,509	29,655,004	30,596,649	26,392,864
Due from other funds	23,521	-	23,521	-
Total assets	<u>\$ 121,730,049</u>	<u>\$ 4,165,715,479</u>	<u>\$ 4,151,046,950</u>	<u>\$ 136,398,578</u>
Liabilities				
Amounts held in custody	\$ 121,686,647	\$ 4,165,504,679	\$ 4,151,019,150	\$ 136,172,176
Due to other funds	43,402	186,013	3,013	226,402
Total liabilities	<u>\$ 121,730,049</u>	<u>\$ 4,165,690,692</u>	<u>\$ 4,151,022,163</u>	<u>\$ 136,398,578</u>



Statistical Section (Unaudited)

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statistical Section (Unaudited)
Table of Contents

The statistical section of this report presents detailed information in order to understand what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Financial Trends

Tables 1-4 contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

Tables 5-10 contain information to help the reader assess one of the County's most significant sources of revenue, property taxes.

Debt Capacity

Tables 11-12 present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.

Demographic and Economic Information

Tables 13-15 offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

Tables 16-17 contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

Table 1
Net Position by Component - Accrual Basis of Accounting
Last Ten Fiscal Years

	December 31	
	2017	2016
Governmental Activities		
Net investment in capital assets	\$ 65,800,865	\$ 66,590,393
Restricted - Other purposes by grantors	7,723,057	5,183,374
Statutory restrictions	16,422,778	14,742,787
Unrestricted (deficit)	(115,771,840)	(114,937,140)
Total governmental activities net position	\$ (25,825,140)	\$ (28,420,586)

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 2
Schedule of Changes in Net Position - Accrual Basis of Accounting
Last Ten Fiscal Years

	Years Ended December 31	
	2017	2016
Expenses		
Governmental activities		
Administration and finance	\$ 48,406,528	\$ 41,571,975
Protection of people and property	11,074,959	11,929,592
Corrections	126,526,606	133,711,478
Judicial	115,740,755	115,680,791
Culture and recreation	184,500	526,889
Real estate and assessments	7,929,212	9,412,762
Health and welfare	5,500,026	5,808,973
Interest	1,156,733	741,900
Total governmental activities expenses	316,519,319	319,384,360
Program Revenues		
Governmental activities		
Charges for services		
Administration and finance	20,637,831	22,333,145
Protection of people and property	11,685,296	10,845,741
Corrections	3,418,422	3,685,598
Judicial	10,774,720	11,056,240
Culture and recreation	-	-
Real estate and assessments	4,455,747	3,612,469
Health and welfare	-	-
Operating grants and contributions	28,752,831	34,372,716
Capital Grants and Contributions	3,012,715	-
Total governmental activities program revenues	82,737,562	85,905,909
Net (Expense)/Revenue	\$ (233,781,757)	\$ (233,478,451)
General Revenues and Other Changes in Net Position		
Governmental activities		
Taxes		
Property taxes	131,817,727	125,822,359
Local income tax	81,768,609	75,100,242
Other taxes	18,217,037	19,652,233
Unrestricted investment earnings (losses)	1,770,874	1,149,404
Other	2,802,956	2,509,276
Total governmental activities general revenues and other changes in net position	236,377,203	224,233,514
Change in Net Position		
Total governmental activities	\$ 2,595,446	\$ (9,244,937)

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 3
Program Revenues by Function/Program - Accrual Basis of Accounting
Last Ten Fiscal Years

Function/Program	December 31	
	2017	2016
Governmental activities		
Charges for services		
Administration and finance	\$ 26,379,412	\$ 25,232,397
Protection of people and property	12,439,239	11,748,652
Corrections	11,938,596	16,536,152
Judicial	27,492,018	28,600,283
Real estate and assessments	4,455,747	3,612,469
Health and welfare	32,550	175,956
Total governmental activities program revenues	\$ 82,737,562	\$ 85,905,909

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

Marion County, Indiana

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

Table 4

Fund Balances - Governmental Funds - Modified Accrual Basis of Accounting Last Ten Fiscal Years

		December 31	
		2017	2016
General Fund			
Restricted		\$ -	\$ -
Assigned		1,407,338	1,413,316
Unassigned		13,599,313	3,112,684
Total General Fund		\$ 15,006,651	\$ 4,526,000
All Other Governmental Funds			
Restricted		28,402,076	28,034,865
Assigned		-	-
Unassigned		(446,034)	(2,648,207)
Total all other governmental funds		\$ 27,956,042	\$ 25,386,658

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 5
Schedule of Changes in Fund Balances - Governmental Funds -
Modified Accrual Basis of Accounting
Last Ten Fiscal Years

	December 31	
	2017	2016
Revenues		
Taxes	\$ 232,343,786	\$ 219,749,361
Intergovernmental	28,398,073	34,003,640
Interest	1,785,859	1,169,415
Charges for services	32,830,555	31,693,959
Traffic violations and court fees	5,403	14,844
Contributions	2,345,611	-
Miscellaneous	2,435,681	2,520,605
Total revenues	300,144,968	289,151,824
Expenditures		
Current		
General government	142,453,646	144,385,711
Public safety	136,729,507	140,831,986
Culture and recreation	182,997	214,360
Debt service		
Redemption of notes	241,422	235,887
Interest on notes	957,958	15,980
Lease payments	4,745,273	5,454,915
Capital outlays	19,254,483	4,147,815
Total expenditures	304,565,286	295,286,654
Excess (deficiency) of revenues over (under) expenditures	(4,420,318)	(6,134,830)
Other Financing Sources (Uses)		
Notes issued	616,396	-
Issuance of capital leases	16,853,957	2,910,840
Transfers in	19,957,725	16,321,134
Transfers out	(19,957,725)	(16,321,134)
Total other financing sources (uses), net	17,470,353	2,910,840
Net change in fund balances	\$ 13,050,035	\$ (3,223,990)
Debt service as a percentage of noncapital expenditures	2.1%	1.9%
Debt service expenditures	\$ 5,944,653	\$ 5,706,782
Noncapital expenditures	286,167,261	294,422,062

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 6
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Local Option Income Tax	Other (a)	Total Taxes
2016	\$ 125,822,359	\$ 75,100,242	\$ 19,652,233	\$ 220,574,834
2017	131,817,727	81,768,609	18,217,037	231,803,373

Notes to Schedule:

(a) Includes financial institution and other local taxes.

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 7
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In thousands)

Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Other	Total Taxable Assessed Value (a) (b)	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a % of Actual Taxable Value (a)
2008	\$ 24,790,420	\$ 14,694,619	\$ 2,598,170	\$ 5,454,450	\$ 332,284	\$ 47,869,943	0.8920 %	\$ 47,869,943	100 %
2009	18,016,590	14,553,256	2,813,644	5,657,964	324,992	41,366,446	0.8634	41,366,446	100
2010	16,775,664	14,576,670	3,044,559	5,745,524	324,320	40,466,737	0.8673	40,466,737	100
2011	16,287,697	13,923,228	3,221,540	5,449,472	895,749	39,777,686	0.9525	39,777,686	100
2012	15,978,644	13,498,295	3,298,832	5,467,373	868,354	39,111,498	1.0034	39,111,498	100
2013	16,191,259	13,110,440	3,189,252	5,841,671	888,684	39,221,306	0.9802	39,221,306	100
2014	18,171,183	13,464,533	3,103,892	5,972,597	842,391	41,554,596	0.7667	41,554,596	100
2015	18,103,687	13,437,532	3,096,297	6,160,989	977,912	41,776,417	0.7069	41,776,417	100
2016	18,531,258	13,631,932	3,139,384	6,325,056	903,782	42,531,412	0.7136	42,531,412	100
2017	19,125,058	13,538,083	3,066,967	6,659,770	885,892	43,275,770	0.7313	43,275,770	100

Notes to Schedule:

Tax-exempt property for 2017 of \$901,392 represents charitable organizations and other deductions. Government property is generally not assessed.

- (a) Represents the assessment (Marion County Auditor's "certified abstract") on March 1 of the prior year for taxes due and payable in the year indicated.
- (b) In 2017, total taxable assessed value includes \$3,971,064 of assessed valuation for Marion County Tax Increment Financing Districts.

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

Table 8

Direct and Overlapping Governments - Property Tax Rates (a) (b)
December 31, 2017

Year	Marion County		Overlapping Rates					Total Direct and Overlapping Rates
	Operating Millage	City Direct Rates		Total City-County Approved	Other Direct Rates			
		City of Indianapolis	Municipal Corporations		School	State of Indiana	Other	
2008	\$ 0.4847	\$ 0.8920	\$ 0.3521	\$ 1.7288	\$ 1.7668	\$ 0.0024	\$ 0.0510	\$ 3.5490
2009	0.3513	0.8634	0.3254	1.5401	1.1569	-	0.0578	2.7548
2010	0.3534	0.8673	0.3282	1.5489	1.3692	-	0.0615	2.9796
2011	0.3665	0.9525	0.3685	1.6875	1.4065	-	0.0615	3.1555
2012	0.4007	1.0034	0.3958	1.7999	1.2711	-	0.0670	3.1380
2013	0.3932	0.9802	0.4314	1.8048	1.4829	-	0.0607	3.3484
2014	0.4034	0.7667	0.4340	1.6041	1.2889	-	0.0620	2.9550
2015	0.3825	0.7069	0.4205	1.5099	1.3504	-	0.0607	2.9210
2016	0.3883	0.7136	0.4454	1.5473	1.4170	-	0.0630	3.0273
2017	0.3943	0.7313	0.4517	1.5773	0.9735	-	0.0619	2.6127

Notes to Schedule:

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

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

Table 9
Principal Property Tax Payers
December 31, 2017
(In thousands)

	2017				0			
	Taxpayers	Taxable Assessed Value (a)	Rank	Percentage of Total County Taxable Assessed Value	Taxpayers	Taxable Assessed Value (b) (c)	Rank	Percentage of Total County Taxable Assessed Value
1	Eli Lilly and Company	\$ 1,227,308	1	2.836 %	Eli Lilly and Company	\$ 1,274,299	1	2.832 %
2	Citizens Energy Group	469,347	2	1.085	Indianapolis Power & Light	375,105	2	0.834
3	Indianapolis Power and Light Company	305,767	3	0.707	Indiana Bell	320,937	3	0.713
4	Federal Express Corporation	287,792	4	0.665	Simon Property Group	319,374	4	0.710
5	Convention Headquarters Hotels, LLC	180,716	5	0.418	General Motors	289,988	5	0.644
6	Hertz Indianapolis 111 Monument, LLC	154,820	6	0.358	Sexton Properties	249,597	6	0.555
7	American United Life Insurance Company	94,299	7	0.218	Citizens Gas & Coke Utility	183,897	7	0.409
8	SVC Manufacturing	91,576	8	0.212	Macquarie Office Monument	181,601	8	0.404
9	Castleton Square, LLC	80,872	9	0.187	American United Life	157,193	9	0.349
10	Southwest Airlines Co.	73,260	10	0.169	Community Hospital Foundation	130,955	10	0.291
11	Keystone Investors, LLC	68,906	11	0.159	Dugan Realty, LLP	126,140	11	0.280
12	DOW Agrosiences, LLC	65,555	12	0.151	Keystone Investors, LLC	115,274	12	0.256
13	Ingredion Inc.	63,887	13	0.148	Duke Weeks Realty, LP	111,358	13	0.247
14	NG 211 N Pennsylvania St, LLC	62,712	14	0.145	Rolls Royce	98,957	14	0.220
15	LLC	61,504	15	0.142	Roche Diagnostics Corp	95,080	15	0.211
16	Verizon Wireless	60,678	16	0.140	Target	94,682	16	0.210
17	Axis FC LLC	58,729	17	0.136	Indianapolis Motor Speedway	94,574	17	0.210
18	Circle Centre Development Co.	58,381	18	0.135	International Truck and Engine	94,317	18	0.210
19	Rolls-Royce Corporation	58,140	19	0.134	SVC Manufacturing	88,836	19	0.197
20	Summit Hospitality 22, LLC	53,641	20	0.124	VV USA City, LP	84,583	20	0.188
		\$ 3,577,890		8.269		\$ 4,486,747		9.970

- (a) Represents the January 1, 2016 valuations for taxes due and payable in 2017 as represented by the taxpayer. Amounts in thousands. Net assessed valuation was determined using public records from the Marion County Treasurer's Office.
- (b) Represents the March 1, 2007 valuations for taxes due and payable in 2008 as represented by the taxpayer. Amounts in thousands. Net assessed valuation was determined using public records from the Marion County Treasurer's Office.
- (c) Data presented as originally published in the 2008 Comprehensive Annual Financial Report.

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

Table 10
Property Tax Levies and Collections
December 31, 2017
(In thousands)

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy (a)		Amount	Percentage of Levy (a)
2016	\$ 123,133	\$ 124,811	101.4 %	\$ 3,957	\$ 128,768	104.6 %
2017	128,833	127,970	99.3	-	127,970	99.3

(a) The annual levy has an estimated contingency built-in for potential appeals. If those appeals are less than the estimate, the City would receive revenue over the total levy amount.

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 11
Ratios of Outstanding Debt by Type
December 31, 2017

Fiscal Year Ended December 31	Governmental Activities			Percentage of Personal Income (a)	Per Capita (a)
	Note Payable	Capital Leases	Total Governmental Activities Debt		
2016	\$ 1,786,238	\$ 18,874,240	\$ 20,660,478	0.00045 %	\$ 22
2017	819,824	29,684,042	30,503,866	0.00067	32

(a) See schedule 13 for personal income and population data. These ratios are calculated using personal income and population.

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 12
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
December 31, 2017
(In thousands)

	Assessed Value (d)	Bonding Limit		Bonds Outstanding (g)
		%	Dollar Amount	
Direct Debt				
Marion County	\$ 39,304,706	0.67%	\$ 263,342	\$ -
Other Direct Debt				
Note payable				820
Capital leases				29,684
Total County Direct Debt				\$ 30,504
Overlapping				
City of Indianapolis				
Civil City	\$ 36,846,144	0.67%	\$ 246,869	\$ 59,795
Park District	39,304,706	0.67%	263,342	4,925
Redevelopment District	36,846,144	(e)	-	-
Stormwater Control District	39,304,706	0.67%	263,342	-
Metropolitan Thoroughfare District	39,304,706	1.33%	522,753	24,585
Solid Waste Disposal District	36,893,905	2.00%	737,878	-
Public Safety Communications and Computer Facilities District	39,304,706	0.67%	263,342	39,145
Premium on General Obligation Debt	-		-	7,306
Total City General Obligation Debt	267,805,017		2,297,526	135,756
Municipal Corporations:				
Indianapolis Airport Authority	39,304,706	0.67%	263,342	-
Health and Hospital Corporation	39,304,706	0.67%	263,342	183,080
Capital Improvement Board of Managers	39,304,706	0.67%	263,342	-
Indianapolis-Marion County Building Authority	39,304,706	(b)	-	-
Indianapolis-Marion County Public Library	38,719,071	0.67%	259,418	67,245
Indianapolis Public Transportation Corporation	37,273,340	0.67%	249,731	-
Total Municipal Corporations	233,211,235		1,299,175	250,325
School Districts				
Beech Grove	429,053	(f)	36,928	9,561
Decatur	1,639,900	(f)	158,050	5,572
Franklin	2,173,219	(f)	259,393	695
Indianapolis Public Schools	10,749,502	(f)	695,731	12,326
Lawrence	4,827,902	(f)	330,552	37,492
Perry	3,353,785	(f)	170,302	13,265
Pike	4,672,351	(f)	126,317	25,225
Speedway	726,535	(f)	14,531	-

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

Table 12
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a) (Continued)
December 31, 2017
(In thousands)

	Assessed value (d)	Bonding limit		Bonds Outstanding (g)
		%	Dollar amount	
School Districts (continued)				
Warren	\$ 2,477,950	(f)	\$ 122,534	\$ -
Washington	5,861,206	(f)	155,189	24,278
Wayne	2,710,226	(f)	297,870	29,454
Total School Districts	<u>39,621,629</u>		<u>2,367,397</u>	<u>157,868</u>
Other Cities and Towns				
Beech Grove	427,197	0.67%	2,862	1,205
Lawrence	1,397,970	0.67%	9,366	4,052
Southport	47,761	0.67%	320	310
Speedway	585,635	0.67%	3,924	4,772
Total Other Cities and Towns	<u>2,458,563</u>		<u>16,472</u>	<u>10,339</u>
Townships				
Center	6,158,476	0.67%	41,262	-
Decatur	1,497,502	0.67%	10,033	117
Franklin	2,310,140	0.67%	15,478	-
Lawrence	5,190,934	0.67%	34,779	1,345
Perry	3,651,846	0.67%	24,467	-
Pike	4,518,407	0.67%	30,273	-
Warren	3,351,177	0.67%	22,453	-
Washington	8,327,830	0.67%	55,796	-
Wayne	4,060,984	0.67%	27,209	798
Total Townships	<u>39,067,296</u>		<u>261,750</u>	<u>2,260</u>
Excluded Library Districts				
Speedway	585,635	0.67%	3,924	175
Total Excluded Library Districts	<u>585,635</u>		<u>3,924</u>	<u>175</u>
Ben Davis Conservancy District	<u>349,273</u>	(c)	-	-
Total overlapping debt				<u>556,723</u>
Total direct and overlapping debt				<u>\$ 587,227</u>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table 12
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a) (Continued)
December 31, 2017

- (a) Excludes revenue bonds not payable from ad valorem taxes.
- (b) There is no debt limit for the Indianapolis-Marion County Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Building Authority's enabling legislation.
- (c) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 14-33-11-4.
- (d) Represents the January 1, 2016 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2017.
- (e) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (f) A statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
- (g) Governmental activities debt of the overlapping governments is not readily available; only general obligation debt is reported in this column.

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

Table 13
Demographic and Economic Statistics
December 31, 2017

Year	Population (a)	Personal Income (b) (In Thousands)	Per Capita Personal Income (b)	Median Age (c)	Education Level in Years of Schooling (a)	Student Enrollment (d)	Unemployment Rate (e)
2008	889,504	\$ 33,980,409	\$ 38,202	36	12	145,569	7.40 %
2009	898,394	35,331,899	39,328	36	12	159,089	10.00
2010	904,504	37,182,040	41,099	34	12	159,865	9.70
2011	911,195	40,070,457	43,992	33	12	143,053	9.50
2012	919,453	41,430,836	45,098	34	12	146,175	9.40
2013	929,722	41,197,692	44,369	34	12	149,697	7.00
2014	935,745	42,422,357	45,410	34	12	130,007	5.80
2015	940,235	44,201,041	47,120	34	12	130,371	4.60
2016	944,034	45,416,786	48,253	34	12	131,754	3.90
2017	950,082	45,416,786 (f)	48,253 (f)	34 (g)	12	132,596	3.10

- (a) U.S. Census Bureau
- (b) Bureau of Economic Analysis
- (c) Stats Indiana for 2016
- (d) Indiana Department of Education
- (e) Bureau of Labor Statistics, Dec 2017 rate
- (f) This information will be released by the Bureau of Economics Analysis in August 2018; therefore, prior year numbers were utilized.
- (g) This information will be released by the U.S. Census Bureau at a future date; therefore, prior year numbers were utilized.

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

Table 14
Principal Employers
December 31, 2017

Employer	2017 (b)			Employer	2008 (c)		
	Employees	Rank	Percentage of Total City Employment (a)		Employees	Rank	Percentage of Total City Employment (a)
Indiana University Health	23,187	1	4.98 %	Clarian Health Partners, Inc.	12,763	1	2.74 %
St Vincent Hospitals & Health Services Inc.	17,398	2	3.74	Eli Lilly and Company	11,550	2	2.48
Eli Lilly and Company	11,334	3	2.44	IUPUI	7,066	3	1.52
Community Health Network	11,328	4	2.43	Federal Express Corp	6,311	4	1.36
Wal-Mart	8,934	5	1.92	Community Health Network	5,341	5	1.15
Kroger	8,146	6	1.75	Rolls-Royce	4,300	6	0.92
IU School Of Medicine	6,000	7	1.29	St. Vincent Hospitals & Health Services Inc.	4,152	7	0.89
IUPUI	5,100	8	1.10	WellPoint Inc.	3,950	8	0.85
Federal Express	5,000	9	1.07	Allison Transmission/Div of GMC	3,800	9	0.82
Meijer	4,825	10	1.04	AT&T	3,000	10	0.65

- (a) Percentage of total City employment is calculated by using total Employed Labor Force, which can be found at www.stats.indiana.edu.
- (b) Largest employers can be found at www.indypartnership.com (Indy Partnership).
- (c) Data presented as originally published in the 2008 City of Indianapolis Comprehensive Annual Financial Report.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table 15
Full-Time Equivalent County Government Employees by Function/Program
December 31, 2017

	December 31	
	2017	0
Administration and finance	117	120
Protection of people and property	60	60
Corrections	996	1,010
Judicial	1,351	1,337
Culture and recreation	3	4
Real estate and assessments	110	114
Total Full-Time County Employees	<u>2,637</u>	<u>2,645</u>

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 16
Operating Indicators by Function/Program
December 31, 2017

Function/Program	2017	2016
Elections		
Registered Voters	(a)	714,154
Total Voters (General Election)	(a)	370,498
Total Voters (Primary)	(a)	220,903
Prosecutor		
Misdemeanor cases disposed	12,472	13,141
Misdemeanor cases filed	18,279	18,555
Misdemeanor cases reviewed	22,049	21,711
Felony cases disposed	12,452	9,886
Felony cases filed	13,771	13,761
Felony cases reviewed	16,617	16,519
Forensics		
Forensic test labs submissions	13,697	12,989
Forensic test labs completed	13,606	12,951
Evidence Items Analyzed	66,464	66,400
Community Corrections		
Program graduates (b)	548	310
Duval Residential Facility clients	1,081	(c)
Electronic monitoring clients	14,989	(c)
Sheriff		
E-911 Calls Answered	1,029,064	1,134,450
Arrestees Processed	38,184	38,424
Average Daily Jail Population	2,540	2,498
Superior Court		
Civil cases disposed	29,362	27,498
Criminal cases disposed	45,025	49,642
Juvenile cases disposed	10,420	10,143
Probate cases disposed	1,830	1,929
Circuit Court		
Civil cases disposed	2,138	2,616
Paternity court cases	1,653	2,076

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

Table 16
Operating Indicators by Function/Program (Continued)
December 31, 2017

Function/Program	2017	2016
Auditor		
Property tax refunds issued - quantity	5,809	10,321
Properties sold by county for delinquent taxes	1,100	1,108
Property tax abatements granted - quantity	161	156
Clerk		
Marriage licenses issued	7,920	8,015
Divorces processed	3,778	3,865
Assessor		
Assessed parcels of property	88,815	84,493
Appeals filed (d)	8,585	9,800
Appeals worked	12,521	15,492
Public Defender		
Cases appointed to divisions (e)	21,784	24,404
Coroner		
External Exams	430	474
Full Autopsies	651	499
Homicides investigated	193	180
Drug related deaths investigated	385	331

Notes to Schedule:

- (a) Not applicable. No general election or primary in 2017.
- (b) Community Corrections provides various programs for clients and the graduates of four key programs are listed above. These programs are Thinking for Change, Conflict Resolution, Partners in Parenting and Theft/Larceny.
- (c) Not available.
- (d) Appeals filed are tracked for the year of assessed value. They are shown in the year following, which is when the taxes on the assessed property is payable.
- (e) The Public Defender Office consists of various divisions which are appointed cases. The cases appointed to the Juvenile, Misdemeanor, Domestic Violence, L6 Felony, Major Felony, Conflict, Problem Solving and Appellate Divisions are listed above.

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Table 17
Capital Asset Statistics by Function/Program
December 31, 2017

Function/Program	2017	2016
General Government		
Voting Machines	917	917
Buildings	2	2
Vehicles and other rolling stock	432	410
Corrections		
Vehicles and other rolling stock	37	38
Jails and other buildings	5	5
Judicial		
Courts	55	55
Buildings	7	7

Notes to Schedule:

Statistical information is not available for the preceding eight years as 2016 was the first year the County reported under GAAP basis versus a special purpose framework.

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

Single Audit Report
For the Year Ended December 31, 2017

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

December 31, 2017

Contents

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> - Independent Auditor's Report	3
Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance - Independent Auditor's Report.....	5
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Prior Audit Findings.....	17

Marion County, Indiana

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

Schedule of Expenditures of Federal Awards Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Indiana Criminal Justice Institute				
Crime Victim Assistance	16.575	5003, 5668, 5667	\$ -	\$ 462,528
Drug Court Discretionary Grant Program	16.585	Direct	-	94,436
Indiana Criminal Justice Institute				
Violence Against Women Formula Grants	16.588	5063, 6294, 6337	-	55,401
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct	-	6,055
State Criminal Alien Assistance Program	16.606	Direct	-	68,081
Indiana Criminal Justice Institute				
Project Safe Neighborhoods PSN	16.609	3918, 6489	-	56,070
Public Safety Partnership and Community Policing Grants - Child Sexual Predator Program	16.710	Direct	-	52,247
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct	-	218,213
Indiana Criminal Justice Institute				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4781, 6021, 4797, 6048, 4766, 6024, 6049, 6033	-	398,155
City of Indianapolis, Indiana				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	NA	-	717,942
			Total 16.738	<u>1,334,310</u>
DNA Backlog Reduction Program	16.741	Direct	-	397,578
Indiana Criminal Justice Institute				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	5123	-	45,524
Criminal and Juvenile Justice and Mental Health Collaboration	16.745	Direct	-	28,047
Federal Equitable Share Law Enforcement - Forfeitures	16.922	Direct	-	555,871
			<u>-</u>	<u>3,156,148</u>
Total U.S. Department of Justice				
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Direct	-	552,771
Indiana Department of Corrections				
Temporary Assistance for Needy Families (TANF Cluster)	93.558	NA	-	42,171
Indiana Department of Child Services				
Child Support Enforcement	93.563	NA	-	4,723,193
Indiana Supreme Court				
Child Support Enforcement	93.563	15-CRG-006	-	6,100
			Total 93.563	<u>4,729,293</u>
Indiana Family Social Services				
Social Services Block Grant	93.667	A345-7-49-17-PV2177	-	5,000
			<u>-</u>	<u>5,329,235</u>
Total U.S. Department of Health and Human Services				
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 8,485,383</u>

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

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Marion County, Indiana (County) under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-102, *Grant Awards and Cooperative Agreements with State and Local Governments*, or the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.
3. Negative amounts shown on the Schedule, if any, represent adjustments or credits in the normal course of business amounts reported as expenditures in prior year. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Independent Auditor's Report

The Honorable Mayor and Members of the City-County Council
Marion County, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the government activities, each major fund and the aggregate remaining fund information of Marion County, Indiana (County), a component unit of the Consolidated City of Indianapolis - Marion County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002 and 2017-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-004 and 2017-005 to be significant deficiencies.

Compliance and Other Matters

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

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

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

BKD, LLP

Indianapolis, Indiana
June 28, 2018

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Mayor and Members of the City-County Council
Marion County, Indiana

Report on Compliance for Each Major Federal Program

We have audited Marion County, Indiana's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 28, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
June 28, 2018

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Summary of Auditor's Results

Financial Statements

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

2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies) identified? Yes None reported
Material weakness(es) identified? Yes None

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

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
Significant deficiency(ies) identified? Yes None reported
Material weakness(es) identified? Yes None

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

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

7. The County's major programs were:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
16.738	Edward Byrne Memorial Justice Assistance Grant Program

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

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

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
2017-001	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The Treasurer’s Tax Collection agency fund and the Sheriff Commissary special revenue fund are not maintained on the County’s general ledger. In addition, the Clerk of Circuit Court and the Sheriff agency funds daily activity is not maintained within the County’s general ledger. (Material Weakness)</p> <p>Context: The Treasurer’s Tax Collection and Sheriff Commissary funds must be manually inserted into the year-end financial statements, and a journal entry is posted once a year to record the entire annual activity for the Clerk and Sheriff agency funds. Although bank accounts are reconciled on a monthly basis, daily activities of these funds are not subject to the County’s overall internal control structure.</p> <p>Effect: Potential misstatements in the financial statements, and potential improprieties may also occur within these funds and not be identified timely or ever be caught.</p> <p>Cause: The statutory basis upon which these funds were established has resulted in a decentralized approach to managing, monitoring and reporting the activities within these funds.</p> <p>Recommendation: To assist in financial statement preparation and strengthen internal controls, management should require all financial activity be recorded within the PeopleSoft general ledger system. For the Treasurer’s Tax Collection agency fund, this means direct entry of daily activity into PeopleSoft, with appropriate internal controls established to ensure data integrity. For the Sheriff Commissary special revenue fund, Sheriff agency fund and Clerk of Circuit Court agency fund, we recommend that financial activity be recorded at least quarterly into PeopleSoft, if a usable interface with PeopleSoft is not possible and/or statutory limitations prevent this from happening. However, appropriate internal controls should be established to allow the Office of Finance and Management sufficient visibility into the financial transactions occurring within these funds.</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Reference Number	Finding
	<p>Views of Responsible Officials and Planned Corrective Action: Management agrees that the optimum is to have all funds recorded in the County's financial system. Marion County has several external bank accounts that are maintained in separate banks by different agencies, which are allowed under the Indiana Code, and are outside of the general ledger of the County's financial system. These accounts, however, are under the jurisdiction of the County, whether it is in a fiduciary capacity, or actual County funds and as such are incorporated into the County's financial statements. In order to maintain better financial and reporting controls, the financial information for these accounts shall be provided to the Office of Finance and Management, Reporting Division, on a semiannual basis for recording to the general ledger of the PeopleSoft system. These entries shall be subject to review by management and all documentation supporting the entries shall be maintained for audit purposes. All the Treasurer's tax collection accounts were added to the PeopleSoft system in 2016. Testing and training of the new functionality within PeopleSoft is on-going. Functionality was created for use by the Treasurer's office, although there has been on-going concern that satisfying audit findings of the Treasurer using PeopleSoft as the proposed system of record is violating State Statute and uniform compliance per State Board of Accounts because of the State-required segregation of duties by the Auditor and Treasurer. Full production use of this system is anticipated by the end of 2018 provided the structure and design maintains compliance requirements of the State Board of Accounts.</p> <p><i>Persons responsible for implementing:</i> Cindy Land, Deputy Treasurer and Shirley Mizen, Deputy Auditor</p> <p><i>Anticipated completion date:</i> December 31, 2018</p>
2017-002	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: Cash reconciliations for the Treasurer's Office are not being completed on a timely basis between the subsidiary records (fund book) of the Treasurer's Office and the PeopleSoft accounting system. (Material Weakness)</p> <p>Context: The reconciliation of County cash records is a joint process between the offices of the Auditor's Office and the Treasurer's Office. The Treasurer's Office maintains the bank accounts for the County and reconciles monthly to these accounts and to the cash balances reported in its subsidiary records; but not to PeopleSoft, since not all of the activity of the Treasurer's Office is currently being maintained in PeopleSoft. In March of 2016, with the implementation of iNovah, a cash receipts system, the Auditor's Office eliminated its separate fund book and transitioned to solely utilizing PeopleSoft to track its cash and related fund balances, thereby making PeopleSoft the Auditor's fund ledger for purposes of reconciliation. The Treasurer's Office, by necessity, continued to maintain its separate fund book during 2017 as it endeavored to transition its recordkeeping entirely to PeopleSoft.</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Reference Number	Finding
	<p>Effect: Misstatements in the financial statements.</p> <p>Cause: The lack of a true month-end general ledger close process and ongoing resource constraints have prevented the Treasurer’s Office from completing the aforementioned transition. This has resulted in less than timely monthly reconciliations.</p> <p>Recommendation: The County needs to consistently apply and further enhance its accounting procedures and internal controls over financial reporting so as to ensure the timeliness, availability and integrity of the financial information it is charged with producing. This should include improved procedures for the month-end close process with specific agency deadlines to allow the Treasurer’s office to perform cash reconciliations to PeopleSoft, within 31 days of the end of the previous month. Two cornerstones of this reconciliation and review process are timeliness and accuracy. This is imperative, given the County’s desire to continue producing timely annual reports in conformity with Generally Accepted Accounting Principles (GAAP).</p> <p>Views of Responsible Officials and Planned Corrective Action: The County acknowledges that the fund/cash reconciliations between the Auditor’s Office and the Treasurer’s Office were completed, but not timely. However, it is important to note that the County Treasurer’s Office reconciles its account balances with the banks to the Treasurer’s separate ledger on a daily basis. As has been noted before, the Treasurer’s Office has been transferring its cash activities to the PeopleSoft System over the last few years. When the final transition occurs, then a direct reconciliation of the bank balances to the PeopleSoft balances will occur. It is important to note that following State Statute and the uniform compliance requirements set forth by the State Board of Accounts, at no time is it required of the Treasurer to maintain its records on the PeopleSoft system, as it relates to property taxes, as such, maintaining separate ledgers is not outside the scope of reconciling balances to both systems.</p> <p>As indicated in the recommendations above, improving month-end procedures, specifically, more timely closing of the months will enhance the existing internal controls and allow the County to perform its reconciliations on a more timely basis. The Auditor’s Office and the Treasurer’s Office will create specific procedures and work with the Office of Finance and Management on the implementation of these procedures for all agencies to follow within the City/County to aid in assuring that monthly reconciliations are completed timely.</p> <p><i>Persons responsible for implementing:</i> Cindy Land, Deputy Treasurer and Shirley Mizen, Deputy Auditor</p> <p><i>Anticipated completion date:</i> December 31, 2018</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Reference Number	Finding
2017-003	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Conditions: The County’s internal control environment over financial reporting did not timely detect adjustments that were needed to prevent the 2017 financial statements from being materially misstated. (Material Weakness)</p> <p>Context: The Office of Finance and Management (OFM) is primarily responsible for the financial reporting of the County, but the Marion County Auditor’s Office is responsible for the maintenance of the general ledger throughout the year and financial records and reconciliations are maintained by multiple departments throughout the year. During 2016, the County returned to reporting in conformity with Generally Accepted Accounting Principles (GAAP), marking the first year that the County reported on a GAAP basis since 2005. During 2017, two proposed adjustments were identified (one to decrease depreciation expense by \$1.1 million and one to increase state grant revenue by \$2.8 million) that affected the County’s financial statements.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: The year-end close process requires financial information to be captured that is not being reported on an interim basis. Errors included a misallocation of depreciation expense and the inappropriate recognition of revenue for grant monies received in advance of use. These errors were the result of incomplete and/or inaccurate reconciliations of certain financial statement line items required by GAAP reporting.</p> <p>Recommendation: The County should continue to refine and maintain effective internal controls for reviewing and substantiating financial reporting data. While it is OFM’s responsibility to compile the financial statements for the County, the County is ultimately responsible for the accuracy and completeness of the financial information being presented.</p> <p>Views of Responsible Officials and Planned Corrective Action: Personnel constraints have been a major contributing factor in the amount of audit adjustments that are discovered during the audit process. In addition, during 2017, the County returned to issuing a full Comprehensive Annual Financial Report in conformity with the guidelines issued by the Government Finance Officers Association (GFOA). This marked the first year that the County has issued a full CAFR since 2005. There was a significant effort associated with this conversion process, and because it had been over ten years since we last issued a full CAFR, challenges were encountered that had a direct impact on the number of adjustments. It is very important to point out that the number of audit adjustments decreased substantially since the prior year, which was the first year since 2005 that the County reported in conformity with Generally Accepted Accounting Principles (GAAP). We are working towards adding additional staff to assist with the creation of the Comprehensive Annual Financial Report (CAFR). Also, we have added training and professional development opportunities for team members in an effort to increase technical knowledge.</p> <p><i>Persons responsible for implementing:</i> Janae Rhoton, Deputy Controller and Adam Brill, Senior Financial Reporting Manager</p> <p><i>Anticipated completion date:</i> December 31, 2018</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Reference Number	Finding
2017-004	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over information technology used in recording/processing transactions and preparing financial reports.</p> <p>Condition: The County’s internal control environment over logical access does not formally prescribe the process by which department/agency CFOs must monitor user access or communicate changes in access privileges. (Significant Deficiency)</p> <p>Context: While the County does provide user listings to each department/agency CFO on a monthly basis and such reviews do occur, there is no prescribed frequency for monitoring user access or formally documenting such review. The County’s information technology general controls do provide department/agency CFOs the opportunity to communicate necessary changes in user access, but does not necessarily mandate those individuals acknowledge the accuracy of their respective user lists</p> <p>Effect: Unauthorized access to network and applications could occur.</p> <p>Cause: ISA began distributing the listings of users to each department/agency CFO in 2016, but has not required those individuals to affirm the accuracy of those lists.</p> <p>Recommendation: The CFOs of the departments/agencies should be held accountable to review the employee listings at least annually. A process should be implemented to ensure sign off of this review is documented and to verify any changes requested have been appropriately made to the network and in-scope applications. For terminations, a clarification of policy should be provided to all departments/agencies as to what is considered a timely communication and the departments/agencies, as well as the Human Resources department, should be held accountable to the prescribed process for submitting an access termination request to ISA and all application owners.</p> <p>Views of Responsible Officials and Planned Corrective Action: The County’s Information Services Agency (ISA), Office of Finance and Management, Human Resources and the Office of Audit and Performance will convene to outline the annual review of access process. The departments/agencies will agree and document the process and conduct the first audit of access by the end of 2018. During this process, ownership of the audit process will be confirmed and documented for each system. By the end of 2018, ISA will also begin generating a report to be sent to all CFOs, which includes active network accounts of employees showing as terminated.</p> <p><i>Persons responsible for implementing:</i> Ken Clark, Chief Information Officer</p> <p><i>Anticipated completion date:</i> December 31, 2018</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Reference Number	Finding
2017-005	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over information technology used in recording/processing transactions and preparing financial reports.</p> <p>Condition: There is no formal change management policy that requires segregation of duties within the database, code and production environment of the County’s financial reporting system or testing of proposed changes before being placed into production. (Significant Deficiency)</p> <p>Context: General controls over information technology should include segregation of duties to ensure individuals (whether in-house or contracted vendors) do not have access to the database, code and production environments, as well as policies for testing all system changes before being put into production.</p> <p>Effect: Unauthorized changes could be made to the production environment of the application.</p> <p>Cause: Programmers that are responsible for developing code for changes have access to implement the code into production.</p> <p>Recommendation: Management should develop a more comprehensive change management policy and consider the entire change management process in the design of such a policy. Central to this policy should be a requirement to review on a periodic basis all changes implemented to information technology systems. This review should be completed by someone independent of those who are responsible for either developing or implementing the changes. The reviewer(s) should be looking at changes implemented and tracing them back to approved changes to confirm no unauthorized changes were implemented into production.</p> <p>Views of Responsible Officials and Planned Corrective Action: To ISA’s knowledge, the application in question does not deliver a “Read Only” view. Production access is necessary to allow functional support staff to accurately assess customer issues. In order to segregate duties, ISA will engage the application developer, and potentially a third-party, to develop a view that removes change access, while still allowing staff to support the enterprise. Production access will then be removed. An evaluation and process will be developed to use logs available for management review and verify production changes. Change management for this application will now be included in the ISA Change Management process for increased visibility.</p> <p><i>Persons responsible for implementing:</i> Ken Clark, Chief Information Officer</p> <p><i>Anticipated completion date:</i> December 31, 2018</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
	No matters are reportable.

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017

Reference Number	Summary of Finding	Status
2016-001	<p>Financial Reporting The Treasurer’s Tax Collection and Sheriff Commissary funds must be manually inserted into the year-end financial statements, and a journal entry is posted once a year to record the entire annual activity for the Clerk and Sheriff agency funds. Although bank accounts are reconciled on a monthly basis, daily activities of these funds are not subject to the County’s overall internal control structure.</p>	<p>Unresolved See finding 2017-001</p> <p>All the Treasurer’s tax collection accounts were added to the PeopleSoft system in 2016. Testing and training of the new functionality within PeopleSoft is on-going. A separate ledger was created for use by the Treasurer’s Office to maintain the State-required segregation of duties by the Auditor and Treasurer. Full production use of this ledger is anticipated by the end of 2018.</p>
2016-002	<p>Financial Reporting The County’s internal control environment did not require timely and complete reconciliation of all cash balances and the County’s PeopleSoft system.</p>	<p>Unresolved See finding 2017-002</p> <p>The Treasurer’s Office and Auditor’s Office recognizes that the reconciliation is extremely important and as such, have taken the steps described above. These efforts continued through 2017 and into 2018, as we work to assure that all issues are resolved appropriately. See the current year corrective action.</p>
2016-003	<p>Financial Reporting The County’s internal control environment over financial reporting did not detect adjustments that were needed to prevent the financial statements from being materially misstated.</p>	<p>Partially Resolved</p> <p>The County continues to make progress in reducing the number of adjustments each year. The County believes that in the near future, we can resolve this completely. To accomplish this, the County needs additional personnel resources and potentially more sophisticated software for the Comprehensive Annual Financial Report. (CAFR) reporting process.</p>

Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Summary Schedule of Prior Audit Findings (Continued)
Year Ended December 31, 2017

Reference Number	Summary of Finding	Status
2016-004	<p>Financial Reporting The County's internal control environment did not detect certain errors made in accumulating and recording certain capital assets and capital lease transactions.</p>	Resolved
2016-005	<p>Financial Reporting The County's internal controls over accounting and reporting were not adequately designed to identify and record capital assets acquired through other than direct acquisition (i.e., capital outlays)</p>	Resolved
2016-006	<p>Financial Reporting Inadequate segregation of duties within change management and no formal authorization for changes within the County's cash receipts system (iNovah) exist. Additionally, no formal processes exist surrounding request, authorization and approval of access being granted, removed or changed within iNovah and there is no periodic review of iNovah user access.</p>	<p>Unresolved See Findings 2017-004 and 2017-005</p> <p>ISA will engage the application developer, and potentially a third-party, to develop a view that removes change access, while still allowing staff to support the enterprise. Production access will then be removed. An evaluation and process will be developed to use logs available for management review and verify production changes. Change management for this application will now be included in the ISA Change Management process for increased visibility.</p>