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July 9, 2020

Mr. Ken Clark
City of Indianapolis Controller
200 East Washington St., Suite 2222
Indianapolis, IN 46204

We have received the Comprehensive Annual Financial and Single Audit Reports which have been opined on by BKD, LLP, Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report*, the financial statements included in the Comprehensive Annual Financial Report present fairly the financial condition of the City of Indianapolis, as of December 31, 2019, and the results of its operations for the period then ended, on the basis of accounting described in the reports.

We call your attention to the findings in the reports. The findings appear on pages 10-12 of the Single Audit Report, which is included after the Comprehensive Annual Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the reports.

In our opinion, the audit reports were prepared in accordance with the guidelines established by the State Board of Accounts.

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



Indianapolis

Joe Hogsett, Mayor Ken Clark, Controller



City of Indianapolis, Indiana

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

Comprehensive Annual Financial Report

Year Ended December 31, 2019

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

City of Indianapolis, Indiana

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

Year Ended December 31, 2019

Office of Finance and Management

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Introductory Section

Introductory Section



June 30, 2020

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

I submit to you the Comprehensive Annual Financial Report (“CAFR”) of the City of Indianapolis (“City”) for the fiscal year ended December 31, 2019. The City is a component unit of the Consolidated City of Indianapolis – Marion County Reporting Entity. This report was prepared by the Office of Finance and Management (“OFM”). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Controller of the City of Indianapolis. The data, as presented, is accurate in all material respects. It is presented in a manner designed to set forth the financial position and results of operations of the City. Disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs are included.

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

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

This report contains all funds of the City. The City operates under an elected Mayor and City-County Council (25 members) form of government. The City provides services in public safety, public works, health and welfare, cultural and recreation, urban redevelopment and housing, and economic development.

ECONOMIC CONDITION AND OUTLOOK

Regional Economy

Indianapolis has a growing and diversified economy with employment and per capita income rates that historically have outperformed both state and national averages. The Indianapolis Chamber of Commerce reported 67 successful relocation and expansion projects in 2019, leading to 4,044 new jobs and 6,833 retained jobs at a record high average of \$32 per hour with \$516 million in capital investment.¹ Three of Indiana's Fortune 500 companies are located in Indianapolis and the City is home to many of the State's largest public companies, including: Anthem, Inc., Eli Lilly and Co., Simon Property Group Inc., Calumet Specialty Products Partners LP, Allison Transmission Holdings Inc., and Duke Realty Corp. The City is also a logistics center that features the world's second-largest FedEx Corp hub, United Parcel Service Inc., Schneider National Inc. and others.

In transportation, the Indianapolis International Airport (IND) averages 145 daily flights to 50 nonstop destinations including a transatlantic flight to Paris, inaugurated May 2018. In 2019, more than 9.5 million passengers flew through IND, setting a new historical record. IND was voted Best Airport in North America by Airports Council International for the seventh consecutive year and Best Airport in the U.S. by readers of Condé Nast Traveler. Known as the Crossroads of America, Indianapolis is connected to the rest of the nation by four major interstate highways, making it a prime location for distribution and shipping.

The City is home to 28 institutions of higher learning², including technical and vocational education programs, with over 127,000 students enrolled in 2019. These include Indiana University-Purdue University Indianapolis (IUPUI), Butler University, University of Indianapolis, Marian University, Ivy Tech Community College and others. The Indianapolis area is served by 341 public and private K-12 schools³ and 11 public school districts, with a population of 181,000 students distributed among all public and private schools⁴.

Indianapolis' Healthcare sector has expanded in the past decade and continues to grow. Eskenazi Hospital, Indiana's largest public hospital, was completed in December 2013. The \$750 million state-of-the-art facility houses Level I Trauma and Burn Units, psychiatric, long-term, outpatient, and other care centers. Indiana University Health ("IU Health") continues to expand its three hospital campuses in the City; with IU Health Methodist investing \$1 billion for a new medical center, Riley Hospital completing a \$475 million expansion and IU Health adding a \$142 million maternity and child health center.

Indianapolis continues to be a major sports and convention destination. Indianapolis Motor Speedway is home to the Indy 500 race, Lucas Oil Stadium is home to the Indianapolis Colts, hosting Super Bowl XLVI and multiple NCAA Men's Final Four tournaments and Big Ten Football Championships. Bankers Life Fieldhouse is home to the Indiana Pacers and the Indiana Fever. Victory Field is home to the Indianapolis Indians, Pittsburgh's Triple-A affiliate. All three major sports facilities are within walking distance or connected by the skywalk system to the Indiana Convention Center. As the 17th largest convention center in the U.S., Indianapolis drew a record-setting 30 million visitors in 2019, with a record-setting estimated economic impact of \$5.6 billion dollars. The top annual conventions and events are: Gen

¹ Data retrieved from: <https://indy-chamber.com/news/indy-econ-dev/mayor-hogsett-develop-indy-report-2019-success-prepare-for-rollout-of-inclusive-incentives/>

² Data retrieved from: <https://nces.ed.gov/collegenavigator/?s=IN&of=1&od=0&pg=5>

³ Data retrieved from: <https://compass.doe.in.gov/search.aspx?county>

⁴ 2019 data retrieved from: http://www.stats.indiana.edu/dms4/new_dpage.asp?profile_id=315&output_mode=1

Con (70k), National FFA Convention (64k), Big Ten Championship (70k), and the Indy 500 (up to 300k attending).⁵ In 2019, Visit Indy secured 840,899 future hotel room nights for conventions, trade shows, meetings and events.

Key cultural destinations include the Indianapolis Zoo, the Indiana State Museum, the NCAA Headquarters and Hall of Champions, the Eiteljorg Museum of American Indian and Western Art, the Children’s Museum of Indianapolis, Newfields: A Place for Nature & The Arts (previously known as the Indianapolis Museum of Art) and seven war memorials.

Subsequent to December 31, 2019, the United States Secretary of the Department of Health and Human services declared a public-health emergency for the United States on January 31, 2020, related to the outbreak and spread of the novel Coronavirus disease, known as COVID-19. The State of Indiana confirmed the first known case of COVID-19 in Marion County on March 6, 2020, and the Governor declared a disaster emergency for the State of Indiana on the same day. Subsequently, the Mayor issued Executive Order No. 1, 2020 declaring a local disaster emergency and ordering a watch-level travel advisory in Marion County. As part of City and State executive orders, social distancing strategies aimed at reducing the spread of infection were ordered in March of 2020. As a result, numerous businesses have curtailed their operations. While the City has a strong and diversified economy, the COVID-19 pandemic will have an impact on the collections of various revenues, including the City’s two largest revenue sources; property and income tax. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. However, through continued strong fiscal management, the City entered fiscal year 2020 with healthy fund balances. In preparation, for unknown loss of revenue, immediate steps were taken to place reserves on budgets in 2020. In addition, as the 2021 budget is built in the 2nd half of 2020, it will be flat-lined along with a mandatory five percent reserve. These actions will allow us to control costs, reduce spending, while still focusing on investments which result in improving health, enhancing economic outcomes and reducing longer-term costs. These actions will place us in the best position to continue to serve our community and taxpayers by providing essential government services.

Economic Development

In 2019, the City, in partnership with the Indy Chamber, continued working toward its inclusive growth goals and made changes to its tax abatement policy to target industries that support the growth of jobs paying more than \$18 per hour and providing opportunities for both skilled and sub-baccalaureate workers. Businesses receiving incentives must also invest in social supports for their workforce, including transit, childcare, and training. These changes are supported by data-driven research from the City and Indy Chamber’s engagement with the Brookings Institution, and are intended to align the City’s tax incentives with areas of growth and opportunity in the City’s economy. Since 2016, the City has favored the use of developer-backed bonds as a primary way to incentivize private mixed-use real estate economic development projects, a policy that limits the City’s exposure by only pledging a portion of Tax Increment Finance revenues from the project toward debt, with the developer backing any shortfall. In 2019, three private real estate development projects were approved under this structure. Other considerations for incentivization include transit oriented development, the creation of affordable and workforce housing, and activation of vacant or under-performing parcels.

⁵ Data provided by Visit Indy. Data is available on a lag—2018 data became available in Q4 2019 and 2019 data will be available in Q4 2020.

Develop Indy is engaged in business and community development efforts beyond traditional corporate attraction. 2019 saw nearly 1,200 ‘contacts’ with employers through the Indy Chamber’s regulatory ombudsman, an expanded suite of online business services, and business retention outreach, in addition to over 7,000 total touches including the online platform, Open Counter. As part of the Indy Chamber and a partner of the City, Develop Indy also continues to serve a customer service function to support the existing business community, while welcoming new businesses to the City.

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

Companies in our target industries accounted for nearly 65% of the new and retained job announcements in 2019. Advanced manufacturing was the highest growth industry with nearly 3,300 new and retained job commitments, followed by professional services with more than 1,700 new and retained jobs. A March 2020 Brookings Institute analysis reported Indianapolis had a noteworthy 6% average annual digital services job growth between 2000 and 2018. In a recent announcement, the Indy Chamber will be partnering with the Brookings Institution’s Metropolitan Policy Program to help advance locally-relevant metrics of economic inclusion to advance growth and opportunity in the Indianapolis region.⁶

2019 Job Commitments and Investments

In support of the primary economic development goals for the City, 10,877 job commitments (4,044 new jobs/6,833 current and retained jobs) and over \$516 million in capital investment from 67 successful relocation and expansion projects were announced in 2019. The average wage for retained jobs was \$31.80 per hour and the average wage for new jobs was \$32.32 per hour, showing an increase over the previous year. These successes were realized due to the partnership between the Mayor’s Office and the Indy Chamber.

The commitment from companies to add and retain over 10,877 jobs and invest more than \$516 million in Indianapolis is a testament to the fact that the City continues to be a great place to live and do business. Companies benefit from Indianapolis’ stable, affordable and pro-growth economic environment, skilled workforce, central location, and overall low cost of doing business.

2019 Notable Projects

Infosys U.S. Education Center: The India-based IT company in 2018 announced plans for a \$245 million, 141-acre campus at the site of the former Indianapolis International Airport terminal. Infosys is set to employ 3,000 Indianapolis workers by 2023. Phase I development began in November 2019.

Bottleworks District: A \$260 million mixed-use project utilizing the former Coca Cola bottling plant, a well-preserved 1930s art deco-style building on downtown’s Mass. Ave, will include residential, entertainment, retail and office space.

⁶ Source: <https://indychamber.com/news/indy-econ-dev/indy-chamber-selected-to-join-brookings-inclusive-economic-indicators-lab/>

16 Tech: An applied research institute and a hub for multi-sector entrepreneurship driven by the State’s academic and research institutions. The City–County Council authorized \$75 million in bonds for infrastructure for the project, expected to generate 2,700 jobs in its first phase.

Allison Transmission: Announced a new Vehicle Emissions Testing facility and an Innovation Center to expand their campus and add 300 new jobs and a capital investment of over \$73 million.

EHealth: EHealth, a private, online marketplace for health insurance, announced its new Indianapolis headquarters - an attraction project which will result in 500 new jobs in Indianapolis by 2023.

LONG-TERM FINANCIAL PLANNING

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

Property Tax

The City collected \$330 million in net property tax revenue in 2019, including TIF. The City expects to collect \$354 million in net property tax revenue in 2020. The Circuit breaker impact is estimated to be \$35 million in 2020, approximately 13% of certified property tax levies. This represents a slight increase from the \$33 million loss in property tax revenue experienced in 2019.

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 GAV – homesteads;

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

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

Local Income Tax (“LIT”)

LIT is an income tax based revenue stream with a flat rate structure, imposed on state adjusted gross income of County taxpayers. The tax rate is imposed based on the residency of the taxpayer, not the county of employment. The tax is authorized by statute and is applicable to all Indiana municipalities. The tax does not sunset. The LIT rate is established by the Marion County Income Tax Council.

In Indiana, the State Department of Revenue serves as the collection agent for all County income taxes. Thus, each county relies on annual distributions of county income tax revenues from the State. The State Budget Agency ("SBA"), 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, including the City. For Marion County, OFM is responsible for calculating the allocation of county income tax revenues to all eligible entities pursuant to a Marion County specific formula found in State statute. OFM works very closely with the State Budget Agency to track and forecast income tax collections and annual certified distributions.

The certified distribution is a guaranteed amount of LIT revenue remitted by the State Auditor to the County Treasurer monthly in 1/12th increments based on total income tax returns processed from July-December of the prior fiscal year and January-June of the current fiscal year. For 2019, total local income tax revenue distributed to the City attributed to the annual certified distribution was \$260 million which includes the three components of the income taxes, the total rate in 2019 was 1.7218%: County Option Income Tax ("COIT") (.9643%), Public Safety Income Tax ("PSIT") (.5000%), and the Local Option Income Tax ("LOIT") Levy Freeze (.2575%). In 2018, total City income taxes distributed were \$237 million. The \$23 million increase from 2018 is attributable to organic growth in income tax revenue and a discretionary decision made by OFM to allocate more to the City offset by less to the County. The certified 2020 City income tax amount is \$283 million, an increase of \$23 million from 2019. The effects of economic events on income tax collections are not revealed in annual distributions to counties until two years later, due to the fact that certified distributions are based on income earned two years in arrears. Per statute, when the balance exceeds 15% of the certified distribution, supplemental distributions are released based upon the balance in the Trust Account reported two years prior to the certified distribution year. Every April, the SBA reviews the amount each local entity has generated in the State-held Trust Fund and, if applicable, distributes any excess in May. In May 2019, the City received a supplemental amount of \$13 million, bringing total income taxes received in 2019 to \$273 million.

5 Year Forecasting

As part of the long-term financial planning for the City, the City Controller has developed a 5-year financial plan focusing on available funds over the next 5 years. The 5-year financial plan will provide projections of major revenue sources such as property taxes, income taxes, other major miscellaneous revenue 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 quarterly to monitor and respond to changes in fund balances, revenues, and expenditures.

RELEVANT FINANCIAL POLICIES

Internal Control Structure

Management of the City is responsible to establish and maintain an internal control structure that ensures the assets of the government are protected from loss, theft, or misuse and ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with 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 City uses the GASB expenditure terminology (object) for financial reporting purposes and State of Indiana expenditure terminology (character) for internal accounting purposes. Capital projects reimbursable by grant revenues are encumbered for the total amount of the estimated project cost. Outstanding encumbrances to be financed from future revenues, other than approved grant revenues and certain Consolidated County budgetary account reimbursements, are recorded in their entirety as assigned fund balances.

MAJOR INITIATIVES

In 2013, the Indiana General Assembly passed Senate Enrolled Act 621-2013. Senate Enrolled Act 621 (“SEA 621”) provided that City budgets may be allocated on a semiannual basis as determined by the City Controller. In addition, if revenues and fund balance are less than budgeted expenditures, the City Controller can reduce City agency budgets to create a funded budget. Under SEA 621 the City may impose management reserves, which places a percentage of each agency and department’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. For fiscal year 2019 the City did not place management reserves.

Focusing on fiscal stability, the City continues to maintain a AAA credit rating by showing solid cash reserves, including the Fiscal Stability fund which has a balance of approximately \$82.7 million at the end of 2019. The Fiscal Stability Fund was established by law and has the primary purpose of supporting a solid credit rating for the City.

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

Fiscal year 2019 saw continued investment in public safety and infrastructure. The public safety initiatives, include; a community mediation center, witness protection program, food policy coordinator and anti-crime technology, along with funding for new recruit classes of 120 police officers and 80 firefighters. A new in-house street maintenance unit was deployed to perform critical infrastructure repairs during the winter season, along with funding \$126 million in transportation infrastructure spending for street resurfacing, bridges, and sidewalks. A scholarship program, Indy Achieves, was created to provide residents with the ability to pursue and complete a postsecondary credential or degree program. Indy Achieves will provide resources and assistance to school counselors across all Marion County school districts to increase the enrollment of eligible 21st Century scholars.

The 2020 budget is structurally balanced and continues to focus on public safety and infrastructure. The public safety initiatives include body cameras for IMPD, and investments in a new Computer Aided Dispatch System for public safety communications. The infrastructure initiatives, include; the annual commitment of the four-year infrastructure plan to invest more than \$500 million in roads, bridges, and storm water systems across Indianapolis' neighborhoods. Funding for new neighborhood infrastructure investments through the Department of Public Works (DPW) by increasing the capacity of DPW Operations to transition into a zone-based model, creating a second shift to increase work productivity and expedite responses to citizens' needs and purchasing new equipment and service trucks to reduce repair costs on old equipment and ensure business continuity.

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 City. At December 31, 2019, the Audit Committee members were:

Mr. Charles Johnson III , <i>Chairperson</i>	Engaging Solutions-Managing Principal
Mr. David Reynolds	Policy Analytics, Senior Vice President
Ms. Debra Shoffner	Retired Financial Services Sector Professional
Ms. La Keisha Jackson	City-County Councillor, City of Indianapolis – Marion County
Ms. Bengu Powell	Comer Nowling, Senior Manager
Ms. Danielle Coulter	City-County Councillor, City of Indianapolis – Marion County
Mr. Tim Moriarty	Mayor's Office - Senior Executive Policy Advisor to the Mayor

Certificate of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Indianapolis for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

Acknowledgment

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Ken Clark". The signature is written in a cursive style with a long, sweeping underline.

Ken Clark

Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Indianapolis
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF INDIANAPOLIS

ORGANIZATION OF LOCAL GOVERNMENT AND TAXING DISTRICTS

Introduction

The City of Indianapolis (City) was originally incorporated in 1832. It is the largest city in the State of Indiana (“State”) and the 16th largest city in the nation with a population of 876,384 and a metropolitan area population of approximately 2.0 million people. The City encompasses a land area of 402 square miles. The City, located at the geographic center of the State, is the State capital and also serves as the physical, economic, and cultural capital. Indianapolis has a stable and diversified economy with employment rates and income levels consistently above the national averages.

Form of Government

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

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

The maps on pages XIII and XIV illustrate the relationship of the described taxing units.

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

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

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

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

Other Governmental Units

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

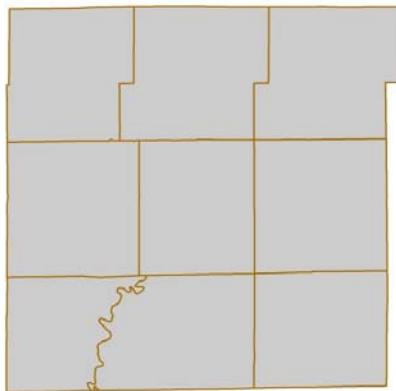
- **Marion County** as a governmental unit provides services such as courts, sheriff, tax assessment, collection, etc., not otherwise provided by other governmental units.
- The **Capital Improvement Board of Managers of Marion County** (“CIB”) is a separate and distinct municipal corporation with territory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

- The **Indianapolis-Marion County Building Authority** (“Building Authority”) is a separate and distinct municipal corporation that acts as landlord for the City-County Building. The County pays 58% and the City pays 42% of the total lease rental. The Building Authority also has an outstanding bond payable from lease rentals (which are paid from taxes levied) from the County for the 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 XII for the Unigov Organizational Chart and page XIII for the City of Indianapolis Organizational Chart.

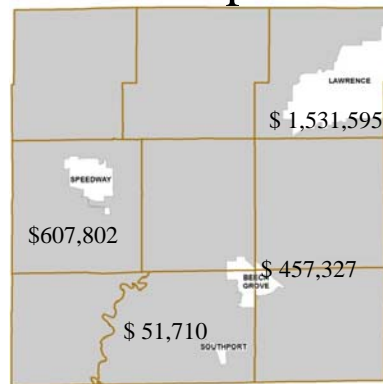
Map 1



**MARION COUNTY
AND OTHER INCLUDED
TOWNS**

Marion County \$42,341,434

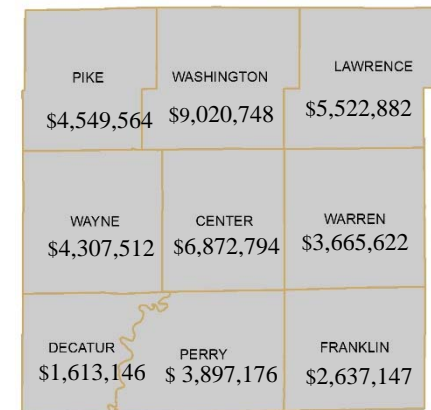
Map 2



**CONSOLIDATED
CITY OF INDIANAPOLIS**

City of Indianapolis \$39,692,999
Excluded Cities and Towns \$2,648,434

Map 3



TOWNSHIPS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2018 valuations for taxes collectible in 2019.

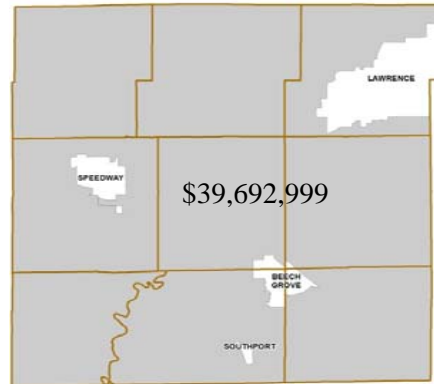
Map 4



LIBRARIES

Speedway	\$607,802
Marion County Libraries	\$41,733,632

Map 5

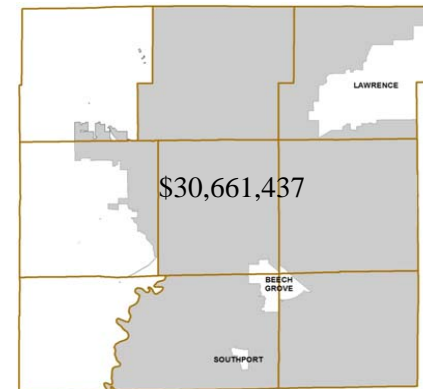


INDIANAPOLIS

POLICE SERVICE DISTRICT

(Outside of this district, the four excluded cities provide their own police service)

Map 6

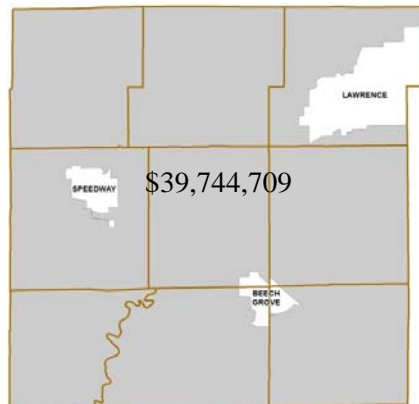


INDIANAPOLIS

FIRE SERVICE DISTRICT

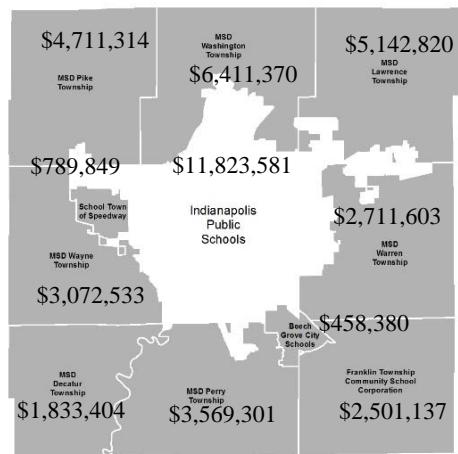
(Outside of this district, townships and excluded cities provide the fire service)

Map 7



**INDIANAPOLIS SOLID WASTE
SPECIAL SERVICE DISTRICT**

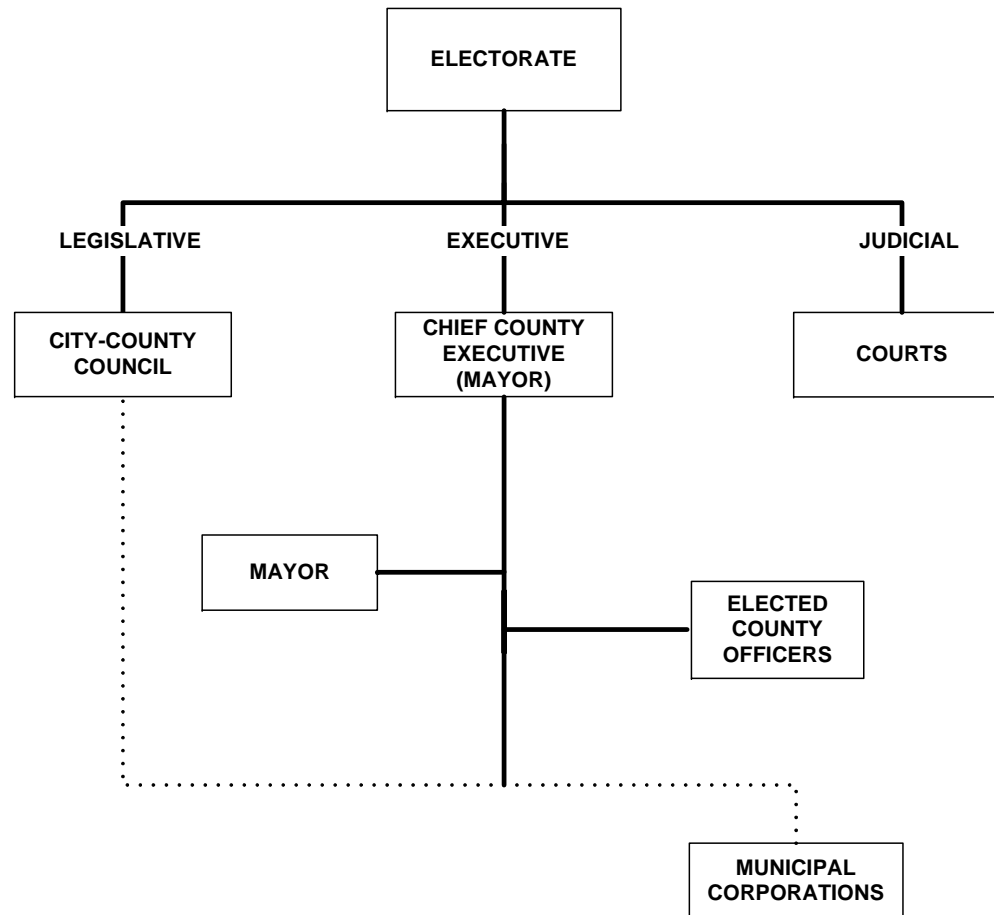
Map 8



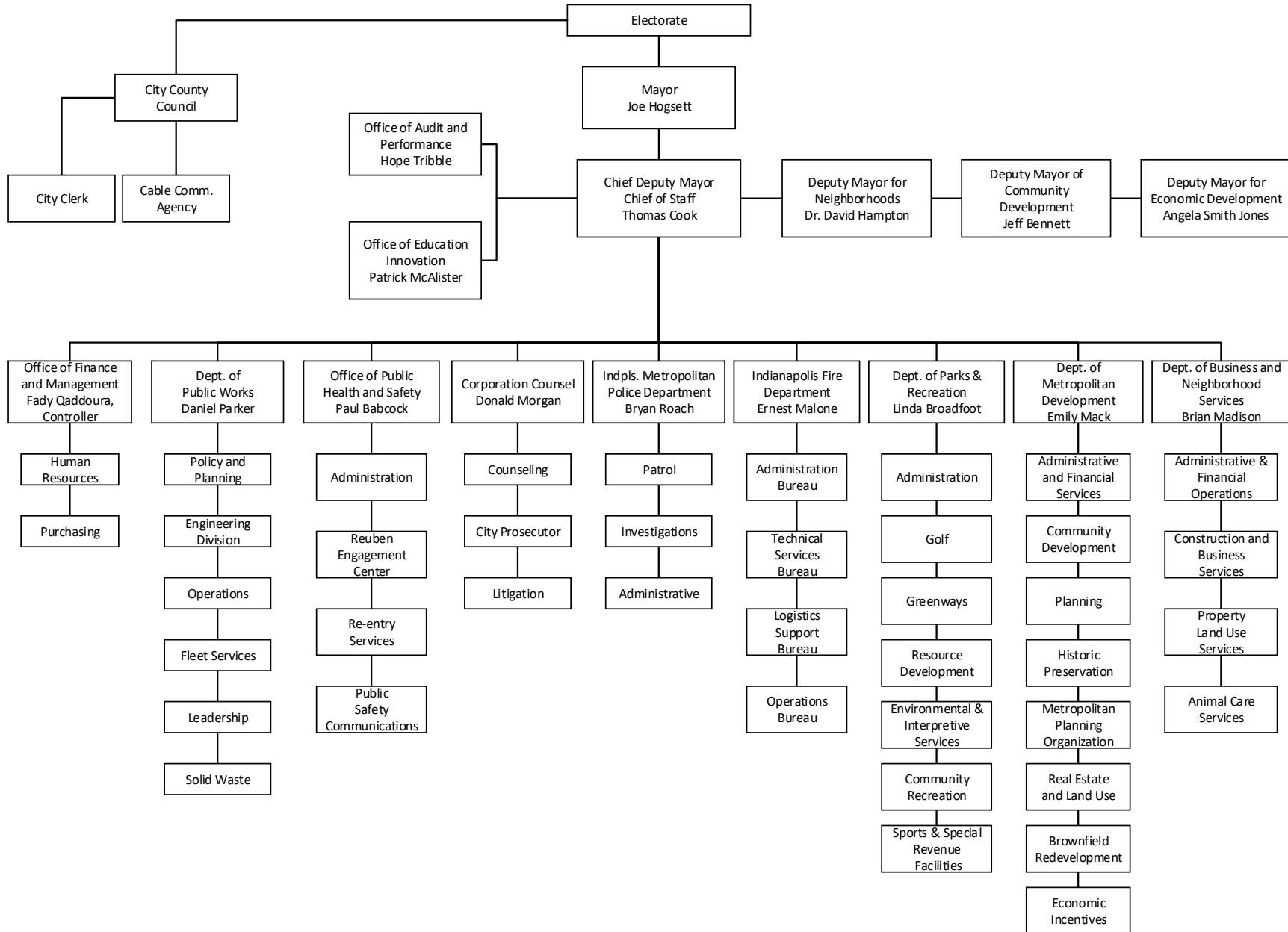
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2018 valuations for taxes collectible in 2019.

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



City of Indianapolis Organization Chart December 31, 2019



CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS
December 31, 2019

ELECTED OFFICIALS*

Name	Title	Service	Occupation
Joe Hogsett	Mayor	4	Mayor and Chief County Executive
Vop Osili	City-County Council President	9	Architect/Principal, A+X Design and Development
Zach Adamson	City-County Council Vice President	8	Vice President of Compliance and Regulatory Affairs, NESCO
Maggie Lewis	City-County Council Majority Ldr	11	CEO & Executive Director, Boys and Girls Club of Indianapolis
Michael McQuillen	City-County Council Minority Ldr	12	Owner, PoliticalParade.com
Andy Harris	City-County Councillor	1	City-County Councillor
Jeff Coats	City-County Councillor	4	Product Manager, Salesforce
Susie Cordi	City-County Councillor	4	Bus Driver
Jared Evans	City-County Councillor	4	Consultant
Colleen Fanning	City-County Councillor	4	Owner, Grey Market Wine
Monroe Gray, Jr.	City-County Councillor	27	Retired
Jason Holliday	City-County Councillor	8	Account Executive, Ray's Trash Service
La Keisha Jackson	City-County Councillor	5	Executive Director, Pathway Resource Center
Blake Johnson	City-County Councillor	4	Director of Communications, Complete College America
Danielle Coulter	City-County Councillor	2	Senior Government Affairs Associate, Dant Advocacy
Frank Mascari	City-County Councillor	9	Jeweler, Spalding Jewelry
Janice McHenry	City-County Councillor	12	Retired
Jefferson Shreve	City-County Councillor	2	Founder and Owner, Storage Express
Brian Mowery	City-County Councillor	4	Logistics Freight Broker, Direct Connect Logistix
William C. Oliver	City-County Councillor	16	Retired
Keith L. Graves	City-County Councillor	1	Financial Services Professional, TD Ameritrade
David Ray	City-County Councillor	4	Account Manager, Miller-Eads Company
Leroy Robinson	City-County Councillor	9	CEO, Winthrop Tech

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)

December 31, 2019

Name	Title	Service	Occupation
Christine Scales	City-County Councillor	12 Retired	
Joseph Simpson	City-County Councillor	9 Director of Administration, Indiana Legal Services	
John Wesseler	City-County Councillor	4 Retired	
Claudia O. Fuentes	Ex-Officio City Treasurer	8 Marion County Treasurer	

*The term of office for all elected officials expires December 31, 2019 except for the Marion County Treasurer, whose term expires December 31, 2020.

APPOINTED OFFICIALS

Name	Position	Number of Years in This Position	Number of Years Associated with City of Indianapolis – Marion County
Thomas Cook	Chief Deputy Mayor/Chief of Staff	4	4
Dr. David Hampton	Deputy Mayor for Neighborhoods	4	4
Jeff Bennett	Deputy Mayor of Community Development	4	17
Angela Smith Jones	Deputy Mayor for Economic Development	4	4
Patrick McAlister	Director of Office of Education Innovation	4	4
Fady Qaddoura	Controller-Office of Finance and Management	4	4
Donald Morgan	Corporation Counsel	1	4
Emily Mack	Director of Metropolitan Development	4	12
Daniel Parker	Director of Public Works	3	3
Linda Broadfoot	Director of Parks and Recreation	4	4
Brian Madison	Director of Business and Neighborhood Services	2	10
Paul Babcock	Director of Office of Public Health and Safety	3	3
SaRita Hughes	Clerk of the City-County Council	2	8
Hope Tribble	Director of Office of Audit and Performance	4	7

CERTIFIED PUBLIC ACCOUNTANTS

BKD, LLP

Financial Section

Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis, as of December 31, 2019, 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 benefit 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2020, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 City’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 City’s internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
June 30, 2020

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Management's
Discussion and Analysis

Management's Discussion and Analysis

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

This Comprehensive Annual Financial Report presents an analysis of the financial activities of the City of Indianapolis (“City”) for the year ended December 31, 2019 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the City’s financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City’s liabilities and deferred inflows exceeded its assets and deferred outflows at December 31, 2019 by \$247.1 million, which represents the total net deficit of the City’s governmental activities. Included in this net position amount is a \$1,089.8 million unrestricted deficit due mainly to an unfunded net pension liability of \$870.0 million and an unfunded postemployment benefit obligation of \$231.2 million. The State of Indiana, in 2008, agreed to reimburse the cities and towns of Indiana for pension costs for members of the pre-1977 pensions plans effective January 1, 2009. Therefore, although unfunded, these pension benefits which represent \$821.9 million or 94% of the total net pension liabilities will be covered by the State of Indiana. Regarding the unfunded postemployment benefit obligation, there is no intent by the City or legal requirement to fund this long-term liability beyond the annual payments required by existing labor agreements. Without these two unfunded obligations, the unrestricted net position balance would be a \$36.7 million deficit. See footnote 16 to the financial statements for further discussion of the City’s pension plans. See footnote 15 to the financial statements regarding other postemployment benefits.
- On a government-wide basis, for 2019, the City’s total expenses were \$1,175.0 million or \$120.2 million more than the \$1,054.8 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2019, the City’s governmental funds reported combined ending fund balances of \$724.8 million. Of this amount, \$0.4 million was nonspendable, \$523.1 million was restricted, \$10.9 million was committed, \$85.8 million was assigned, and \$104.7 million was unassigned.
- The unassigned fund balance for the general fund was \$104.7 million or 14% of total general fund expenditures. The City’s policy is to maintain an unassigned general fund balance of at least 10% of total general fund expenditures. The unrestricted fund balance, which includes the committed, assigned, and unassigned fund balances, was \$201.4 million or 27% of total general fund expenditures. The City’s policy is to maintain an unrestricted general fund balance of 17% of total general fund expenditures. These policies were formally adopted in ordinance by the City-County Council in 2016.

OVERVIEW OF FINANCIAL STATEMENTS

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

Government-wide Financial Statements

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

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

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

Fund Financial Statements

The second set of financial statements is 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 City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City’s most significant funds – not the City as a whole. The funds of the City can be divided into the following three categories: *governmental funds, proprietary funds, and fiduciary funds.*

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

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

2. *Proprietary Funds.* Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following type of proprietary funds:

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Additional Supplementary Information

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City’s governmental activities net position (deficit) at December 31, 2019 and 2018 was \$(247.1) million and \$(127.0) million, respectively.

Statement of Net Position
(In thousands)

	Governmental activities 2019	Governmental activities 2018
Assets:		
Current and other assets	\$ 862,073	\$ 819,577
Capital assets, net of accumulated depreciation	1,528,616	1,552,447
Total assets	<u>2,390,689</u>	<u>2,372,024</u>
Deferred outflows of resources	<u>99,922</u>	<u>80,273</u>
Total assets and deferred outflows of resources	<u>2,490,611</u>	<u>2,452,297</u>
Liabilities:		
Other liabilities	136,624	139,662
Long-term liabilities	2,475,333	2,346,805
Total liabilities	<u>2,611,957</u>	<u>2,486,467</u>
Deferred inflows of resources	<u>125,757</u>	<u>92,802</u>
Total liabilities and deferred inflows of resources	<u>2,737,714</u>	<u>2,579,269</u>
Net position:		
Net investment in capital assets	676,215	706,470
Restricted	166,495	164,849
Unrestricted (deficit)	<u>(1,089,813)</u>	<u>(998,291)</u>
Total net position (deficit)	<u>\$ (247,103) \$</u>	<u>\$ (126,972)</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 City’s net position reflects its investments of \$676.2 million in capital assets (e.g., net book value of land, buildings, equipment, and infrastructure), less related outstanding debt used to acquire those assets that is still outstanding. The 2018 balance was \$706.5 million. The decrease is primarily due to the contribution of \$53.2 million to Marion County for the contribution of CIP for the community justice campus project (see Footnote 21 to the financial statements for further details). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities. Included in the City’s total net

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

position is \$166.5 million, versus \$164.8 million in 2018, which represents resources that are subject to external restrictions on how they may be used.

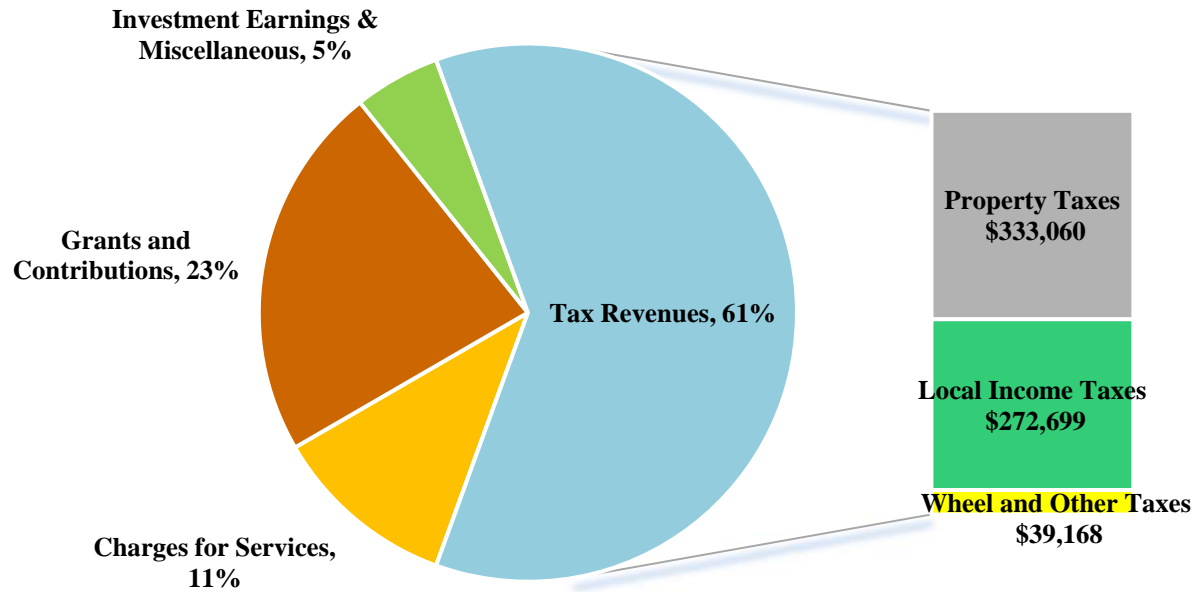
All net position generated by governmental activities are either externally restricted, restricted by enabling legislation, or invested in capital assets.

Consequently, unrestricted governmental net position showed a \$1,089.8 million deficit at the end of the year as compared to a \$998.3 million deficit for the prior year. This deficit does not mean the City does not have resources available to pay its bills. Rather, it is the result of having long-term commitments that are greater than currently available resources, mainly net pension liabilities of \$821.9 million and postemployment obligation of \$231.2 million.

Change in net position. The City’s total revenue (including transfers) on a government-wide basis for 2019 was \$1,054.8 million and \$927.5 million for 2018. Taxes represent 61% of the City’s revenue (64% for 2018). Another 11% of revenue (12% in 2018) came from fees charged for services, and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

Revenues by Source - Governmental Activities
(In thousands)



The changes in net position for the years ended December 31, 2019 and 2018 are as follows:

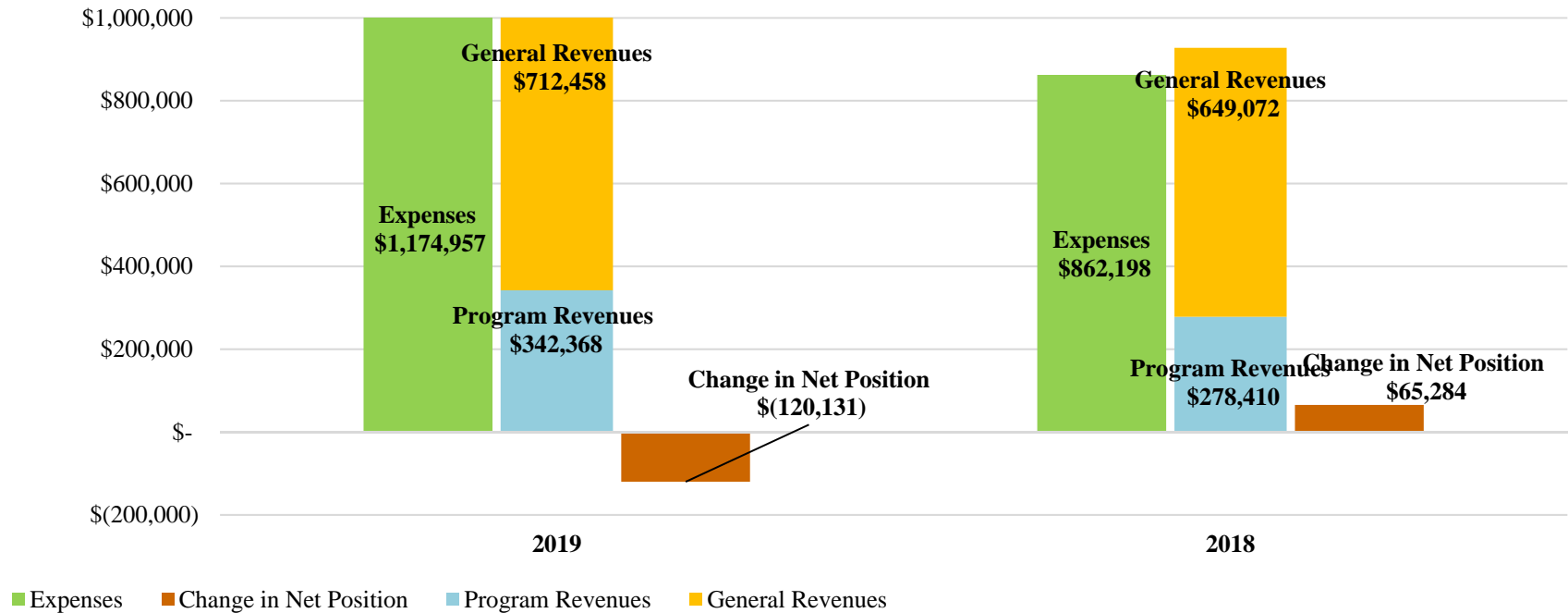
CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

Schedule of Changes in Net Position
For the Years Ended December 31, 2019 and 2018
(In thousands)

	<u>Governmental activities 2019</u>	<u>Governmental activities 2018</u>
Revenues:		
Program revenues		
Charges for services	\$ 117,282	\$ 115,169
Operating grants and contributions	209,824	151,026
Capital grants and contributions	15,262	12,215
General revenues:		
Property tax	333,060	315,230
Other taxes	311,867	275,832
Other general revenues	67,531	58,010
Total revenues	<u>1,054,826</u>	<u>927,482</u>
Expenses:		
General government	105,277	36,351
Public safety	604,609	436,687
Public works	281,251	222,011
Health and welfare	7,120	11,594
Cultural and recreation	24,984	30,423
Urban redevelopment and housing	24,120	23,302
Economic development and assistance	78,181	52,671
Interest	49,415	49,159
Total expenses	<u>1,174,957</u>	<u>862,198</u>
Change in net position	<u>(120,131)</u>	<u>65,284</u>
Net position (deficit), beginning of year, as previously reported	(126,972)	(157,303)
Adjustment for Implementation of GASB 75	-	(34,953)
Net position (deficit), beginning of year, as restated	<u>(126,972)</u>	<u>(192,256)</u>
Net position (deficit), ending	<u>\$ (247,103)</u>	<u>\$ (126,972)</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
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Year ended December 31, 2019

Governmental Activities Change in Net Position
(In thousands)



Governmental activities. The City’s governmental activities net position decreased by \$120.1 million compared to an increase of \$65.3 million in the prior year. Key elements of the decrease are as follows:

Total expenses for governmental activities for 2019 were \$1,175.0 million, an increase of \$312.8 million from the prior year, \$144 million represents the change in pension expense from 2018 to 2019. In 2019 there was a \$76 million increase to pension expense, mainly for Public Safety, while in 2018 pension expense decreased by \$68 million, primarily from the impact of GASB statement 68. The City also recognized \$53.2 million of expense related to the contribution of construction in progress to Marion County related to the community justice campus project (see Footnote 21 to the financial statements for further details). The City also saw an increase in economic development expense of \$25.5 million, mainly associated with the issuance of Taxable Economic Development Tax Increment Revenue Note, Series 2019 A in an amount of \$30 million.

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Total governmental activities revenues in 2019 were \$1,054.8 million, an increase of \$127.3 million from the prior year. The main driver of the increase in revenue relates to operating grants and contributions; \$55.4 million of contribution revenue was recorded for the note principal redemption of the 2017 A and 2018 A LOIT notes, received as part of the community justice campus project. The City also saw an increase in property taxes of \$17.9 million, which was driven by overall growth in assessed values. There was also an increase in local income tax of \$35.4 million, attributable to organic growth, as well as a \$12 million supplemental income tax distribution. Supplemental distributions are released based upon the balance in the Trust account, per statute, when the balance exceeds 15% of the certified distribution.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The focus of the City’s governmental funds is to provide information on inflows and balances of resources that are available for spending. An unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year. At December 31, 2019, the unassigned fund balance of the General Fund was \$104.7 million (as compared to \$107.1 million in 2018) while the total General Fund balance was \$289.0 million (as compared to \$274.2 million in 2018). As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 14% of total General Fund expenditures and transfers out (as compared to 15% for 2018), while total fund balance represents 38% (38% for 2018) of total General Fund expenditures and transfers out.

The fund balance in the City’s General Fund increased by \$14.8 million or 5.4% during the year-ended December 31, 2019.

Almost every revenue source increased in 2019. Total general fund revenues, not including other financing sources, totaled \$691.0 million an increase of \$43 million or 7%. Certain revenues in the general fund that increased from 2018 to 2019 include:

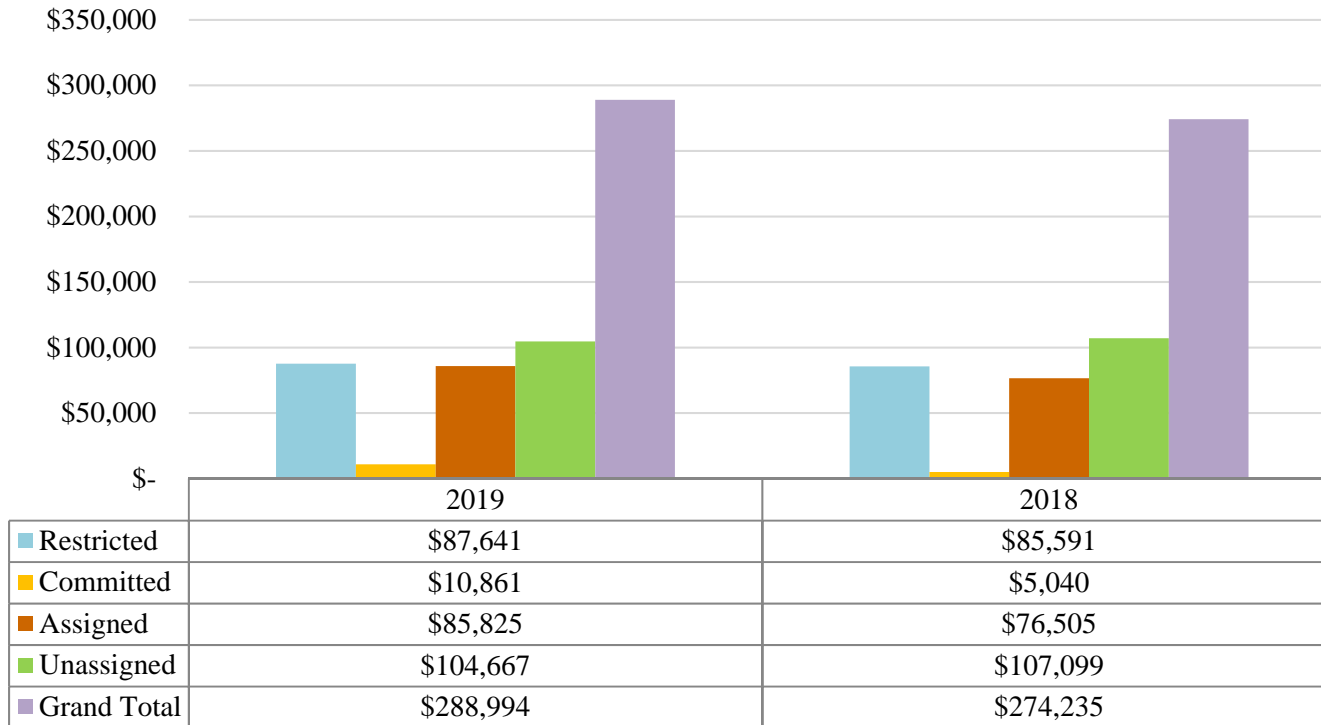
- Income taxes were \$30.0 million higher in 2019, attributable to organic growth, this increase also included \$9.0 million in a supplemental income tax distribution that was deposited into the rainy day fund.
- Property Taxes increased by \$4.4 million, which is attributable to the growth in assessed values.

Total general fund expenditures, not including other financing uses, totaled \$752.2 million, an increase of \$36.3 million or 5.1%. Certain expenditures in the general fund that increased from 2018 to 2019 include:

- General government expenditures increased by \$12.7 million, mainly attributed to a \$9.3 million contribution to Marion County to fund a revenue stabilization account with the deposit trustee related to the community justice campus project.
- Public works expenditures increased by \$9.9 million or 9%, attributable to an overall increase in funding for road related infrastructure improvements and repairs, which was programmed as part of the Department of Public Works’ 4-year capital improvement plan. Public safety expenditures increased by \$11.0 million or 2%, mainly due to increases in personnel costs for sworn police officers and firefighters.

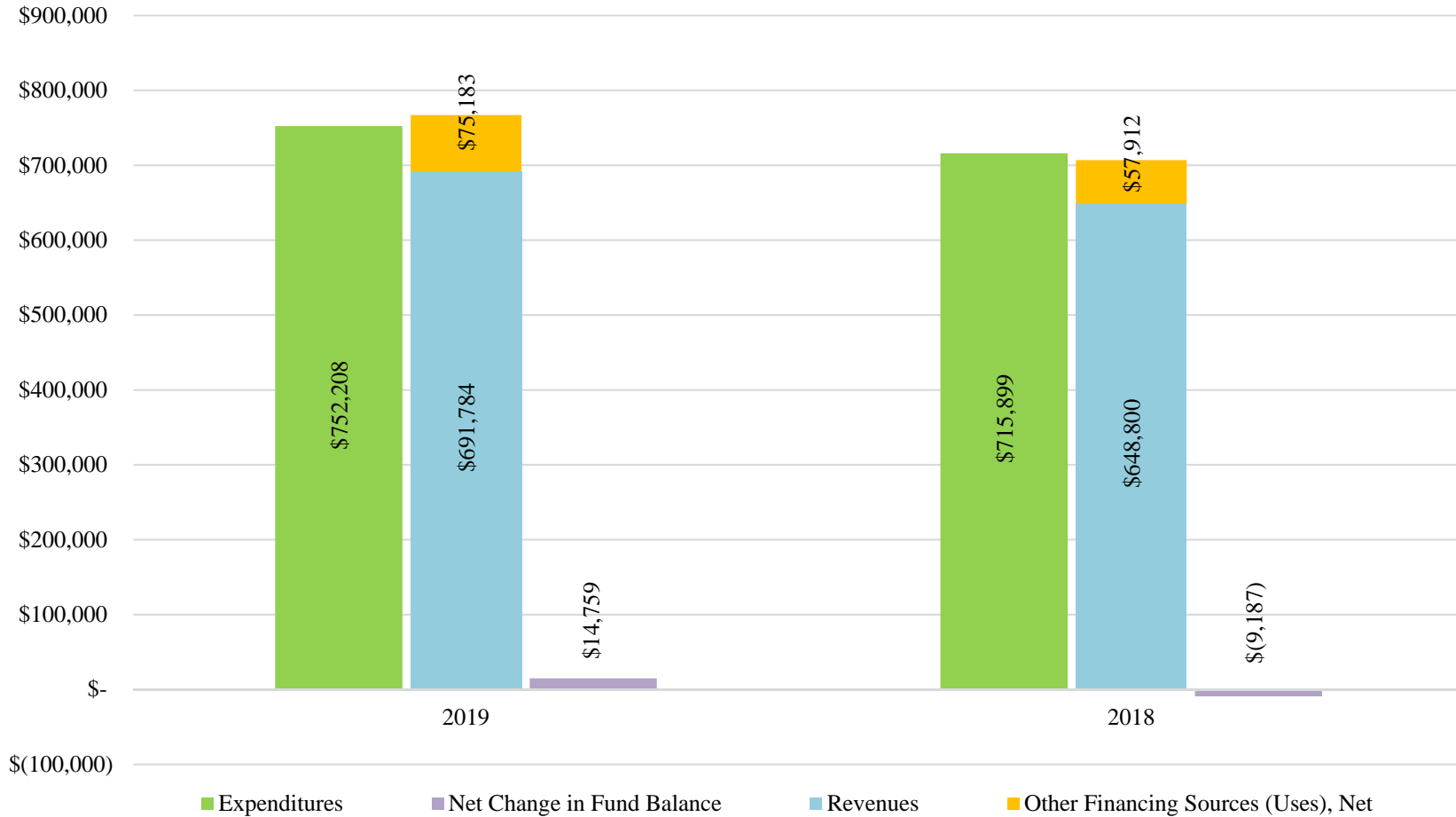
CITY OF INDIANAPOLIS
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General Fund Fund Balance Breakdown
(In thousands)



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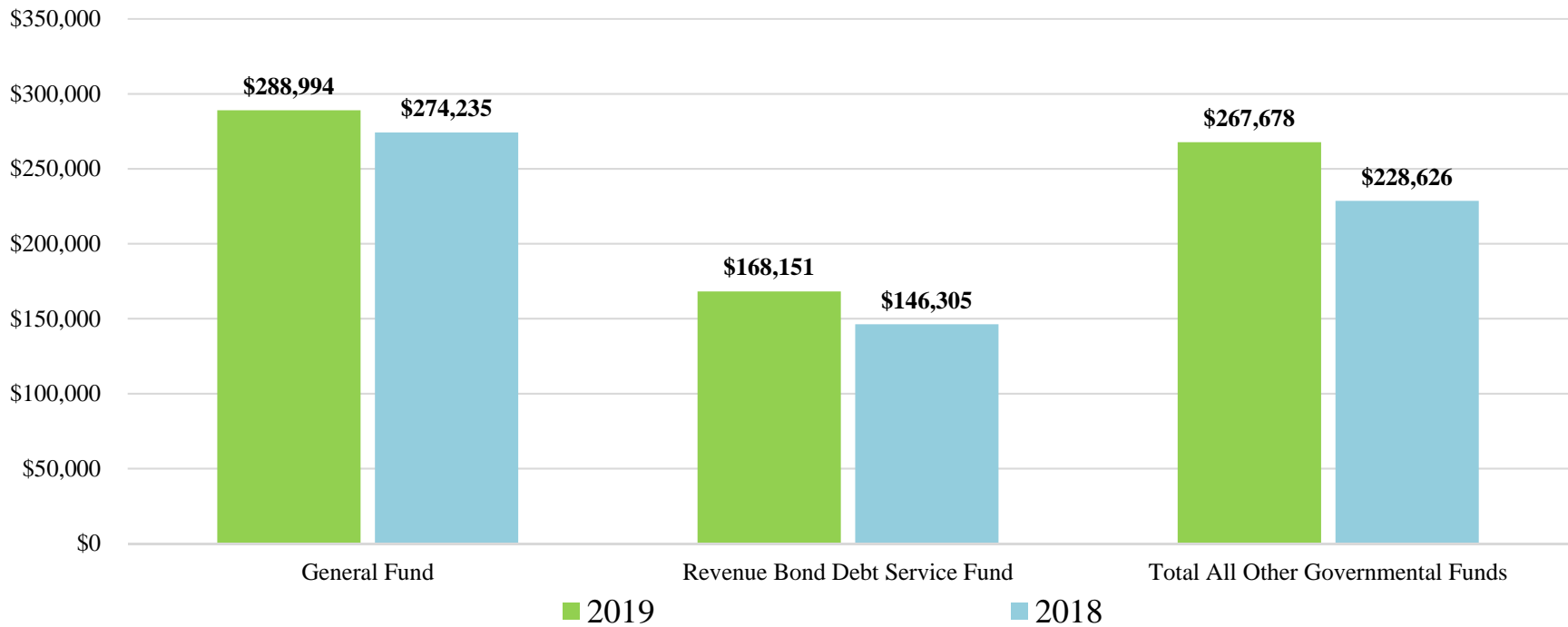
General Fund Change in Fund Balance
(In thousands)



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The Revenue Debt Service Fund ended the year with a \$168.2 million fund balance (as compared to \$146.3 million in 2018) which was restricted for debt service. The fund balance for the Revenue Debt Service Fund increased by \$21.9 million mainly due to a \$6.7 million increase in tax increment revenues, attributed to growth in assessed values. There was also an overall decrease in transfers-out, compared to 2018 which had more transfers-out for the funding of economic development projects.

Governmental Funds – Fund Balances
(In thousands)

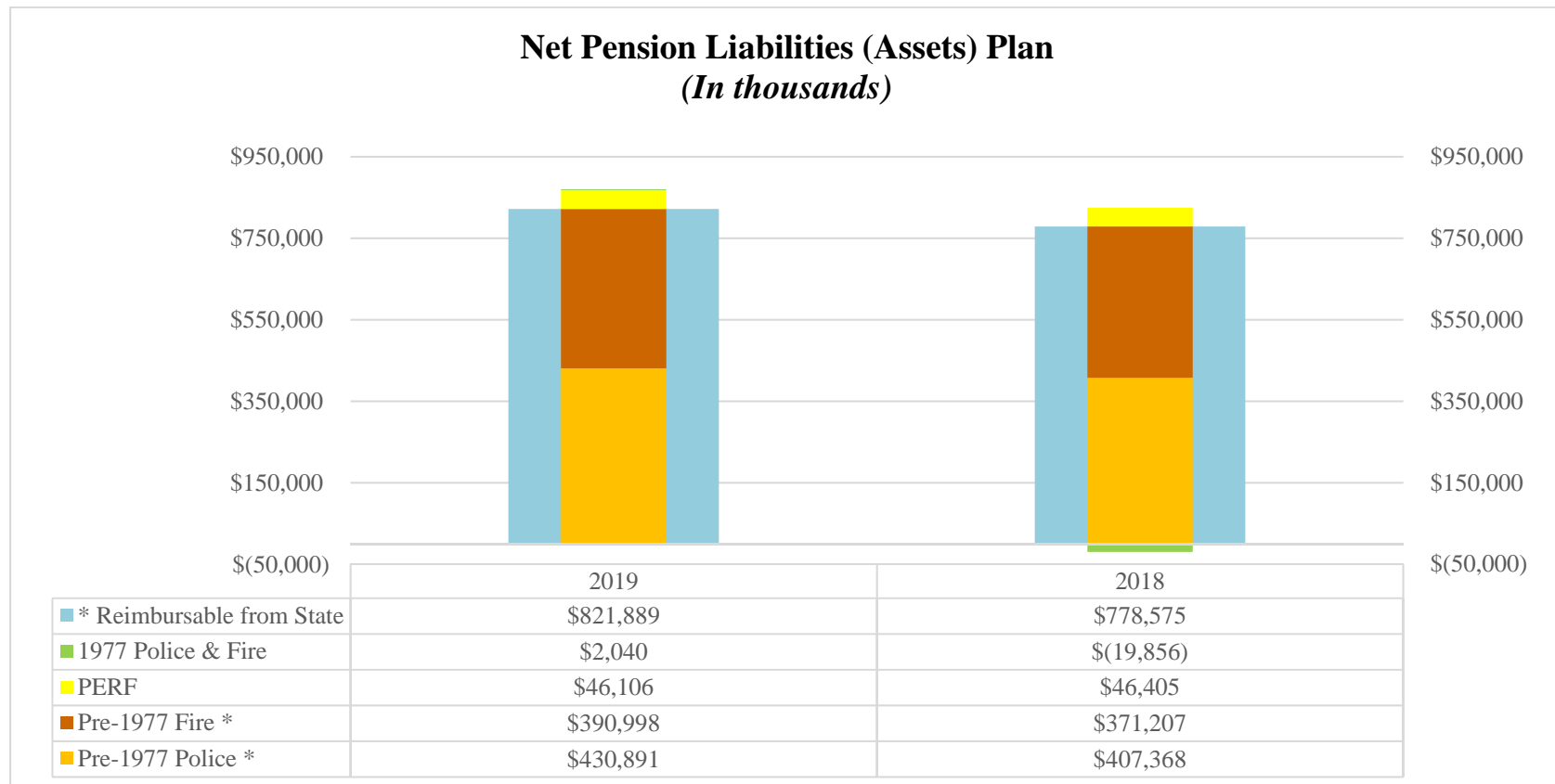


CITY OF INDIANAPOLIS
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Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for police and firefighters hired before May 1, 1977. At the end of 2019, the net position of these pension funds amounted to \$0.72 million, which represents an increase of \$0.47 million in total net position during the year. Effective January 1, 2009, all pension payments are funded by the State of Indiana. No further funding is required by the City.

The PERF and 1977 Police and Fire Plan net pension liabilities (assets) listed below are not a part of the fiduciary funds, but are included in governmental activities.



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The City is the custodian of certain agency funds, and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there is no net position. At the end of 2019, the combined gross assets of the agency funds totaled \$5.9 million (\$8.5 million in 2018). This amount is composed of activity from the following agency funds: Sanitation 15 Year Law, E-911 Allocation, Police and Fire Retiree Health Insurance, Indianapolis Metropolitan Police Department Confiscated Cash, and Other.

General Fund Budgetary Highlights

The final budget for the City’s General Fund represents the original budget plus any adjustments to appropriations during the year. It does not include encumbrances carried over from the prior year. In 2019, there was a \$51.5 million increase in appropriations during the year to the original General Fund budget or an increase of 7.7%.

Excluding prior year encumbrances, the original General Fund expenditures budget for 2019 was \$665.6 million. The final General Fund expenditures budget was \$717.1 million. Actual expenditures were \$694.8 million. Of the total \$22.3 million underspent from the final budget, \$4.2 million was in general government, \$3.7 million was in public works, and \$2.0 million was in cultural and recreation. These underspent amounts were due to planned reductions in the budget to improve available fund balances. General revenues were originally estimated at \$615.9 million, final estimated at \$636.7 million, and the actual was \$609.4 million, which was \$27.3 million lower than budgeted. The variance of \$27.3 million was primarily driven by state statutory changes to local gas tax distribution formulas and schedule changes to interlocal capital projects, original estimates were adjusted but there was not a final adjustment to the budgeted revenues. Out of the total \$27.3 million, \$22.9 million was in intergovernmental revenues. Actual expenditures were greater than revenues by \$85.4 million. However, if transfers of \$66.0 million are taken into account, the net of revenues plus transfers is less than expenditures by \$19.4 million. This is important to note since the transfers include \$66.3 million of Public Safety Income tax which are required each year to be budgeted as special revenue fund revenues and transferred to the General Fund and since there are \$6.2 million of transfers out of the General Fund which are stormwater fees that are budgeted to fund debt service. After the adjustment of net revenues plus transfers, revenues are less than expenditures by \$19.4 million, which is due to the budgeted increase to fund infrastructure improvements, which included spenddown of the Rainy Day Fund of \$28.0 million.

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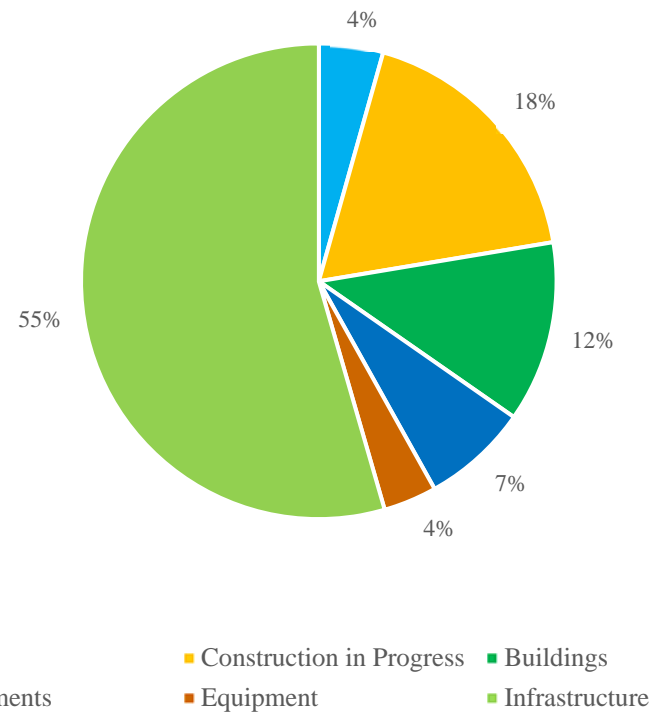
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets The City had a net investment of \$1.5 billion in capital assets at December 31, 2019 (net of accumulated depreciation of \$2.9 billion) in a broad range of capital assets. This amount represents a net decrease for the current year (including additions and deductions) of \$23.8 million.

Schedule of Capital Assets
(In thousands)

	Governmental activities 2019	Governmental activities 2018
Land	\$ 75,085	\$ 67,884
Construction in progress	325,314	279,321
Buildings	189,784	191,166
Improvements	112,705	112,154
Equipment	92,197	56,283
Infrastructure	733,531	845,639
Total	\$ 1,528,616	\$ 1,552,447

2019 Capital Assets



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Year ended December 31, 2019

Major capital asset additions in 2019 for governmental activities included:

- \$129.6 million of additions to construction in progress, principally infrastructure, and improvements. Reductions to construction in progress were \$58.0 million of which \$48.1 million was transferred into infrastructure, \$8.7 million was transferred into buildings, and \$1.1 million was transferred into improvements.
- \$5.4 million of additions to improvements, principally upgrades at parks and recreation facilities.
- \$22.5 million of additions to equipment, principally for public safety and public works vehicles.
- \$75.2 million of additions to infrastructure, principally \$9.5 million for storm sewers, \$33.4 million for streets, curbs, and sidewalks, \$29.6 million for bridges, \$2.1 million for levees and dams, and \$0.6 million for traffic signals.
- \$7.3 million of additions to land.

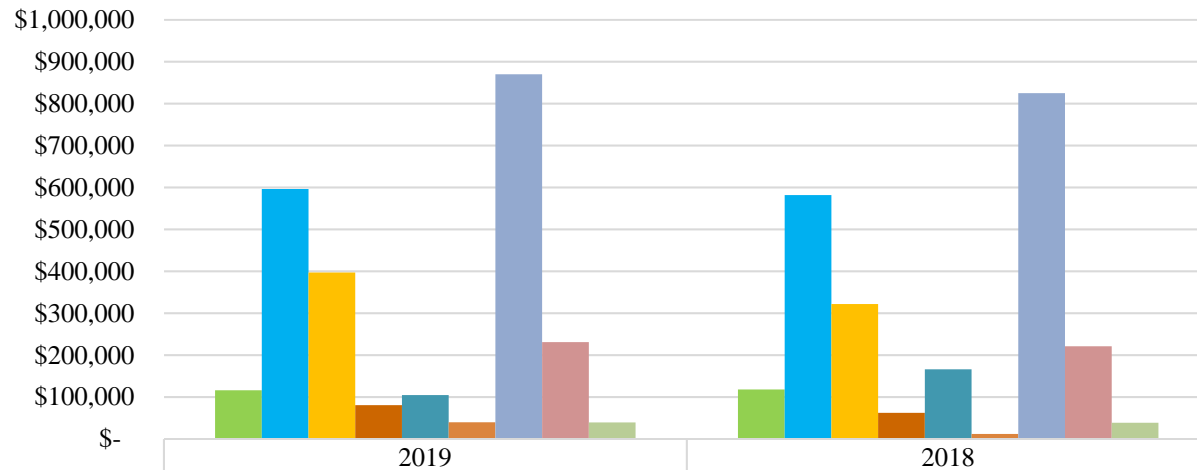
Donated capital assets for governmental activities were \$13.3 million, mainly attributable to capital contributions from the State of Indiana for public works projects built on the City’s behalf. Depreciation expense for 2019 for governmental activities was \$124.7 million. At December 31, 2019, the City had commitments related to ongoing capital asset construction projects of \$130.6 million. See footnote 9 to the basic financial statements for more information regarding capital assets.

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Long-Term Obligations

At the end of 2019, the City had outstanding long-term debt and other long-term obligations for governmental activities of \$2.48 billion, compared to \$2.35 billion at December 31, 2018 as shown below:

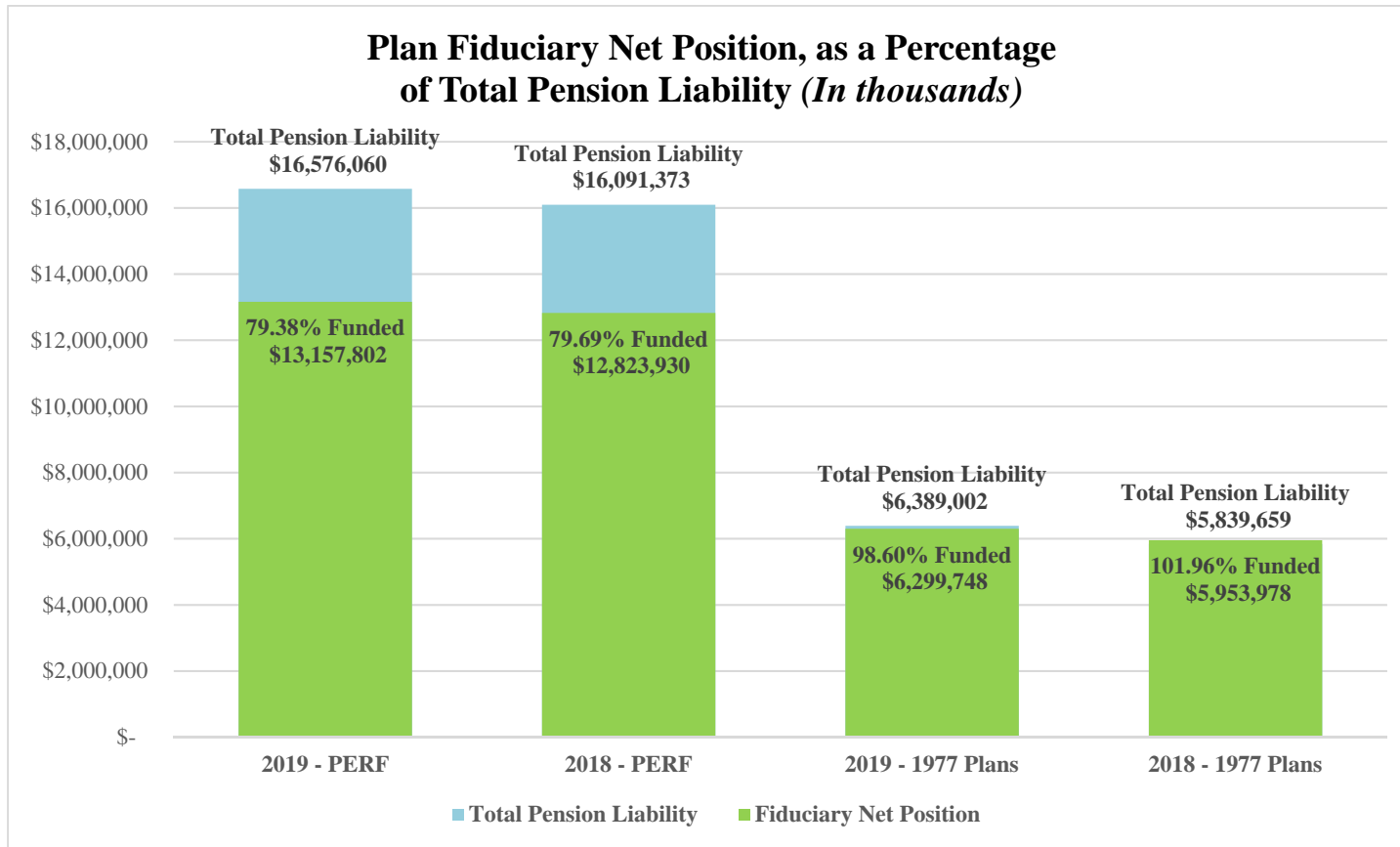
Schedule of Long-term Debt Obligations
(In thousands)



	2019	2018
Serial bonds payable	\$116,060	\$117,960
Tax increment bonds payable	\$596,249	\$581,641
Revenue bonds payable	\$396,935	\$321,755
Deferred premiums	\$80,854	\$62,301
Notes payable and certificates of participation	\$104,601	\$166,076
Capital lease payable	\$39,997	\$12,182
Net pension liabilities	\$870,035	\$824,980
Postemployment benefit obligation	\$231,185	\$221,153
Compensated absences	\$39,417	\$38,757

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Year ended December 31, 2019

The chart below demonstrates that, for the pension plans that must be funded by the City and not the State of Indiana, the City’s percentage of funded status slightly decreased for both the PERF plan and the 1977 Police and Fire pension plans from 2018 to 2019.



The increase in the postemployment benefit obligation on the previous page demonstrates the fact that the liability continues to grow with no intent by the City to actually fund this liability on other than a current contractually required basis.

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(A Component Unit of the Consolidated City of Indianapolis – Marion County)
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Bonds and Notes Issued

General Obligation Bonds

On November 26, 2019, the City issued its General Obligation Bonds, Series 2019A (Fire Training Facility Project) bonds in the amount of \$15,000. The proceeds will be used for the acquisition, construction, installation and equipping of a fire training facility, together with expenses incidental thereto, including capitalized interest on the bonds, if necessary, and all expenses incurred in connection with or on account of the issuance of the bonds. The bonds mature on January 15, 2033 and have an interest rate of 2.01%.

TIF Bonds

On August 6, 2019, the City issued its Economic Development Revenue Bonds, Series 2019A (16 Tech) in the amount of \$30,965. The proceeds will be used to acquire, construct and equip the facilities which are part of the Project, which includes infrastructure and other local improvements, pedestrian trailway projects, park facilities, utility improvements and related costs located in the downtown area of the City along a portion of Indiana Avenue and between 10th and 16th Streets, commonly referred to as the 16 Tech Area. The bonds mature on February 1, 2040 and have interest rates of 3.00%-5.00%.

Revenue Bonds

On September 19, 2019, the City issued its Indy Roads Revenue Bonds, Series 2019A in the amount of \$40,000. The proceeds will be used to finance road and street construction and reconstruction and the repair of street, road, bridge, traffic signal, curb and sidewalk improvements within the City. The bonds mature on January 1, 2040 and have interest rates of 5.00%.

On October 16, 2019, the City issued its Stormwater District Revenue Bonds, Series 2019F in the amount of \$50,000. The proceeds will be used to effect a current refunding of the Stormwater District Revenue Notes, Series 2016, pay for all or a portion of the costs of certain additions and improvements to the Stormwater District’s Stormwater System, and pay all costs incidental to, or on account of the issuance of the 2019 Bonds.

Notes

On March 5, 2019, the City issued its Series 2019 Stormwater Notes in an amount of \$50,000. The proceeds will be used for infrastructure improvements, including new channels, culverts, dam renovations, engineering studies, and drainage and water quality improvements. This note has a maturity date of March 1, 2022. The outstanding balance of the notes at December 31, 2019 is \$6,159, as this is a draw note.

On July 12, 2019, the City issued Taxable Economic Development Tax Increment Revenue Note, Series 2019 A in an amount of \$30,000. Pursuant to an agreement with The Dow Chemical Company and E.I. du Pont de Nemours and Company, which merged into a new company, DowDuPont on August 31, 2017, DowDuPont separated their leading businesses into three independent, publicly traded companies, one of which will be a leading, global pure-play agricultural business, Corteva Agriscience (“Corteva”). Effective June 1, 2019, Corteva completed its separation from DowDuPont and as part of the agreement, Corteva, will retain its’ global business center and research and development facilities in the City. The

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

note proceeds will provide reimbursement for prior payment of, all or any portion of the costs of the continued operations of, and any additions or improvements to and equipment for, the exiting global business center and research and development facilities, which will retain approximately 1,385 full-time jobs in the City. The note will mature on February 20, 2026 and bears interest at 3.35%. The outstanding balance of the notes at December 31, 2019 is \$20,000. The issuance of this note did not provide a source of current financial resources since no cash was received and it does not affect the near-term liquidity of the City.

Developer Backed Bonds

On September 1, 2019, the City issued its Economic Development Revenue Bonds, Series 2019 (PR Mallory Building Project) in the amount of \$12,275. The proceeds will be used to acquire, rehabilitate, renovate, and equip two buildings on the PR Mallory Campus offering approximately 187,000 square feet of space to accommodate innovative educational facilities, commercial and office space, indoor hydroponic agricultural operations, and onsite parking. The bonds are secured by TIF revenues generated within the PR Mallory North Allocation Area and the PR Mallory South Allocation Area, and are further secured by a debt service reserve fund to be initially funded from funds on hand of the Developer. If draws are made on the reserve fund, it will be replenished from all of the property tax proceeds from the assessed valuation of real property in the PR Mallory North Allocation Area and the PR Mallory South Allocation Area.

On November 1, 2019, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2019 (City’s End Project) in the amount of \$3,434. The proceeds will be used for the acquisition of the property upon which a mixed use building, comprising a total of approximately 124,987 square feet, consisting of first-floor commercial/retail uses comprising approximately 9,852 square feet, and four floors of apartments and resident engagement space above, including 103 apartments, as well as associated parking facilities.

Bond ratings. The City’s general obligation bonds are rated AA+ by Standards & Poor’s, AAA by Fitch, Aaa by Moody’s, and AAA by Kroll. The City’s other debt, principally revenue bonds and notes, are rated to reflect the creditworthiness of the supporting revenue. During 2019 the City recognized a positive rating upgrade from Kroll, upgrading the City from AA+ to AAA.

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

See footnote 12 to the basic financial statements for more information regarding long-term debt.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

ECONOMIC FACTORS AND THE 2020 BUDGET

The 2020 original budget for all annually budgeted funds was \$831 million. Revisions of \$30.6 million have been made through May 2020, which was primarily due to the City partnership with the Chamber to provide aid to small businesses impacted by COVID-19 with small-business loans to eligible Marion County businesses through the Federal Small Business Administration’s Paycheck Protection Program, the appropriation for this program was \$25 million, which will be fully reimbursed to the City no later than December 31, 2020.

The 2020 general fund original budget was \$693.8 million, an increase of 4% from the 2019 original General Fund budget of \$665.6 million. Revisions (\$30.6 million) have been made through May 2020.

Unemployment rates were as follows:

	April 2020	April 2019
City of Indianapolis	14.0%	3.0%
State of Indiana	17.1%	3.1%
United States	14.4%	3.3%

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

Subsequent to December 31, 2019, the spread of the novel Coronavirus disease, known as COVID-19 has resulted in uncertainties within the City of Indianapolis, the State of Indiana and across the Country. As part of City and State executive orders issued, social distancing strategies aimed at reducing the spread of infection have been ordered. As a result, numerous businesses have curtailed their operations, which has had an impact on unemployment rates as employers in certain industries have furloughed and laid off employees. Beginning in May 2020, through executive orders, the City and State started easing stay-at-home restrictions, originally implemented in March 2020, which has allowed for the reopening of retail, dine-in restaurants and other establishments. On June 5, 2020, the U.S. Secretary of Labor, indicated the May Jobs Report showed higher job creation and lower unemployment than expected, which reflected the re-opening of the economy in May was earlier and more robust than projected. While the May Jobs Report was positive news, the COVID-19 pandemic will have an impact on the collection of City revenues and the ultimate financial effects cannot be reasonably estimated at this time. However, through strong fiscal management, immediate steps to place reserves on budgets in 2020 have been taken. In addition, as the 2021 budget is built in the 2nd half of 2020, it will be flat-lined along with a mandatory five percent reserve. These actions will allow the City to control costs and reduce spending while we weather the effects of the pandemic.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2019

REQUESTS FOR INFORMATION

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

Basic Financial Statements

Basic Financial Statements

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2019
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Equity in pooled cash	\$ 15,313	\$ 7,765
Cash and investments with fiscal agents	263,056	22,998
Investments	490,796	—
Property taxes receivable	9,821	—
Accounts receivable, less allowance for uncollectibles	31,567	785
Due from federal and state governments	11,406	153
Other assets	—	1,237
Long-term receivables, less allowance for uncollectibles	40,114	9,512
Restricted assets	—	3,795
Capital assets:		
Land	75,085	21,005
Infrastructure, net of accumulated depreciation	733,531	—
Other capital assets, net of accumulated depreciation	394,686	153,544
Construction in progress	325,314	1,629
Total assets	2,390,689	222,423
Deferred outflows of resources - OPEB	25,808	—
Deferred outflows of resources - pensions	61,791	418
Deferred outflows of resources - deferred losses on refundings	12,323	—
Total deferred outflows of resources	99,922	418
Total assets and deferred outflows of resources	2,490,611	222,841

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2019
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 104,888	\$ 1,181
Accrued interest payable	12,159	—
Unearned revenue	19,577	357
Customer deposits	—	324
Other liabilities	—	2,453
Long-term liabilities:		
Due within one year	94,055	16,433
Due in more than one year	2,381,278	24,790
Total liabilities	2,611,957	45,538
Deferred inflows of resources - OPEB	39,608	—
Deferred inflows of resources - pensions	69,749	732
Deferred inflows of resources - parking meter concession agreement	16,400	—
Total deferred inflows of resources	125,757	732
Total liabilities and deferred inflows of resources	2,737,714	46,270
NET POSITION (DEFICIT)		
Net investment in capital assets	676,215	149,453
Restricted for:		
Capital projects	39,672	—
Debt service	10,437	—
Section 8 vouchers and VASH	—	741
Reserves and escrow	—	11,968
Programs	—	1,632
Other purposes by grantors	25,190	—
Other purposes by contributor – nonexpendable	370	—
Statutory restrictions	90,826	—
Unrestricted (deficit)	(1,089,813)	12,777
Total net position (deficit)	\$ (247,103)	\$ 176,571

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Activities
Year ended December 31, 2019
(In thousands)

	Program revenues				Net (expense) revenue and changes in net position	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities	Component Unit Indianapolis Housing Agency
Functions/Programs						
Governmental activities:						
General government	\$ 105,277	\$ 18,277	\$ 64,066	\$ —	\$ (22,934)	\$ —
Public safety	604,609	32,049	64,555	1,950	(506,055)	—
Public works	281,251	59,977	59,420	11,899	(149,955)	—
Health and welfare	7,120	177	7,039	—	96	—
Cultural and recreation	24,984	3,358	1,094	1,413	(19,119)	—
Urban redevelopment and housing	24,120	2,045	12,900	—	(9,175)	—
Economic development and assistance	78,181	1,399	750	—	(76,032)	—
Interest	49,415	—	—	—	(49,415)	—
Total governmental activities	<u>\$ 1,174,957</u>	<u>\$ 117,282</u>	<u>\$ 209,824</u>	<u>\$ 15,262</u>	<u>(832,589)</u>	<u>—</u>
Component Unit						
Indianapolis Housing Agency	\$ 82,517	\$ 11,919	\$ 68,452	\$ 105		(2,041)
Total component units	<u>\$ 82,517</u>	<u>\$ 11,919</u>	<u>\$ 68,452</u>	<u>\$ 105</u>		<u>(2,041)</u>
General revenues:						
Taxes:						
Property taxes					333,060	—
Wheel taxes					15,527	—
Local income taxes					272,699	—
Other taxes					23,641	—
Grants and contributions not restricted to specific program:					12,808	—
Investment earnings not restricted to specific program:					20,131	—
Miscellaneous					34,592	2,045
Total general revenues					<u>712,458</u>	<u>2,045</u>
Change in net position					<u>(120,131)</u>	<u>4</u>
Net position (deficit) – beginning of year					<u>(126,972)</u>	<u>176,566</u>
Net position (deficit) – ending					<u>\$ (247,103)</u>	<u>\$ 176,570</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet – Governmental Funds
December 31, 2019
(In thousands)

		<u>General</u>		<u>Revenue Bond Debt Service</u>		<u>Nonmajor Governmental Funds</u>		<u>Total Governmental Funds</u>
ASSETS								
Equity in pooled cash	\$	8,987	\$	1,106	\$	4,293	\$	14,386
Cash and investments with fiscal agents		—		141,818		121,161		262,979
Investments		307,408		27,755		132,405		467,568
Property taxes receivable		8,482		—		1,339		9,821
Accounts receivable, less allowance of \$1,562		27,482		—		1,982		29,464
Due from other funds		3,382		—		—		3,382
Due from federal and state governments		20		—		11,386		11,406
Long-term receivables, less allowance of \$23,391		585		—		39,529		40,114
Total assets	\$	<u>356,346</u>	\$	<u>170,679</u>	\$	<u>312,095</u>	\$	<u>839,120</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Matured bonds and notes payable	\$	—	\$	1,515	\$	9,135	\$	10,650
Matured interest payable		—		1,013		1,999		3,012
Accounts payable and other accrued liabilities		29,903		—		23,637		53,540
Accrued payroll and payroll taxes		21,087		—		244		21,331
Due to other funds		—		—		3,382		3,382
Unearned revenue		259		—		20		279
Total liabilities		<u>51,249</u>		<u>2,528</u>		<u>38,417</u>		<u>92,194</u>
Deferred inflows of resources		<u>16,103</u>		<u>—</u>		<u>6,000</u>		<u>22,103</u>
Fund balances:								
Nonspendable		—		—		370		370
Restricted		87,641		168,151		267,308		523,100
Committed		10,861		—		—		10,861
Assigned		85,825		—		—		85,825
Unassigned		104,667		—		—		104,667
Total fund balances		<u>288,994</u>		<u>168,151</u>		<u>267,678</u>		<u>724,823</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>356,346</u>	\$	<u>170,679</u>	\$	<u>312,095</u>	\$	<u>839,120</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Balance Sheet for Governmental Funds
to the Statement of Net Position
December 31, 2019
(In thousands)

Fund balances – total governmental funds	\$	724,823
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets not reported in the fund statements		1,528,616
Net position of internal service funds not recorded in the fund statements		4,107
Deferred outflows of resources - OPEB not recorded in the fund statements		25,808
Deferred outflows of resources - pensions not recorded in the fund statements		61,791
Deferred outflows of resources - loss on refundings not recorded in the fund statements		12,323
Deferred inflows of resources - parking meter concession agreement not recorded in the fund statements		(16,400)
Deferred inflows of resources - OPEB not recorded in the fund statements		(39,608)
Deferred inflows of resources - pensions not recorded in the fund statements		(69,749)
Long-term liabilities not in the fund statements (excludes matured bonds payable of \$10,650)		(2,464,683)
Other liabilities not in the fund statements		(7,789)
Deferred inflows of resources in the fund statements not in the statement of net position		22,103
Unearned revenue in the statement of net position not in the fund statements		(19,298)
Accrued interest payable not in the fund statements (excludes matured interest payable)		(9,147)
Net deficit of governmental activities	\$	(247,103)

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2019
(In thousands)

	<u>General</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 433,530	\$ 99,448	\$ 109,688	\$ 642,666
Licenses and permits	17,834	—	—	17,834
Charges for services	79,752	—	3,568	83,320
Intergovernmental revenues	125,626	—	35,210	160,836
Intragovernmental revenues	7,157	—	263	7,420
Traffic violations and court fees	2,130	—	3,460	5,590
Interest and other operating revenues	25,755	3,814	87,019	116,588
Total revenues	<u>691,784</u>	<u>103,262</u>	<u>239,208</u>	<u>1,034,254</u>
Expenditures:				
Current:				
General government	39,871	—	1,222	41,093
Public safety	487,879	—	8,213	496,092
Public works	122,347	—	1,702	124,049
Health and welfare	76	—	7,135	7,211
Cultural and recreation	23,615	—	1,067	24,682
Urban redevelopment and housing	6,176	—	12,391	18,567
Economic development and assistance	3,002	8,000	33,625	44,627
Debt service:				
Redemption of bonds and notes	1,456	42,520	144,037	188,013
Interest on bonds and notes	503	12,514	29,220	42,237
Bond and note issuance costs	—	—	2,129	2,129
Lease payments and other	24	555	2,544	3,123
Capital outlays	67,259	—	136,666	203,925
Total expenditures	<u>752,208</u>	<u>63,589</u>	<u>379,951</u>	<u>1,195,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,424)</u>	<u>39,673</u>	<u>(140,743)</u>	<u>(161,494)</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2019
(In thousands)

	<u>General</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Issuance of capital lease	\$ 8,564	\$ —	\$ 21,002	\$ 29,566
Sales of capital assets	1,727	—	350	2,077
Bonds and notes issued	—	—	180,490	180,490
Premium on bonds and notes issued	—	—	25,018	25,018
Transfers in	79,574	13,266	95,735	188,575
Transfers out	(14,682)	(31,093)	(142,800)	(188,575)
Total other financing sources (uses)	<u>75,183</u>	<u>(17,827)</u>	<u>179,795</u>	<u>237,151</u>
Net change in fund balances	14,759	21,846	39,052	75,657
Fund balances at beginning of year	<u>274,235</u>	<u>146,305</u>	<u>228,626</u>	<u>649,166</u>
Fund balances at end of year	<u><u>\$ 288,994</u></u>	<u><u>\$ 168,151</u></u>	<u><u>\$ 267,678</u></u>	<u><u>\$ 724,823</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year ended December 31, 2019
(In thousands)

Net change in fund balances – total governmental funds	\$ 75,657
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense reported in the statement of activities but not in the fund statements	(124,683)
Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of net position	135,143
Donations received for capital assets not recorded in the fund statements	13,267
Contributions of capital assets not recorded in the fund statements	(55,064)
Loss on disposals of capital assets not recorded in the fund statements	(175)
Revenues in the statement of activities that do not provide current financial resources and are deferred inflows in the fund statements	22,103
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	(17,810)
Remediation settlement expenditures recorded as expense in the fund statements but reported as a reduction in a liability in the statement of net position	112
Bond and notes issued, including premiums, reported as financing sources in the fund statements but as additions to long-term liabilities in the statement of activities	(205,508)
Note issued that did not result in an other financing source as no cash was received but as additions to long-term liabilities in the statement of activities	(30,000)
Bond and note principal payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities	188,013
Amortization of deferred inflows of resources related to the parking meter agreement reported as income in the statement of activities but not in the fund statements	400
Change in net position of internal service funds reported with governmental activities	(752)
Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements	5,126
Increase in compensated absences that is not reported in the fund statements	(659)
Capital appreciation bond interest expense that is reported in the statement of activities but not the fund statements, as there is no cash outflow	(10,231)
Accrued interest on bonds and notes payable through December 31, 2019 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable	(9,147)
Capital lease payments reported as expenditures in the fund statements but as reduction of long-term liabilities in the statement of activities	1,751
Inception of capital leases recorded as other financing sources in the fund statements but as an increase in long-term liabilities in the statement of activities	(29,566)
Accrued interest at December 31, 2019 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year	9,203
Net increase in the other postemployment benefit liability that is not reported in the fund statements	(10,440)
Excess of pension expense recognized in the statement of activities over pension contributions recognized as expenditures in the fund statements	<u>(76,871)</u>
Change in net position of governmental activities	<u>\$ (120,131)</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
Proprietary Funds
December 31, 2019
(In thousands)

		Governmental activities – Internal Service Funds
ASSETS		Service Funds
Current assets:		
Equity in pooled cash	\$	927
Cash with fiscal agents		77
Investments		23,228
Accounts receivable		2,103
Total current assets		26,335
LIABILITIES		
Accounts payable and other current accrued liabilities		22,228
Total current liabilities		22,228
NET POSITION		
Unrestricted net position		4,107
Total net position	\$	4,107

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended December 31, 2019
(In thousands)

		Governmental activities – Internal Service Funds
Operating revenues:		
Charges to other funds	\$	97,227
Operating expenses:		
Claims		98,301
Administration		168
Total operating expenses		<u>98,469</u>
Operating loss		<u>(1,242)</u>
Nonoperating expense:		
Investment income		490
Changes in net position		(752)
Net position, beginning of year		<u>4,859</u>
Net position, end of year	\$	<u><u>4,107</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2019
(In thousands)

	Governmental activities – Internal Service Funds
Cash flows from operating activities:	
Receipts from users	\$ 97,967
Payments for administration	(168)
Payments for claims	(101,818)
Net cash used in operating activities	(4,019)
Cash flows from investing activities:	
Investment purchases	(198)
Sales and maturities of investments	1,830
Investment income	490
Net cash provided by investing activities	2,122
Net decrease in cash	(1,897)
Cash, beginning of year	2,901
Cash, end of year	\$ 1,004
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,242)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	740
Decrease in accounts payable and other liabilities	(3,517)
Net cash used in operating activities	\$ (4,019)

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2019
(In thousands)

	ASSETS		Police and Firefighters' Pre-1977 Pension Trust Funds		Agency Funds
Equity in pooled cash		\$	29	\$	189
Investments			694		4,734
Accounts receivable			—		969
Total assets			723		5,892
LIABILITIES					
Accounts payable and other accrued liabilities			—		5,892
Total liabilities			—	\$	5,892
NET POSITION RESTRICTED FOR PENSIONS					
Net position restricted for pensions		\$	723		

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

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

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

Year ended December 31, 2019

(In thousands)

		Police and Firefighters' Pre-1977 Pension Trust Funds
ADDITIONS		
Employer contributions	\$	56,084
Total additions		56,084
DEDUCTIONS		
Benefits		55,610
Total deductions		55,610
Net increase in net position		474
Net position restricted for pensions – beginning of year		249
Net position restricted for pensions – end of year	\$	723

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2019
(Dollars in Thousands)

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The City operates under an elected Mayor/City-County Council (25 members) form of government and provides the following services: public safety (police and fire), culture and recreation, community development and welfare (including planning and zoning), highways and streets, environmental service (solid waste collection and disposal), and general administrative services.

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

Component Units

The City’s financial reporting entity has been determined in accordance with governmental accounting standards. The Indianapolis Housing Agency (“Housing Agency”) is responsible for the management, operation, maintenance, and administration of public housing and public housing projects, and the provision of safe, sanitary, and affordable dwelling accommodations for qualified persons of low and moderate income. The Housing Agency has a separate Board of Commissioners, which is comprised of nine members. The Mayor appoints five members while the Council appoints two members. The remaining two members are appointed from the Indianapolis Housing Agency Residents’ Council, one from the family housing community and one from the senior community. The Housing Agency has formed four wholly-owned subsidiaries. The Housing Agency’s subsidiaries are the controlling general partners of limited partnerships formed to acquire, construct and operate developments. The financial information of the limited partnerships is included in the financial reporting entity of the Housing Agency as blended component units. The Housing Agency is included as a discretely presented component unit of the City because it possesses the corporate powers that would distinguish it as being a legally separate entity and because the Mayor and Council appoint a voting majority of the Housing Agency’s governing body and can remove a board member at will.

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

The City’s financial reporting entity also includes the Circle Area Community Development Corporation (“CAC”), which was incorporated on July 22, 1997. The Mayor appoints the entire CAC board and may remove board members at will. The total outstanding debt of the CAC is expected to be repaid entirely with the resources of the City of Indianapolis and is therefore presented as a blended component unit. The CAC issues separate financial statements, which can be obtained by writing to Circle Area Community Development Corporation, 200 East Washington Street, Indianapolis, Indiana 46204.

Related Organization

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2019
(Dollars in Thousands)

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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 City considers property taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, including taxes other than property taxes, the City considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants, and interest on investments. Bonds and notes issued are recorded as other financing sources, along with any related premium or discounts.

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

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2019
(Dollars in Thousands)

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

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

Charges for services in the governmental funds, which are exchange transactions, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

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

The City reports the following major governmental funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2019
(Dollars in Thousands)

D. Cash and Investments

The City's cash resources are combined to form a cash and investment pool managed by the City Controller. Excluded from this pool are the investments in TrustIndiana and certain legally restricted funds. Income from the pooled investments is allocated to the funds based on the participating fund's average daily equity balance. An individual fund's negative position in the pool is reflected as an interfund liability.

Investments are stated at fair value and are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

E. Receivables

All receivables are shown net of an allowance, if any, for uncollectible balances.

Noncurrent portions of long-term receivables in the governmental funds are reported in their respective balance sheets, notwithstanding their measurement focus. The noncurrent portions of receivables that will ultimately result in the recognition of revenue are reported as deferred inflows of resources. Noncurrent portions of other long-term receivables (e.g., loans receivable and nonfinancial assets held for sale) are offset by assigned fund balance in the general fund and restricted fund balance in funds other than the general fund.

F. Inventory

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

G. Capital Assets

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2019
(Dollars in Thousands)

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

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

H. Unearned Revenue

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

I. Compensated Absences

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

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated benefit and sick leave days are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. The entire cost of benefit and sick leave is recorded in the government-wide financial statements. Certain amounts have been recorded in the governmental fund financial statements, since such amounts came due (matured, for example, as a result of employee resignations and retirements) during the year ended December 31, 2019.

J. Estimates and Uncertainties

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the 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.

K. Interfund Transactions

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

Transfers

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

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Interfund Services Provided/Used

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

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

L. Bond Premiums, Discounts, and Issuance Costs

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

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

M. Other Postemployment Benefit Plan

The City has a single-employer defined benefit other postemployment benefit (OPEB) plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 1953 Police Pension Fund, the 1937 Firefighters' Pension Fund, the 1977 Police Officers' and Firefighters' Pension and Disability Fund, and the Indiana Public Employees' Retirement Fund ("the plans"), 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 valued in accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, and are predominantly at fair value.

O. Net Position/Fund Balances

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

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

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

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

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

- 1) *Nonspendable* – This consists of resources that are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- 2) *Restricted* – This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation. Within the restricted fund balance for the Other Aggregate Funds are encumbrances of \$101,234, which are restricted to fund future capital acquisitions.
- 3) *Committed* – This consists of resources that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. The City’s highest level of decision-making authority rests with the Council. Resources are reported as committed by the Council through passage of an ordinance. The Council can modify or rescind a commitment of resources through passage of a new ordinance.
- 4) *Assigned* – This consists of resources constrained by the government’s intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of \$41,463, which are assigned to cover future purchases.
- 5) *Unassigned* – This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned. The general fund is the only fund that reports a positive unassigned fund balance.

Effective August 2011, the Council established the Fiscal Stability Fund under Fiscal Ordinance No. 11, which is reported in the Consolidated County Subfund of the City’s General Fund. At December 31, 2019, the unassigned fund balance of the Fiscal Stability Fund is \$82,730. Such amount has been set aside by the City-County Council to be maintained as a general reserve until such time the Council takes action to appropriate all or a portion of the balance. The ordinance that created the Fiscal Stability Fund does not dictate the circumstance under which such monies may be spent or provide requirements for any further additions to the fund.

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

P. Deferred Outflows of Resources and Deferred Inflows of Resources

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

The City reports both deferred outflows of resources and deferred inflows of resources in the statement of net position for the effects of certain changes in its net OPEB liability that is required to be included in OPEB expense over the current and future periods.

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

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

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

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Deferred inflows of resources are also reported in the fund financial statements for receivables that are unavailable to liquidate liabilities of the current period or for which eligibility requirements have not been met.

Q. Adoption of GASB 88

During 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement requires governments to disclose direct borrowings and direct placements as a discrete category of debt and is intended to improve consistency in information disclosed by governments. The City has included the disclosures required under GASB Statement No. 88 in the footnotes.

Q. Adoption of GASB 89

During 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period it occurs rather than reporting as part of the historical cost of a capital asset for proprietary funds. Adoption of this standard resulted in no changes to the financial statements.

R. Future Adoption of Accounting Standards

GASB has issued Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; and Statement No. 87, *Leases*. The City intends to adopt these GASB Statements, as applicable, on their respective effective dates.

2. Cash Deposits and Investments

As of December 31, 2019, the City had the following cash deposits and investments:

Cash and investments	\$	506,109
Cash and investments with fiscal agents		263,056
Cash and investments – Fiduciary Funds		5,646
Total cash and investments	\$	774,811

Deposits

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

The carrying amount of the City’s total cash deposits at December 31, 2019 was \$186,484. The City’s cash deposits are insured up to \$250 at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”). Any cash deposits in excess of the \$250 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

Investments

Indiana statutes authorize the City to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, municipal securities of Indiana issuers that have not defaulted during the previous twenty years, certificates of deposit, and open-end money market mutual funds. Indiana statutes do not apply to the City’s component units, which may invest in securities other than the aforementioned types of investments. The City policy provides that the City may invest in negotiable certificates of deposit having maturities of less than two years and in multiples of one million dollars providing that market yields on certificates of deposit exceed treasury bills of comparable maturity duration. The City has no investments in negotiable certificates of deposit at December 31, 2019.

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

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City’s investment policy provides that the City seeks to minimize the risk that the 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 City may invest in securities for more than two years and not more than five years in accordance with IC 5-13-9-5.7. Under this policy, investments having maturities of more than two years are limited to 25% of the total portfolio. In accordance with Indiana statutes, this policy will expire four years from its original effective date, or December 1, 2022.

Below is a segmented time distribution for the City’s debt investments at December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	Greater than 2
U.S. Government-Sponsored Enterprise Securities:				
Federal National Mortgage Association	\$ 10,000	\$ —	\$ 10,000	\$ —
Total U.S. Government-Sponsored Enterprise Securities	<u>10,000</u>	<u>—</u>	<u>10,000</u>	<u>—</u>
United States Treasury Notes	285,753	163,977	121,776	—
Money market mutual funds	92,100	92,100	—	—
State external investment pool – TrustINDiana	200,474	200,474	—	—
	<u>\$ 588,327</u>	<u>\$ 456,551</u>	<u>\$ 131,776</u>	<u>\$ —</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 City uses the highest integrity when choosing an instrument of investment. The City keeps its credit risk as it pertains to investments at a low rate by requiring all investments of the City be rated in the three highest ratings categories by Moody’s Investor Service (“Moody’s”), Standard & Poor’s Corporation (“Standard & Poor’s”), or Fitch’s Ratings Service (“Fitch”).

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At December 31, 2019, the City's investments were rated by Moody's and Standard & Poor's as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Ratings</u> <u>Moody's / S & P</u>
U.S. Government-Sponsored Enterprises Securities:		
Federal National Mortgage Association	\$ 10,000	Aaa/AA
Total U.S. Government-Sponsored Enterprise Securities	<u>10,000</u>	
United States Treasury Notes	285,753	Aaa/AAA
Money market mutual funds	92,100	Aaa/AAA
State external investment pool – TrustINDiana	<u>200,474</u>	Not Rated
	<u>\$ 588,327</u>	

Custodial Credit Risk

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

At December 31, 2019, all City investments and all collateral securities pledged against City investments are held by the counterparty's trust department or agent in the City's name except for \$59,825 which is not held in the City's name. The City's investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2019, as their existence is not evidenced by securities that exist in physical book entry form.

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer. At December 31, 2019, the City did not hold any investments that represent more than 5% of total investments.

Foreign Currency Risk

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

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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

Recurring Measurements

The following tables present 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, 2019:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investment by fair value level				
United States Treasury Notes	\$ 285,753	\$ 285,753	\$ —	\$ —
Federal National Mortgage Association	10,000	—	10,000	—
Money Market Mutual Funds	92,100	92,100	—	—
Total investments measured at fair value	<u>387,853</u>	<u>\$ 377,853</u>	<u>\$ 10,000</u>	<u>\$ —</u>
Investments measured at the net asset value (NAV) (a)				
State external investment pool - TrustIndiana	200,474			
Total	<u>\$ 588,327</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 financial 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 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.

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4. Property Taxes

Property taxes levied for all governmental entities located within the County are collected by the Treasurer of Marion County, Indiana (“Treasurer”). These taxes are then distributed by the Auditor of Marion County, Indiana (“Auditor”) to the City and the other governmental entities at June 30 and December 31 of each year. The City and the other governmental entities can request advances of their portion of the collected taxes from the Treasurer once the levy and tax rates are certified by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment. Part of the Budget certification process is to finalize the rates, which in turn gives units the ability to accurately project revenue loss due to the circuit breaker impact.

The City’s 2019 property taxes were levied based on assessed valuations determined by the Auditor as of the 2018 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2019 property taxes was January 1, 2018 (assessment date); however, the City does not recognize a receivable on the lien date, as the amount of property tax to be collected cannot be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 100% of the true tax value. In 2019, the first half of the year 2019 taxes were due and payable to the Treasurer in May 2019. The second half of the year 2019 taxes were due and payable to the Treasurer in November 2019. Property taxes outstanding at December 31, 2019, net of allowance for uncollectible accounts, are recorded as a receivable in the governmental fund and government-wide financial statements. However, for the governmental fund financial statements, all property tax receivable amounts are reported as deferred inflows of resources.

5. Tax Abatements

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

Real Property Tax Abatement (I.C. 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 (I.C. 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.

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Vacant Building Abatement (I.C. 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.

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.

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The estimated gross amount, on an accrual basis, by which the total property tax revenues for the abatement taxpayer recipient (payable 2019 taxes) were reduced as a result of the aforementioned abatement programs follows:

Real Property Tax Abatement	\$	1,436
Personal Property Tax Abatement		<u>3,066</u>
Total	\$	<u><u>4,502</u></u>

While the City has calculated the potential impact of existing tax abatements on total property tax revenues for 2019, as shown above, the actual extent of lost revenues may be something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

6. Receivables Disaggregation

Accounts receivable as of December 31, 2019, for the City, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts</u>	<u>Due from Other Governments</u>	<u>Total Accounts Receivable</u>
Governmental Activities:			
General Fund	\$ 13,021	\$ 16,023	\$ 29,044
Other Nonmajor Governmental Funds	1,200	782	1,982
Internal Service Fund	<u>2,103</u>	<u>—</u>	<u>2,103</u>
Total receivables	16,324	16,805	33,129
Allowance for uncollectible accounts	<u>(1,562)</u>	<u>—</u>	<u>(1,562)</u>
Total governmental activities	<u>\$ 14,762</u>	<u>\$ 16,805</u>	<u>\$ 31,567</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

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7. Due from Federal and State Governments

Amounts due under federal, state, and local grants at December 31, 2019 for specific programs and capital projects include:

	Governmental Activities	
	General	Other Nonmajor Governmental
Reimbursements under federal grants:		
Department of Housing and Urban Development (HUD)	\$ —	\$ 6,144
Department of Justice (DOJ)	—	1,068
Department of Transportation (DOT)	—	126
Department of Education (DOE)	—	137
Department of Homeland Security (DHS)	—	3,911
Reimbursements under State of Indiana/local grants	20	—
	\$ 20	\$ 11,386

At December 31, 2019, the City had available lines of credit or grant authorizations from HUD totaling \$50,394.

8. Long-term Receivables

The City has receivables for U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2019 of \$21,791 including accrued interest of \$8,962. The City has provided a reserve of \$21,791 for these receivables given the uncertainty of collection. Many of these loans bear interest at rates ranging from 0% to 10% and mature over the next 30 years. Generally, principal and interest payments are based upon defined net cash flows and are deferred until sufficient cash flow is available. All deferred principal and interest amounts are due at maturity. Loan repayments to the City are restricted for community and economic development purposes that would otherwise be eligible for reimbursement by HUD under Title I of the Housing and Community Development Act of 1974.

The City has loaned Comlux Realty, LLC (“Comlux”) \$6,500 under a Project and Loan Agreement dated August 1, 2011. The loan proceeds were used to finance the construction, acquisition, design, renovation, and equipping of an existing airport hangar building. Over the term of this agreement, which expires in 2021, the City will forgive up to \$500 of the loan if Comlux maintains at least 112 full-time employees at the facilities. During 2019, \$165 of the loan was repaid and \$50 was forgiven. At December 31, 2019, the City has recorded a \$100 reserve against the long-term receivable and the outstanding balance is \$347.

The City has loaned Herron High School, Inc. (“Herron”) \$1,500 under an Interlocal Agreement dated December 19, 2017 and the associated Loan Agreement. The loan proceeds were used to finance the construction, acquisition, design, renovation, and equipping of the Heslar Naval Armory. Over the term of this agreement, which expires in 2055, the City will forgive up to \$1,500 of the loan if certain percentages of the student population are eligible for the Free and Reduced Lunch program. At December 31, 2019, the City has recorded a \$1,500 reserve against the long-term receivable to fully reserve the loan.

The City has loaned Hotel Alpha Tango, LLC (“Hotel Tango”) \$585 under a Revolving Loan Agreement dated August 26, 2016. The loan proceeds were being used to support and facilitate the redevelopment of a brownfield property. Brownfields are real properties that may have been abandoned, inactive, or not operated at their appropriate use and the expansion, redevelopment, or reuse may be complicated because of the presence or potential presence of hazardous substances, pollutants, and contaminants that pose a risk to human health and the environment. On October 1, 2019, an amendment was signed for the principal sum to be paid in full no later than February 1, 2023, while bearing simple interest at a rate of 4.75% per annum. At December 31, 2019, the long-term receivable is \$585.

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On September 1, 2019, the City issued its Economic Development Revenue Bonds, Series 2019 PR Mallory Building Project in the amount of \$12,275. The proceeds will be used to acquire, rehabilitate, renovate, and equip two buildings on the PR Mallory Campus offering approximately 187,000 square feet of space to accommodate innovative educational facilities, commercial and office space, indoor hydroponic agricultural operations, and onsite parking. The bonds are secured by TIF revenues generated within the PR Mallory North Allocation Area and the PR Mallory South Allocation Area. Bonds are payable from payments made by the leverage lender and further secured by certain collateral and a reserve fund to be initially funded from funds on hand of the leverage lender. If draws are made on the reserve fund, it will be replenished from available PR Mallory TIF Revenues generated and collected in the PR Mallory North Allocation Area and PR Mallory South Allocation Area. At December 31, 2019, the long-term receivable is \$12,275.

In 2013, the City was awarded a \$39,000 Section 108 Loan to create the Community & Economic Development Loan Program (“CEDLP”). The City will loan these funds to entities with eligible projects for economic development and housing development activities to benefit low to moderate income individuals. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects or to aid in the prevention of slums. On March 31, 2016, the City loaned the Meadows Community Foundation \$1,600, the loan will mature on March 31, 2036. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Meadows Community Foundation to repay the loan to HUD. At December 31, 2019, the long-term receivable and the outstanding balance is \$1,600. On October 20, 2017, the City loaned Ford TWG, LLC (Ford) \$4,650, the loan will mature on August 1, 2037. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Ford to repay the loan to HUD. At December 31, 2019, the long-term receivable and the outstanding balance is \$4,650.

In 2015, the CAC loaned \$596 to a project investor, NOS Preferred Equity Investor, LLC. The advance to the project investor was made pursuant to a promissory note for \$18,250 dated December 31, 2016, between the CAC and the project investor. Additional proceeds under the note were drawn by the project investor in 2018 and 2017 to fund the City Way II project. Repayment terms included semi-annual interest only payments through January 2018 followed by principal and interest payments through maturity with a balloon payment due in December 2035. Repayment of the note is guaranteed by Buckingham Property Holdings, LLC, in the event that the property tax revenues generated by the project do not meet specified levels. NOS Preferred Equity Investor, LLC and Buckingham Property Holdings, LLC are related by common ownership. At December 31, 2019, the long-term receivable is \$16,257.

On May 15, 2018, the City issued its Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project) in the amount of \$4,500. The proceeds will be used to provide funds to finance the construction of the Phoenix Theatre Education and Innovation Center. Bonds are payable from payments made by the developer further secured by certain collateral and a reserve fund funded by the developer upon closing. If draws are made on the reserve fund, it will be replenished from available consolidated TIF revenues generated and collected in the Consolidated TIF allocation area, if required, and the repayment obligations of the Phoenix bonds is evidenced by the Developers Note. At December 31, 2019, the long-term receivable is \$4,500.

The minimum future payments to be received as of December 31, 2019 on long-term receivables are as follows:

	<u>Governmental Activities</u>
2020	\$ 1,137
2021	1,259
2022	1,215
2023	1,836
2024	1,508
2025-2029	21,067
2030-2034	9,840
2035-2039	11,347
2040-2044	421
2045-2049	13,550
2050-2054	250
2055-2059	75
	<u>63,505</u>
Less: allowance	<u>(23,391)</u>
Total	\$ <u>40,114</u>

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9. Capital Assets

Following is a summary of changes in capital assets for the City’s governmental activities for the year ended December 31, 2019:

	Balance, January 1, 2019	Additions	Reductions	Balance, December 31, 2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 67,884	\$ 7,266	\$ 65	\$ 75,085
Construction in progress	<u>279,321</u>	<u>169,738</u>	<u>123,745</u>	<u>325,314</u>
Total capital assets not being depreciated	<u>347,205</u>	<u>177,004</u>	<u>123,810</u>	<u>400,399</u>
Capital assets being depreciated:				
Buildings	398,019	9,533	934	406,618
Improvements	224,829	7,786	—	232,615
Equipment	216,438	51,299	6,455	261,282
Infrastructure	<u>3,168,977</u>	<u>37,600</u>	<u>57,868</u>	<u>3,148,709</u>
Total capital assets being depreciated	<u>4,008,263</u>	<u>106,218</u>	<u>65,257</u>	<u>4,049,224</u>
Less accumulated depreciation:				
Buildings	206,853	10,210	229	216,834
Improvements	112,675	7,235	—	119,910
Equipment	160,155	15,316	6,386	169,085
Infrastructure	<u>2,323,338</u>	<u>91,922</u>	<u>82</u>	<u>2,415,178</u>
Total accumulated depreciation	<u>2,803,021</u>	<u>124,683</u>	<u>6,697</u>	<u>2,921,007</u>
Total capital assets being depreciated, net	<u>1,205,242</u>	<u>(18,465)</u>	<u>58,560</u>	<u>1,128,217</u>
Governmental activities capital assets, net	<u>\$ 1,552,447</u>	<u>\$ 158,539</u>	<u>\$ 182,370</u>	<u>\$ 1,528,616</u>

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Following is a summary of the changes in capital assets for the City’s discretely presented component unit, the Housing Agency, for the year ended December 31, 2019:

	<u>Balance, January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2019</u>
Housing Agency				
Capital assets not being depreciated:				
Land	\$ 20,755	\$ 250	\$ —	\$ 21,005
Construction in progress	5,708	12,181	16,260	1,629
Total capital assets not being depreciated	<u>26,463</u>	<u>12,431</u>	<u>16,260</u>	<u>22,634</u>
Capital assets being depreciated:				
Buildings and improvements	205,183	18,174	—	223,357
Equipment	8,826	1,901	173	10,554
Total capital assets being depreciated	<u>214,009</u>	<u>20,075</u>	<u>173</u>	<u>233,911</u>
Less accumulated depreciation:				
Buildings and improvements	67,576	6,077	—	73,653
Equipment	6,389	498	173	6,714
Total accumulated depreciation	<u>73,965</u>	<u>6,575</u>	<u>173</u>	<u>80,367</u>
Total capital assets being depreciated, net	<u>140,044</u>	<u>13,500</u>	<u>—</u>	<u>153,544</u>
Total Housing Agency	<u>\$ 166,507</u>	<u>\$ 25,931</u>	<u>\$ 16,260</u>	<u>\$ 176,178</u>

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2019 as follows:

Governmental Activities:

General government	\$ 4,908
Public safety	11,535
Public works	97,646
Cultural and recreation	5,335
Urban redevelopment and housing	<u>5,259</u>
	<u>\$ 124,683</u>

Depreciation expense of \$6,575 was charged to the City’s discretely presented component unit, the Housing Agency, during 2019.

Construction in progress at December 31, 2019 consists of several ongoing projects. These types of projects include but are not limited to security upgrades, recreational facility improvements, and infrastructure improvements.

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At December 31, 2019, the City’s commitments relating to construction in progress include the following:

	Accrued Expenditures		
	<u>Authorized</u>	<u>Through December 31, 2019</u>	<u>Committed</u>
Indianapolis Metropolitan Police Department	\$ 16,117	\$ 16,062	\$ 55
Department of Metropolitan Development	8,882	6,971	1,911
Department of Public Works	423,286	295,198	128,088
Indianapolis Fire Department	9	—	9
Department of Parks and Recreation	3,764	3,764	—
Office of Public Health & Safety	3,816	3,319	497
Total governmental activities	<u>\$ 455,874</u>	<u>\$ 325,314</u>	<u>\$ 130,560</u>

10. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2019 for the City are as follows:

	Due to					Accrued	Total
	<u>Vendors</u>	<u>Third-party Contracts</u>	<u>Other Governments</u>	<u>Claims and Settlements</u>	<u>Payroll and Taxes</u>	<u>Payables and Other Current Liabilities</u>	
Governmental Activities:							
General Fund	\$ 29,484	\$ 181	\$ 238	\$ —	\$ 21,087	\$ 50,990	
Revenue Debt Service	—	—	—	—	—	—	
Other Nonmajor Governmental	19,923	3,405	309	—	244	23,881	
Internal Service Fund	1,737	—	—	20,491	—	22,228	
Adjustment to government-wide	—	—	—	7,789	—	7,789	
Total governmental activities	<u>\$ 51,144</u>	<u>\$ 3,586</u>	<u>\$ 547</u>	<u>\$ 28,280</u>	<u>\$ 21,331</u>	<u>\$ 104,888</u>	

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11. Operating Leases and Management Contracts

A. 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 lease agreements provide for sufficient rent to offset budgeted operating costs (“Additional Rentals”) of the leased facilities. All of the leases provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. The governing Indiana statute with respect to each of the Building Authority’s leases provides that the lessee governments shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. The City currently has no debt related obligations to the Building Authority. During 2019, the City paid \$2,815 in Additional Rentals. The City’s lease agreements with the Building Authority expire on various dates through July 31, 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 2019, the City paid the Building Authority \$2,250 in Maintenance Fees. The City’s management contracts expire on various dates through June 30, 2023.

Other Lessee Arrangements

The City, as lessee, has also entered into various other operating leases for rental of equipment and properties. Total rental expense in relation to these other operating leases was \$2,656 for governmental activities in 2019. The leases expire at various dates through 2044. Minimum future payments on all noncancelable operating leases as of December 31, 2019 are as follows:

	<u>Governmental</u> <u>Activities</u>
2020	\$ 2,215
2021	2,121
2022	1,463
2023	210
2024	193
2025-2029	287
Thereafter	<u>40</u>
Total future payments	<u>\$ 6,529</u>

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B. Lessor Arrangements

City Market

The City has a long-term operating lease with the Indianapolis City Market Corporation (“Market”), a not-for-profit organization formed for the purpose of operating the Indianapolis City Market. The lease extends through October 15, 2020 and provides for three five-year renewal options. The Market is to pay an annual rental fee of one dollar, plus 100% of the net cash flow, if any, remaining after the payment of normal costs of operations and maintenance. In 2019, the City contributed additional subsidies to the Market of \$271.

Circle Centre Mall

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

Other Lessor Arrangements

The City is also the lessor in several operating lease agreements with other outside parties. These leases include various properties and portions of property acquired by the City. The cost of the leased property is \$1,642. As of December 31, 2019, the leased property had a carrying amount of \$614 and current year depreciation of \$67. These properties are leased for terms generally ranging from 5 to 99 years (some for \$0 per year). Total rental income amounted to \$506 in 2019.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2019 are as follows:

	Governmental Activities
2020	\$ 333
2021	304
2022	289
2023	243
2024	243
2025-2029	1,099
2030-2034	743
2035-2039	625
2040-2044	594
Total future receipts	\$ <u>4,473</u>

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12. Long-Term Liabilities

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the City’s governmental activities and for its discretely presented component unit, the Housing Agency, for the year ended December 31, 2019:

	<u>Balance, January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2019</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds payable	\$ 117,960	\$ —	\$ 16,900	\$ 101,060	\$ 14,965
General obligation bonds from direct borrowing and direct placements	—	15,000	—	15,000	965
Tax increment bonds payable	536,253	41,196	38,905	538,544	40,745
Tax increment bonds from direct borrowing and direct placements	45,388	15,709	3,392	57,705	8,911
Revenue bonds payable	302,480	90,000	12,285	380,195	705
Revenue bonds from direct borrowing and direct placements	19,275	—	2,535	16,740	1,765
Unamortized amounts:					
Premiums	62,301	25,018	6,465	80,854	—
Total bonds payable	1,083,657	186,923	80,482	1,190,098	68,056
Notes payables from direct borrowings and direct placements	166,076	58,816	120,291	104,601	5,705
Capital leases payable	12,182	29,566	1,751	39,997	1,829
Net pension liabilities	824,980	45,353	298	870,035	—
Other postemployment benefit liability	221,153	49,012	38,980	231,185	—
Compensated absences	38,757	33,389	32,729	39,417	18,465
Total governmental activities	<u>\$ 2,346,805</u>	<u>\$ 403,059</u>	<u>\$ 274,531</u>	<u>\$ 2,475,333</u>	<u>\$ 94,055</u>
Discretely Presented Component Unit - Housing Agency:					
Notes payable	\$ 25,632	\$ 11,721	1,952	\$ 35,401	\$ 16,291
Due to other governmental units	1,459	—	65	1,394	65
FSS escrow	863	495	830	528	53
Net pension liability	3,953	129	425	3,657	—
Compensated absences	240	3	—	243	24
Total discretely presented component unit	<u>\$ 32,147</u>	<u>\$ 12,348</u>	<u>\$ 3,272</u>	<u>\$ 41,223</u>	<u>\$ 16,433</u>

Included in additions to bonds payable is \$10,231 representing accretion on capital appreciation bonds, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount, plus \$180,490 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance, plus \$30,000 of a note payable provided during 2019 that did not result in an other financing source as it does not improve the City’s near-term liquidity since no cash was received, amount to the \$220,721 of related additions reflected in the roll forward above.

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B. General Obligation Bonds

The City's general obligation bonds provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations, and pledge the full faith and credit, of the City. General obligation bonds outstanding as of December 31, 2019 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest (All Maturities)</u>	<u>Outstanding</u>
Civil City Bonds:				
Pension Bonds, Series 2005A	02/03/2005	01/15/2022	3.660% – 5.280%	\$ 22,015
Consolidated City, Series 2017A	02/01/2017	01/15/2038	3.125 – 5.000	19,775
<u>Direct borrowings and direct placements:</u>				
Fire Training Facility, Series 2019A*	11/26/2019	01/15/2033	2.01	15,000
Total Civil City Bonds				<u>56,790</u>
Public Safety Communication System Bonds:				
Computer Facilities District Bonds, Series 2008B	12/18/2008	01/15/2024	2.350 – 5.600	13,600
Public Safety Communication District Bonds, Series 2017A	02/01/2017	01/01/2028	5.000	7,835
Public Safety Communication District Bonds, Series 2017B	02/01/2017	01/01/2024	1.600 – 3.050	10,000
Total Public Safety Communication System Bonds				<u>31,435</u>
Metropolitan Thoroughfare District Bonds:				
Metropolitan Thoroughfare District, Series 2017A	02/01/2017	01/11/2032	3.125 – 5.000	<u>23,305</u>
Park District Bonds:				
Park District Bonds, Series 2017A	02/01/2017	01/01/2028	4.000 – 5.000	<u>4,530</u>
Total general obligation bonds recorded in governmental activities				116,060
Less: matured bonds payable recorded in the debt service funds				(9,135)
				<u>\$ 106,925</u>

*These bonds are issued directly to a small number of investors rather than as a public offering.

All principal and interest payments for the City's general obligation bonds are due on January 15 and July 15 of the respective year. Accordingly, the City appropriates all payments due on January 15 in the year before payment is due and provides the amount in the Debt Service Funds. All serial bond principal and interest payments due January 15, 2020 have been recorded as matured bonds payable and matured interest payable at December 31, 2019 within the fund statements. All general obligation bonds except for the Computer Facilities District Bonds have pledges of all proceeds of the Trust Estate. Following an event of default on the Computer Facilities District Bonds, the trustee may declare the principal and accrued interest on all bonds to be due and payable immediately.

On November 26, 2019, the City issued its General Obligation Bonds, Series 2019A (Fire Training Facility Project) bonds in the amount of \$15,000. The proceeds will be used for the acquisition, construction, installation and equipping of a fire training facility, together with expenses incidental thereto, including capitalized interest on the bonds, if necessary, and all expenses incurred in connection with or on account of the issuance of the bonds. The bonds mature on January 15, 2033 and have an interest rate of 2.01%.

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

Years Ending December 31	Civil City		Direct Borrowing and Direct Placement -Civil City		Metropolitan Thoroughfare	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 9,750	\$ 1,902	\$ 965	\$ 192	\$ 1,330
2021	10,270	1,388	1,230	275	1,395	979
2022	6,050	841	1,005	252	1,465	907
2023	1,490	646	1,025	232	1,540	832
2024	1,235	578	1,045	211	1,615	753
2025-2029	6,225	1,898	5,535	732	9,370	2,440
2030-2034	3,510	868	4,195	170	6,590	348
2035-2039	3,260	232	—	—	—	—
	<u>\$ 41,790</u>	<u>\$ 8,353</u>	<u>\$ 15,000</u>	<u>\$ 2,064</u>	<u>\$ 23,305</u>	<u>\$ 7,306</u>

	Park		Public Safety Communications System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 410	\$ 216	\$ 3,475	\$ 1,004	\$ 15,930
2021	430	195	5,180	1,212	18,505	4,049
2022	455	173	5,410	983	14,385	3,156
2023	475	150	5,645	737	10,175	2,597
2024	500	126	3,990	471	8,385	2,139
2025-2029	2,260	233	7,735	676	31,125	5,979
2030-2034	—	—	—	—	14,295	1,386
2035-2039	—	—	—	—	3,260	232
	<u>\$ 4,530</u>	<u>\$ 1,093</u>	<u>\$ 31,435</u>	<u>\$ 5,083</u>	<u>\$ 116,060</u>	<u>\$ 23,899</u>

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C. Tax Increment Revenue Bonds

These bonds are issued to provide funds for the construction and maintenance of the City’s infrastructure, such as streets and sidewalks and certain economic development projects. These bonds will be repaid from amounts levied against the property owners that will benefit by this construction. Tax increment revenue bonds outstanding as of December 31, 2019 are as follows:

	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
Redevelopment District, Series 1999B:				
Capital appreciation	08/12/99	02/01/29	5.650% – 5.820%	\$ 238,705
Less: discount				<u>(54,310)</u>
				<u>184,395</u>
Redevelopment District Bonds, Series 2007A	12/13/07	02/01/21	4.000 – 4.125	1,330
Redevelopment District Bonds, Series, 2007 (Glendale)	05/10/07	02/01/27	5.450 – 6.210	2,975
Redevelopment District Bonds, Series 2009A	09/02/09	02/01/20	3.000 – 5.000	24,675
Redevelopment District Bonds, Series 2010 (Dow AgroSciences)	06/22/10	02/01/25	3.000 – 5.125	11,340
Redevelopment District Bonds, Series 2011A	03/10/11	08/01/24	0.500 – 5.000	17,525
Redevelopment District Bonds, Series 2011C	05/19/11	02/01/36	4.000 – 5.750	21,685
Redevelopment District Refunding Bonds, Series 2013A	05/16/13	02/01/29	2.000 – 5.000	21,930
Redevelopment District Bonds, Series 2013A	05/16/13	02/01/30	5.000	3,915
Redevelopment District Refunding Bonds, Series 2014 (Fall Creek Project)	06/26/14	02/01/29	0.450 - 4.500	7,895
Redevelopment District Refunding Bonds 2016A (Marriott)	10/19/16	02/01/38	3.000 – 5.000	50,325
Redevelopment District Refunding Bonds, Series 2018 (Taxable)(Market District Garage)	01/11/18	01/15/33	4.15	11,435
Economic Development Revenue Bonds, Series 2011A (North of South)	04/07/11	02/01/36	5.000 – 5.750	81,640
Economic Development Revenue Bonds, Series 2011B Taxable (North of South)	04/07/11	02/01/21	2.913 – 4.813	3,745
Economic Development Revenue Bonds, Series 2013A	05/16/13	02/01/30	5.000	14,270
Economic Development Revenue Bonds, Series 2013B	05/16/13	02/01/30	5.000	1,865
Economic Development Revenue Bonds, Series 2014A (Mass. Ave. Project)	09/03/14	02/01/31	5.000	27,320
Economic Development Revenue Bonds, Series 2014B Taxable (Mass. Ave. Project)	09/03/14	02/01/24	2.300 – 3.430	2,445
Economic Development Revenue Bonds, Series 2014C (MSA Project)	09/03/14	02/01/29	2.000 – 5.000	12,975
Economic Development Revenue Bonds, Series 2014D Taxable (Pulliam Project)	09/03/14	02/01/29	5.000	3,320
Economic Development Revenue Bonds, Series 2014E (Pulliam/Millikan Project)	09/03/14	02/01/20	2.300 – 2.600	575
Economic Development Tax Increment Revenue Bonds, Series 2019 A (16 Tech)	08/06/19	02/01/40	3.000 - 5.000	<u>30,964</u>
Total Tax Increment Revenue Bonds				538,544

Direct Borrowings and Direct Placement Bonds:

These bonds are issued directly to a small number of investors rather than as a public offering.

Redevelopment District Bonds, Series 2007 (Ameriplax)	12/28/07	02/01/23	6.200	1,885
Redevelopment District Bonds, Series 2010A	06/03/10	02/01/25	5.000	3,273
Redevelopment District Bonds, Series 2010 (AIT Laboratories)	11/04/10	02/01/35	2.600 - 5.150	4,250
Redevelopment District Bonds, Series 2015A (Tarkington Park Project)	05/20/15	02/01/20	1.980	1,060
Redevelopment District Refunding Bonds, Series 2015A (Brokenburr Project)	8/6/2015	02/01/30	3.250	1,173
Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project)	05/20/15	02/01/20	1.980	6,040
Economic Development Revenue Bonds, Series 2016 A (Mass Ave. Project)	10/13/16	02/01/21	2.390	625
Economic Development Revenue Bonds, Series 2016 B (Pulliam Square Project)	10/13/16	02/01/21	2.390	540

Continued...

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	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
Developer Backed Bonds				
Economic Development Tax Increment Revenue Bonds, Series 2017 (Bethel AME Project)	09/19/17	02/01/42	5.50	8,020
Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project)	05/15/18	02/01/40	3.61-4.50	4,500
Economic Development Tax Increment Revenue Bonds, Series 2018 (Goodwill Riverview Project)	05/25/18	01/15/43	5.00	4,200
Economic Development Tax Increment Revenue Bonds, Series 2018 (River House Broad Ripple Project)	06/07/18	01/15/40	5.00	2,630
Economic Development Tax Increment Revenue Bonds, Series 2018 (Duke Headquarters Project)	06/28/18	01/15/43	4.00	—
Economic Development Tax Increment Revenue Bonds, Series 2018 (Ardmore Project)	11/30/18	01/15/43	5.00	—
Economic Development Tax Increment Revenue Bonds, Series 2018 (Ford Assembly Plant Project)	12/11/18	01/15/43	4.30	3,800
Economic Development Tax Increment Revenue Bonds, Series 2019 (PR Mallory Building Project)	09/01/19	01/15/27	6.00	12,275
Economic Development Tax Increment Revenue Bonds, Series 2019 (City's End Project)	11/01/19	01/15/44	4.50	3,434
Total direct borrowings and direct placement				57,705
Total tax increment revenue bonds (direct and public offerings)				596,249
Less: Matured bonds payable recorded in the debt service funds				(635)
				\$ 595,614

All principal and interest payments for the City's tax increment revenue bonds are due on January 15 and July 15 or February 1 and August 1 of the respective year.

All TIF debt listed above except for the Redevelopment District, Series 1999B and the Redevelopment District Refunding Bonds, Series 2014 have pledges of all proceeds of the Trust Estate. Of the direct borrowing and direct placement TIF bonds, the Redevelopment District Bonds, 2007; Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project); and Redevelopment District Refunding Bonds, Series 2015A (Brokenburr Project) have pledges of all proceeds of the Trust Estate.

On August 6, 2019, the City issued its Economic Development Revenue Bonds, Series 2019A (16 Tech) in the amount of \$30,965. The proceeds will be used to acquire, construct and equip the facilities which are part of the Project, which includes infrastructure and other local improvements, pedestrian trailway projects, park facilities, utility improvements and related costs located in the downtown area of the City along a portion of Indiana Avenue and between 10th and 16th Streets, commonly referred to as the 16 Tech Area. The bonds mature on February 1, 2040 and have interest rates of 3.00%-5.00%.

Developer Backed Bonds

On September 1, 2019, the City issued its Economic Development Revenue Bonds, Series 2019 (PR Mallory Building Project) in the amount of \$12,275. The proceeds will be used to acquire, rehabilitate, renovate, and equip two buildings on the PR Mallory Campus offering approximately 187,000 square feet of space to accommodate innovative educational facilities, commercial and office space, indoor hydroponic agricultural operations, and onsite parking. The bonds are secured by TIF revenues generated within the PR Mallory North Allocation Area and the PR Mallory South Allocation Area, and are further secured by a debt service reserve fund to be initially funded from funds on hand of the Developer. If draws are made on the reserve fund, it will be replenished from all of the property tax proceeds from the assessed valuation of real property in the PR Mallory North Allocation Area and the PR Mallory South Allocation Area.

On November 1, 2019, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2019 (City's End Project) in the amount of \$3,434. The proceeds will be used for the acquisition of the property upon which a mixed use building, comprising a total of approximately 124,987 square feet, consisting of first-floor commercial/retail uses comprising approximately 9,852 square feet, and four floors of apartments and resident engagement space above, including 103 apartments, as well as associated parking facilities.

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

Years Ending December 31	Publicly Issued		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 40,745	\$ 16,046	\$ 8,911	\$ 1,955	\$ 49,656	\$ 18,001
2021	44,225	14,784	2,309	2,247	46,534	17,031
2022	45,155	14,037	2,024	2,327	47,179	16,364
2023	46,245	13,237	2,234	2,221	48,479	15,458
2024	45,925	12,381	1,788	2,124	47,713	14,505
2025-2029	214,250	50,929	19,180	7,864	233,430	58,793
2030-2034	113,070	19,367	7,819	4,311	120,889	23,678
2035-2039	41,080	3,012	8,170	2,326	49,250	5,338
2040-2044	2,159	32	5,270	480	7,429	512
	592,854	143,825	57,705	25,855	650,559	169,680
Less: deferred interest on capital appreciation bonds	(54,310)		—		(54,310)	—
Total	\$ 538,544	\$ 143,825	\$ 57,705	\$ 25,855	\$ 596,249	\$ 169,680

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D. Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. At December 31, 2019, these include:

	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
Economic Development Refunding Bonds, Series 2012A	12/20/12	04/01/30	0.600 – 3.000	\$ 5,230
Economic Development Refunding Bonds, Series 2012B	12/20/12	04/01/39	2.000 – 5.000	15,010
Indy Roads Revenue Refunding Bonds, Series 2013	09/25/13	01/01/19	3.000 – 5.000	—
Stormwater District Revenue Refunding Bonds, Series 2013	10/16/13	01/01/26	2.000 – 5.000	24,915
Indy Roads Revenue Bond, Series 2015A	03/25/15	01/01/35	3.000 – 5.000	33,495
Indy Roads Revenue Bonds, Series 2015B	09/16/15	01/01/35	3.000 – 5.000	30,745
PILOT Refunding Bonds, Series 2017C	12/28/17	01/01/40	4.000 – 5.000	150,800
Indy Roads Revenue Bond, Series 2018A	12/18/18	01/01/39	4.000 – 5.000	30,000
Stormwater District Revenue Bonds, Series 2019F	10/16/19	01/01/41	4.000 – 5.000	50,000
Indy Roads Series 2019A	09/19/19	01/01/40	5.000	<u>40,000</u>
Total revenue bonds				380,195
Direct Borrowings and direct placements:				
Stormwater District Revenue Bonds, Series 2011	08/10/11	01/01/41	3.580%	13,180
Facilities Revenue Refunding, Series 2015	12/16/15	07/15/21	1.760	<u>3,560</u>
Total direct revenue bonds				<u>16,740</u>
Total revenue bonds recorded in governmental activities (direct and public)				396,935
Less matured bonds payable recorded in debt service funds				(880)
				<u>\$ 396,055</u>

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All principal and interest payments for the City’s revenue bonds are due on January 1 and July 1, January 15 and July 15, or April 1 and October 1 of the respective year. Accordingly, the City appropriates all payments due on January 1 and January 15 in the year before payment is due and provides the amount in the Debt Service Funds. Payments due in April, July, or October will be appropriated in the year due. All revenue bond principal and interest payments due January 1, 2020 and January 15, 2020 have been recorded as matured bonds payable and matured interest payable at December 31, 2019.

All revenue bonds except the Facilities Revenue Refunding, Series 2015, and the Stormwater District Revenue Bonds, Series 2011, have pledges of all proceeds of the Trust Estate.

On September 19, 2019, the City issued its Indy Roads Revenue Bonds, Series 2019A in the amount of \$40,000. The proceeds will be used to finance road and street construction and reconstruction and the repair of street, road, bridge, traffic signal, curb and sidewalk improvements within the City. The bonds mature on January 1, 2040 and have interest rates of 5.00%.

On October 16, 2019, the City issued its Stormwater District Revenue Bonds, Series 2019F in the amount of \$50,000. The proceeds will be used to effect a current refunding of the Stormwater District Revenue Notes, Series 2016, pay for all or a portion of the costs of certain additions and improvements to the Stormwater District’s Stormwater System, and pay all costs incidental to, or on account of the issuance of the 2019 Bonds.

Revenue bond debt service requirements to maturity are as follows:

Years Ending December 31	Publicly Issued		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 705	\$ 11,481	\$ 1,765	\$ 328	\$ 2,470	\$ 11,809
2021	10,730	18,204	2,215	565	12,945	18,769
2022	13,750	17,611	430	528	14,180	18,139
2023	14,425	16,920	445	511	14,870	17,431
2024	15,145	16,192	460	493	15,605	16,685
2025-2029	79,420	69,656	2,600	2,165	82,020	71,821
2030-2034	94,935	48,546	3,175	1,589	98,110	50,135
2035-2039	120,425	22,407	3,855	884	124,280	23,291
2040-2044	30,660	903	1,795	91	32,455	994
Total	\$ 380,195	\$ 221,920	\$ 16,740	\$ 7,154	\$ 396,935	\$ 229,074

At December 31, 2019, \$249,040 of defeased revenue bonds remain outstanding and have been removed from the basic financial statements.

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E. Pledged Revenues

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

Revenue Bond Issue	General Purpose for Debt	Term of Commitment	Pledged Revenue	Principal and Interest for Fiscal Year Ended December 31, 2019	Pledged Revenues for Fiscal Year Ended December 31, 2019	Total Principal and Interest Remaining on Debt
Tax increment revenue	Infrastructure improvements and certain economic development projects	Through 2044	Property tax increment	\$ 71,583	\$ 109,540	\$ 678,540 (1)
Transportation revenue	Construction, reconstruction, and repair of roads, streets, and sidewalks	Through 2040	Wheel tax and gasoline tax	7,730	70,197	216,974
Facilities revenue	Improvements and repairs to various city and county-owned buildings	Through 2021	Rent charged back to City and County agencies	1,820	1,840	3,639
Stormwater	Improvements of stormwater handling capabilities	Through 2041	Net revenues of the stormwater system	6,777	8,471	57,931
Economic development	Provide financial incentives and assistance to a private developer for the construction of a downtown hotel and purchase of a parking garage	Through 2039	Parking garage fees	1,584	1,584	31,143
PILOT	Construction of certain improvements to the City's public roads, street and sidewalks, and other public facilities.	Through 2040	Payments in lieu of taxes	7,352	16,647	239,839

(1) This amount excludes debt related to certain economic development projects for which the developer is responsible for making the debt service payments.

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F. Notes Payables

1. The City has outstanding notes payable related to HUD Section 108 loan proceeds. The notes payable, with an original amount of \$5,700, were issued in 2000 and 2001. Under the terms of the agreement, the City makes principal and interest payments on each February 1 and August 1, with the last payment being due on August 1, 2020. At December 31, 2019, \$300 was still outstanding.
2. On October 8, 2010, the City entered into an agreement with Fifth Third Leasing Company to issue notes in the amount of \$18,800. The proceeds were used to complete energy improvements at various City owned properties. The notes are payable over a 15-year period beginning on January 1, 2013 and fully mature on July 31, 2027. The stated interest rate is 3.23%. The provision of the note agreement guarantees that the City will realize sufficient energy savings to fully cover the note's debt service. The outstanding balance of the notes at December 31, 2019 is \$11,776.
3. On May 14, 2014, the City entered into a note agreement with BMO Harris Bank to service the outstanding obligations related to capital improvements to the Eagle Creek Golf Course. The note is payable over a 7-year period beginning July 15, 2014. Under terms of the agreement, the City makes principal and interest payments on each January 15 and July 15, with the last payment being due on July 15, 2021. At December 31, 2019, \$2,394 was still outstanding.
4. On December 30, 2015, the MDC and CAC entered into an agreement with a developer to construct phase II of the project known as CityWay. CAC entered into a loan agreement for \$18,250 in order to make the loan to the developer. Under the terms of the agreement, the interest payments are due each January 15 and July 15 and the stated interest rate is 3.89%. At December 31, 2019 the CAC has recorded \$747 of cash in escrow and long-term debt of \$16,670. Included in the cash balance is \$747 in a continuing reserve. These amounts will be used to make the debt service payments until the balance in the continuing reserve reaches \$745, after which the developer will make the balance of the payment for the debt service. The City will grant amounts to CAC to repay the loan from existing Certified Technology Park revenues, tax increment financing revenues on the project property and payments from the developer. If such amounts are insufficient to repay the debt the City will pay the difference from excess tax increment financing revenues.
5. In 2013, the City was awarded a \$39,000 Section 108 Loan to create the Community & Economic Development Loan Program (CEDLP). The City will loan these funds to entities with eligible projects for economic development and housing development activities to benefit low to moderate income individuals. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects or to aid in the prevention of slums.
6. On March 31, 2016, the City loaned the Meadows Community Foundation \$1,600, the loan will mature on March 31, 2036. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Meadows Community Foundation to repay the loan to HUD. The outstanding balance of the note at December 31, 2019 is \$1,600.
7. On October 20, 2017, the City loaned Ford TWG, LLC (Ford) \$4,650, the loan will mature on August 1, 2037. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Ford to repay the loan to HUD. At December 31, 2019, the long-term receivable and the outstanding balance of the note is \$4,650.
8. On August 15, 2018, the City borrowed funds for the Monon16 Project for \$5,000, the loan scheduled to mature on August 1, 2038. However, a partial prepayment was made on February 26, 2019 as part of a refinancing agreement, and now the loan is not scheduled to mature until August 1, 2029. Under the new amortization schedule, principal payments are due annually and interest payments are due semiannually. At December 31, 2019, the outstanding balance of the note is \$2,727. The funds will be used to develop the "Monon16" area, which is the immediate area surrounding the intersection of the Monon Trail and 16th Street. This includes housing, security, and transportation improvements.
9. On September 14, 2018, the City borrowed funds for the Central State Complex Project for \$4,575, the loan will mature on August 1, 2038. Principal payments are due annually and interest payments are due quarterly. At December 31, 2019, the outstanding balance of the note is \$4,575. The funds will be used to develop the Central State Complex, which is a growing neighborhood on the near Westside of Indianapolis. This includes infrastructure, housing, and education improvements.
10. On August 10, 2017, the City issued Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2017 (Indy Penn Center Hotel Garage Project) in an amount of \$17,895. The proceeds are being used to fund a portion of the Indy Penn Center Hotel Garage Project, as well as to pay interest and the costs of issuance of the bond anticipation note. This note has a maturity date of February 1, 2022. The outstanding balance of the notes at December 31, 2019 is \$17,895.
11. On November 15, 2017, the City issued the Local Option Income Tax Notes, Series 2017A with borrowing authorization of up to \$20,000 for the planning and design costs for the community justice campus facility. Under the terms of the agreement, the City was required to make interest payments on each January 15 and July 15, with the notes bearing interest at a per annum rate equal to the Bank Rate applicable to any given period. The maturity date for the note was November 15, 2019, but the notes were subject to redemption upon at least

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thirty days written notice. The outstanding balance of \$20,000 was redeemed on April 4, 2019, from the proceeds of the Indianapolis Local Public Improvement Bond Bank Community Justice Campus Bonds, Series 2019A. The City recorded \$20,000 of contribution revenue as part of this redemption.

12. On March 23, 2018, the City issued the Local Option Income Tax Notes, Series 2018A with borrowing authorization of up to \$55,000 for the purpose of paying site preparation, construction mobilization, and related engineering, planning and design, and consulting services costs in connection with the community justice campus project and related capital expenditures. Under the terms of the agreement, the City was required to make interest payments on each January 15 and July 15, with the notes bearing interest at a per annum rate 2.55%, calculated on the principal amount drawn. The maturity date for the note was March 23, 2020, but the notes were subject to redemption upon at least thirty days written notice. The outstanding balance of \$35,453 was redeemed on April 4, 2019, from the proceeds of the Indianapolis Local Public Improvement Bond Bank Community Justice Campus Bonds, Series 2019A. The City recorded \$35,453 of contribution revenue as part of this redemption. The contribution recognized by the City was the result of Marion County being obligated under a capital lease for the Series 2019A bonds.
13. On December 14, 2018, the City issued Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2018 (ILMAR/KG 220 Projects) in an amount of \$15,855. The proceeds are being used to fund a portion of the costs of constructing improvements to a historic building in connection with the development of the building by ILMAR, LLC into a high-end hotel, to fund constructing improvements to a building in connection with the development of the building by KG 220 LLC into a mixed-use office, commercial retail and residential development, and to finance capitalized interest and the costs of issuance of the bond anticipation note. The bonds are secured by a Junior-Junior Subordinate line of Consolidated TIF revenues, regarding interest payments only, and a developer guarantee. Once the BAN is refunded by the long-term debt obligation, both principal and interest, is expected to be paid from the TIF revenues generated by the project, and to the extent project TIF revenues are not sufficient, the Consolidated TIF revenues. This note has a maturity date of February 1, 2023.
14. On March 5, 2019, the City issued its Series 2019 Stormwater Notes in an amount of \$50,000. The proceeds will be used for infrastructure improvements, including new channels, culverts, dam renovations, engineering studies, and drainage and water quality improvements. This note has a maturity date of March 1, 2022. The outstanding balance of the notes at December 31, 2019 is \$6,159, as this is a draw note.
15. On July 12, 2019, the City issued Taxable Economic Development Tax Increment Revenue Note, Series 2019 A in an amount of \$30,000. Pursuant to an agreement with The Dow Chemical Company and E.I. du Pont de Nemours and Company, which merged into a new company, DowDuPont on August 31, 2017, DowDuPont separated their leading businesses into three independent, publicly traded companies, one of which will be a leading, global pure-play agricultural business, Corteva Agriscience (“Corteva”). Effective June 1, 2019, Corteva completed its separation from DowDuPont and as part of the agreement, Corteva, will retain its’ global business center and research and development facilities in the City. The note proceeds will provide reimbursement for prior payment of, all or any portion of the costs of the continued operations of, and any additions or improvements to and equipment for, the exiting global business center and research development facilities, which will retain approximately 1,385 full-time jobs in the City. The note will mature on February 20, 2026 and bears interest at 3.35%. The outstanding balance of the notes at December 31, 2019 is \$20,000. The issuance of this note did not provide a source of current financial resources since no cash was received and it does not affect the near-term liquidity of the City.

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Annual amounts due on notes payable to maturity are as follows:

<u>Years Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 5,705	\$ 3,813
2021	7,655	4,247
2022	29,659	3,496
2023	21,636	1,763
2024	5,933	1,227
2025-2029	19,636	3,566
2030-2034	9,810	1,546
2035-2039	4,567	192
	<u>\$ 104,601</u>	<u>\$ 19,850</u>

G. Capital Leases Payable:

The City enters into financing arrangements for capital assets from time to time, such as for public safety radio equipment and vehicles, which for accounting purposes are considered capital lease obligations. At December 31, 2019, the total net book value of capital assets under such leases was \$37,386 and the related capital lease obligations amounted to \$39,997.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2019:

	<u>Governmental Activities</u>
2020	\$ 2,647
2021	3,447
2022	4,247
2023	4,003
2024	6,573
2025-2029	24,548
2030-2034	3,800
2035-2039	2,280
	<u>51,545</u>
Amount representing interest	<u>(11,548)</u>
Present value of net minimum lease payments	<u>\$ 39,997</u>

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H. Other Long-Term Liabilities:

1. Postemployment benefit obligation: As discussed later in these notes, the City provides postemployment healthcare benefits for police officers and firefighters. Civilian employees may continue healthcare coverage but are required to contribute 100% of their annual premium.
2. Net pension liabilities: As discussed later in these notes, the City's single employer pension plans are funded on a "pay-as-you-go" basis.
3. Compensated Absences Payable: A long-term liability for benefit and sick leave earned but not paid of \$39,417 at December 31, 2019 is recorded in the government-wide statements.

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

13. Conduit Debt

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

The outstanding City conduit debt issued prior to 2001 cannot be determined. However, as of December 31, 2019, there were 24 series of Economic Development Revenue Bonds approved by the Council issued on or after 2001 outstanding for a total not-to-exceed amount of \$311,624. The aggregate principal amount outstanding at December 31, 2019 since 2001 is \$249,055.

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14. Fund Balances

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

	<u>General Fund</u>	<u>Revenue Bond Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Permanent fund (principal and interest)	\$ —	\$ —	\$ 370	\$ 370
Restricted for:				
Street maintenance and projects	58,557	—	—	58,557
Stormwater management	29,084	—	—	29,084
Debt service	—	168,151	50,747	218,898
Capital projects	—	—	195,194	195,194
Other purposes by grantors	—	—	10,578	10,578
Public safety	—	—	53	53
Sidewalk, curb and street repair	—	—	10,736	10,736
	<u>87,641</u>	<u>168,151</u>	<u>267,308</u>	<u>523,100</u>
Committed to:				
Utility monitoring	260	—	—	260
CJC	10,601	—	—	10,601
	<u>10,861</u>	<u>—</u>	<u>—</u>	<u>10,861</u>
Assigned to:				
Redevelopment	13,803	—	—	13,803
Solid waste collection	3,602	—	—	3,602
Parks and recreation	5,985	—	—	5,985
Stormwater management	4,866	—	—	4,866
Operating expenditures	54,130	—	—	54,130
Public safety	3,439	—	—	3,439
	<u>85,825</u>	<u>—</u>	<u>—</u>	<u>85,825</u>
Unassigned	<u>104,667</u>	<u>—</u>	<u>—</u>	<u>104,667</u>
Total fund balance	<u>\$ 288,994</u>	<u>\$ 168,151</u>	<u>\$ 267,678</u>	<u>\$ 724,823</u>

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15. Postemployment Benefits Other Than Pensions

A. Plan Description

The City postemployment medical benefit plan (the OPEB Plan) is a single-employer defined benefit other postemployment benefit (OPEB) plan covering eligible retirees and their dependents, which is administered by the City for certain groups of beneficiaries and boards of trustees appointed by the local unions administering for other groups of beneficiaries. Benefit provisions are established through negotiations between the City and the union representing the City’s employees and are renegotiated each three-year bargaining period for certain groups of beneficiaries. Benefit provisions for certain other groups are determined by the board of trustees appointed by the local unions. The City determines benefits for non-union employees. The OPEB Plan does not issue a separate report that includes financial statements and required supplementary information for the OPEB Plan.

B. Benefits Provided

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

For Police and Firefighter eligible retirees and their spouses, 60% of the cost of current year premiums are paid from the Retiree Health Insurance Fund (RHIF). Plan members receiving benefits contribute 40% of their premium costs. For Police and Firefighter eligible retirees over age 65, amounts determined by the board of trustees appointed by the local unions are contributed to the retiree towards the premium cost of a Medicare Supplement plan.

Eligible retirees must meet the following criteria:

Civilian

1. At age 65 and has at least 10 years of creditable service, or
2. At age 60 with at least 15 or more years of creditable service, or
3. If the member’s age in years plus the years of creditable service equal at least 85 and the member is at least 55 years of age.

Police

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

Firefighters

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

The employees covered by the OPEB Plan benefit terms at the valuation date of January 1, 2019, are:

	2019
Active Employees	3,942
Retired Employees	733
Beneficiaries	5
Spouses of Retired Employees	100
	4,780

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C. Contributions

Contribution requirements are negotiated between the City and union representatives. For fiscal year 2019, the City contributed \$6,720 to the plan. Any cash balance left at the end of the calendar year in the RHIF is transferred to the trusts for the benefit of the retired Police and Firefighter employees.

D. Net OPEB Liability

The City’s net OPEB liability of \$231,185 was measured as of December 31, 2019 for the year ended December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. The total OPEB liability was calculated based on the discount rate and actuarial assumptions below and was then rolled forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 74 and 75.

The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.20% for 15 years and 2.50% thereafter
Salary Increases	2.75% average, including inflation
Health Care Cost Trend Rates	5.80% - 3.80% over 56 years
Discount Rate	2.75%

Mortality rates for pre-retirement, post-retirement, and post-disability members were based on the RP-2014 Employee, RP-2014 Healthy Annuitant, and RP-2014 Disabled mortality rates, respectively. All were adjusted backwards to the 2006 base year using MP-2014, with generational improvement from 2006 using Scale MP-2017. Separate rates were used for males and females as appropriate.

The plan has not had a formal actuarial experience study performed for the January 1, 2018 and 2019 valuations. Total OPEB liability was calculated using the previously established actuarial assumptions.

The long-term expected rate of return on the OPEB Plan investments of 2.75% was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary’s investment consulting practice as of December 31, 2019. The assets held in the OPEB trusts are not included in the information presented in Note 2, *Cash Deposits and Investments*, or Note 3, *Disclosures About Fair Value of Assets*.

Asset Class	Target Allocation	Long-Term	Long-Term
		Expected Arithmetic Real Rate of Return	Expected Geometric Real Rate of Return
U.S. Core Fixed Income	90.00%	1.85%	1.76%
U.S. Cash	8.00%	0.15%	0.15%
U.S. Equity Market	2.00%	4.63%	3.42%
	<u>100.00%</u>		

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E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.75% for the year ended December 31, 2019. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the Net OPEB Liability

Changes in the total OPEB liability, OPEB Plan fiduciary net position and the net OPEB liability are:

	2019		
	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance, beginning of year	\$ 233,127	\$ 11,974	\$ 221,153
Changes for the year:			
Service Cost	10,001	-	10,001
Interest on total OPEB liability	9,849	-	9,849
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(31,867)	-	(31,867)
Effect of assumptions changes or inputs	29,142	-	29,142
Benefit payments	(5,893)	(5,893)	-
Employer contributions	-	6,720	(6,720)
Member contributions	-	-	-
Net investment income	-	393	(393)
Administrative expense	-	(20)	20
	11,232	1,200	10,032
Net Changes	11,232	1,200	10,032
Balance, end of year	\$ 244,359	\$ 13,174	\$ 231,185

Changes of assumptions reflect a change in the discount rate from 4.10% at December 31, 2018 to 2.75% at December 31, 2019.

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The net OPEB liability of the City has been calculated using a discount rate of 2.75%. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
City's net OPEB liability	\$ 257,136	\$ 231,185	\$ 208,342

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The net OPEB liability of the City has been calculated using current healthcare cost trend rates. The following presents the net OPEB liability using healthcare cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
City's net OPEB liability	\$ 199,571	\$ 231,185	\$ 269,360

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$17,160. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 27,932
Changes of assumptions	25,544	11,676
Net difference between projected and actual earnings on OPEB plan investments	264	-
Total	\$ 25,808	\$ 39,608

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2019, related to OPEB will be recognized in OPEB expense as follows:

2020	(2,202)
2021	(2,202)
2022	(2,202)
2023	(2,260)
2024	(2,282)
Thereafter	(2,652)
\$	(13,800)

I. Payable to the OPEB Plan

At December 31, 2019, the City reported a payable of \$635, for the outstanding amount of contributions to the OPEB Plan required for the year ended December 31, 2019.

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16. Pension Plans

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

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

Description of Plans

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

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

Employees Covered by Benefit Terms

Employees covered by benefit terms of the Police and Firefighters’ Pre-1977 Plans as of December 31, 2019 follows:

	Pre-1977 Police Plan	Pre-1977 Firefighters’ Plan
Retirees and beneficiaries currently receiving benefits	739	700
Current employees - vested	11	3
Total	750	703

Funding Policy

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

Retirement Benefits

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

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Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

Beginning in 2009, the State began paying the entire annual cost of pension benefits for the police officers and firefighters who are participants of the Pre-1977 plans, including those of the City. Since the City still must pay the benefits under the plans and be reimbursed by the State, these are still considered to be "pay-as-you-go" plans. The payments from the State are estimated each year and any overage or underage is to be adjusted in the next year. In 2019, the State of Indiana contributed \$56,084 of pension relief to the City's Police and Firefighters' Pre-1977 Plans (\$28,138 and \$27,946, respectively), which has been reported as contribution revenue by the City.

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

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

Plan Description

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

Funding Policy

The INPRS Board has established a funding policy that requires that employer contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the unfunded actuarial accrued liability. Presently, covered employees are annually required to contribute 6% of their compensation over the term of their employment up to 32 years. The City currently pays half of the employee contribution in accordance with its associated labor agreements. This is in addition to the annual employer's contribution determined by INPRS based on a valuation using the entry age normal cost method. The rate of employer contribution is 17.5% of each employee's annual compensation.

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

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Retirement Benefits

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

Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for the 1977 Police and Firefighters' Plan. The contributions are actuarially determined based on the funding policy, actuarial assumptions, and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the City, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The INPRS Board approved an employer contribution rate of 17.5% for 2017 as compared to the actuarially determined contribution rate of 9.15% for this same year. The City's contributions to the plan for the year ended December 31, 2019, exclusive of employer-paid member contributions, was \$35,627, equal to the approved employer contribution and 17.5% of covered payroll for each year.

3. Deferred Retirement Option Plan

Plan Description

Indiana's Deferred Retirement Option Plan ("DROP"), which was enacted into law in 2002, is available to all participants of the Police and Firefighters' Pre-1977 Plans and the 1977 Police and Firefighters' Plan. Those employees who elect to participate must remain in active employment, continue to make contributions to the plan and elect a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. Participating employees remain in the DROP until reaching the applicable mandatory retirement age and may make a DROP election only once in the employee's lifetime. Upon retirement, a DROP participant will receive a DROP frozen benefit to be paid in a lump-sum distribution or in 3 equal installments commencing on the participant's DROP retirement date. The City does not set aside amounts for the DROP participants under the Police and Firefighters' Pre-1977 Plans. As of December 31, 2019, a total of \$68,000 is held under the DROP for participating government employers of the 1977 Police and Firefighters' Plan.

4. Indiana Public Employees' Retirement Fund

Plan Description

The City also contributes to the Indiana Public Employees' Retirement Fund ("PERF"), a cost-sharing multiple-employer defined benefit pension plan established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by INPRS and is governed by the INPRS Board. PERF provides retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Except for police and firefighters, all full-time City employees are eligible to participate in this plan. Additionally, all full-time employees of the Housing Agency participate in PERF under the City's employer account. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF, and can be found at <http://www.inprs.in.gov/>. This report may also be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687. Pension disclosures for the Housing Agency, which recognized pension expense of \$568 for 2019, are not included in this report but can be found in the Housing Agency's separately issued financial report.

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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 My Choice: Retirement Savings Plan for Public Employees (“My Choice Plan”). Effective on January 1, 2017, new employees hired by the City are enrolled in the My Choice Plan with the exception of the American Federation of State, County, and Municipal Employees (“AFSCME”) union employees, which have the option of enrolling in either the PERF Hybrid or My Choice Plan.

There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees’ Hybrid Members Defined Contribution Account that supplements the defined benefit at retirement.

Effective January 1, 2018, funds previously known as annuity savings accounts (which were reported within defined-benefit funds) were re-categorized as defined contribution funds based on Internal Revenue Private Letter Rulings PLR-193-2016 and PLR-110249-18. PERF Defined Contribution member balances (previously known as annuity savings accounts) reported within PERF DB were transferred to the appropriate defined-contribution fund as of January 1, 2018.

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.

PERF Hybrid Plan

The employer defined benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2019, the City contributed 11.2% of employee compensation to the plan. The Defined Contribution Account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee’s account. The employer may choose to make the contributions on behalf of its participating employees, which the City has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their Defined Contribution Account. An employee’s contribution and interest credits belong to the employee and do not belong to the state or the City.

My Choice Plan

For the My Choice plan, member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees’ Defined Benefit Account. The City has elected to make the 3% required contribution on behalf of the employed members and has elected to contribute an additional 1.2% for 2019. In addition, for the My Choice Plan, all participating employers were required to make a 7.0% supplemental contribution toward the fund’s actuarial unfunded liability.

Retirement Benefits – PERF Hybrid Plan

Defined Benefit Account

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

An employee who has reached: (1) age 65 and has at least 10 years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee’s annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive

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calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to \$2 are included as part of the employee's salary.

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

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

Defined Contribution Account

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined-contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at 3% of compensation, and the employer may choose to make these contributions on behalf of the member, which the City has done. Members are 100% vested in their account balance, which includes all contributions and earnings. The City has elected to make this contribution on behalf of the employed members. The contribution for the year ended December 31, 2019 was \$1,802.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. An employee who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month (not in thousands), 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 which would have been payable to a beneficiary if the employee had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death of an employee in service after January 1, 2007, who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

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

Contributions 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 City, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The City's contractually required contribution rate for 2019 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. The City's contribution to the plan for the year ended December 31, 2019, exclusive of employer-paid member contributions, was \$6,653, equal to the approved employer contribution and 11.2% of covered payroll for each year.

Retirement Benefits – My Choice Plan

Defined Contribution Account

The My Choice Plan is a multi-employer defined-contribution fund that serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members. Effective January 1, 2017, except for police and firefighters, new employees are enrolled in the My Choice Plan.

Member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. The City has elected to make the 3% required contribution on behalf of the employed members, which was \$454 for 2019. Employers can also choose to make an additional

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contribution to employee accounts ranging from 0% up to the normal cost of the fund. The normal cost for 2019 was 4.2%. The City elected to contribute an additional 1.2% for 2019, which was \$184 for 2019. In addition, for the My Choice Plan, all participating employers are required to make a 7.0% supplemental contribution toward the fund’s actuarial unfunded liability, which was \$1,058 in 2019.

Members are 100% vested in all member contributions, which is the 3% required contribution the City has elected to contribute, and are vested as follows in the additional employer contributions which includes all earnings:

Years of Service				
1	2	3	4	5+
20%	40%	60%	80%	100%

Investments are self-directed, members may make changes daily, and investments are reported at fair value. Market risk is assumed by the member, and the member may choose among the following eight investment options with varying degrees of risk and return potential: Stable Value Fund, Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Target Date Funds, and Money Market Fund.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.inprs.in.gov/>.

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B. Assumptions

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

<u>Assumptions</u>	<u>Police Pre-1977 Plan</u>	<u>Firefighters' Pre-1977 Plan</u>	<u>1977 Police and Firefighters' Plan</u>	<u>PERF</u>
Date of valuation	January 1, 2019	January 1, 2019	Assets: June 30, 2019 Liabilities: June 30, 2018 - rolled forward to measurement date June 30, 2019	Assets: June 30, 2019 Liabilities: June 30, 2018 - rolled forward to measurement date June 30, 2019
Measurement date	December 31, 2019	December 31, 2019		
Actuarial cost method	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll
Long-term expected return on plan assets	N/A	N/A	6.75%	6.75%
Money-weighted rate of return	N/A	N/A	7.30%	7.30%
Inflation rate	2.25%	2.25%	2.25%	2.25%
Cost of living adjustment	2.50%	2.50%	2.00%	*
Salary increase	2.50%	2.50%	2.50%	2.50% - 4.25%
Mortality	RP-2014 Blue Collar/Disabled mortality tables with MP-2014 improvement removed, projected from 2006 based on the SSA improvement scale	RP-2014 Blue Collar/Disabled mortality tables with MP-2014 improvement removed, projected from 2006 based on the SSA improvement scale	RP-2014 (with MP-2014 improvement removed) Total Data Set (Disability Mortality Tables for Disabled members) Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report	RP-2014 (with MP-2014 improvement removed) Total Data Set (Disability Mortality Tables for Disabled members) Mortality Tables projected on a generational basis using future mortality improvement inherent in the Social Security Administration's 2014 Trustee Report
Experience period	7/1/10 to 6/30/14	7/1/10 to 6/30/14	7/1/10 to 6/30/14	7/1/10 to 6/30/14
Discount rate	Barclay's 20-year Municipal Bond Index:	Barclay's 20-year Municipal Bond Index:		
2019	2.13%	2.13%	6.75%	6.75%
2018	3.10%	3.10%	6.75%	6.75%
Asset valuation method	N/A - pay-as-you-go-basis	N/A - pay-as-you-go-basis	5-year smoothing of gains/losses on market value with a 20% corridor	5-year smoothing of gains/losses on market value with a 20% corridor
Amortization method	N/A	N/A	Level dollar	Level dollar
Amortization period	N/A	N/A	Closed – 20 years	Closed – 20 years

* In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, 0.6% beginning on January 1, 2039.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	22%	4.9%
Private equity	14%	7.0%
Fixed income - ex inflation linked	20%	2.5%
Fixed income - inflation linked	7%	1.3%
Commodities	8%	2.0%
Real estate	7%	6.7%
Absolute return	10%	2.9%
Risk parity	12%	5.3%
Total	<u>100%</u>	

Discount Rates

Because the Police and Firefighters’ Pre-1977 Plans have no accumulated assets, the discount rates for these plans are equal to the Barclay’s 20-year Municipal Bond Index for the year ended December 31, 2019.

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

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

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

<u>Plan</u>	<u>Net Pension Liability (Asset)</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Pre-1977 Police Plan (current rate: 2.13%)	\$ 477,646	\$ 430,891	\$ 390,513
Pre-1977 Firefighters’ Plan (current rate: 2.13%)	431,988	390,998	355,694
1977 Police and Firefighters’ Plan (current rate: 6.75%) - proportionate share (22.1%)	225,709	2,040	(178,602)
PERF (current rate: 6.75%) - proportionate share (1.36%)	<u>74,046</u>	<u>46,106</u>	<u>22,801</u>
Total	<u>\$ 1,209,389</u>	<u>\$ 870,035</u>	<u>\$ 590,406</u>

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

The net pension liabilities for the Police and Firefighters’ Pre-1977 Plans were measured as of December 31, 2019 and the total pension liability used to calculate the net liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to the measurement date. Member census data as of December 31, 2018, was used in the valuation and adjusted, where appropriate, to reflect changes between December 31, 2018 and December 31, 2019. For December 31, 2019 valuations, the actuarial assumptions are generally unchanged from the prior year and reflect the results of an experience study completed in April 2015. The one exception is that the discount rate decreased from 3.10% for the December 31, 2018 valuations, to 2.13% for the December 31, 2019 valuations, as directed by INPRS.

The net pension liability for the 1977 Police and Firefighters’ Plan was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to the measurement date. Member census data as of June 30, 2018, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date. Wages reported by the City for police officers and for firefighters relative to the collective wages of the plan served as the basis to determine the City’s proportionate share for each member population. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2019, the City’s proportion for its police officers was 11.85516%, which is a decrease of 0.31791% from its proportion measured as of June 30, 2018. At June 30, 2019, the City’s proportion for its firefighters was 10.27790%, which was a decrease of 0.13573% from its proportion measured as of June 30, 2018.

The net pension liability for PERF was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to the measurement date. Member census data as of June 30, 2018, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date. Wages reported by the City relative to the collective wages of the plan served as the basis to determine the City’s proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2019, the City’s proportion was 1.39500%, which was an increase of 0.029% from its proportion measured as of June 30, 2018.

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At December 31, 2019, the City reported the following net pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources related to the City's four pension plans in which it participates:

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police Pre-1977 Plan	\$ 430,891	\$ —	\$ —	\$ 51,689
Firefighters' Pre-1977 Plan	390,998	—	—	47,465
1977 Police and Firefighters' Plan	2,040	56,070	61,980	70,061
PERF	46,106	5,721	7,769	7,033
Total	\$ 870,035	\$ 61,791	\$ 69,749	\$ 176,248

The components of the net pension liability of the City for the Police and Firefighters' Pre-1977 Plans as of December 31, 2019 were as follows:

	Pre-1977 Police Plan	Pre-1977 Firefighters' Plan
Total pension liability	\$ 431,351	\$ 391,261
Plan's fiduciary net position	(460)	(263)
City's net pension liability	\$ 430,891	\$ 390,998
 Plan fiduciary net position as a percentage of the total pension liability	 0.11%	 0.07%

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

	Pre-1977 Police Plan			Pre-1977 Firefighters' Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2019	\$ 407,823	\$ 455	\$ 407,368	\$ 371,001	\$ (206)	\$ 371,207
Changes for the year:						
Service cost	173	—	173	78	—	78
Interest on total pension liability	12,161	—	12,161	11,096	—	11,096
Expected return on assets	(5)	—	(5)	2	—	2
Plan Amendments	2,889	—	2,889	2,396	—	2,396
Difference between expected and actual experience	(1,608)	—	(1,608)	466	—	466
Effect of assumptions changes	38,078	—	38,078	33,418	—	33,418
Employer contributions	—	28,138	(28,138)	—	27,946	(27,946)
Projected benefit payments	(28,160)	—	(28,160)	(27,196)	—	(27,196)
Benefit payments	—	(28,133)	28,133	—	(27,477)	27,477
Total net changes	23,528	5	23,523	20,260	469	19,791
Balances as of December 31, 2019	\$ 431,351	\$ 460	\$ 430,891	\$ 391,261	\$ 263	\$ 390,998

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

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The Police and Firefighters’ Pre-1977 Plans have no deferred outflows of resources or deferred inflows of resources as of December 31, 2019. Deferred outflows of resources and deferred inflows of resources related to the 1977 Police and Firefighters’ Plan and PERF as of December 31, 2019 are from the following sources:

	1977 Police and Firefighters' Plan		PERF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,070	\$ 7,237	\$ 1,221	\$ —	\$ 38,291	\$ 7,237
Net difference between projected and actual earnings on pension plan investments	—	18,518	—	2,179	-	20,697
Changes of assumptions	—	35,163	10	5,012	10	40,175
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,360	1,062	948	578	2,308	1,640
City's contributions subsequent to the measurement date	17,640	—	3,542	—	21,182	—
Total	\$ 56,070	\$ 61,980	\$ 5,721	\$ 7,769	\$ 61,791	\$ 69,749

At December 31, 2019, the City reported \$17,640 and \$3,542 as deferred outflows of resources related to pensions resulting from plan contributions made by the City to the 1977 Police and Firefighters’ Plan and PERF, respectively, subsequent to the measurement date. Therefore, \$17,640 will be recognized as a decrease in the net pension liability for the 1977 Police and Firefighters’ Plan and \$3,542 will be recognized as a decrease in the net pension liability for PERF in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2019, related to pensions will be recognized in pension expense as follows:

	1977 Police and Firefighters' Plan	PERF	Total
2020	\$ (2,534)	\$ (1,643)	\$ (4,177)
2021	(14,380)	(3,166)	(17,546)
2022	(11,623)	(612)	(12,235)
2023	(5,205)	(169)	(5,374)
2024	2,499	—	2,499
Thereafter	7,693	—	7,693
Total	\$ (23,550)	\$ (5,590)	\$ (29,140)

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D. Pension Trust Fund Financial Statements

Separately issued financial statements are not available for the Police and Firefighters' Pre-1977 Plans. The combining statement of pension trust funds net position at December 31, 2019 follows:

	Police	Firefighters'	Total
ASSETS	Pension	Pension	Total
Equity in pooled cash	\$ 18	\$ 11	\$ 29
Investments	442	252	694
Total assets	<u>460</u>	<u>263</u>	<u>723</u>
LIABILITIES			
Accounts payable and other accrued liabilities	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 460</u>	<u>\$ 263</u>	<u>\$ 723</u>

The combining statement of changes in fiduciary net position for the year ended December 31, 2019 follows:

	Police	Firefighters'	Total
ADDITIONS	Pension	Pension	Total
Employer contributions	\$ 28,138	\$ 27,946	\$ 56,084
DEDUCTIONS			
Benefits	<u>28,133</u>	<u>27,477</u>	<u>55,610</u>
Net increase in net position	5	469	474
Net position (deficit) restricted for pensions – beginning of year	<u>455</u>	<u>(206)</u>	<u>249</u>
Net position restricted for pensions – end of year	<u>\$ 460</u>	<u>\$ 263</u>	<u>\$ 723</u>

E. Discretely Presented Component Unit

The pension schedule and required supplementary information for the City's discretely presented component unit, the Housing Agency, is immaterial to the City's financial statements, and therefore is not included in this report. The detailed disclosures can be found in the separately issued financial statements of the Housing Agency.

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17. Deferred Compensation Plan

Employees of the City of Indianapolis 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.

18. Contingent Liabilities and Commitments

- A. Various lawsuits are pending against the City. In the opinion of the City’s Corporation Counsel, the aggregate potential loss on all outstanding litigation for public liability self-insurance was estimated to be \$1,005 at December 31, 2019. This amount has been accrued for in the Internal Service Fund. Indiana law limits the liability of municipalities to \$700 per person and \$5,000 per occurrence. Additionally, the City is a defendant in various lawsuits for which management has determined that there is a reasonable possibility of an adverse outcome. No accrual has been made in the financial statements for these items, which approximate \$6,504-\$55,222, as these potential losses are not both probable and estimable.
- B. The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.
- C. The City has entered into operating agreements on a number of City-owned golf courses, which provide for termination payments to be made to the operator if the City cancels the agreements prematurely. These payments are primarily to cover the costs for improvements made to the courses by the operators. The termination payment declines over the term of the agreements. All agreements’ terms ended in 2019, and as such the contingent liability is \$0.

19. Risk Management

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

The change in claims for 2019 and 2018, including an estimate of incurred but not reported claims, is as follows:

	<u>Risk Management</u>	<u>Public Liability Self-Insurance</u>	<u>Employee Health Insurance</u>	<u>Total</u>
Unpaid claims, December 31, 2017	\$ 10,536	\$ 61	\$ 9,083	\$ 19,680
Incurred claims and changes in estimates	8,368	5,150	79,674	93,192
Claims paid	<u>(8,082)</u>	<u>(1,578)</u>	<u>(80,472)</u>	<u>(90,132)</u>
Unpaid claims, December 31, 2018	\$ 10,822	\$ 3,633	\$ 8,285	\$ 22,740
Incurred claims and changes in estimates	6,980	1,281	90,040	98,301
Claims paid	<u>(7,724)</u>	<u>(3,909)</u>	<u>(87,180)</u>	<u>(98,813)</u>
Unpaid claims, December 31, 2019	<u>\$ 10,078</u>	<u>\$ 1,005</u>	<u>\$ 11,145</u>	<u>\$ 22,228</u>

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

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

The City has elected to be self-insured through a high-deductible health insurance plan that is offered to current and eligible retired employees. There is a \$500 stop-loss coverage for each employee per annum. The City has contracted with a third party to service its health insurance claims. The City records a liability for the estimated outstanding claims at year-end in the self-insurance fund, which is included in accounts payable and other current liabilities in the statement of net position. The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

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

20. Parking Meter Concession Agreement

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

The City receives a share of all revenues generated from the parking meter system. During 2019, the City's monthly share of the revenue was 30% for parking meter revenues collected between \$0 and \$651 and 60% for all such amounts above \$651 (each tier amount is adjusted for inflation annually). Under the agreement, the City must compensate the concessionaire to offset its losses for certain events, which include, but are not limited to, the City's removal or temporary closure of parking meters, material changes in the rules and regulations affecting the parking meters or residential permits, and the City's ownership or operation of certain off-street parking developed after the effective date and located within a quarter of a mile of a parking meter space. The City may terminate the concessionaire agreement but would be required to make a termination payment ranging from \$8,000 to \$19,800 based on the date of termination.

At December 31, 2019, \$16,400 is recorded as a deferred inflow of resources in the government-wide statement of net position for the unamortized portion of upfront payments by the operator to the City. The deferred inflow of resources is being amortized using the straight-line method over the 50-year term of the agreement and, in 2019, \$400 was amortized and recognized as revenue in the government-wide statement of activities.

21. Related Party Transactions

The legislative body of the City is the same in several respects as that of the County, and the position of the County Executive is the same as the Mayor of Indianapolis. The County provides certain information systems and telephone services to the City. During 2019, the City incurred approximately \$18,159 in information systems costs and \$903 in telephone costs. The City also paid the County \$7,549 of 911 dispatch fees. During 2019, the County paid the City \$701 for fuel charges. As of December 31, 2019, the County owed the City \$1,397 for court costs. In addition, the City and County both act in capacities as pass through and subrecipient agents for federal and state grants.

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

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

In connection with a Public Safety Support Agreement dated March 1, 2013, between the City and the CIB, the CIB is to pay a portion of the Marion County Admissions Taxes and Marion County Supplemental Auto Rental Excise Taxes it receives on an annual basis to the City to be used for public safety purposes. The CIB is to pay to the City 25% of the revenue received from the most recently enacted increase in the admissions tax, which in 2019 amounted to \$2,296; however, per the agreement, such amount shall never exceed \$3,000 annually. The term of the Public Safety Agreement extends to February 28, 2021 and automatically renews for additional four-year periods until terminated by either party. Under this same agreement, the City agreed to fund up to \$5 million in repairs to be made to an underground parking facility below Hudnut Commons, an open, landscaped public area in downtown Indianapolis. The City has funded \$4,660 in repairs through December 31, 2019.

In 2018, the City entered into an agreement with The Health and Hospital Corporation of Marion County (“HHC”), whereas HHC agreed to support a portion of the startup and capital costs associated with the Community Justice Center Campus, which will include an Assessment and Intervention Center (“AIC”). HHC will provide support from 2018 through 2025, as follows: \$4,700 in 2018, \$2,500 in 2019 and 2020, and \$2,700 in 2021-2025. The AIC will help by diverting individuals from infective punitive measures, including incarceration, and into appropriate care delivery models that provide rapid and integrated patient care, to address mental health, addiction, homelessness, and other socio-economic issues.

During fiscal years 2017 and 2018, the City issued Local Option Income Tax Notes, Series 2017A and Series 2018A, the proceeds of which were used for site preparation, construction mobilization, engineering, planning and design, and consulting services costs in connection with the community justice campus project. Permanent financing was secured through lease rental revenue bonds, on April 4, 2019, when the Indianapolis Local Public Improvement Bond Bank issued the Community Justice Campus Bonds, Series 2019A and 2019B for \$610,645 and \$13,745 respectively. The proceeds from the 2019A series will be used for the purpose of purchasing the Indianapolis-Marion County Building Authority Lease Rental Revenue Bonds, Series 2019A (Jail and Courthouse Project) and paying off the Local Option Income Tax Notes, Series 2017A and 2018A, which had outstanding balances of \$20,000 and \$35,453, respectively, as the time of the issuance. The proceeds of the Series 2019B bonds will be used for the purpose of purchasing the Indianapolis-Marion County Building Authority Lease Rental Revenue Bonds, Series 2019B (Assessment and Intervention Center Project). The facilities and land on the campus will be leased by the Building Authority, as lessor, to Marion County, as lessee, whereas is Marion County is a related party to the City. As part of the transaction, the City recorded \$55,453 of contribution revenue for the note principal redemption, as well as \$211 in contribution revenue for accrued interest paid on the notes. As part of the closing, the City contributed \$9,319 to Marion County to fund a revenue stabilization account with the deposit trustee, equal to 3 months’ worth of lease rental payments. The balance in the revenue stabilization account will be maintained throughout the life of the bonds and provides bondholders with additional security. This contribution is recorded as a general government expenditure in the combined statement of revenues, expenditures, and changes in fund balances for the nonmajor debt service fund, Civil City. Additionally, the City transferred \$55,064 of accumulated construction in progress, funded by the 2017A and 2018A LOIT Notes, which, include costs previously incurred by the City for site preparation, construction mobilization, engineering, planning and design, and consulting services costs, as reported as contribution expense in the City’s statement of activities.

22. 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, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,382
Total		\$ 3,382

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

Interfund transfers for the year ended December 31, 2019 consisted of the following:

Transfers Out	Transfers In			
	Governmental Activities			
	General Fund	Revenue Bond Debt Service Fund	Nonmajor Governmental Funds	Total
General Fund	\$ —	\$ 6,645	\$ 8,037	\$ 14,682
Revenue Bond Debt Service Fund	—	—	31,093	31,093
Nonmajor Governmental Funds	79,574	6,621	56,605	142,800
Total transfers	<u>\$ 79,574</u>	<u>\$ 13,266</u>	<u>\$ 95,735</u>	<u>\$ 188,575</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.

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

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

Details of the adjustment for these reconciling items between the *fund balances – total governmental funds* and *net deficit of governmental activities*, as reported in the government-wide statement of net position at December 31, 2019, follow:

Bonds and notes payable	\$ 1,213,845
Unamortized premiums, net of discounts	80,854
Amounts recorded as matured bonds and notes payable at December 31, 2019	(10,650)
Capital leases payable	39,997
Net pension liabilities	870,035
Postemployment benefit liability	231,185
Compensated absences	<u>39,417</u>
Combined adjustment	<u>\$ 2,464,683</u>

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Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Details of the adjustments for these reconciling items between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities*, as reported in the government-wide statement of activities for the year ended December 31, 2019, follow:

Debt issued:	
General obligation bonds	\$ (15,000)
Tax increment bonds, excluding accretion on capital appreciation bonds of \$10,231	(46,674)
Revenue bonds	(90,000)
Notes payable	(28,816)
Unamortized premiums	<u>(25,018)</u>
Combined adjustment	<u><u>\$ (205,508)</u></u>
Repayments:	
Bond principal, less increase in matured bonds payable of \$10,650	\$ 67,722
Notes payable	<u>120,291</u>
Combined adjustment	<u><u>\$ 188,013</u></u>

24. Deficit Fund Balances and Net Position

Negative fund balances by fund are as follows:

<u>Deficit Fund Balances</u>	<u>2019</u>
Internal Service Fund	
Risk Management	\$ <u><u>(9,789)</u></u>

The risk management internal service fund negative fund balance will be covered by future charges to City departments.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2019
(Dollars in Thousands)

25. Subsequent Events

On January 7, 2020, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2020A (Block 20 Development Project) in the amount of \$4,562. The proceeds will be used for two separate projects consisting of a new mixed-use development at 428 North East Street, including a parking garage wrapped by a five-story building with apartment units and retail and restaurant space; and new office, and retail/restaurant space at 602 and 608 Park Avenue, including a new six-story building and the restoration of two existing historic buildings. This is a developer backed bond, that is secured by an 80% pledge of the Block 20 project and Park & North project TIF revenues.

On January 21, 2020, the City issued its General Obligation Bonds, Series 2020A (Public Safety Communications District Project) in the amount of \$37,940. The proceeds of the bonds will be used to refund the Public Safety Communication District Bonds, 2008B in the amount of \$13,600 and prepay the outstanding purchase price of \$23,929, owed under an equipment lease obligation. The bonds mature on January 1, 2029 and have an interest rate of 1.881%.

On January 28, 2020, the City extended its term by two years on the Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project). The original maturity date was February 1, 2020. The notes will now mature on February 1, 2022 and have an interest rate of 2.23%.

On March 6, 2020, the City issued via direct placement, Economic Development Tax Increment Revenue Bonds, Series 2020B (Infosys Project) in the amount of \$22,000 and Economic Development Tax Increment Revenue Bonds, Series 2020C(Taxable)(Infosys Project) for \$22,800. The bond proceeds from Series B will provide site acquisition and public infrastructure costs associated with the development of a 125-acre campus for Infosys's U.S. Education Center. In addition, the proceeds from Series B can be used, if desired to defease a portion of the currently refundable Redevelopment District Bonds, Series 2007(Ameriplex). The bond proceeds from Series C will be used to purchase a parking garage owned by the Indianapolis Airport Authority to be transferred to Infosys. The Series B mature on 1/15/2025 and have an interest rate of .930%, Series C mature on 1/15/2023 and has an interest rate of 1.58%.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the City]. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. On March 16, 2020, the Mayor issued Executive Order No. 1, 2020 declaring a local disaster emergency and ordering a watch-level travel advisory in Marion County, as a result of the spread of the novel Coronavirus Disease, known as COVID-19. The Governor also declared a disaster emergency for the State of Indiana on March 6, 2020. As part of the City and State executive orders social distancing strategies aimed at reducing the spread of infection have been ordered. As a result, numerous businesses have curtailed their operations, which will have an impact on the collections of various revenues. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. As a result of COVID-19 and related events, the City has received approximately \$168,000 of funds from the federal government in conjunction with one-time funds from the CARES Act-Assistance for State and Local Governments to utilize for expenditures related to this pandemic.

On April 24, 2020, the City in partnership with Indy Chamber through the Neighborhood Self Employment Initiative, Inc, has developed a rapid response hub to provide aid to small businesses impacted by COVID-19 with small-business loans to eligible Marion County businesses through the Federal Small Business Administration's Paycheck Protection Program. The initial waive of federal funding for this program was quickly exhausted and Congress authorized additional funding for the Paycheck Protection Program. In order to provide loans to Marion County small businesses that would, in turn be purchased by the federal Small Business Administration, the City will provide up to \$25,000 for the purposes of providing up-front capital, which will be fully reimbursed no later than December 31, 2020, as the Small Business Administration purchases the loans.

Required
Supplementary Information

Required
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2019
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Taxes	\$ 410,834	\$ 428,731	\$ 432,856	\$ 4,125
Licenses and permits	15,318	15,318	17,361	2,043
Charges for services	77,187	78,496	75,116	(3,380)
Intergovernmental revenues	74,225	75,159	52,280	(22,879)
Traffic violations and court fees	3,775	3,775	2,105	(1,670)
Intragovernmental revenues	10,426	11,151	6,497	(4,654)
Interest and other operating revenues	24,103	24,102	23,198	(904)
Total revenues	<u>615,868</u>	<u>636,732</u>	<u>609,413</u>	<u>(27,319)</u>
Expenditures:				
Current:				
General government	33,424	43,270	39,035	4,235
Public safety	434,286	433,377	432,660	717
Public works	119,499	126,211	122,551	3,660
Health and welfare	844	843	579	264
Cultural and recreation	26,981	26,256	24,213	2,043
Urban redevelopment and housing	8,226	8,226	6,815	1,411
Economic development and assistance	1,725	3,575	3,192	383
Capital outlays	40,609	75,352	65,762	9,590
Total expenditures	<u>665,594</u>	<u>717,110</u>	<u>694,807</u>	<u>22,303</u>
Deficiency of revenues under expenditures	<u>(49,726)</u>	<u>(80,378)</u>	<u>(85,394)</u>	<u>(5,016)</u>
Other financing sources:				
Sale and lease of property	785	785	1,394	609
Transfers in	57,084	54,280	66,043	11,763
Total other financing sources	<u>57,869</u>	<u>55,065</u>	<u>67,437</u>	<u>12,372</u>
Revenues under expenditures and other financing sources	8,143	(25,313)	(17,957)	7,356
Fund balance at beginning of year	219,397	212,848	234,366	21,518
Cancellation of purchase orders and other	(6,548)	31,411	32,924	1,513
Fund balance at end of year	<u>\$ 220,992</u>	<u>\$ 218,946</u>	<u>\$ 249,333</u>	<u>\$ 30,387</u>

See notes to required budgetary supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2019
(In thousands)

1. Budgets and Budgetary Accounting

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

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

		General Fund
		<hr/>
Original appropriations	\$	665,594
Revisions		51,516
Revised appropriations	\$	<hr/> <hr/> 717,110

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2019
(In thousands)

- 4) Before Council budget ordinances are approved by the Council, they are advertised by the City Controller twice in a local newspaper prior to the last Council meeting in September. The Council may not pass a budget above the level advertised. The Mayor may veto separate items of an approved budget ordinance, but the Council may override a veto by a two-thirds vote.
 - 5) The Indiana Department of Local Government Finance (DLGF) makes the final review of the budget. It can revise, reduce, or restore on appeal budgets, levies, and tax rates removed by the City-County Council. Except for Debt Service Funds, DLGF may not increase a budget, levy, or tax rate above the level originally advertised. If the budgets seek to exceed the tax limits of the state control laws, an excess levy may be granted if the excess levy meets state law requirements, and is approved by DLGF. DLGF is required to certify the budgets, levies, and rates by December 31 of the year preceding the budget year, unless the City issues debt after December 1 in the year preceding the budget year in which case DLGF will have until January 15.
 - 6) The City’s maximum permissible annual ad valorem property tax levy is restricted by Indiana law, with certain adjustments and exceptions, to the prior year’s maximum permissible ad valorem property tax levy adjusted by the average growth factor in nonfarm income in the State of Indiana.
- C) Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Pension Trust Funds. Encumbrances do not lapse with the expiration of the budget period.

2. Budget/GAAP Reporting Differences

Adjustments necessary to convert the results of 2019 operations from a budgetary basis to a GAAP basis are as follows:

	General Fund
Revenues over (under) expenditures and other financing sources (uses) (budgetary basis)	\$ (17,957)
Adjustments:	
Accrued revenues	91,268
Accrued expenditures	(67,331)
Transfers, net	(1,152)
Encumbrances	56,250
Expenditures from prior year encumbrances	(46,320)
Net change in fund balances (GAAP basis)	\$ 14,758

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Pension Liability							
Service cost	\$ 173	\$ 227	\$ 268	\$ 469	\$ 598	\$ 430	\$ 244
Interest cost	12,161	11,667	13,538	12,070	12,393	18,697	22,693
Expected return on assets	(5)	—	—	—	—	—	—
Plan amendments	2,889	—	—	—	—	—	—
Experience (gains)/losses	(1,608)	(333)	(253)	270	(2,747)	—	(4,432)
Assumption changes	38,078	(13,830)	20,399	(29,167)	(1,539)	61,324	65,959
Projected benefit payments	(28,160)	(28,513)	(28,723)	(28,979)	(29,171)	(29,267)	(28,886)
Net change in total pension liability	<u>23,528</u>	<u>(30,782)</u>	<u>5,229</u>	<u>(45,337)</u>	<u>(20,466)</u>	<u>51,184</u>	<u>55,578</u>
Total pension liability - beginning	407,823	438,605	433,376	478,713	499,179	447,995	392,417
Total pension liability - ending	<u>\$ 431,351</u>	<u>\$ 407,823</u>	<u>\$ 438,605</u>	<u>\$ 433,376</u>	<u>\$ 478,713</u>	<u>\$ 499,179</u>	<u>\$ 447,995</u>
Plan Fiduciary Net Position							
Employer contributions	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762	\$ 29,503
Actual benefit payments	<u>(28,133)</u>	<u>(28,532)</u>	<u>(28,570)</u>	<u>(28,761)</u>	<u>(30,153)</u>	<u>(28,783)</u>	<u>(28,469)</u>
Net change in plan fiduciary net position	5	(349)	(267)	126	(1,037)	(21)	1,034
Plan fiduciary net position - beginning	455	804	1,071	945	1,982	2,003	969
Plan fiduciary net position - ending	<u>\$ 460</u>	<u>\$ 455</u>	<u>\$ 804</u>	<u>\$ 1,071</u>	<u>\$ 945</u>	<u>\$ 1,982</u>	<u>\$ 2,003</u>
City's Net Pension Liability	<u>\$ 430,891</u>	<u>\$ 407,368</u>	<u>\$ 437,801</u>	<u>\$ 432,305</u>	<u>\$ 477,768</u>	<u>\$ 497,197</u>	<u>\$ 445,992</u>

Notes to Schedule

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

Benefit changes: On May 1, 2019 Senate Enrolled Act No. 85 (SEA 85) was signed into law increasing the benefit payable to converted members retiring after June 30, 2019 with 20 years of service from 50% to 52% and increasing the joint and survivor benefits payable to a converted member's surviving spouse from 60% to 70% for deaths occurring after June 30, 2019, assuming the death did not occur in the line-of-duty.

Changes in assumptions: The following changes in assumptions were made from the December 31, 2018 valuation.

- *Discount Rate* : The discount rate used for the December 31, 2019 valuation was 2.13%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2019. This is an increase from the 3.10% used for the December 31, 2018 valuation.
- *Cost-of-living-adjustment* (COLA): For converted members, the July 1, 2019 COLA was updated from the ongoing valuation assumption of 2.0% to reflect the known increase of 1.6%. Beginning July 1, 2020 the assumption reverts back to the assumed annual rate of 2.0%. For non-converted members, there was no change and the COLA remains at 2.5%.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Pension Liability							
Service cost	\$ 78	\$ 122	\$ 167	\$ 330	\$ 327	\$ 299	\$ 187
Interest cost	11,096	10,624	12,356	11,149	11,500	17,406	21,297
Expected return on assets	2	—	—	—	—	—	—
Plan amendments	2,396	—	—	—	—	—	—
Experience (gains)/losses	466	1,348	(4,522)	(552)	(628)	—	(3,704)
Assumption changes	33,418	(12,231)	17,990	(26,359)	(1,395)	55,244	59,984
Projected benefit payments	(27,196)	(27,432)	(27,655)	(28,046)	(28,340)	(28,489)	(29,490)
Net change in total pension liability	<u>20,260</u>	<u>(27,569)</u>	<u>(1,664)</u>	<u>(43,478)</u>	<u>(18,536)</u>	<u>44,460</u>	<u>48,274</u>
Total pension liability - beginning	371,001	398,570	400,234	443,712	462,248	417,788	369,514
Total pension liability - ending	<u>\$ 391,261</u>	<u>\$ 371,001</u>	<u>\$ 398,570</u>	<u>\$ 400,234</u>	<u>\$ 443,712</u>	<u>\$ 462,248</u>	<u>\$ 417,788</u>
Plan Fiduciary Net Position							
Employer contributions	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,163	\$ 29,209
Actual benefit payments	(27,477)	(28,209)	(27,830)	(27,727)	(28,383)	(28,395)	(29,567)
Net change in plan fiduciary net position	<u>469</u>	<u>(502)</u>	<u>(344)</u>	<u>247</u>	<u>(233)</u>	<u>768</u>	<u>(358)</u>
Plan fiduciary net position (deficit) - beginning	(206)	296	640	393	626	(142)	216
Plan fiduciary net position (deficit) - ending	<u>\$ 263</u>	<u>\$ (206)</u>	<u>\$ 296</u>	<u>\$ 640</u>	<u>\$ 393</u>	<u>\$ 626</u>	<u>\$ (142)</u>
City's Net Pension Liability	<u>\$ 390,998</u>	<u>\$ 371,207</u>	<u>\$ 398,274</u>	<u>\$ 399,594</u>	<u>\$ 443,319</u>	<u>\$ 461,622</u>	<u>\$ 417,930</u>

Notes to Schedule

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

Benefit changes: On May 1, 2019 Senate Enrolled Act No. 85 (SEA 85) was signed into law increasing the benefit payable to converted members retiring after June 30, 2019 with 20 years of service from 50% to 52% and increasing the joint and survivor benefits payable to a converted member's surviving spouse from 60% to 70% for deaths occurring after June 30, 2019, assuming the death did not occur in the line-of-duty.

Changes in assumptions: The following changes in assumptions were made from the December 31, 2018 valuation.

- *Discount Rate* : The discount rate used for the December 31, 2019 valuation was 2.13%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2019. This is an increase from the 3.10% used for the December 31, 2018 valuation.
- *Cost-of-living-adjustment* (COLA): For converted members, the July 1, 2019 COLA was updated from the ongoing valuation assumption of 2.0% to reflect the known increase of 1.6%. Beginning July 1, 2020 the assumption reverts back to the assumed annual rate of 2.0%. For non-converted members, there was no change and the COLA remains at 2.5%.

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

Actuarial valuation date	Total pension liability (a)	Plan fiduciary net position (b)	City's net pension liability (a-b)	Fiduciary net position as a % of total pension liability (b/a)	City's covered payroll*	City's net pension liability as a percentage of covered payroll ((a-b)/c)
Police Pre-1977 Plan						
12/31/2019	\$ 431,351	\$ 460	\$ 430,891	0.11 %	\$ 1,022	42,161.5 %
12/31/2018	407,823	455	407,368	0.11	1,469	27,731.0
12/31/2017	438,605	804	437,801	0.18	1,498	29,225.7
12/31/2016	433,376	1,071	432,305	0.25	1,824	23,700.9
12/31/2015	478,713	945	477,768	0.20	1,645	29,043.6
12/31/2014	499,179	1,982	497,197	0.40	1,805	27,545.5
12/31/2013	447,995	2,003	445,992	0.45	1,891	23,585.0
Firefighters' Pre-1977 Plan						
12/31/2019	391,261	263	390,998	0.07	250	156,399.2
12/31/2018	371,001	(206)	371,207	(0.06)	709	52,356.4
12/31/2017	398,570	296	398,274	0.07	1,115	35,719.6
12/31/2016	400,234	640	399,594	0.16	1,436	27,826.9
12/31/2015	443,712	393	443,319	0.09	1,175	37,729.3
12/31/2014	462,248	626	461,622	0.14	1,370	33,695.0
12/31/2013	417,788	(142)	417,930	0.03	1,533	27,262.2

* Plans closed to new members

Notes to Schedule

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

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

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
1977 Police and Firefighters' Plan												
City's proportion of the net pension liability (asset)	22.13	%	22.59	%	22.89	%	22.60	%	22.75	%	22.01	%
City's proportionate share of the net pension liability (asset)	\$ 2,040		\$ (19,856)		\$ (3,532)		\$ 20,079		\$ (33,609)		\$ (11,223)	
City's covered payroll	\$ 195,643		\$ 190,221		\$ 185,605		\$ 174,687		\$ 169,660		\$ 156,274	
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.04		(10.44)	%	(1.90)	%	11.49	%	(19.81)	%	(7.18)	%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.60		101.96	%	100.29	%	98.24	%	103.16	%	101.08	%
PERF												
City's proportion of the net pension liability	1.395	%	1.366	%	1.360	%	1.387	%	1.393	%	1.375	%
City's proportionate share of the net pension liability	\$ 46,106		\$ 46,405		\$ 60,665		\$ 62,935		\$ 56,743		\$ 36,131	
City's covered payroll	\$ 72,681		\$ 69,701		\$ 67,458		\$ 66,460		\$ 66,731		\$ 67,127	
City's proportionate share of the net pension liability as a percentage of its covered payroll	63.44		66.58	%	89.93	%	94.70	%	85.03	%	53.82	%
Plan fiduciary net position as a percentage of the total pension liability	79.38		79.69	% *	76.65	%	75.35	%	77.35	%	84.29	%

* Effective January 1, 2018, funds previously known as annuity savings accounts (which had been reported within defined benefit funds) were recategorized as defined contribution funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund totals were transferred to the appropriate DC fund as of January 1, 2018.

(Continued)

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

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: The INPRS Board noted there were no changes to plan provisions, actuarial methods and assumptions, or funding policies between the June 30, 2018 and June 30, 2019 valuations for the 1977 Police and Firefighters' Plans.

Changes in assumptions: PERF - In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed:

- 0.4% beginning on January 1, 2022
- 0.5% beginning on January 1, 2034
- 0.6% beginning on January 1, 2039

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1977 Police and Firefighters' Plan						
Actuarially determined contribution	\$ 25,903	\$ 20,017	\$ 16,540	\$ 25,353	\$ 26,503	\$ 26,211
Contributions in relation to the actuarially determined contribution	\$ 35,627	\$ 33,241	\$ 32,274	\$ 35,650	\$ 33,947	\$ 31,256
Contribution deficiency (excess)	\$ (9,724)	\$ (13,224)	\$ (15,734)	\$ (10,297)	\$ (7,444)	\$ (5,045)
City's covered payroll	\$ 201,559	\$ 187,126	\$ 183,122	\$ 179,821	\$ 169,213	\$ 159,052
Contributions as a percentage of covered payroll	17.68 %	17.76 %	17.62 %	19.83 %	20.06 %	19.65 %
PERF						
Actuarially determined contribution	\$ 5,307	\$ 5,463	\$ 6,761	\$ 6,666	\$ 7,682	\$ 7,065
Contributions in relation to the actuarially determined contribution	\$ 6,653	\$ 6,831	\$ 7,188	\$ 7,496	\$ 7,682	\$ 7,065
Contribution deficiency (excess)	\$ (1,346)	\$ (1,368)	\$ (427)	\$ (830)	\$ —	\$ —
City's covered payroll	\$ 70,551	\$ 67,735	\$ 66,251	\$ 66,984	\$ 68,622	\$ 67,406
Contributions as a percentage of covered payroll	9.43 %	10.08 %	10.85 %	11.19 %	11.19 %	10.48 %
Police Pre-1977 Plan						
Statutorily required contribution	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762
Contributions in relation to the statutorily required contribution	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll*	\$ 1,022	\$ 1,469	\$ 1,498	\$ 1,824	\$ 1,645	\$ 1,805
Contributions as a percentage of covered payroll	2,753.23 %	1,918.52 %	1,889.39 %	1,583.72 %	1,769.97 %	1,593.46 %
Firefighters' Pre-1977 Plan						
Statutorily required contribution	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,164
Contributions in relation to the statutorily required contribution	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,164
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll*	\$ 250	\$ 709	\$ 1,115	\$ 1,436	\$ 1,175	\$ 1,370
Contributions as a percentage of covered payroll	11,178.40 %	3,907.90 %	2,465.11 %	1,948.05 %	2,395.74 %	2,128.76 %

* Plans closed to new members

(Continued)

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

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: The INPRS Board noted there were no changes to plan provisions, actuarial methods and assumptions, or funding policies between the June 30, 2018 and June 30, 2019 valuations for the 1977 Police and Firefighters' Plans.

Changes in assumptions: PERF - In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed:

- 0.4% beginning on January 1, 2022*
- 0.5% beginning on January 1, 2034*
- 0.6% beginning on January 1, 2039*

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Other Postemployment Benefit Plan
Schedule of Net OPEB Liability Under GASB 75
(In thousands)

	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY		
Service cost	\$ 10,001	12,338
Interest	9,849	8,374
Economic/demographic gains/losses	(31,867)	-
Changes in assumptions	29,142	(15,568)
Benefit payments	<u>(5,893)</u>	<u>(6,154)</u>
Net change in total OPEB liability	11,232	(1,010)
Total OPEB liability - beginning	<u>233,127</u>	<u>234,137</u>
Total OPEB liability - ending	<u><u>\$ 244,359</u></u>	<u><u>233,127</u></u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 6,720	7,190
Net investment income	393	103
Benefit payments	(5,893)	(6,154)
Administrative expense	<u>(20)</u>	<u>(36)</u>
Net change in fiduciary net position	1,200	1,103
Plan fiduciary net position - beginning	<u>11,974</u>	<u>10,871</u>
Plan fiduciary net position - ending	<u><u>\$ 13,174</u></u>	<u><u>11,974</u></u>
Net OPEB liability	\$ 231,185	221,153
Plan fiduciary net position as a percentage of the total OPEB liability	5%	5%
Covered-employee payroll	322,297	311,988
Net OPEB liability as a percentage of covered-employee payroll	76%	75%

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: Discount rate increased from 4.10% at December 31, 2018 to 2.74% at December 31, 2019.

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Other Postemployment Benefit Plan
Schedule of OPEB Contributions
(In thousands)

	2019	2018
Contractually determined contribution	\$ 6,720	\$ 7,190
Contributions in relation to the contractually determined contribution	6,720	7,190
Contribution deficiency (excess)	-	-
 Covered-employee payroll	 322,297	 311,988
 Contributions as a percentage of covered-employee payroll	 2%	 2%

Notes to Schedule

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

Additional
Supplementary Information

Additional
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Governmental Funds by Fund Type
December 31, 2019
(In thousands)

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Equity in pooled cash	\$ 610	\$ 884	\$ 2,799	\$ —	\$ 4,293
Cash and investments with fiscal agents	—	24,516	96,275	370	121,161
Investments	15,316	22,125	94,964	—	132,405
Property taxes receivable	—	712	627	—	1,339
Accounts receivable, less allowance	966	505	511	—	1,982
Due from federal and state governments	11,386	—	—	—	11,386
Long-term receivables, less allowance	6,249	16,257	17,023	—	39,529
Total assets	<u>\$ 34,527</u>	<u>\$ 64,999</u>	<u>\$ 212,199</u>	<u>\$ 370</u>	<u>\$ 312,095</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Matured bonds payable	\$ —	\$ 9,135	\$ —	\$ —	\$ 9,135
Matured interest payable	—	1,999	—	—	1,999
Accounts payable and other accrued liabilities	5,422	2,088	16,127	—	23,637
Accrued payroll and payroll taxes	244	—	—	—	244
Due to other funds	3,382	—	—	—	3,382
Unearned revenue	20	—	—	—	20
Total liabilities	<u>9,068</u>	<u>13,222</u>	<u>16,127</u>	<u>—</u>	<u>38,417</u>
Deferred inflows of resources	<u>4,092</u>	<u>1,030</u>	<u>878</u>	<u>—</u>	<u>6,000</u>
Fund balances:					
Nonspendable	—	—	—	370	370
Restricted	21,367	50,747	195,194	—	267,308
Total fund balances	<u>21,367</u>	<u>50,747</u>	<u>195,194</u>	<u>370</u>	<u>267,678</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,527</u>	<u>\$ 64,999</u>	<u>\$ 212,199</u>	<u>\$ 370</u>	<u>\$ 312,095</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds by Fund Type
Year ended December 31, 2019
(In thousands)

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:					
Taxes	\$ 65,609	\$ 29,632	\$ 14,447	\$ —	\$ 109,688
Charges for services	3,568	—	—	—	3,568
Intergovernmental revenues	28,881	1,164	5,165	—	35,210
Intragovernmental revenues	—	263	—	—	263
Traffic violations and court fees	3,460	—	—	—	3,460
Interest and other operating revenues	1,105	82,705	3,201	8	87,019
Total revenues	<u>102,623</u>	<u>113,764</u>	<u>22,813</u>	<u>8</u>	<u>239,208</u>
Expenditures:					
Current:					
General government	1,222	—	—	—	1,222
Public safety	8,213	—	—	—	8,213
Public works	1,702	—	—	—	1,702
Health and welfare	7,135	—	—	—	7,135
Cultural and recreation	1,067	—	—	—	1,067
Urban redevelopment and housing	12,391	—	—	—	12,391
Economic development and assistance	3	—	33,622	—	33,625
Debt service:					
Redemption of bonds and notes	9	144,028	-	—	144,037
Interest on bonds and notes	3	28,707	510	—	29,220
Bond and note issuance costs	—	—	2,129	—	2,129
Lease payments and other	—	2,544	—	—	2,544
Capital outlays	4,553	—	132,113	—	136,666
Total expenditures	<u>36,298</u>	<u>175,279</u>	<u>168,374</u>	<u>—</u>	<u>379,951</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>66,325</u>	<u>(61,515)</u>	<u>(145,561)</u>	<u>8</u>	<u>(140,743)</u>
Other financing sources (uses):					
Issuance of capital lease	—	—	21,002	—	21,002
Sale of capital assets	10	—	340	—	350
Bonds and notes issued	—	—	180,490	—	180,490
Premium on bonds and notes issued	—	—	25,018	—	25,018
Transfers in	387	74,737	20,611	—	95,735
Transfers out	(67,157)	(21,150)	(54,493)	—	(142,800)
Total other financing sources (uses)	<u>(66,760)</u>	<u>53,587</u>	<u>192,968</u>	<u>—</u>	<u>179,795</u>
Net change in fund balances	<u>(435)</u>	<u>(7,928)</u>	<u>47,407</u>	<u>8</u>	<u>39,052</u>
Fund balances at beginning of year	21,802	58,675	147,787	362	228,626
Fund balances at end of year	<u>\$ 21,367</u>	<u>\$ 50,747</u>	<u>\$ 195,194</u>	<u>\$ 370</u>	<u>\$ 267,678</u>

General Fund

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

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

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

December 31, 2019

(In thousands)

	General Fund	Intrafund	Consolidated	Redevelop-	Solid Waste		Public Safety
	Total	Eliminations	County	ment	Collection	Disposal	Communications
ASSETS							
Equity in pooled cash	\$ 8,987	\$ —	\$ 3,792	\$ 474	\$ 302	\$ —	\$ 126
Investments	307,408	—	177,118	11,884	7,581	—	3,157
Property taxes receivable	8,482	—	1,079	19	1,235	—	—
Accounts receivable	29,044	—	4,812	1,087	1,312	1,034	—
Allowance for estimated uncollectibles – accounts receivable	(1,562)	—	—	—	—	—	—
Due from other funds	3,382	(37)	3,419	—	—	—	—
Due from federal and state governments	20	—	—	—	—	—	—
Long-term receivables	585	—	—	585	—	—	—
Total assets	<u>\$ 356,346</u>	<u>(37)</u>	<u>\$ 190,220</u>	<u>\$ 14,049</u>	<u>\$ 10,430</u>	<u>\$ 1,034</u>	<u>\$ 3,283</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ 29,903	\$ —	\$ 10,593	\$ 198	\$ 4,762	\$ 2,859	\$ 332
Accrued payroll and payroll taxes	21,087	—	2,377	20	232	—	162
Due to other funds	—	(37)	—	—	—	37	—
Unearned revenue	259	—	259	—	—	—	—
Total liabilities	<u>51,249</u>	<u>(37)</u>	<u>13,229</u>	<u>218</u>	<u>4,994</u>	<u>2,896</u>	<u>494</u>
Deferred inflows of resources	<u>16,103</u>	<u>—</u>	<u>1,400</u>	<u>28</u>	<u>1,834</u>	<u>1,010</u>	<u>—</u>
Fund balances:							
Restricted	87,641	—	—	—	—	—	—
Committed	10,861	—	10,861	—	—	—	—
Assigned	85,825	—	54,130	13,803	3,602	—	2,789
Unassigned	104,667	—	110,600	—	—	(2,872)	—
Total fund balances (deficit)	<u>288,994</u>	<u>—</u>	<u>175,591</u>	<u>13,803</u>	<u>3,602</u>	<u>(2,872)</u>	<u>2,789</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 356,346</u>	<u>(37)</u>	<u>\$ 190,220</u>	<u>\$ 14,049</u>	<u>\$ 10,430</u>	<u>\$ 1,034</u>	<u>\$ 3,283</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund
December 31, 2019
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
ASSETS					
Equity in pooled cash	\$ 2,021	\$ 223	\$ 267	\$ 368	\$ 1,414
Investments	50,691	5,607	6,685	9,222	35,463
Property taxes receivable	—	3,831	744	1,574	—
Accounts receivable	12,814	1,726	613	1,302	4,344
Allowance for estimated uncollectibles – accounts receivable	—	—	—	—	(1,562)
Due from other funds	—	—	—	—	—
Due from federal and state governments	—	—	—	20	—
Long-term receivables	—	—	—	—	—
Total assets	<u>\$ 65,526</u>	<u>\$ 11,387</u>	<u>\$ 8,309</u>	<u>\$ 12,486</u>	<u>\$ 39,659</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 6,362	\$ 479	\$ 623	\$ 684	\$ 3,011
Accrued payroll and payroll taxes	448	8,655	329	8,738	126
Due to other funds	—	—	—	—	—
Unearned revenue	—	—	—	—	—
Total liabilities	<u>6,810</u>	<u>9,134</u>	<u>952</u>	<u>9,422</u>	<u>3,137</u>
Deferred inflows of resources	<u>161</u>	<u>5,314</u>	<u>1,372</u>	<u>2,414</u>	<u>2,570</u>
Fund balance:					
Restricted	58,555	—	—	—	29,086
Committed	—	—	—	—	—
Assigned	—	—	5,985	650	4,866
Unassigned	—	(3,061)	—	—	—
Total fund balances	<u>58,555</u>	<u>(3,061)</u>	<u>5,985</u>	<u>650</u>	<u>33,952</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,526</u>	<u>\$ 11,387</u>	<u>\$ 8,309</u>	<u>\$ 12,486</u>	<u>\$ 39,659</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2019
(In thousands)

	General Fund	Intrafund	Consolidated	Redevelop-	Solid Waste		Public Safety
	Total	eliminations	County	ment	Collection	Disposal	Communications
Revenues:							
Taxes	\$ 433,530	\$ —	\$ 211,394	\$ 981	\$ 36,195	\$ —	\$ 7,824
Licenses and permits	17,834	—	17,310	147	—	—	—
Charges for services	79,752	—	15,479	1,200	1,676	8,937	1,373
Other intergovernmental revenues:							
Federal revenues	2,965	—	53	—	—	—	—
State revenues	117,044	—	2,543	750	—	—	—
Other revenues	5,617	—	2,501	—	—	—	321
Intragovernmental revenue	7,157	—	6,613	—	—	—	—
Traffic violations and court fees	2,130	—	1,503	—	—	—	—
Interest and other operating revenues	25,755	—	10,114	410	808	(43)	31
Total revenues	691,784	—	267,510	3,488	38,679	8,894	9,549
Expenditures:							
Current:							
General government	39,871	—	39,871	—	—	—	—
Public safety	487,879	—	29,051	—	—	—	7,601
Public works	122,347	—	83	—	37,859	10,576	—
Health and welfare	76	—	72	4	—	—	—
Cultural and recreation	23,615	—	1,000	—	—	—	—
Urban redevelopment and housing	6,176	—	4,028	1,225	—	—	—
Economic development and assistance	3,002	—	1,105	1,896	—	—	—
Debt service:							
Redemption of bonds and notes	1,456	—	895	3	—	—	—
Interest on bonds and notes	503	—	290	1	—	—	—
Lease payments and other	24	—	6	—	8	—	—
Capital outlays	67,259	—	1,761	259	3,062	—	162
Total expenditures	752,208	—	78,162	3,388	40,929	10,576	7,763
Excess (deficiency) of revenues over (under) expenditures	(60,424)	—	189,348	100	(2,250)	(1,682)	1,786
Other financing sources (uses):							
Issuance of capital lease	8,564	—	—	—	—	—	—
Sales of capital assets	1,727	—	629	1,009	—	—	—
Transfers in	79,574	(195,716)	16,024	8	—	—	—
Transfers out	(14,682)	195,716	(192,414)	(1,966)	—	—	(300)
Total other financing sources (uses)	75,183	—	(175,761)	(949)	—	—	(300)
Net change in fund balance	14,759	—	13,587	(849)	(2,250)	(1,682)	1,486
Fund balances (deficits) at beginning of year	274,235	—	162,004	14,652	5,852	(1,190)	1,303
Fund balances (deficits) at end of year	\$ 288,994	\$ —	\$ 175,591	\$ 13,803	\$ 3,602	\$ (2,872)	\$ 2,789

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2019
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
Revenues:					
Taxes	\$ 15,527	\$ 93,114	\$ 20,872	\$ 47,623	\$ —
Licenses and permits	10	29	—	338	—
Charges for services	1,743	594	4,184	3,259	41,307
Other intergovernmental revenues:					
Federal revenues	2,821	—	34	57	—
State revenues	55,235	28,488	—	30,028	—
Other revenues	503	1,146	—	1,146	—
Intragovernmental revenue	—	—	—	—	544
Traffic violations and court fees	—	—	—	627	—
Interest and other operating revenues	3,881	3,312	62	6,470	710
Total revenues	<u>79,720</u>	<u>126,683</u>	<u>25,152</u>	<u>89,548</u>	<u>42,561</u>
Expenditures:					
Current:					
General government	—	—	—	—	—
Public safety	—	191,742	2,159	257,326	—
Public works	52,673	—	—	—	21,156
Health and welfare	—	—	—	—	—
Cultural and recreation	—	—	22,615	—	—
Urban redevelopment and housing	923	—	—	—	—
Economic development and assistance	1	—	—	—	—
Debt service:					
Redemption of bonds and notes	1	117	312	128	—
Interest on bonds and notes	—	38	133	41	—
Lease payments and other	6	3	1	—	—
Capital outlays	38,773	9,752	620	174	12,696
Total expenditures	<u>92,377</u>	<u>201,652</u>	<u>25,840</u>	<u>257,669</u>	<u>33,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,657)</u>	<u>(74,969)</u>	<u>(688)</u>	<u>(168,121)</u>	<u>8,709</u>
Other financing sources (uses):					
Issuance of capital lease	1,318	7,246	—	—	—
Sales of capital assets	—	24	—	65	—
Transfers in	25,126	67,633	—	165,778	721
Transfers out	(6,207)	—	—	—	(9,511)
Total other financing sources (uses)	<u>20,237</u>	<u>74,903</u>	<u>—</u>	<u>165,843</u>	<u>(8,790)</u>
Net change in fund balance	7,580	(66)	(688)	(2,278)	(81)
Fund balances at beginning of year	<u>50,975</u>	<u>(2,995)</u>	<u>6,673</u>	<u>2,928</u>	<u>34,033</u>
Fund balances at end of year	<u>\$ 58,555</u>	<u>\$ (3,061)</u>	<u>\$ 5,985</u>	<u>\$ 650</u>	<u>\$ 33,952</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	<u>Total General Fund</u>		<u>Consolidated County</u>		<u>Redevelopment</u>		<u>Solid Waste Collection</u>	
	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>
Revenues:								
Taxes	\$ 428,731	\$ 432,856	\$ 209,728	\$ 211,394	\$ 1,134	\$ 1,105	\$ 35,184	\$ 36,195
Licenses and permits	15,318	17,361	15,139	16,865	—	129	—	—
Charges for services	78,496	75,116	16,064	13,093	1,343	1,234	2,359	1,671
Other intergovernmental revenues:								
Federal revenues	3,275	2,638	—	44	—	—	—	—
State revenues	66,616	44,209	2,676	1,789	750	—	—	—
Other revenues	5,268	5,433	2,379	2,361	—	—	—	—
Traffic violations and court fees	3,775	2,105	2,473	1,498	—	—	—	—
Intragovernmental revenues	11,151	6,497	3,456	6,134	—	—	—	—
Interest and other operating revenues	24,102	23,198	6,600	9,094	—	410	238	129
Total revenues	<u>636,732</u>	<u>609,413</u>	<u>258,515</u>	<u>262,272</u>	<u>3,227</u>	<u>2,878</u>	<u>37,781</u>	<u>37,995</u>
Expenditures:								
Current:								
General government	43,270	39,035	43,270	39,035	—	—	—	—
Public safety	433,377	432,660	30,720	29,178	—	—	—	—
Public works	126,211	122,551	265	296	—	—	36,814	36,725
Health and welfare	843	579	275	135	568	444	—	—
Cultural and recreation	26,256	24,213	1,000	1,000	—	—	—	—
Urban redevelopment and housing	8,226	6,815	5,610	4,466	1,497	1,327	—	—
Economic development and assistance	3,575	3,192	—	1,105	3,575	2,086	—	—
Capital outlays	75,352	65,762	1,812	1,564	320	271	2,243	2,236
Total expenditures	<u>717,110</u>	<u>694,807</u>	<u>82,952</u>	<u>76,779</u>	<u>5,960</u>	<u>4,128</u>	<u>39,057</u>	<u>38,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,378)</u>	<u>(85,394)</u>	<u>175,563</u>	<u>185,493</u>	<u>(2,733)</u>	<u>(1,250)</u>	<u>(1,276)</u>	<u>(966)</u>
Other financing sources (uses):								
Sales of capital assets	785	1,394	585	614	200	705	—	—
Transfers in (out)	54,280	66,043	(195,790)	(176,391)	(310)	(1,958)	—	—
Total other financing sources (uses)	<u>55,065</u>	<u>67,437</u>	<u>(195,205)</u>	<u>(175,777)</u>	<u>(110)</u>	<u>(1,253)</u>	<u>—</u>	<u>—</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(25,313)</u>	<u>(17,957)</u>	<u>(19,642)</u>	<u>9,716</u>	<u>(2,843)</u>	<u>(2,503)</u>	<u>(1,276)</u>	<u>(966)</u>
Fund balances at beginning of year	212,848	234,366	139,417	148,321	12,088	13,138	6,894	7,482
Cancellation of purchase orders and other	31,411	32,924	32,094	10,739	1,898	141	1,968	863
Fund balances at end of year	<u>\$ 218,946</u>	<u>\$ 249,333</u>	<u>\$ 151,869</u>	<u>\$ 168,776</u>	<u>\$ 11,143</u>	<u>\$ 10,776</u>	<u>\$ 7,586</u>	<u>\$ 7,379</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	Solid Waste Disposal		Public Safety Communications		Transportation		Metropolitan Police	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ —	\$ —	\$ 7,825	\$ 7,824	\$ 15,257	\$ 14,729	\$ 46,810	\$ 47,623
Licenses and permits	—	—	—	—	—	10	159	334
Charges for services	9,116	8,913	1,361	222	1,800	788	2,888	3,043
Other intergovernmental revenues:								
Federal revenues	—	—	—	—	3,000	2,501	175	56
State revenues	—	—	—	—	60,760	39,990	1,887	1,887
Other revenues	—	—	320	321	569	459	1,000	1,146
Traffic violations and court fees	—	—	—	—	—	—	1,302	607
Intragovernmental revenues	—	—	144	—	6,822	—	4	—
Interest and other operating revenues	—	(43)	—	31	5,085	3,132	8,562	6,470
Total revenues	9,116	8,870	9,650	8,398	93,293	61,609	62,787	61,166
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	9,538	9,068	—	—	229,035	228,788
Public works	9,924	9,921	—	—	57,372	54,379	—	—
Health and welfare	—	—	—	—	—	—	—	—
Cultural and recreation	—	—	—	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	1,119	1,022	—	—
Economic development and assistance	—	—	—	—	—	1	—	—
Capital outlays	—	—	117	79	51,744	43,262	4,868	4,833
Total expenditures	9,924	9,921	9,655	9,147	110,235	98,664	233,903	233,621
Excess (deficiency) of revenues over (under) expenditures	(808)	(1,051)	(5)	(749)	(16,942)	(37,055)	(171,116)	(172,455)
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	—	54
Transfers in (out)	—	—	(300)	851	18,604	18,920	171,739	165,778
Total other financing sources (uses)	—	—	(300)	851	18,604	18,920	171,739	165,832
Revenues over (under) expenditures and other financing sources (uses)	(808)	(1,051)	(305)	102	1,662	(18,135)	623	(6,623)
Fund balances at beginning of year	908	815	609	929	20,450	18,227	1,343	9,010
Cancellation of purchase orders and other	(27)	100	113	16	(8,473)	19,943	(561)	389
Fund balances (deficits) at end of year	\$ 73	\$ (136)	\$ 417	\$ 1,047	\$ 13,639	\$ 20,035	\$ 1,405	\$ 2,776

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	Fire		Park		Storm Water Management	
	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:						
Taxes	\$ 92,213	\$ 93,114	\$ 20,580	\$ 20,872	\$ —	\$ —
Licenses and permits	20	23	—	—	—	—
Charges for services	582	595	4,749	4,281	38,234	41,276
Other intergovernmental revenues:						
Federal revenues	—	—	100	37	—	—
State revenues	543	543	—	—	—	—
Other revenues	1,000	1,146	—	—	—	—
Traffic violations and court fees	—	—	—	—	—	—
Intragovernmental revenues	—	—	—	—	725	363
Interest and other operating revenues	3,602	3,310	15	83	—	582
Total revenues	<u>97,960</u>	<u>98,731</u>	<u>25,444</u>	<u>25,273</u>	<u>38,959</u>	<u>42,221</u>
Expenditures:						
Current:						
General government	—	—	—	—	—	—
Public safety	163,542	163,457	542	2,169	—	—
Public works	—	—	—	—	21,836	21,230
Health and welfare	—	—	—	—	—	—
Cultural and recreation	—	—	25,256	23,213	—	—
Urban redevelopment and housing	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Capital outlays	2,700	2,700	888	885	10,660	9,932
Total expenditures	<u>166,242</u>	<u>166,157</u>	<u>26,686</u>	<u>26,267</u>	<u>32,496</u>	<u>31,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,282)</u>	<u>(67,426)</u>	<u>(1,242)</u>	<u>(994)</u>	<u>6,463</u>	<u>11,059</u>
Other financing sources (uses):						
Sale of capital assets	—	21	—	—	—	—
Transfers in (out)	69,353	67,633	—	—	(9,016)	(8,790)
Total other financing sources (uses)	<u>69,353</u>	<u>67,654</u>	<u>—</u>	<u>—</u>	<u>(9,016)</u>	<u>(8,790)</u>
Revenues over (under) expenditures and other financing sources (uses)	1,071	228	(1,242)	(994)	(2,553)	2,269
Fund balances at beginning of year	2,658	4,848	4,916	5,701	23,565	25,895
Cancellation of purchase orders and other	(839)	54	646	266	4,592	413
Fund balances at end of year	<u>\$ 2,890</u>	<u>\$ 5,130</u>	<u>\$ 4,320</u>	<u>\$ 4,973</u>	<u>\$ 25,604</u>	<u>\$ 28,577</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Executive and Legislative				
Office of the Mayor	Consolidated County			
Personal services		\$ 3,436	\$ 3,088	\$ 348
Supplies		6	3	3
Other services and charges		7,416	7,393	23
Capital outlay		3	2	1
Internal charges		(744)	(744)	—
Total		<u>10,117</u>	<u>9,742</u>	<u>375</u>
Office of Audit and Performance	Consolidated County			
Personal services		819	737	82
Supplies		3	1	2
Other services and charges		969	936	33
Capital outlay		3	3	—
Internal charges		40	40	—
Total		<u>1,834</u>	<u>1,717</u>	<u>117</u>
City–County Council	Consolidated County			
Personal services		1,344	1,300	44
Supplies		6	2	4
Other services and charges		515	482	33
Capital outlay		3	—	3
Internal charges		1	1	—
Total		<u>1,869</u>	<u>1,785</u>	<u>84</u>
Cable Franchise Board	Consolidated County			
Personal services		363	357	6
Supplies		3	2	1
Other services and charges		192	187	5
Capital outlay		30	29	1
Internal charges		2	2	—
Total		<u>590</u>	<u>577</u>	<u>13</u>
Office of the Corporation Counsel	Consolidated County			
Personal services		3,394	3,368	26
Supplies		7	4	3
Other services and charges		1,838	1,821	17
Capital outlay		1	—	1
Internal charges		(3,901)	(3,901)	—
Total		<u>1,339</u>	<u>1,292</u>	<u>47</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Office of Finance and Management	Consolidated County			
Personal services		\$ 5,070	\$ 4,454	\$ 616
Supplies		42	11	31
Other services and charges		3,004	2,864	140
Capital outlay		20	18	2
Internal charges		319	317	2
Total		<u>8,455</u>	<u>7,664</u>	<u>791</u>
Minority and Women Owned Business	Consolidated County			
Personal services		541	532	9
Supplies		2	2	—
Other services and charges		399	287	112
Capital outlay		1	—	1
Internal charges		39	39	—
Total		<u>982</u>	<u>860</u>	<u>122</u>
Non-Departmental	Consolidated County			
Personal services		—	—	—
Supplies		—	—	—
Other services and charges		9,675	9,674	1
Capital outlay		—	—	—
Internal charges		—	—	—
Total		<u>9,675</u>	<u>9,674</u>	<u>1</u>
Total – Executive and Legislative		<u>\$ 34,861</u>	<u>\$ 33,311</u>	<u>\$ 1,549</u>
Department of Metropolitan Development	Consolidated County			
Personal services		\$ 2,623	\$ 2,465	\$ 158
Supplies		10	8	2
Other services and charges		3,646	3,588	58
Capital outlay		63	62	1
Internal charges		74	108	(34)
Total		<u>6,416</u>	<u>6,231</u>	<u>185</u>
Department of Metropolitan Development	Transportation			
Personal services		225	210	15
Supplies		1	—	1
Other services and charges		878	805	73
Capital outlay		2	—	2
Internal charges		15	8	7
Total		<u>1,121</u>	<u>1,023</u>	<u>98</u>
Department of Metropolitan Development	Redevelopment			
Personal services		973	887	86
Supplies		3	2	1
Other services and charges		4,580	2,884	1,696
Capital outlay		320	271	49
Internal charges		84	84	—
Total		<u>5,960</u>	<u>4,128</u>	<u>1,832</u>
Total – Department of Metropolitan Development		<u>\$ 13,497</u>	<u>\$ 11,382</u>	<u>\$ 2,115</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Business and Neighborhood Services	Consolidated County			
Personal services		\$ 15,052	\$ 13,915	\$ 1,137
Supplies		539	517	22
Other services and charges		10,082	8,161	1,921
Capital outlay		1,356	1,312	44
Internal charges		2,062	2,062	—
Total – Department of Business and Neighborhood Services		<u>\$ 29,091</u>	<u>\$ 25,967</u>	<u>\$ 3,124</u>
Department of Public Works	Consolidated County			
Personal services		\$ 9,834	\$ 9,834	\$ —
Supplies		16,304	15,981	323
Other services and charges		8,433	8,188	245
Capital outlay		324	133	191
Internal charges		(31,557)	(31,506)	(51)
Total		<u>3,338</u>	<u>2,630</u>	<u>708</u>
Department of Public Works	Transportation			
Personal services		22,119	22,119	—
Supplies		6,070	6,029	41
Other services and charges		22,503	19,552	2,951
Capital outlay		51,742	43,262	8,480
Internal charges		6,680	6,679	1
Total		<u>109,114</u>	<u>97,641</u>	<u>11,473</u>
Department of Public Works	Park			
Personal services		6,108	6,041	67
Supplies		241	241	—
Other services and charges		2,344	2,344	—
Capital outlay		74	74	—
Internal charges		(8,766)	(8,700)	(66)
Total		<u>1</u>	<u>—</u>	<u>1</u>
Department of Public Works	Solid Waste Collection			
Personal services		9,410	9,410	—
Supplies		101	79	22
Other services and charges		20,131	20,081	50
Capital outlay		2,243	2,236	7
Internal charges		7,172	7,155	17
Total		<u>39,057</u>	<u>38,961</u>	<u>96</u>
Department of Public Works	Solid Waste Disposal			
Other services and charges		\$ 9,859	\$ 9,859	\$ —
Internal charges		65	62	3
Total		<u>9,924</u>	<u>9,921</u>	<u>3</u>
Department of Public Works	Storm Water Management			
Personal services		6,889	6,889	—
Supplies		44	44	—
Other services and charges		12,609	12,007	602
Capital outlay		10,660	9,932	728
Internal charges		2,294	2,290	4
Total		<u>32,496</u>	<u>31,162</u>	<u>1,334</u>
Total – Department of Public Works		<u>\$ 193,930</u>	<u>\$ 180,315</u>	<u>\$ 13,615</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Budgetary account</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Office of Public Health and Safety	Consolidated County			
Personal services		\$ 1,394	\$ 828	\$ 566
Supplies		7	6	1
Other services and charges		6,834	6,802	32
Capital outlay		11	4	7
Total		<u>8,246</u>	<u>7,640</u>	<u>606</u>
Office of Public Health and Safety	Public Safety			
Personal services	Communications	1,543	1,442	101
Supplies		95	95	—
Other services and charges		5,077	5,074	3
Capital outlay		80	79	1
Internal charges		31	31	—
Total		<u>6,826</u>	<u>6,721</u>	<u>105</u>
Total – Office of Public Health and Safety		<u>\$ 15,072</u>	<u>\$ 14,361</u>	<u>\$ 711</u>
Indianapolis Fire Department	Public Safety			
Personal services	Communications	\$ 2,708	\$ 2,350	\$ 358
Supplies		24	22	2
Other services and charges		60	54	6
Capital outlay		37	—	37
Total		<u>2,829</u>	<u>2,426</u>	<u>403</u>
Indianapolis Fire Department	Fire			(Continued)
Personal services		\$ 148,570	\$ 148,570	\$ —
Supplies		1,799	1,733	66
Other services and charges		8,103	8,084	19
Capital outlay		2,700	2,700	—
Internal charges		5,070	5,070	—
Total		<u>166,242</u>	<u>166,157</u>	<u>85</u>
Total – Indianapolis Fire Department		<u>\$ 169,071</u>	<u>\$ 168,583</u>	<u>\$ 488</u>
Indianapolis Metropolitan Police Department	Metropolitan Police			
Personal services		\$ 198,133	\$ 197,967	\$ 166
Supplies		1,540	1,499	41
Other services and charges		18,736	18,696	40
Capital outlay		4,868	4,833	35
Internal charges		10,626	10,626	—
Total – Indianapolis Metropolitan Police Department		<u>\$ 233,903</u>	<u>\$ 233,621</u>	<u>\$ 282</u>
Department of Parks and Recreation	Consolidated County			
Other services and charges		\$ 1,000	\$ 1,000	\$ —
Total		<u>1,000</u>	<u>1,000</u>	<u>—</u>
Department of Parks and Recreation	Park			
Personal services		9,332	9,056	276
Supplies		637	606	31
Other services and charges		5,902	5,860	42
Capital outlay		815	812	3
Internal charges		9,999	9,933	66
Total		<u>26,685</u>	<u>26,267</u>	<u>418</u>
Total – Department of Parks and Recreation		<u>\$ 27,685</u>	<u>\$ 27,267</u>	<u>\$ 418</u>
Total – General Fund – by Department and Division		<u>\$ 717,110</u>	<u>\$ 694,807</u>	<u>\$ 22,302</u>

Nonmajor Special Revenue Funds

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

Parking -	to account for revenue from the concession agreement for parking meters; these receipts are used for the repair of sidewalks, curbs, and streets
Cable Franchise PEG Grants -	to account for contributions from the two cable franchise agreements to provide for public purpose grants for the capital costs of Public, Educational, or Governmental (PEG) Access Facilities
Federal Grants -	to account for all grants received from the U.S. Departments of Housing and Urban Development, Justice, Transportation, Homeland Security, and other miscellaneous federal agencies
State of Indiana Grants -	to account for all grants received from the State of Indiana
Public Safety Income Tax -	to account for public safety income tax receipts
Drug Free Community -	to account for drug free community grants

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Special Revenue Funds
December 31, 2019
(In thousands)

	Parking	Cable Franchise PEG Grants	Federal Grants	State of Indiana Grants	Public Safety Income Tax	Drug Free Community	Total Nonmajor Special Revenue Funds
ASSETS							
Equity in pooled cash	\$ 442	\$ 2	\$ —	\$ 156	\$ 2	\$ 8	\$ 610
Investments	11,085	61	—	3,926	51	193	15,316
Accounts receivable	869	—	—	97	—	—	966
Due from federal and state governments	—	—	11,386	—	—	—	11,386
Long-term receivables, less allowance of \$21,791	—	—	6,249	—	—	—	6,249
Total assets	\$ 12,396	\$ 63	\$ 17,635	\$ 4,179	\$ 53	\$ 201	\$ 34,527
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ 1,658	\$ —	\$ 3,581	\$ 84	\$ —	\$ 99	\$ 5,422
Accrued payroll and payroll taxes	2	—	242	—	—	—	244
Due to other funds	—	—	3,382	—	—	—	3,382
Unearned revenue	—	—	20	—	—	—	20
Total liabilities	1,660	—	7,225	84	—	99	9,068
Deferred inflows of resources	—	—	4,092	—	—	—	4,092
Fund balances:							
Restricted	10,736	63	6,318	4,095	53	102	21,367
Total fund balances	10,736	63	6,318	4,095	53	102	21,367
Total liabilities, deferred inflows of resources and fund balances	\$ 12,396	\$ 63	\$ 17,635	\$ 4,179	\$ 53	\$ 201	\$ 34,527

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
Year ended December 31, 2019
(In thousands)

	Parking	Cable Franchise PEG Grants	Federal Grants	State of Indiana Grants	Public Safety Income Tax	Drug Free Community	Total Nonmajor Special Revenue Funds
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 65,609	\$ —	\$ 65,609
Charges for services	3,568	—	—	—	—	—	3,568
Other intergovernmental revenues:							
Federal revenues	40	—	28,526	—	—	—	28,566
Other revenues	—	—	—	—	—	315	315
Traffic violations and court fees	690	—	1,207	1,563	—	—	3,460
Interest and other operating revenues	667	1	80	78	278	1	1,105
Total revenues	<u>4,965</u>	<u>1</u>	<u>29,813</u>	<u>1,641</u>	<u>65,887</u>	<u>316</u>	<u>102,623</u>
Expenditures:							
Current:							
General government	41	—	882	—	—	299	1,222
Public safety	—	—	7,334	879	—	—	8,213
Public works	1,670	—	32	—	—	—	1,702
Health and welfare	—	—	7,135	—	—	—	7,135
Cultural and recreation	—	—	1,067	—	—	—	1,067
Urban redevelopment and housing	—	—	12,391	—	—	—	12,391
Economic development and assistance	—	—	3	—	—	—	3
Debt service:							
Redemption of bonds and notes	—	—	9	—	—	—	9
Interest on bonds and notes	—	—	3	—	—	—	3
Capital outlay	2,059	—	2,494	—	—	—	4,553
Total expenditures	<u>3,770</u>	<u>—</u>	<u>31,350</u>	<u>879</u>	<u>—</u>	<u>299</u>	<u>36,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,195</u>	<u>1</u>	<u>(1,537)</u>	<u>762</u>	<u>65,887</u>	<u>17</u>	<u>66,325</u>
Other financing sources (uses):							
Sale of capital assets	—	—	10	—	—	—	10
Transfers in	—	—	387	—	—	—	387
Transfers out	(800)	—	(13)	—	(66,344)	—	(67,157)
Total other financing sources (uses)	<u>(800)</u>	<u>—</u>	<u>384</u>	<u>—</u>	<u>(66,344)</u>	<u>—</u>	<u>(66,760)</u>
Net change in fund balances	395	1	(1,153)	762	(457)	17	(435)
Fund balances at beginning of year	10,341	62	7,471	3,333	510	85	21,802
Fund balances at end of year	<u>\$ 10,736</u>	<u>\$ 63</u>	<u>\$ 6,318</u>	<u>\$ 4,095</u>	<u>\$ 53</u>	<u>\$ 102</u>	<u>\$ 21,367</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	Parking		Federal Grants		State of Indiana Grants		Public Safety Income Tax		Drug Free Community		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:												
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 65,609	\$ 65,609	\$ —	\$ —	\$ 65,609	\$ 65,609
Charges for services	3,800	3,364	—	—	—	—	—	—	—	—	3,800	3,364
Other intergovernmental revenues:												
Federal revenues	—	—	70,185	20,787	—	—	—	—	—	—	70,185	20,787
Other revenues	—	—	1,750	—	—	—	—	—	—	—	1,750	—
Traffic violations and court fees	770	662	789	1,203	1,503	1,436	—	—	—	—	3,062	3,301
Interest and other operating revenues	—	201	—	79	49	76	—	278	—	—	49	634
Total revenues	<u>4,570</u>	<u>4,227</u>	<u>72,724</u>	<u>22,069</u>	<u>1,552</u>	<u>1,512</u>	<u>65,609</u>	<u>65,887</u>	<u>—</u>	<u>—</u>	<u>144,455</u>	<u>93,695</u>
Expenditures:												
Current:												
General government	41	41	1,335	814	—	—	—	—	315	311	1,691	1,166
Public safety	—	—	16,449	7,077	685	676	—	—	—	—	17,134	7,753
Public works	1,608	1,587	600	163	—	—	—	—	—	—	2,208	1,750
Health and welfare	—	—	8,894	8,022	—	—	—	—	—	—	8,894	8,022
Cultural and recreation	—	—	1,934	1,069	—	—	—	—	—	—	1,934	1,069
Urban redevelopment and housing	—	—	22,523	15,080	—	—	—	—	—	—	22,523	15,080
Economic development and assistance	—	—	17,828	3	—	—	—	—	—	—	17,828	3
Capital outlays	2,215	2,198	5,275	4,074	—	—	—	—	—	—	7,490	6,272
Total expenditures	<u>3,864</u>	<u>3,826</u>	<u>74,838</u>	<u>36,302</u>	<u>685</u>	<u>676</u>	<u>—</u>	<u>—</u>	<u>315</u>	<u>311</u>	<u>79,702</u>	<u>41,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>706</u>	<u>401</u>	<u>(2,114)</u>	<u>(14,233)</u>	<u>867</u>	<u>836</u>	<u>65,609</u>	<u>65,887</u>	<u>(315)</u>	<u>(311)</u>	<u>64,753</u>	<u>52,580</u>
Other financing sources (uses), net:												
Sale of capital assets	—	—	—	10	—	—	—	—	—	—	—	10
Transfers in (out)	(800)	(800)	(831)	309	(786)	(240)	(66,563)	(66,344)	315	315	(68,665)	(66,760)
Total other financing sources (uses)	<u>(800)</u>	<u>(800)</u>	<u>(831)</u>	<u>319</u>	<u>(786)</u>	<u>(240)</u>	<u>(66,563)</u>	<u>(66,344)</u>	<u>315</u>	<u>315</u>	<u>(68,665)</u>	<u>(66,750)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(94)</u>	<u>(399)</u>	<u>(2,945)</u>	<u>(13,914)</u>	<u>81</u>	<u>596</u>	<u>(954)</u>	<u>(457)</u>	<u>—</u>	<u>4</u>	<u>(3,912)</u>	<u>(14,170)</u>
Fund balances (deficits) at beginning of year	8,131	8,930	—	—	—	—	398	510	—	10	8,529	9,450
Cancellation of purchase orders and other	1,632	738	2,945	13,914	(81)	(596)	556	—	10	24	5,062	14,080
Fund balances at end of year	<u>\$ 9,669</u>	<u>\$ 9,269</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 53</u>	<u>\$ 10</u>	<u>\$ 38</u>	<u>\$ 9,679</u>	<u>\$ 9,360</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Executive and Legislative				
Mayor's Office	Federal Grants			
Other services and charges		\$ 61	\$ 58	\$ 3
Total		<u>61</u>	<u>58</u>	<u>3</u>
Office of Finance and Management	Parking			
Personal services		41	41	—
Total		<u>41</u>	<u>41</u>	<u>—</u>
Office of Finance and Management	Federal Grants			
Other services and charges		1,274	757	517
Total		<u>1,274</u>	<u>757</u>	<u>517</u>
Office of Finance and Management	Drug Free Community			
Other services and charges		315	311	4
Total		<u>315</u>	<u>311</u>	<u>4</u>
Total - Executive and Legislative		<u>\$ 1,691</u>	<u>\$ 1,167</u>	<u>\$ 524</u>
Department of Metropolitan Development				
	Federal Grants			
Personal services		\$ 2,103	\$ 1,745	\$ 358
Supplies		11	2	9
Other services and charges		46,777	21,032	25,745
Capital outlay		1,608	1,402	206
Internal charges		354	325	29
Total – Department of Metropolitan Development		<u>\$ 50,853</u>	<u>\$ 24,506</u>	<u>\$ 26,347</u>
Department of Public Works				
	Parking			
Personal services		\$ 132	\$ 132	\$ —
Other services and charges		1,476	1,455	21
Capital outlay		2,215	2,198	17
Total		<u>3,823</u>	<u>3,785</u>	<u>38</u>
Department of Public Works				
	Federal Grants			
Other services and charges		600	163	437
Total		<u>600</u>	<u>163</u>	<u>437</u>
Total – Department of Public Works		<u>\$ 4,423</u>	<u>\$ 3,948</u>	<u>\$ 475</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Office of Public Health and Safety	Federal Grants			
Personal services		\$ 411	\$ 43	\$ 368
Supplies		110	24	86
Other services and charges		105	97	8
Total – Office of Public Health and Safety		<u>\$ 626</u>	<u>\$ 164</u>	<u>\$ 462</u>
Indianapolis Fire Department	Federal Grants			
Personal services		\$ 5,373	\$ 2,611	\$ 2,762
Supplies		337	159	178
Other services and charges		2,999	1,557	1,442
Capital outlay		2,781	2,332	449
Internal charges		40	20	20
Total – Indianapolis Fire Department		<u>\$ 11,530</u>	<u>\$ 6,679</u>	<u>\$ 4,851</u>
Indianapolis Metropolitan Police Department	Federal Grants			
Personal services		\$ 3,488	\$ 2,007	\$ 1,481
Supplies		904	7	897
Other services and charges		2,682	552	2,130
Capital outlay		886	340	546
Total		<u>7,960</u>	<u>2,906</u>	<u>5,054</u>
Indianapolis Metropolitan Police Department	State of Indiana Grants			
Supplies		496	487	9
Other services and charges		189	189	—
Total		<u>685</u>	<u>676</u>	<u>9</u>
Total - Indianapolis Metropolitan Police Department		<u>\$ 8,645</u>	<u>\$ 3,582</u>	<u>\$ 5,063</u>
Department of Parks and Recreation	Federal Grants			
Personal services		\$ 310	\$ 150	\$ 160
Supplies		3	1	2
Other services and charges		1,621	918	703
Total – Department of Parks and Recreation		<u>\$ 1,934</u>	<u>\$ 1,069</u>	<u>\$ 865</u>
Total – Special Revenue Funds – by Department and Division		<u>\$ 79,702</u>	<u>\$ 41,115</u>	<u>\$ 38,587</u>

Nonmajor Debt Service Funds

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

Civil City -	to account for the accumulation of resources for, and the payment of general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Civil City
Public Safety Communications -	to account for the accumulation of resources for, and the payment of, costs associated with the Public Safety Communications System Equipment
Stormwater District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Stormwater District
Metropolitan Thoroughfare District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Metropolitan Thoroughfare District
Park District -	to account for the accumulation of resources for, and the payment of, general long-term bonded debt principal, interest, and related costs of bond issues benefiting the taxpayers of the Park District
Economic Development District -	to account for accumulation of resources for, and payments of long term bonded debt principal, interest, and related costs of bond issues for certain economic development projects. In addition, this fund also includes the activity for the Circle Area Community Development Corporation ("CAC"), which is a blended component unit of the City.
PILOT -	to account for accumulation of resources for, and payments of long-term debt principal, interest, and related costs of debt issued for certain projects for the Department of Public Works

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Debt Service Funds
December 31, 2019
(In thousands)

	Civil City	Public Safety Communications	Stormwater District	Metropolitan Thoroughfare District	Park District	Economic Development District	PILOT	Total Nonmajor Debt Service Funds
ASSETS								
Equity in pooled cash	\$ 284	\$ 128	\$ —	\$ 78	\$ 22	\$ 372	\$ —	\$ 884
Cash and investments with fiscal agents	—	7	8	—	—	24,491	10	24,516
Investments	7,118	3,199	—	1,943	536	9,326	3	22,125
Property taxes receivable	412	195	—	83	22	—	—	712
Accounts receivable	163	201	—	49	23	69	—	505
Long-term receivables	—	—	—	—	—	16,257	—	16,257
Total assets	<u>\$ 7,977</u>	<u>\$ 3,730</u>	<u>\$ 8</u>	<u>\$ 2,153</u>	<u>\$ 603</u>	<u>\$ 50,515</u>	<u>\$ 13</u>	<u>\$ 64,999</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Matured bonds and notes payable	\$ 5,465	\$ 1,930	\$ —	\$ 1,330	\$ 410	\$ —	\$ —	\$ 9,135
Matured interest payable	1,021	325	—	540	113	—	—	1,999
Accounts payable and other accrued liabilities	—	—	—	—	—	2,088	—	2,088
Total liabilities	<u>6,486</u>	<u>2,255</u>	<u>—</u>	<u>1,870</u>	<u>523</u>	<u>2,088</u>	<u>—</u>	<u>13,222</u>
Deferred inflows of resources	<u>573</u>	<u>278</u>	<u>—</u>	<u>135</u>	<u>44</u>	<u>—</u>	<u>—</u>	<u>1,030</u>
Fund balances:								
Restricted	<u>918</u>	<u>1,197</u>	<u>8</u>	<u>148</u>	<u>36</u>	<u>48,427</u>	<u>13</u>	<u>50,747</u>
Total fund balances	<u>918</u>	<u>1,197</u>	<u>8</u>	<u>148</u>	<u>36</u>	<u>48,427</u>	<u>13</u>	<u>50,747</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,977</u>	<u>\$ 3,730</u>	<u>\$ 8</u>	<u>\$ 2,153</u>	<u>\$ 603</u>	<u>\$ 50,515</u>	<u>\$ 13</u>	<u>\$ 64,999</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
Year ended December 31, 2019
(In thousands)

	Civil City	Public Safety Communications	Stormwater District	Metropolitan Thoroughfare District	Park District	Economic Development District	PILOT	Total Nonmajor Debt Service Funds
Revenues:								
Property taxes	\$ 9,918	\$ 5,691	\$ —	\$ 2,031	\$ 456	\$ 10,050	\$ —	\$ 28,146
Other taxes	818	465	—	166	37	—	—	1,486
Other intergovernmental revenues:								
Federal revenues	—	664	—	—	—	—	—	664
State revenues	—	—	—	—	—	500	—	500
Intragovernmental revenue	—	263	—	—	—	—	—	263
Interest on investments	38	49	14	12	5	1,288	61	1,467
Other revenues	55,453	—	—	—	—	9,138	16,647	81,238
Total revenues	66,227	7,132	14	2,209	498	20,976	16,708	113,764
Expenditures:								
Debt service:								
Redemption of bonds and notes	64,993	4,905	53,900	1,330	410	18,490	—	144,028
Interest on bonds and notes	2,147	1,510	2,877	1,080	227	13,514	7,352	28,707
Lease payments and other	52	838	81	25	5	1,541	2	2,544
Total expenditures	67,192	7,253	56,858	2,435	642	33,545	7,354	175,279
Excess (deficiency) of revenues over (under) expenditures	(965)	(121)	(56,844)	(226)	(144)	(12,569)	9,354	(61,515)
Other financing sources (uses):								
Transfers in	671	300	56,575	—	—	17,191	—	74,737
Transfers out	(5)	—	(20)	—	—	(11,711)	(9,414)	(21,150)
Total other financing sources (uses)	666	300	56,555	—	—	5,480	(9,414)	53,587
Net change in fund balances	(299)	179	(289)	(226)	(144)	(7,089)	(60)	(7,928)
Fund balances at beginning of year	1,217	1,018	297	374	180	55,516	73	58,675
Fund balances at end of year	\$ 918	\$ 1,197	\$ 8	\$ 148	\$ 36	\$ 48,427	\$ 13	\$ 50,747

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	Civil City		Public Safety		Stormwater District		Metropolitan		Revenue	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:										
Taxes	\$ 10,583	\$ 10,736	\$ 5,932	\$ 6,157	\$ —	\$ —	\$ 2,489	\$ 2,197	\$ 101,528	\$ 99,448
Charges for services	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	664	—	—	—	—	—	—
Intragovernmental	—	—	2,640	144	—	—	—	—	—	—
Other operating revenues	—	38	—	49	—	14	—	12	2,002	3,817
Total revenues	<u>10,583</u>	<u>10,774</u>	<u>8,572</u>	<u>7,014</u>	<u>—</u>	<u>14</u>	<u>2,489</u>	<u>2,209</u>	<u>103,530</u>	<u>103,265</u>
Expenditures:										
Economic development and assistance	—	—	—	—	—	—	—	—	8,000	8,000
Debt service	11,740	11,740	9,393	7,253	56,666	56,574	2,435	2,435	55,644	54,849
Total expenditures	<u>11,740</u>	<u>11,740</u>	<u>9,393</u>	<u>7,253</u>	<u>56,666</u>	<u>56,574</u>	<u>2,435</u>	<u>2,435</u>	<u>63,644</u>	<u>62,849</u>
Deficiency of revenues under expenditures	<u>(1,157)</u>	<u>(966)</u>	<u>(821)</u>	<u>(239)</u>	<u>(56,666)</u>	<u>(56,560)</u>	<u>54</u>	<u>(226)</u>	<u>39,886</u>	<u>40,416</u>
Other financing sources (uses), net:										
Transfers in (out)	671	666	300	300	6,216	56,555	—	—	6,567	(17,826)
Total other financing sources (uses)	<u>671</u>	<u>666</u>	<u>300</u>	<u>300</u>	<u>6,216</u>	<u>56,555</u>	<u>—</u>	<u>—</u>	<u>6,567</u>	<u>(17,826)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(486)</u>	<u>(300)</u>	<u>(521)</u>	<u>61</u>	<u>(50,450)</u>	<u>(5)</u>	<u>54</u>	<u>(226)</u>	<u>46,453</u>	<u>22,590</u>
Fund balances at beginning of year	832	1,215	777	1,015	—	12	385	352	3,465	161
Cancellation of purchase orders and other	374	1	381	(4)	50,461	(7)	(354)	1	(49,005)	(21,725)
Fund balances at end of year	<u>\$ 720</u>	<u>\$ 916</u>	<u>\$ 637</u>	<u>\$ 1,072</u>	<u>\$ 11</u>	<u>\$ —</u>	<u>\$ 85</u>	<u>\$ 127</u>	<u>\$ 913</u>	<u>\$ 1,026</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	Park District		Economic Development District		PILOT		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
	Revenues:							
Taxes	\$ 716	\$ 493	\$ 9,975	\$ 10,050	\$ —	\$ —	\$ 131,223	\$ 129,081
Charges for services	—	—	1,607	2,542	—	—	1,607	2,542
Intergovernmental	—	—	—	500	—	—	—	1,164
	—	—	—	—	—	—	2,640	144
Other operating revenues	—	5	—	5,668	16,647	16,708	18,649	26,311
Total revenues	716	498	11,582	18,760	16,647	16,708	154,119	159,242
Expenditures:								
Economic development and assistance	—	—	—	—	—	—	8,000	8,000
Debt service	641	641	41,087	33,667	7,356	7,354	184,962	174,513
Total expenditures	641	641	41,087	33,667	7,356	7,354	192,962	182,513
Deficiency of revenues under expenditures	75	(143)	(29,505)	(14,907)	9,291	9,354	(38,843)	(23,271)
Other financing sources (uses), net:								
Transfers in (out)	—	—	—	5,480	—	(9,414)	13,754	35,761
Total other financing sources (uses)	—	—	—	5,480	—	(9,414)	13,754	35,761
Revenues over (under) expenditures and other financing sources (uses)	75	(143)	(29,505)	(9,427)	9,291	(60)	(25,089)	12,490
Fund balances at beginning of year	223	178	1,148	18	—	63	6,830	3,014
Cancellation of purchase orders and other	(274)	—	29,178	10,012	(9,218)	—	21,543	(11,722)
Fund balances at end of year	\$ 24	\$ 35	\$ 821	\$ 603	\$ 73	\$ 3	\$ 3,284	\$ 3,782

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Metropolitan Development	Revenue			
Other services and charges		\$ 3,038	\$ 2,976	\$ 62
Total		<u>3,038</u>	<u>2,976</u>	<u>62</u>
Non Departmental	Stormwater District			
Other services and charges		56,666	56,574	92
Total		<u>56,666</u>	<u>56,574</u>	<u>92</u>
Non Departmental	Metropolitan Thoroughfare District			
Other services and charges		2,435	2,435	—
Total		<u>2,435</u>	<u>2,435</u>	<u>—</u>
Non Departmental	Park District			
Other services and charges		641	641	—
Total		<u>641</u>	<u>641</u>	<u>—</u>
Non Departmental	Public Safety Communications			
Other services and charges		9,393	7,253	2,140
Total		<u>9,393</u>	<u>7,253</u>	<u>2,140</u>
Non Departmental	Civil City			
Other services and charges		11,740	11,740	—
Total		<u>11,740</u>	<u>11,740</u>	<u>—</u>
Non Departmental	Revenue			
Other services and charges		60,606	59,873	733
Total		<u>60,606</u>	<u>59,873</u>	<u>733</u>
Non Departmental	Economic Development			
Other services and charges		41,087	33,667	7,420
Total		<u>41,087</u>	<u>33,667</u>	<u>7,420</u>
Non Departmental	PILOT			
Other services and charges		7,356	7,354	2
Total		<u>7,356</u>	<u>7,354</u>	<u>2</u>
	Total – Debt Service Funds – by Department	\$ <u>192,962</u>	\$ <u>182,513</u>	\$ <u>10,449</u>

Nonmajor Capital Project Funds

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

Redevelopment District Tax Increment -	to account for all financial resources related to projects constructed from proceeds of the Redevelopment District Tax Increment bond issues
Economic Development -	to account for all financial resources relating to projects funded through economic development bonds of the City
PILOT Revenue Bonds -	to account for all financial resources accumulated and payments made for construction, renovation, rehabilitation, and installation, of certain improvements to the City's public roads, street and sidewalks, and other public facilities
Metropolitan Thoroughfare District -	to account for all financial resources related to projects constructed wholly or in part from Metropolitan Thoroughfare District bond issue proceeds (except tax increment bonds) and any participating federal and state grants, including any required City local matching funds
Park District -	to account for all financial resources related to projects constructed from proceeds of the Park District bond issues
City Cumulative Capital Improvement -	to account for all resources accumulating from a City-wide ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature
County Cumulative Capital Improvement -	to account for all resources accumulating from a County-wide ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature
Tax Revenue Note -	to account for all financial resources related to purchases of certain vehicles and other equipment from the proceeds of a tax revenue note
Public Safety Communications -	to account for all financial resources related to acquisition of computer hardware and software from proceeds of the Public Safety Communication System and Computer Facilities District bonds
Landmark Building Preservation -	to account for all financial resources related to costs of major repairs to certain City properties
Fire Cumulative -	to account for all resources for the fire department accumulating from an ad valorem property tax levy to provide for the cost of construction, maintenance, acquisition, and repair of certain facilities and other items of a capital nature

- Storm Water -** to account for all financial resources related to expenditures for construction of storm water removal infrastructure
- Capital Asset Development -** to account for revenues from operating agreements with outside contractors which are to be used to purchase capital assets for the benefit of the City
- Consolidated City District -** to account for all financial resources to acquire or construct various equipment and other assets benefiting the Civil City District
- Section 108 HUD Loan -** to account for financial resources from the HUD Section 108 loan program, Community & Economic Development Loan Program (“CEDLP”)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2019
(In thousands)

	<u>Redevelopment District Tax Increment</u>	<u>Economic Development</u>	<u>PILOT Revenue Bonds</u>	<u>Metropolitan Thoroughfare District</u>	<u>Park District</u>	<u>City Cumulative Capital Improvement</u>
ASSETS						
Equity in pooled cash	\$ 1,315	\$ 31	\$ 11	\$ 412	\$ —	\$ 398
Cash and investments with fiscal agents	4,472	16,116	—	64,948	—	—
Investments	32,974	767	265	16,995	1,272	9,325
Property taxes receivable	—	—	—	—	—	441
Accounts receivable	—	—	—	—	—	192
Long-term receivables, less allowance \$1,600	17,023	—	—	—	—	—
Total assets	<u>\$ 55,784</u>	<u>\$ 16,914</u>	<u>\$ 276</u>	<u>\$ 82,355</u>	<u>\$ 1,272</u>	<u>\$ 10,356</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 1,897	\$ —	\$ —	\$ 7,855	\$ 99	\$ 1,289
Total liabilities	<u>1,897</u>	<u>—</u>	<u>—</u>	<u>7,855</u>	<u>99</u>	<u>1,289</u>
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>633</u>
Fund balances:						
Restricted	<u>53,887</u>	<u>16,914</u>	<u>276</u>	<u>74,500</u>	<u>1,173</u>	<u>8,434</u>
Total fund balances	<u>53,887</u>	<u>16,914</u>	<u>276</u>	<u>74,500</u>	<u>1,173</u>	<u>8,434</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,784</u>	<u>\$ 16,914</u>	<u>\$ 276</u>	<u>\$ 82,355</u>	<u>\$ 1,272</u>	<u>\$ 10,356</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2019
(In thousands)

		<u>County Cumulative Capital Improvement</u>		<u>Tax Revenue Note</u>		<u>Public Safety Communications</u>		<u>Landmark Building Preservation</u>		<u>Fire Cumulative</u>		<u>Storm Water</u>
ASSETS												
Equity in pooled cash	\$	227	\$	3	\$	—	\$	1	\$	146	\$	72
Cash and investments with fiscal agents		—		—		—		—		—		10,699
Investments		5,701		65		2,238		22		3,646		1,821
Property taxes receivable		—		—		—		—		186		—
Accounts receivable		—		—		—		—		58		260
Long-term receivables, less allowance \$1,600		—		—		—		—		—		—
Total assets	\$	<u>5,928</u>	\$	<u>68</u>	\$	<u>2,238</u>	\$	<u>23</u>	\$	<u>4,036</u>	\$	<u>12,852</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
Liabilities:												
Accounts payable and other accrued liabilities	\$	<u>826</u>	\$	<u>—</u>	\$	<u>—</u>	\$	<u>—</u>	\$	<u>122</u>	\$	<u>3,675</u>
Total liabilities		<u>826</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>122</u>		<u>3,675</u>
Deferred inflows of resources		<u>—</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>245</u>		<u>—</u>
Fund balances:												
Restricted		<u>5,102</u>		<u>68</u>		<u>2,238</u>		<u>23</u>		<u>3,669</u>		<u>9,177</u>
Total fund balances		<u>5,102</u>		<u>68</u>		<u>2,238</u>		<u>23</u>		<u>3,669</u>		<u>9,177</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>5,928</u>	\$	<u>68</u>	\$	<u>2,238</u>	\$	<u>23</u>	\$	<u>4,036</u>	\$	<u>12,852</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2019
(In thousands)

		<u>Capital Asset Development</u>		<u>Consolidated City District</u>		<u>Section 108 HUD Loan</u>		<u>Total Nonmajor Capital Projects Funds</u>
ASSETS								
Equity in pooled cash	\$	1	\$	—	\$	182	\$	2,799
Cash and investments with fiscal agents		—		40		—		96,275
Investments		21		15,296		4,556		94,964
Property taxes receivable		—		—		—		627
Accounts receivable		1		—		—		511
Long-term receivables, less allowance \$1,600		—		—		—		17,023
		<u>23</u>		<u>15,336</u>		<u>4,738</u>		<u>212,199</u>
Total assets	\$	<u>23</u>	\$	<u>15,336</u>	\$	<u>4,738</u>	\$	<u>212,199</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and other accrued liabilities	\$	<u>—</u>	\$	<u>—</u>	\$	<u>364</u>	\$	<u>16,127</u>
Total liabilities		<u>—</u>		<u>—</u>		<u>364</u>		<u>16,127</u>
Deferred inflows of resources		<u>—</u>		<u>—</u>		<u>—</u>		<u>878</u>
Fund balances:								
Restricted		<u>23</u>		<u>15,336</u>		<u>4,374</u>		<u>195,194</u>
Total fund balances		<u>23</u>		<u>15,336</u>		<u>4,374</u>		<u>195,194</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>23</u>	\$	<u>15,336</u>	\$	<u>4,738</u>	\$	<u>212,199</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2019
(In thousands)

	Redevelopment District Tax Increment	Economic Development	PILOT Revenue Bonds	Metropolitan Thoroughfare District	Park District	City Cumulative Capital Improvement
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,392
Other intergovernmental revenues:						
Federal revenues	—	—	—	561	—	193
Other revenues	—	—	—	—	—	—
Interest and other operating revenues	838	147	6	1,082	68	172
Total revenues	<u>838</u>	<u>147</u>	<u>6</u>	<u>1,643</u>	<u>68</u>	<u>10,757</u>
Expenditures:						
Economic development and assistance	16,140	16,607	—	—	—	—
Debt service:						
Interest on bonds and notes	—	—	—	—	—	—
Bond and note issuance costs	141	580	—	512	—	—
Capital outlays	23,005	—	93	24,170	2,422	9,097
Total expenditures	<u>39,286</u>	<u>17,187</u>	<u>93</u>	<u>24,682</u>	<u>2,422</u>	<u>9,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,448)</u>	<u>(17,040)</u>	<u>(87)</u>	<u>(23,039)</u>	<u>(2,354)</u>	<u>1,660</u>
Other financing sources (uses):						
Issuance of capital lease	—	—	—	—	—	—
Sales of capital assets	—	—	—	—	—	—
Bonds and notes issued	15,709	30,965	—	40,000	—	—
Premium on bonds issued	—	3,612	—	9,927	—	—
Transfers in	20,591	—	—	—	—	—
Transfers out	(1,500)	(1,950)	—	(4)	—	—
Total other financing sources	<u>34,800</u>	<u>32,627</u>	<u>—</u>	<u>49,923</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(3,648)</u>	<u>15,587</u>	<u>(87)</u>	<u>26,884</u>	<u>(2,354)</u>	<u>1,660</u>
Fund balances (deficits) at beginning of year	57,535	1,327	363	47,616	3,527	6,774
Fund balances at end of year	<u>\$ 53,887</u>	<u>\$ 16,914</u>	<u>\$ 276</u>	<u>\$ 74,500</u>	<u>\$ 1,173</u>	<u>\$ 8,434</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2019
(In thousands)

	County Cumulative Capital Improvement	Tax Revenue Note	Public Safety Communications	Landmark Building Preservation	Fire Cumulative	Storm Water
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 4,055	\$ —
Other intergovernmental revenues:						
Federal revenues	—	—	—	—	—	—
Other revenues	4,200	—	—	—	—	—
Interest and other operating revenues	92	—	75	—	71	413
Total revenues	<u>4,292</u>	<u>—</u>	<u>75</u>	<u>—</u>	<u>4,126</u>	<u>413</u>
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service:						
Interest on bonds and notes	—	—	—	—	—	—
Bonds and notes issuance costs	—	—	—	—	—	703
Capital outlays	4,086	—	22,013	—	4,067	14,726
Total expenditures	<u>4,086</u>	<u>—</u>	<u>22,013</u>	<u>—</u>	<u>4,067</u>	<u>15,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>206</u>	<u>—</u>	<u>(21,938)</u>	<u>—</u>	<u>59</u>	<u>(15,016)</u>
Other financing sources (uses):						
Issuance of capital lease	—	—	21,002	—	—	—
Sales of capital assets	—	—	—	—	340	—
Bonds and notes issued	—	—	—	—	—	57,940
Premium on bonds issued	—	—	—	—	—	11,479
Transfers in	—	—	—	—	—	20
Transfers out	—	—	—	—	(671)	(50,365)
Total other financing sources	<u>—</u>	<u>—</u>	<u>21,002</u>	<u>—</u>	<u>(331)</u>	<u>19,074</u>
Net change in fund balances	206	—	(936)	—	(272)	4,058
Fund balances at beginning of year	4,896	68	3,174	23	3,941	5,119
Fund balances at end of year	<u>\$ 5,102</u>	<u>\$ 68</u>	<u>\$ 2,238</u>	<u>\$ 23</u>	<u>\$ 3,669</u>	<u>\$ 9,177</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2019
(In thousands)

	Capital Asset Development	Consolidated City District	Section 108 HUD Loan	Total Nonmajor Capital Projects Funds
Revenues:				
Taxes	\$ —	\$ —	\$ —	\$ 14,447
Other intergovernmental revenues:				
Federal revenues	—	—	—	754
Other revenues	—	211	—	4,411
Interest and other operating revenues	6	102	129	3,201
Total revenues	<u>6</u>	<u>313</u>	<u>129</u>	<u>22,813</u>
Expenditures:				
Economic development and assistance	—	—	875	33,622
Debt service:				
Interest on bonds and notes	—	510	—	510
Bonds and notes issuance costs	—	193	—	2,129
Capital outlays	909	24,152	3,373	132,113
Total expenditures	<u>909</u>	<u>24,855</u>	<u>4,248</u>	<u>168,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(903)</u>	<u>(24,542)</u>	<u>(4,119)</u>	<u>(145,561)</u>
Other financing sources (uses):				
Issuance of capital lease	—	—	—	21,002
Sales of capital assets	—	—	—	340
Bonds and notes issued	—	35,876	—	180,490
Premium on bonds issued	—	—	—	25,018
Transfers in	—	—	—	20,611
Transfers out	—	(3)	—	(54,493)
Total other financing sources	<u>—</u>	<u>35,873</u>	<u>—</u>	<u>192,968</u>
Net change in fund balances	<u>(903)</u>	<u>11,331</u>	<u>(4,119)</u>	<u>47,407</u>
Fund balances at beginning of year	926	4,005	8,493	147,787
Fund balances at end of year	<u>\$ 23</u>	<u>\$ 15,336</u>	<u>\$ 4,374</u>	<u>\$ 195,194</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	City Cumulative		County Cumulative		Fire		Totals	
	Capital Improvement		Capital Improvement		Cumulative			
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ 10,170	\$ 10,391	\$ —	\$ —	\$ 3,898	\$ 4,056	\$ 14,068	\$ 14,447
Other intergovernmental revenues	270	—	—	—	—	—	270	—
Interest and other operating revenues	—	165	—	92	—	70	—	327
Total revenues	<u>10,440</u>	<u>10,556</u>	<u>—</u>	<u>92</u>	<u>3,898</u>	<u>4,126</u>	<u>14,338</u>	<u>14,774</u>
Expenditures:								
Current:								
General government	500	500	—	—	—	—	500	500
Public safety	621	592	—	—	875	838	1,496	1,430
Public works	(3,850)	(3,850)	—	—	—	—	(3,850)	(3,850)
Cultural and recreation	4,600	4,573	—	—	—	—	4,600	4,573
Economic development and assistance	600	600	—	—	—	—	600	600
Capital outlays	8,805	8,734	4,240	3,329	2,254	2,172	15,299	14,235
Total expenditures	<u>11,276</u>	<u>11,149</u>	<u>4,240</u>	<u>3,329</u>	<u>3,129</u>	<u>3,010</u>	<u>18,645</u>	<u>17,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(836)</u>	<u>(593)</u>	<u>(4,240)</u>	<u>(3,237)</u>	<u>769</u>	<u>1,116</u>	<u>(4,307)</u>	<u>(2,714)</u>
Other financing sources, net:								
Sale and lease of capital assets	—	—	—	—	—	340	—	340
Transfers in (out)	—	—	4,200	4,200	(671)	(671)	3,529	3,529
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>4,200</u>	<u>4,200</u>	<u>(671)</u>	<u>(331)</u>	<u>3,529</u>	<u>3,869</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(836)</u>	<u>(593)</u>	<u>(40)</u>	<u>963</u>	<u>98</u>	<u>785</u>	<u>(778)</u>	<u>1,155</u>
Fund balances at beginning of year	2,676	2,984	2,143	2,179	2,269	2,609	7,088	7,772
Cancellation of purchase orders and other	437	528	227	357	490	60	1,154	945
Fund balances at end of year	<u>\$ 2,277</u>	<u>\$ 2,919</u>	<u>\$ 2,330</u>	<u>\$ 3,499</u>	<u>\$ 2,857</u>	<u>\$ 3,454</u>	<u>\$ 7,464</u>	<u>\$ 9,872</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Executive and Legislative				
Office of Finance and Management	City Cumulative Capital Improvement			
Other services and charges		\$ 500	\$ 500	\$ —
Total – Executive and Legislative		<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ —</u>
Department of Metropolitan Development	City Cumulative Capital Improvement			
Other services and charges		\$ 600	\$ 600	\$ —
Total – Department of Metropolitan Development		<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ —</u>
Department of Business and Neighborhood Services	City Cumulative Capital Improvement			
Capital outlay		\$ 95	\$ 95	\$ —
Total – Department of Business and Neighborhood Services		<u>\$ 95</u>	<u>\$ 95</u>	<u>\$ —</u>
Department of Public Works	County Cumulative Capital Improvement			
Capital outlay		\$ 4,240	\$ 3,329	\$ 911
Total		<u>4,240</u>	<u>3,329</u>	<u>911</u>
Department of Public Works	City Cumulative Capital Improvement			
Supplies		200	183	17
Other services and charges		550	540	10
Capital outlay		4,410	4,380	30
Internal charges		(4,600)	(4,573)	(27)
Total		<u>560</u>	<u>530</u>	<u>30</u>
Total – Department of Public Works		<u>\$ 4,800</u>	<u>\$ 3,859</u>	<u>\$ 941</u>
Department of Parks and Recreation	City Cumulative Capital Improvement			
Internal charges		\$ 4,600	\$ 4,573	\$ 27
Total - Department of Parks and Recreation		<u>\$ 4,600</u>	<u>\$ 4,573</u>	<u>\$ 27</u>

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Indianapolis Metropolitan Police Department	City Cumulative Capital Improvement			
Supplies		\$ 11	\$ 11	\$ —
Other services and charges		610	581	29
Capital Outlay		4,300	4,259	41
Total - Indianapolis Metropolitan Police Department		<u>\$ 4,921</u>	<u>\$ 4,851</u>	<u>\$ 70</u>
Indianapolis Fire Department	Fire Cumulative			
Supplies		\$ 875	\$ 838	\$ 37
Other services and charges		2,254	2,172	82
Total – Indianapolis Fire Department		<u>\$ 3,129</u>	<u>\$ 3,010</u>	<u>\$ 119</u>
Total – Capital Projects Funds – by Department and Division		<u>\$ 18,645</u>	<u>\$ 17,488</u>	<u>\$ 1,157</u>

Internal Service Funds

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Net Position
December 31, 2019
(In thousands)

	<u>Risk Management</u>	<u>Public Liability Self Insurance</u>	<u>Employee Health Insurance</u>	<u>Total</u>
ASSETS				
Equity in pooled cash	\$ 8	\$ 273	\$ 646	\$ 927
Cash and investments with fiscal agents	77	—	—	77
Investments	198	6,836	16,194	23,228
Accounts receivable	6	—	2,097	2,103
	<u>289</u>	<u>7,109</u>	<u>18,937</u>	<u>26,335</u>
Total current assets				
LIABILITIES				
Accounts payable and other current accrued liabilities	\$ <u>10,078</u>	<u>1,005</u>	<u>11,145</u>	<u>22,228</u>
Total current liabilities	<u>10,078</u>	<u>1,005</u>	<u>11,145</u>	<u>22,228</u>
NET POSITION (DEFICIT)				
Unrestricted (deficit)	\$ <u><u>(9,789)</u></u>	<u><u>6,104</u></u>	<u><u>7,792</u></u>	<u><u>4,107</u></u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended December 31, 2019
(In thousands)

	<u>Risk Management</u>	<u>Public Liability Self Insurance</u>	<u>Employee Health Insurance</u>	<u>Total</u>
Operating revenues:				
Charges to other funds	\$ 11,128	\$ 2,400	\$ 83,699	\$ 97,227
Operating expenses:				
Claims	6,980	1,281	90,040	98,301
Administration	168	—	—	168
Total operating expenses	7,148	1,281	90,040	98,469
Operating income (loss)	3,980	1,119	(6,341)	(1,242)
Nonoperating revenue (expense):				
Interest on investments	(10)	137	363	490
Income (loss)	3,970	1,256	(5,978)	(752)
Change in net position	3,970	1,256	(5,978)	(752)
Total net position (deficit) – beginning of year	(13,759)	4,848	13,770	4,859
Total net position (deficit) – end of year	\$ (9,789)	\$ 6,104	\$ 7,792	\$ 4,107

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Cash Flows
Year ended December 31, 2019
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Cash flows from operating activities:				
Receipts from users	\$ 11,143	\$ 2,570	\$ 84,254	\$ 97,967
Payments for administration	(168)	—	—	(168)
Payments for claims	(10,729)	(3,909)	(87,180)	(101,818)
Net cash provided by (used in) operating activities	246	(1,339)	(2,926)	(4,019)
Cash flows from investing activities:				
Investment purchases	(198)	—	—	(198)
Sales and maturities of investments	—	619	1,211	1,830
Investment income (expense)	(10)	137	363	490
Net cash provided by (used in) investing activities	(208)	756	1,574	2,122
Net increase (decrease) in cash	38	(583)	(1,352)	(1,897)
Cash, beginning of year	47	856	1,998	2,901
Cash, end of year	\$ 85	\$ 273	\$ 646	\$ 1,004
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 3,980	\$ 1,119	\$ (6,341)	\$ (1,242)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Decrease in accounts receivable	15	170	555	740
Increase (decrease) in accounts payable	(3,749)	(2,628)	2,860	(3,517)
Net cash provided by (used in) operating activities	\$ 246	\$ (1,339)	\$ (2,926)	\$ (4,019)

Fiduciary Funds

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

The City maintains the following Fiduciary Funds:

PENSION TRUST FUNDS

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

AGENCY FUNDS

- Sanitation 15 Year Law -** to account for property owner assessment receipts held by the City as agent for City-approved developer constructed sewer systems Barrett Law projects, with construction costs repaid by the property owners over a period not to exceed 15 years
- E-911 Allocation -** to account for assets, obligations, and activities of the E-911 dispatch programs
- Police & Fire Retiree Health Insurance -** to account for assets, obligations, and activities of certain Police and Firefighter Retiree Health Insurance costs
- IMPD Confiscated Cash -** to account for assets, obligations, and activities of amounts, which have been confiscated pending final court disposition
- Other -** to account for all contractor receipts for sanitary Barrett Law project engineering fees held by the City as agent for engineer payment upon project acceptance and for franchise security deposits held by the City as agent for franchised performance

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Pension Trust Funds Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
December 31, 2019
(In thousands)

		<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ASSETS				
Equity in pooled cash	\$	18	\$ 11	\$ 29
Investments		442	252	694
Total assets		<u>460</u>	<u>263</u>	<u>723</u>
LIABILITIES				
Accounts payable and other accrued liabilities		<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities		<u>—</u>	<u>—</u>	<u>—</u>
NET POSITION (DEFICIT) RESTRICTED FOR PENSIONS				
Net position restricted for pensions	\$	<u>460</u>	\$ <u>263</u>	\$ <u>723</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year ended December 31, 2019
(In thousands)

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Employer contributions	\$ 28,138	\$ 27,946	\$ 56,084
DEDUCTIONS			
Benefits	28,133	27,477	55,610
Total deductions	28,133	27,477	55,610
Net increase in net position	5	469	474
Net position (deficit) restricted for pensions – beginning of year	455	(206)	249
Net position restricted for pensions – end of year	\$ 460	\$ 263	\$ 723

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Police and Firefighters' Pre-1977 Pension Trust Funds
Schedule of Revenues and Expenditures
Budget and Actual – Budgetary Basis
Year ended December 31, 2019
(In thousands)

	Police Pension			Firefighters' Pension		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Intergovernmental	\$ 29,605	\$ 28,140	\$ (1,465)	\$ 28,789	\$ 27,945	\$ (844)
Total revenues	<u>29,605</u>	<u>28,140</u>	<u>(1,465)</u>	<u>28,789</u>	<u>27,945</u>	<u>(844)</u>
Expenditures:						
Personal services	29,605	28,171	1,434	28,789	27,501	1,288
Total expenditures	<u>29,605</u>	<u>28,171</u>	<u>1,434</u>	<u>28,789</u>	<u>27,501</u>	<u>1,288</u>
Excess (deficiency) of revenues over (under) expenditures	\$ —	\$ (31)	\$ (31)	\$ —	\$ 444	\$ 444
Revenues over (under) expenditures and other financing sources	<u>\$ —</u>	<u>\$ (31)</u>	<u>\$ (31)</u>	<u>\$ —</u>	<u>\$ 444</u>	<u>\$ 444</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Agency Funds Net Position
December 31, 2019
(In thousands)

	<u>Sanitation 15 Year Law</u>	<u>E-911 Allocation</u>	<u>Police and Fire Retiree Health Insurance</u>	<u>IMPD Confiscated Cash</u>	<u>Other</u>	<u>Total</u>
ASSETS						
Equity in pooled cash	\$ 11	\$ —	\$ 25	\$ 124	\$ 29	\$ 189
Investments	292	—	610	3,093	739	4,734
Accounts receivable	—	969	—	—	—	969
Total assets	<u>\$ 303</u>	<u>\$ 969</u>	<u>\$ 635</u>	<u>\$ 3,217</u>	<u>\$ 768</u>	<u>\$ 5,892</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 303	\$ 969	\$ 635	\$ 3,217	\$ 768	\$ 5,892
Total liabilities	<u>\$ 303</u>	<u>\$ 969</u>	<u>\$ 635</u>	<u>\$ 3,217</u>	<u>\$ 768</u>	<u>\$ 5,892</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2019
(In thousands)

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
SANITATION 15 YEAR LAW FUND				
Assets:				
Cash and investments	\$ 303	\$ —	\$ —	\$ 303
Total assets	\$ 303	\$ —	\$ —	\$ 303
Liabilities:				
Accounts payable and other accrued liabilities	\$ 303	\$ —	\$ —	\$ 303
Total liabilities	\$ 303	\$ —	\$ —	\$ 303
E – 911 ALLOCATION				
Assets:				
Cash and investments	\$ 1,391	\$ 8,023	\$ 9,414	\$ —
Accounts receivable	969	969	969	969
Total assets	\$ 2,360	\$ 8,992	\$ 10,383	\$ 969
Liabilities:				
Accounts payable and other accrued liabilities	\$ 2,360	\$ 8,992	\$ 10,383	\$ 969
Total liabilities	\$ 2,360	\$ 8,992	\$ 10,383	\$ 969
POLICE AND FIRE RETIREE HEALTH INSURANCE				
Assets:				
Cash and investments	\$ 827	\$ 1,836	\$ 2,028	\$ 635
Total assets	\$ 827	\$ 1,836	\$ 2,028	\$ 635
Liabilities:				
Accounts payable and other accrued liabilities	\$ 827	\$ 1,836	\$ 2,028	\$ 635
Total liabilities	\$ 827	\$ 1,836	\$ 2,028	\$ 635
IMPD CONFISCATED CASH				
Assets:				
Cash and investments	\$ 4,210	\$ 1,943	\$ 2,936	\$ 3,217
Total assets	\$ 4,210	\$ 1,943	\$ 2,936	\$ 3,217
Liabilities:				
Accounts payable and other accrued liabilities	\$ 4,210	\$ 1,943	\$ 2,936	\$ 3,217
Total liabilities	\$ 4,210	\$ 1,943	\$ 2,936	\$ 3,217

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2019
(In thousands)

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
OTHER				
Assets:				
Cash and investments	\$ 768	\$ —	\$ —	\$ 768
Total assets	\$ 768	\$ —	\$ —	\$ 768
Liabilities:				
Accounts payable and other accrued liabilities	\$ 768	\$ —	\$ —	\$ 768
Total liabilities	\$ 768	\$ —	\$ —	\$ 768
TOTAL – ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 7,499	\$ 11,802	\$ 14,378	\$ 4,923
Accounts receivable	969	969	969	969
Total assets	\$ 8,468	\$ 12,771	\$ 15,347	\$ 5,892
Liabilities:				
Accounts payable and other accrued liabilities	\$ 8,468	\$ 12,771	\$ 15,347	\$ 5,892
Total liabilities	\$ 8,468	\$ 12,771	\$ 15,347	\$ 5,892

Statistical Section

Statistical Section

CITY OF INDIANAPOLIS
Statistical Section
Table of Contents

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

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

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Net investment in capital assets	\$ 961,358	\$ 605,824	\$ 621,413	\$ 682,291	\$ 604,736	\$ 618,860	\$ 658,793	\$ 682,445	\$ 706,470	\$ 676,215
Restricted	209,948	188,976	124,511	122,379	171,863	177,408	180,615	176,332	164,849	166,495
Unrestricted (deficit)	<u>(534,850)</u>	<u>(274,303)</u>	<u>(337,574)</u>	<u>(441,977)</u>	<u>(505,392)</u>	<u>(1,141,617)</u>	<u>(980,497)</u>	<u>(1,016,080)</u>	<u>(998,291)</u>	<u>(1,089,813)</u>
Total governmental activities net position (deficit)	<u>\$ 636,456</u>	<u>\$ 520,497</u>	<u>\$ 408,350</u>	<u>\$ 362,693</u>	<u>\$ 271,207</u>	<u>\$ (345,349)</u>	<u>\$ (141,089)</u>	<u>\$ (157,303)</u>	<u>\$ (126,972)</u>	<u>\$ (247,103)</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 65,883	\$ 60,880	\$ 45,395	\$ 36,467	\$ 43,599	\$ 48,124	\$ 44,689	\$ 44,321	\$ 36,351	\$ 105,277
Public safety	428,230	442,327	448,007	447,016	461,873	412,157	389,302	511,305	436,687	604,609
Public works	276,331	252,332	196,687	204,217	230,470	214,740	163,710	208,581	222,011	281,251
Health and welfare	4,079	4,496	3,890	6,015	6,320	7,555	7,926	7,730	11,594	7,120
Cultural and recreation	30,275	30,705	22,413	18,465	10,130	14,714	15,313	26,059	30,423	24,984
Urban redevelopment and housing	48,407	47,262	31,493	28,124	24,114	18,354	18,899	18,752	23,302	24,120
Economic development and assistance	45,441	79,164	97,983	41,862	33,181	75,451	27,512	30,412	52,671	78,181
Interest	63,280	69,382	55,920	55,480	51,571	51,584	53,919	45,664	49,159	49,415
Total governmental activities expenses	<u>961,926</u>	<u>986,548</u>	<u>901,788</u>	<u>837,646</u>	<u>861,258</u>	<u>842,679</u>	<u>721,270</u>	<u>892,824</u>	<u>862,198</u>	<u>1,174,957</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	17,712	18,551	20,982	22,245	21,785	25,881	17,468	14,703	18,857	18,277
Public safety	16,911	22,818	27,576	19,698	23,679	29,080	29,549	30,475	32,110	32,049
Public works	181,742	135,233	35,520	37,427	38,896	43,184	52,597	52,641	57,340	59,977
Health and welfare	289	31	74	675	808	149	264	1,214	94	177
Cultural and recreation	4,179	4,374	3,426	3,129	3,638	3,714	4,036	3,396	3,583	3,358
Urban redevelopment and housing	3,259	3,565	1,357	1,330	1,835	2,050	2,008	2,451	2,224	2,045
Economic development and assistance	477	692	791	1,051	1,530	1,259	7,222	1,148	961	1,399
Operating grants and contributions	157,126	161,033	143,556	138,311	137,828	139,251	134,890	133,040	151,026	209,824
Capital grants and contributions	25,652	51,681	30,217	77,797	4,845	37,351	34,023	20,072	12,215	15,262
Total governmental activities program revenues	<u>407,347</u>	<u>397,978</u>	<u>263,499</u>	<u>301,663</u>	<u>234,844</u>	<u>281,919</u>	<u>282,057</u>	<u>259,140</u>	<u>278,410</u>	<u>342,368</u>
Net (Expense) Revenue	(554,579)	(588,570)	(638,289)	(535,983)	(626,414)	(560,760)	(439,213)	(633,684)	(583,788)	(832,589)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	265,801	256,517	277,122	280,883	297,487	285,649	300,101	294,886	315,230	333,060
Wheel tax	11,890	12,193	12,433	12,983	13,250	14,645	13,644	14,843	15,354	15,527
County option income tax	187,880	170,092	174,342	154,273	164,582	206,838	266,834	230,417	237,319	272,699
Other taxes	19,544	20,753	21,998	19,949	21,460	20,472	21,967	23,085	23,159	23,641
Grants and contributions not restricted by function	9,411	8,483	12,745	12,978	13,165	9,465	10,017	12,224	12,439	12,808
Investment earnings not restricted by function	3,743	4,054	3,481	3,416	7,984	6,373	9,977	14,249	16,302	20,131
Miscellaneous	3,950	15,110	24,021	20,133	17,000	28,675	20,933	27,766	29,269	34,592
Transfers	—	(18,777)	—	—	—	—	—	—	—	—
Special item - termination payment	(29,000)	—	—	—	—	—	—	—	—	—
Special item - gain on sale of water and wastewater utilities	—	4,186	—	—	—	—	—	—	—	—
Total governmental activities general revenues and other changes in net position	<u>473,219</u>	<u>472,611</u>	<u>526,142</u>	<u>504,615</u>	<u>534,928</u>	<u>572,117</u>	<u>643,473</u>	<u>617,470</u>	<u>649,072</u>	<u>712,458</u>
Change in Net Position										
Governmental activities	<u>\$ (81,360)</u>	<u>\$ (115,959)</u>	<u>\$ (112,147)</u>	<u>\$ (31,368)</u>	<u>\$ (91,486)</u>	<u>\$ 11,357</u>	<u>\$ 204,260</u>	<u>\$ (16,214)</u>	<u>\$ 65,284</u>	<u>\$ (120,131)</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
Governmental activities:										
General government	\$ 23,693	\$ 31,250	\$ 25,197	\$ 28,022	\$ 28,433	\$ 29,935	\$ 20,722	\$ 29,328	\$ 26,080	\$ 82,343
Public safety	104,023	104,691	113,605	91,203	89,255	91,716	93,854	96,521	93,984	98,554
Public works	227,920	211,232	85,696	139,321	88,035	118,727	125,176	103,100	128,741	131,296
Health and welfare	2,485	3,678	4,611	7,118	6,807	7,302	6,547	7,411	7,357	7,216
Cultural and recreation	6,663	4,380	4,935	11,527	4,865	8,845	7,290	5,905	5,793	5,865
Urban redevelopment and housing	40,528	38,588	21,638	15,832	13,373	22,314	17,152	14,888	14,657	14,945
Economic development and assistance	2,035	4,159	7,817	8,640	4,076	3,080	11,316	1,987	1,798	2,149
Total governmental activities program revenues	<u>\$ 407,347</u>	<u>\$ 397,978</u>	<u>\$ 263,499</u>	<u>\$ 301,663</u>	<u>\$ 234,844</u>	<u>\$ 281,919</u>	<u>\$ 282,057</u>	<u>\$ 259,140</u>	<u>\$ 278,410</u>	<u>\$ 342,368</u>

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

	<u>Fiscal Year</u>
	<u>2010</u>
General Fund:	
Reserved	\$ 32,866
Unreserved	133,765
Total general fund	<u>\$ 166,631</u>
All other governmental funds:	
Reserved	\$ 362,565
Unreserved, reported in:	
Special revenue funds	14,442
Capital projects funds	87,575
Debt service funds	178
Permanent fund	376
Total all other governmental funds	<u>\$ 465,136</u>

	<u>Fiscal Year</u>								
	<u>2011 (a)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:									
Restricted	\$ 20,930	\$ 34,950	\$ 42,256	\$ 32,069	\$ 35,306	\$ 89,454	\$ 105,276	\$ 85,591	\$ 87,641
Committed	215,273	134,151	70,457	37,992	9,207	2,749	659	5,040	10,861
Assigned	51,434	96,691	76,815	83,902	79,775	77,923	77,726	76,505	85,825
Unassigned	84,750	82,931	91,191	70,784	79,192	94,093	99,761	107,099	104,667
Total General Fund	<u>\$ 372,387</u>	<u>\$ 348,723</u>	<u>\$ 280,719</u>	<u>\$ 224,747</u>	<u>\$ 203,480</u>	<u>\$ 264,219</u>	<u>\$ 283,422</u>	<u>\$ 274,235</u>	<u>\$ 288,994</u>
All other governmental funds:									
Nonspendable	\$ 6,631	\$ 1,872	\$ 3,138	\$ 2,275	\$ 1,959	\$ 1,180	\$ 357	\$ 362	\$ 370
Restricted	403,782	259,101	221,517	271,375	317,629	308,953	361,601	374,569	435,459
Committed	1,000	—	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—	—	—
Unassigned	(10,020)	(5,586)	(2,155)	(364)	(322)	(68)	—	—	—
Total all other governmental funds	<u>\$ 401,393</u>	<u>\$ 255,387</u>	<u>\$ 222,500</u>	<u>\$ 273,286</u>	<u>\$ 319,266</u>	<u>\$ 310,065</u>	<u>\$ 361,958</u>	<u>\$ 374,931</u>	<u>\$ 435,829</u>

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 474,935	\$ 458,035	\$ 487,666	\$ 467,820	\$ 497,061	\$ 529,231	\$ 601,328	\$ 563,213	\$ 590,330	\$ 642,666
Licenses and permits	12,488	14,573	14,632	13,457	12,010	14,249	13,952	14,362	15,974	17,834
Charges for services	198,623	155,277	61,207	58,826	63,949	65,744	76,844	75,395	80,594	83,320
Intergovernmental revenues	168,344	172,171	171,362	164,365	151,369	154,789	146,074	149,804	157,487	160,836
Intragovernmental revenues	2,674	2,929	1,650	4,880	3,286	2,342	1,909	2,974	11,327	7,420
Traffic violations and court fees	6,291	9,514	6,707	5,429	5,112	5,822	6,771	5,861	7,025	5,590
Interest and other operating revenues	15,144	27,394	37,630	31,816	46,174	57,835	53,004	55,987	51,818	116,588
Total revenues	878,499	839,893	780,854	746,593	778,961	830,012	899,882	867,596	914,555	1,034,254
Expenditures:										
Current:										
General government	42,446	35,980	25,015	21,721	25,957	24,888	24,720	26,591	29,174	41,093
Public safety	388,364	407,409	414,456	416,774	429,520	442,491	452,435	469,029	484,947	496,092
Public works	150,988	174,235	100,806	101,172	114,061	107,819	107,520	101,343	114,599	124,049
Health and welfare	4,053	4,471	3,865	5,973	6,241	7,550	7,832	7,694	7,778	7,211
Cultural and recreation	22,581	23,933	14,579	13,864	13,031	13,267	14,910	24,606	23,816	24,682
Urban redevelopment and housing	44,037	40,733	27,374	24,033	17,760	22,731	17,641	14,023	18,476	18,567
Economic development and assistance	42,111	73,758	95,236	37,981	28,411	61,202	20,163	27,326	23,327	44,627
Capital outlays	226,218	246,409	151,228	105,394	84,975	122,022	78,901	134,973	205,552	203,925
Debt service:										
Redemption of bonds and notes	93,793	80,162	68,114	61,598	76,953	69,066	72,787	83,575	94,026	188,013
Interest on bonds and notes	55,388	57,971	50,892	51,981	47,877	45,915	49,835	53,807	42,353	42,237
Swap termination payment	—	—	—	—	—	—	—	—	—	—
Bond and note issuance costs	4,987	4,130	614	5,705	1,099	2,445	1,358	3,288	2,670	2,129
Advance funding escrow	—	3,318	—	36,705	10,525	11,655	—	—	—	—
Operating lease payments and administration	15,439	15,781	16,339	16,047	16,184	18,448	16,662	2,337	4,808	3,123
Total expenditures	1,090,405	1,168,290	968,518	898,948	872,594	949,499	864,764	948,592	1,051,526	1,195,748
Excess (deficiency) of revenues under expenditures	(211,906)	(328,397)	(187,664)	(152,355)	(93,633)	(119,487)	35,118	(80,996)	(136,971)	(161,494)
Other financing sources (uses):										
Proceeds of financing from capital lease	—	8,175	—	—	605	3,248	—	—	4,972	29,566
Proceeds from execution of parking meter contract	20,000	—	—	—	—	—	—	—	—	—
Proceeds from restructuring of debt	—	—	—	85	212	749	—	—	—	—
Sales of capital assets	910	1,574	1,608	795	625	472	1,264	1,153	739	2,077
Bonds and notes issued	229,732	146,495	17,915	5,780	69,370	116,600	10,707	128,132	118,627	180,490
Premium on bonds and notes issued	11,093	6,810	2,509	11,744	6,215	12,146	6,609	31,522	4,217	25,018
Refunding bonds issued	—	39,000	24,415	86,605	11,420	10,985	50,325	150,800	12,202	—
Payment to refunded bond escrow agent	—	(25,979)	(28,453)	(53,545)	—	—	(52,485)	(159,515)	—	—
Transfers in	108,357	141,489	65,313	102,216	53,138	128,974	98,909	102,286	184,829	188,575
Transfers out	(108,357)	(160,266)	(65,313)	(102,216)	(53,138)	(128,974)	(98,909)	(102,286)	(184,829)	(188,575)
Total other financing sources (uses)	261,735	157,298	17,994	51,464	88,447	144,200	16,420	152,092	140,757	237,151
Special item—sale of wastewater collection and treatment facilities:										
Assumption of bond anticipation note by CEG	—	51,137	—	—	—	—	—	—	—	—
Proceeds from sale of wastewater collection and treatment facilities	—	262,600	—	—	—	—	—	—	—	—
Assumption of additional liabilities by CEG	—	1,134	—	—	—	—	—	—	—	—
Transfer of debt service reserve and unspent bond proceeds to CEG	—	(1,759)	—	—	—	—	—	—	—	—
Total special item	—	313,112	—	—	—	—	—	—	—	—
Net change in fund balances (deficits)	\$ 49,829	\$ 142,013	\$ (169,670)	\$ (100,891)	\$ (5,186)	\$ 24,713	\$ 51,538	\$ 71,096	\$ 3,786	\$ 75,657
Debt service as a percentage of noncapital expenditures	17%	15%	15%	15%	17%	15%	15%	16%	16%	23%
Debt service expenditures	\$ 149,181	\$ 138,133	\$ 119,006	\$ 113,579	\$ 124,830	\$ 114,981	\$ 122,622	\$ 137,382	\$ 136,379	\$ 230,250
Noncapital expenditures	892,858	932,309	803,222	781,499	721,252	768,280	793,994	846,477	878,890	1,023,315

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

Fiscal year	Property	Local income tax	Wheel tax	Other (a)	Total taxes
2010	\$ 255,772	\$ 187,880	\$ 11,890	\$ 19,393	474,935
2011	255,230	170,092	12,193	20,520	458,035
2012	279,254	174,342	12,433	21,637	487,666
2013	280,596	154,273	12,978	19,973	467,820
2014	297,905	164,582	13,250	21,324	497,061
2015	287,170	206,838	14,645	20,579	529,232
2016	299,225	266,834	13,644	21,625	601,328
2017	295,484	230,417	14,843	22,469	563,213
2018	316,100	237,319	15,354	22,574	591,347
2019	331,187	272,699	15,527	23,253	642,666

(a) Includes financial institution and other local taxes.

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

<u>Fiscal year</u>	<u>Residential property</u>	<u>Commercial property</u>	<u>Industrial property</u>	<u>Personal property</u>	<u>Other</u>	<u>Total taxable assessed value (a) (b)</u>	<u>Total direct tax rate</u>	<u>Estimated actual taxable value</u>	<u>Taxable assessed value as a % of actual taxable value (a)</u>
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
2018	19,839,568	14,114,626	3,150,699	6,700,531	894,001	44,699,425	0.7243	44,699,425	100
2019	21,199,690	14,886,845	3,244,769	6,837,711	910,314	47,079,329	0.7092	47,079,329	100

Note: Tax-exempt property for 2019 of \$5,053,435 represents charitable organizations and other deductions. Government property is generally not assessed.

- (a) Represents the assessment (Marion County Auditor's "certified abstract") on January 1 of the prior year for taxes due and payable in the year indicated.
- (b) In 2019, total taxable assessed value includes \$4,737,895 of assessed valuation for Marion County Tax Increment Financing Districts.

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

Fiscal Year	City of Indianapolis			County direct rates		Overlapping rates			Total direct and overlapping rates
	Operating millage	Debt service millage	Total city millage	County	Municipal corporations	Total City-County Council approved	School	Other	
2010	\$ 0.8041	\$ 0.0632	\$ 0.8673	\$ 0.3534	\$ 0.3282	\$ 1.5489	\$ 1.3692	\$ 0.0615	\$ 2.9796
2011	0.8807	0.0718	0.9525	0.3665	0.3685	1.6875	1.4065	0.0615	3.1555
2012	0.9116	0.0918	1.0034	0.4007	0.3958	1.7999	1.2711	0.0670	3.1380
2013	0.9069	0.0733	0.9802	0.3932	0.4314	1.8048	1.4829	0.0607	3.3484
2014	0.6795	0.0872	0.7667	0.4034	0.4340	1.6041	1.2889	0.0620	2.9550
2015	0.6431	0.0638	0.7069	0.3825	0.4205	1.5099	1.3504	0.0607	2.9210
2016	0.6554	0.0582	0.7136	0.3883	0.4454	1.5473	1.4170	0.0630	3.0273
2017	0.6742	0.0571	0.7313	0.3943	0.4517	1.5773	0.9735	0.0619	2.6127
2018	0.6716	0.0527	0.7243	0.3893	0.4488	1.5624	1.1336	0.0587	2.7547
2019	0.6636	0.0456	0.7092	0.3906	0.4496	1.5494	1.5032	0.0563	3.1089

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

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

Principal taxpayers	2019			Principal taxpayers	2010		
	Taxable assessed value (a)	Rank	Percentage of total city taxable assessed value		Taxable assessed value (b) (c)	Rank	Percentage of total city taxable assessed value
Eli Lilly and Company	\$ 1,334,403	1	2.985 %	Eli Lilly and Company	\$ 2,261,447	1	6.089 %
Citizens Energy Group	481,064	2	1.076	Indianapolis Power & Light Co.	361,036	2	0.972
Indianapolis Power and Light Company	354,175	3	0.792	Federal Express Corporation	191,197	3	0.515
Federal Express Corporation	240,863	4	0.539	Allison Transmission Inc.	184,486	4	0.497
Convention Headquarters Hotels, LLC	195,413	5	0.437	Indiana Bell Telephone Co. Inc.	153,410	5	0.413
Hertz Indianapolis 111 Monument, LLC	156,831	6	0.351	Circle Centre Development Co.	152,746	6	0.411
American United Life Insurance Company	117,369	7	0.263	Macquarie Office Monument Center I, LLC	138,940	7	0.374
G&I IX MJW Keystone Crossing, LLC	102,774	8	0.230	VV USA City, LP	136,320	8	0.367
Rolls-Royce Corporation	94,568	9	0.212	Keystone Investors, LLC	130,454	9	0.351
SVC Manufacturing	91,086	10	0.204	American United Life	116,215	10	0.313
MSA North Developer, LLC	83,338	11	0.186	Citizens Coke & Gas Utility	86,643	11	0.233
Castleton Square, LLC	83,217	12	0.186	Methodist Hospital	78,758	12	0.212
IMD2 LLC	78,219	13	0.175	Rolls Royce	77,065	13	0.208
Westin Indianapolis LLC	70,718	14	0.158	Hub Properties GA, LLC	71,188	14	0.192
DOW Agrosociences, LLC	69,722	15	0.156	National Starch, LLC	70,115	15	0.189
Axis FC LLC	64,672	16	0.145	BNP Paribas Leasing Corp	68,270	16	0.184
NG 211 N Pennsylvania St, LLC	63,191	17	0.141	MT Acquisitions, LLC	64,404	17	0.173
Southwest Airlines Co.	62,381	18	0.140	Crossroads Indiana, LLC	60,589	18	0.163
Cellco Partnership	62,231	19	0.139	Kite West 86th Street, LLC	56,813	19	0.153
IN-IUPUI Holdings, LLC	58,985	20	0.132	Automotive Components Holdings, LLC	56,440	20	0.152
	<u>\$ 3,865,220</u>		<u>8.647</u>		<u>\$ 4,516,536</u>		<u>12.161</u>

- (a) Represents the January 1, 2018 valuations for taxes due and payable in 2019 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, 2009 valuations for taxes due and payable in 2010 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 2010 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Property Tax Levies and Collections
Schedule 10
Last Nine Fiscal Years (c)
(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 (d)		Amount (a)	Percentage of levy (d)
2011	\$ 184,301	\$ 175,077	95.0 %	\$ 6,740	\$ 181,817	98.7 %
2012	195,321	185,950	95.2	7,044	192,994	98.8
2013	186,122	177,333	95.3	6,772	184,105	98.9
2014	214,798	207,089	96.4	6,286	213,375	99.3 (b)
2015	195,944	189,917	96.9	4,913	194,830	99.4
2016	194,983	187,224	96.0	6,638	193,862	99.4
2017	217,161	210,628	97.0	5,615	216,243	99.6
2018	214,321	207,816	97.0	5,551	213,367	99.6
2019	224,783	212,813	94.7	—	212,813	94.7

(a) Tax increment revenues are not included in the collected amounts because there is no separate tax levy for them.

(b) During 2013 an administrative process was completed to validate property owners who were receiving a homestead deduction. Those property owners with multiple homestead deductions were notified by the County to validate the homestead deduction or they would have this deduction removed. This verification process increased base assessed value in and resulted in additional one-time property tax revenue.

(c) Beginning in 2011, delinquent collections were broken down by original levy year in information provided by Marion County Treasurer. Data regarding the prior year collections is not available and therefore is not included in this table.

(d) 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.

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

Fiscal year	Governmental activities						Percentage of personal income (a)	Per capita (a)
	General obligation bonds	Tax increment bonds	Revenue bonds	Notes payable and certificates of participation	Capital leases	Total Governmental Activities Debt		
2010	\$ 265,900	\$ 536,092	\$ 728,684	\$ 41,335	\$ -	\$ 1,572,011	4.17%	\$ 1,947
2011	218,188	650,409	271,313 (b)	37,300	8,175	1,185,385	2.91%	1,445
2012	210,616	632,594	264,850	46,150	8,175	1,162,385	2.75%	1,392
2013	180,800	626,551	260,150	28,732	8,038	1,104,271	2.63%	1,309
2014	157,574	669,880	271,520	40,422	8,549	1,147,945	2.65%	1,352
2015	129,860	649,323	345,558	74,633	11,607	1,210,981	2.67%	1,404
2016	85,898	624,750	335,028	82,197	10,619	1,138,492	2.43%	1,331
2017	135,822	602,630	332,753	119,288	9,659	1,200,152	2.51%	1,390
2018	124,440	598,565	360,653	166,076	12,182	1,261,916	2.54%	1,449
2019	121,652	614,661	453,785	104,601	39,997	1,334,696	2.69%	1,523

(a) See schedule 16 for personal income and population data.

(b) Effective August 26, 2011, the City's water and wastewater utilities were sold to Citizens Energy Group. As part of the sale, CEG assumed \$1,408,369 of revenue bonds and agreed to fund the remaining sanitary district general obligation debt in the amount of \$41,803, which matured in 2018.

(c) Outstanding bond amounts include deferred premiums.

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

Fiscal year	Net general bonded debt outstanding			Total	Percentage of actual taxable value of property (b)	Per capita (a)
	General obligation bonds	Less: Amounts available in debt service fund				
2010	\$ 265,900	\$ 27,681	\$	238,219	0.589 %	\$ 294.98
2011	218,188	7,935		210,253	0.529	256.27
2012	210,616	29,816		180,800	0.462	216.57
2013	180,800	20,275		160,525	0.409	190.33
2014	157,574	21,255		136,319	0.328	160.60
2015	129,860	24,850		105,010	0.251	121.71
2016	85,898	8,727		77,171	0.181	90.24
2017	135,822	9,055		126,767	0.293	146.81
2018	124,440	15,395		109,045	0.244	125.20
2019	121,652	15,930		105,722	0.225	120.63

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

- (a) Population data can be found in schedule 16.
- (b) Property value data can be found in schedule 7.
- (c) Outstanding bond amounts include deferred premiums.

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2019
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit		Bonds outstanding (h)
			%	Dollar amount	
Direct Debt:					
City of Indianapolis:					
Civil City	2	\$ 39,692,999	0.67%	\$ 265,943	\$ 56,790
Park District	1	42,341,434	0.67%	283,688	4,530
Redevelopment District	2	39,692,999	(f)	—	—
Flood Control District	1	42,341,434	0.67%	283,688	—
Metropolitan Thoroughfare District	1	42,341,434	1.33%	563,141	23,305
Solid Waste Special Service District	7	39,744,709	2.00%	794,894	—
Public Safety Communications and Computer Facilities District	1	42,341,434	0.67%	283,688	31,435
Premium on General Obligation Debt				—	5,592
Total City General Obligation Debt				<u>\$ 2,475,042</u>	<u>121,652</u>
Other Direct Debt					
Tax increment bonds					596,249
Revenue bonds					396,935
Note payable and certificate of participations					104,601
Capital leases					39,997
Total City Direct Debt					<u>\$ 1,259,434</u>
Overlapping:					
Marion County	1	\$ 42,341,434	0.67%	<u>\$ 283,688</u>	<u>\$ —</u>
Municipal Corporations:					
Indianapolis Airport Authority		\$ 42,341,434	0.67%	\$ 283,688	\$ —
Health and Hospital Corporation	1	42,341,434	0.67%	283,688	173,970
Capital Improvement Board of Managers	1	42,341,434	0.67%	283,688	—
Indianapolis-Marion County Building Authority	1	42,341,434	(b)	—	—
Indianapolis-Marion County Public Library	4	41,733,632	0.67%	279,615	62,960
Indianapolis Public Transportation Corporation	2	40,150,327	0.67%	269,007	—
Total Municipal Corporations				<u>\$ 1,399,686</u>	<u>\$ 236,930</u>
School Districts:					
Beech Grove	8	\$ 458,380	(g)	\$ 3,071	\$ 2,797
Decatur	8	1,833,404	(g)	12,284	1,475
Franklin	8	2,501,137	(g)	16,758	2,880
Indianapolis Public Schools	8	11,823,581	(g)	79,218	41,090
Lawrence	8	5,142,820	(g)	34,560	24,525
Perry	8	3,569,301	(g)	23,914	18,515
Pike	8	4,711,314	(g)	31,566	26,905
Speedway	8	789,849	(g)	5,292	—

(Continued) 161

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2019
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit		Bonds outstanding (h)
			%	Dollar amount	
School Districts (continued):					
Warren	8	\$ 2,711,603	(g)	\$ 18,168	3,500
Washington	8	6,411,370	(g)	42,956	24,035
Wayne	8	3,072,533	(g)	20,586	13,535
Total School Districts		<u>\$ 43,025,292</u>		<u>\$ 288,373</u>	<u>\$ 159,257</u>
Other Cities and Towns:					
Beech Grove	2	\$ 457,327	0.67%	\$ 3,064	\$ 790
Lawrence	2	1,531,595	0.67%	10,262	3,192
Southport	2	51,710	0.67%	346	222
Speedway	2	607,802	0.67%	4,072	3,573
Total Other Cities and Towns		<u>\$ 2,648,434</u>		<u>\$ 17,744</u>	<u>\$ 7,777</u>
Townships:					
Center	3	\$ 6,872,794	0.67%	\$ 46,048	\$ —
Decatur	3	1,613,146	0.67%	10,808	—
Franklin	3	2,637,147	0.67%	17,669	—
Lawrence	3	5,522,882	0.67%	37,003	1,210
Perry	3	3,897,176	0.67%	26,111	—
Pike	3	4,549,564	0.67%	30,482	—
Warren	3	3,665,622	0.67%	24,560	—
Washington	3	9,020,748	0.67%	60,439	—
Wayne	3	4,307,512	0.67%	28,860	1,194
Total Townships		<u>\$ 42,086,591</u>		<u>\$ 281,980</u>	<u>\$ 2,404</u>
Excluded Library Districts:					
Speedway	4	\$ 607,802	0.67%	\$ 4,072	\$ 115
Total Excluded Library Districts		<u>\$ 607,802</u>		<u>\$ 4,072</u>	<u>\$ 115</u>
Ben Davis Conservancy District		<u>\$ 357,670</u>	(c)	<u>\$ —</u>	<u>\$ —</u>
Total overlapping debt					<u>\$ 406,483</u>
Total direct and overlapping debt					<u>\$ 1,665,917</u>

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2019
(In thousands)

- (a) Excludes revenue bonds not payable from ad valorem taxes.
- (b) There is no debt limit for the Indianapolis-Marion County Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Building Authority's enabling legislation.
- (c) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 14-33-11-4.
- (d) Represents the January 1, 2018 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2019.
- (e) See Introductory Section.
- (f) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (g) A statutory .67% 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 and does not include the outstanding building corporation debt.
- (h) Governmental activities debt of the overlapping governments is not readily available; only general obligation debt is reported in this column.

Source: All outstanding debt for the overlapping governments can be found on Indiana Gateway. www.gateway.ifionine.org/report_builder

CITY OF INDIANAPOLIS
Computation of Legal Debt Margin (a)(c)
Schedule 14
December 31, 2019
(In thousands)

	<u>Assessed value</u>	<u>Debt limit percentage</u>	<u>Debt limit</u>	<u>Bonds outstanding</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
Civil City	\$ 39,692,999	0.67%	\$ 265,943	\$ 56,790	\$ 209,153	21.35%
Park District	42,341,434	0.67%	283,688	4,530	279,158	1.60%
Redevelopment District	39,692,999	(b)	—	—	—	—
Flood Control District	42,341,434	0.67%	283,688	—	283,688	0.00%
Metropolitan Thoroughfare District	42,341,434	1.33%	563,141	23,305	539,836	4.14%
Solid Waste Special Service District	39,744,709	2.00%	794,894	—	794,894	—
Public Safety Communications and Computer Facilities District	42,341,434	0.67%	283,688	31,435	252,253	11.08%

(a) Excludes Revenue Bonds not payable from ad valorem taxes.

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

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

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

Transportation revenue bonds					
Fiscal year	Wheel and gas tax revenue (a)	Debt service			Coverage
		Principal	Interest		
2010	\$ 11,890	\$ 3,570	\$ 762		2.74
2011	12,193	1,355	592		6.26
2012	12,433	1,415	532		6.39
2013	46,323	1,525	543		22.40
2014	51,703	1,520	319		28.11
2015	52,909	1,580	2,076		14.47
2016	53,013	2,565	3,624		8.57
2017	62,060	2,660	3,530		10.03
2018	69,823	2,770	3,419		11.28
2019	70,197	2,875	4,855		9.08

PILOT revenue bonds					
Payments in lieu of taxes (b)	Debt service			Coverage	
	Principal	Interest (h)			
\$ 5,574	—	3,054		1.83	
14,214	—	7,910		1.80	
5,264	—	7,910		0.67	
5,875	—	7,910		0.74	
3,771	—	7,910		0.48	
8,168	—	7,910		1.03	
8,168	—	7,910		1.03	
10,520	—	3,955		2.66 (j)	
13,729	—	7,413		1.85	
16,647	—	7,352		2.26	

Property tax increment bonds					
Tax increment revenues (c)	Debt service			Coverage	
	Principal (d)	Interest			
\$ 66,615	\$ 21,054	\$ 15,700		1.81	
60,980	54,036	10,997		0.94	
74,183	30,402	9,132		1.88	
82,754	29,701	17,729		1.74	
82,319	39,223	18,383		1.43	
83,953	34,815	18,673		1.57	
90,418	34,266	21,846		1.61 (i)	
81,848	33,538	15,002		1.69	
94,215	44,424	20,414		1.45	
109,540	51,484	20,098		1.53	

Facilities revenue bonds					
Fiscal year	Charge back (e)	Debt service			Coverage
		Principal	Interest		
2010	\$ 2,210	\$ 1,190	\$ 739		1.15
2011	1,947	1,240	691		1.01
2012	1,853	1,300	632		0.96
2013	1,535	1,365	575		0.79
2014	1,956	1,420	515		1.01
2015	1,952	1,450	249		1.15
2016	1,963	1,650	173		1.08
2017	1,855	1,680	131		1.02
2018	1,858	1,725	101		1.02
2019	1,840	1,750	70		1.01

Economic development bonds					
Parking fees (f)	Debt service			Coverage	
	Principal	Interest			
\$ 1,654	\$ 98	\$ 1,384		1.12	
1,365	104	1,096		1.14	
1,669	—	1,548		1.08	
1,004	255	749		1.00	
1,575	620	955		1.00	
3,062	1,183	1,981		0.97	
3,182	1,227	1,955		1.00	
2,364	957	1,407		1.00	
1,584	670	914		1.00	
1,584	685	899		1.00	

Stormwater revenue bonds					
Net revenues of the stormwater system (g)	Debt service			Coverage	
	Principal	Interest			
\$ 3,060	\$ 1,015	\$ 2,045		1.00	
3,220	1,190	2,030		1.00	
3,975	1,435	2,540		1.00	
2,673	780	1,893		1.00	
3,985	1,665	2,320		1.00	
4,458	2,235	2,223		1.00	
5,280	1,990	2,234		1.25	
5,637	2,075	2,434		1.25	
7,539	3,730	2,301		1.25	
8,471	3,900	2,877		1.25 (k)	

- (a) 2009-2012, only wheel taxes pledged. 2013-2019, wheel taxes and gasoline taxes are pledged.
- (b) Payments in lieu of taxes wastewater system.
- (c) Property tax increment revenues collected in TIF districts.
- (d) Does not include principal amount for refunding bonds.
- (e) Charge back to City-County agencies.
- (f) Fees from parking garage.
- (g) Improvements of stormwater handling capabilities.
- (h) Any shortfalls in pledged PILOT revenues are covered by accumulated PILOT payments from prior years.
- (i) Principal payment does not include \$52,485 for the Redevelopment District Refunding Bonds, 2016A (Marriott).
- (j) Principal payment does not include \$159,515 for the PILOT Refunding Bonds, Series 2017C.
- (k) Principal payment does not include \$50,000 for the Stormwater 2019 Refunding bonds.

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

<u>Calendar year</u>	<u>Population (a)</u>	<u>Personal income (thousands of dollars) (b)</u>	<u>Per capita personal income (b)</u>	<u>Median age (c)</u>	<u>Education level in years of schooling (a)</u>	<u>School enrollment (d)</u>	<u>Unemployment rate (e)</u>
2010	821,579	\$ 37,742,341	\$ 41,723	33.60	12	159,865	9.70 %
2011	827,664	40,689,554	44,655	33.00	12	143,053	9.50
2012	835,499	42,320,319	46,015	33.70	12	146,175	9.40
2013	844,696	42,030,800	45,226	33.90	12	149,697	7.00
2014	850,164	43,329,752	46,320	34.10	12	130,007	5.80
2015	853,714	45,346,774	48,272	34.30	12	130,371	4.60
2016	859,049	46,763,199	49,530	34.40	12	131,754	3.90
2017	863,478	47,758,830	50,328	34.50	12	132,596	3.10
2018	870,960	49,585,841	51,940	34.50	12	132,838	3.40
2019	876,384	49,585,841 (f)	51,940 (f)	34.50 (g)	12	131,292	2.90

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Stats Indiana

(d) Indiana Department of Education

(e) Bureau of Labor Statistics, December 2019 rate (not seasonally adjusted)

(f) This information was not made available by the Bureau of Economic Analysis as of the CAFR issuance date; 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.

CITY OF INDIANAPOLIS
Principal Employers
Schedule 17
December 31, 2019

Employer	2019 (b)			Employer	2010 (c)		
	Employees	Rank	Percentage of total city employment (a)		Employees	Rank	Percentage of total city employment (a)
Indiana University Health	23,187	1	4.90%	Clarian Health Partners, Inc	12,763	1	3.13%
Ascension St. Vincent	17,398	2	3.68%	Eli Lilly and Company	11,550	2	2.84%
Community Health Network	11,328	3	2.39%	St. Vincent Hospitals & Health Services	10,640	3	2.61%
Eli Lilly and Company	10,737	4	2.27%	IUPUI	7,066	4	1.73%
Walmart	8,926	5	1.89%	FedEx	6,311	5	1.55%
Kroger Co	7,675	6	1.62%	Community Health Network	5,341	6	1.31%
Federal Express	5,000	7	1.06%	Rolls-Royce	4,300	7	1.06%
Anthem	4,866	8	1.03%	St. Francis Hospital & Health Centers	4,152	8	1.02%
Eskenazi Health	4,620	9	0.98%	WellPoint Inc.	3,950	9	0.97%
Meijer	4,594	10	0.97%	Allison Transmission/Div of GMC	3,800	10	0.93%

- (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 2010 Comprehensive Annual Financial Report.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	236	206	230	211	200	192	190	195	194	199
Protection of People										
Police Department	1,636	1,624	1,542	1,527	1,549	1,654	1,647	1,654	1,653	1,660
Fire Department (a)	1,300	1,268	1,221	1,155	1,173	1,180	1,184	1,184	1,179	1,189
Other (Civilian)	291	270	262	348	336	337	331	340	342	392
Public Works	670	661	683	620	626	632	648	649	684	694
Parks and Recreation	142	131	114	99	103	103	104	117	119	123
Redevelopment	227	226	206	204	226	237	239	254	247	251
Total full-time City employees	<u>4,502</u>	<u>4,386</u>	<u>4,258</u>	<u>4,164</u>	<u>4,213</u>	<u>4,335</u>	<u>4,343</u>	<u>4,393</u>	<u>4,418</u>	<u>4,508</u>

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

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

Source: City of Indianapolis Office of Finance & Management

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

<u>Function/program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government											
Building permits issued	33,619	33,915	34,966	38,803	38,384	39,708	37,967	38,117	42,140	43,962	47,513
Building inspections conducted	37,224	32,370	32,034	35,509	29,891	31,026	40,088	37,681	37,645	35,875	37,400
Households assisted with entitlement grants	6,872	3,430	3,090	1,789	2,233	2,100	4,219	6,812	6,436	2,193	1,496
Police											
Physical arrests	51,944	50,264	60,883	55,965	52,337	42,293	39,417	61,059	41,310	32,578	NA
Parking violations	8,575	8,953	7,277	3,778	2,362	3,440	6,512	7,501	7,599	6,827	6,971
Traffic violations	36,850	20,600	34,434	30,328	36,953	31,684	40,642	49,921	35,915	35,062	39,016
Fire											
Emergency responses	122,620	154,755	137,476	151,950	150,535	97,140	106,118	164,030	178,522	167,217	161,339
Dispatched fire runs	18,457	17,236	17,714	18,682	18,744	18,543	18,809	15,145	15,526	16,793	19,628
Inspections	4,663	6,936	12,524	8,231	10,960	15,228	17,678	14,049	13,687	14,398	11,436
Refuse collection											
Refuse collected (tons per day)	1,048	1,038	997	924	960	975	991	1,044	1,127	765	787
Leaves collected (tons per year)	7,610	6,044	7,603	4,907	6,359	5,785	5,397	3,789	3,842	4,894	4,880
Other public works											
Street resurfacing (miles)	237	515	389	139	178	254	138	157	72	114	237
Pothole work orders completed (a)	18,590	16,645	23,821	13,410	14,512	21,722	24,106	21,954	24,202	43,731	45,454
Parks and recreation											
Number of shelter rental reservations	2,514	2,216	2,007	2,279	2,176	2,097	2,467	2,208	2,263	2,865	3,039
Number of day camp registrations	3,135	3,403	3,428	3,143	3,107	3,213	3,226	3,077	3,010	3,079	3,492
Community park and facility attendance	6,820,927	6,804,867	6,954,806	7,321,222	7,844,919	5,172,493	7,460,471	8,648,601	8,456,535	8,393,228	8,936,017

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

Sources: Various City departments

N/A- not available at the time of issuance.

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

Function/program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety											
Police stations	7	6	6	6	6	6	6	6	6	6	6
Police and emergency management vehicles and other rolling stock	2,017	2,321	2,068	2,049	1,925	1,838	1,916	2,009	2,029	2,069	2,128
Fire stations	38	45	45	44	44	44	44	43	43	43	43
Fire vehicles and other rolling stock	277	302	297	282	276	276	291	296	305	315	328
Animal control vehicles and other rolling stock	27	27	31	27	34	30	33	33	33	32	41
Other Public Works											
Streets (miles)	3,233	3,238	3,244	3,299	3,307	3,323	3,337	3,339	3,339	3,342	3,401
Sidewalks (miles)	2,706	2,707	2,706	2,815	3,097	3,199	3,224	3,247	3,251	3,252	3,151
Bridges	512	512	512	527	541	541	540	538	539	539	539
Traffic signal installations	1,127	1,128	1,128	1,130	1,132	1,136	1,141	1,147	1,147	1,151	1,156
Miles of storm sewers and drainage	1,513	1,517	1,517	1,525	1,536	1,540	1,544	1,545	1,550	1,552	1,561
Public works vehicle and other rolling stock	582	546	673	672	652	644	605	590	593	682	721
Cultural and Recreation											
Parks	206	207	207	207	207	208	208	207	210	210	218
Park properties – acreage	11,140	11,168	11,168	11,161	11,161	11,186	11,186	11,254	11,254	11,254	11,386
Playgrounds	128	127	127	126	126	126	126	125	125	126	126
Golf courses	13	13	13	13	13	13	13	13	13	13	13
Swimming pools – outdoors	16	16	16	16	16	16	16	16	18	18	18
Swimming pools – indoors	5	5	5	5	5	5	5	5	4	4	4
Recreational centers	25	25	25	24	24	24	24	23	23	23	23

Sources: Various City departments

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

Single Audit Report
For the Year Ended December 31, 2019

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
December 31, 2019

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City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Indiana Department of Education Child and Adult Care Food Program	10.558	NA	\$ -	\$ 698,441
Indiana Department of Education Summer Food Service Program for Children (<i>Child Nutrition Cluster</i>)	10.559	NA	-	368,457
Total U.S. Department of Agriculture			<u>-</u>	<u>1,066,898</u>
U.S. Department of Commerce				
Economic Adjustment Assistance (<i>Economic Development Cluster</i>)	11.307		-	80,022
Total U.S. Department of Commerce			<u>-</u>	<u>80,022</u>
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants (<i>CDBG Entitlement Grants Cluster</i>)	14.218		5,399,555	6,378,787
Emergency Solutions Grants Program	14.231		761,865	809,171
Home Investment Partnership Programs	14.239		2,064,421	2,312,076
Housing Opportunities for Persons with AIDS	14.241		1,040,984	1,081,585
Community Development Block Grants Section 108 Loan Guarantees	14.248		-	9,575,000
Continuum of Care Program	14.267		5,104,776	5,156,655
Total U.S. Department of Housing and Urban Development			<u>14,371,601</u>	<u>25,313,274</u>
U.S. Department of Justice:				
Indiana Criminal Justice Institute Missing Children's Assistance	16.543	0043, 0040	67,906	112,386
Indiana State Police Missing Children's Assistance	16.543	A2-17-100-013	-	24,904
			<u>67,906</u>	<u>137,290</u>
Indiana Criminal Justice Institute Crime Victim Assistance	16.575	30764	-	156,887
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		-	5,965
Indiana Criminal Justice Institute Project Safe Neighborhoods RSN	16.609	6451	1,450	36,302
Public Safety Partnership and Community Policing Grants	16.710		-	161,012
Special Data Collections and Statistical Studies	16.734		-	1,946
Indiana Criminal Justice Institute Edward Byrne Memorial Justice Assistance Grant Program	16.738	32874	-	47,015
Edward Byrne Memorial Justice Assistance Grant Program	16.738		763,288	1,027,046
			<u>763,288</u>	<u>1,074,061</u>
			Total 16.738	<u>763,288</u>
Criminal and Juvenile Justice and Mental Health Collaboration	16.745		-	47,185
Second Chance Act Reentry Initiative	16.812		-	65,750
Federal Equitable Share Law Enforcement- Forfeitures	16.922		65,000	71,123
Total U.S. Department of Justice			<u>897,644</u>	<u>1,757,521</u>
U.S. Department of Transportation:				
Indiana Department of Transportation Highway Planning and Construction (<i>Highway Planning and Construction Cluster</i>)	20.205	IN-03-0109-04, A249-19-G190012 A249-12-320271 A, IN-03-X109-03, A249-17-G170029, A249-19-L180111, A249-19-G190012	-	5,630,230
Highway Safety Cluster:				
Indiana Criminal Justice Institute State and Community Highway Safety	20.600	A249-19-ON190086	-	125,828
Indiana Criminal Justice Institute State and Community Highway Safety	20.600	33588, 36390	-	353,456
			<u>-</u>	<u>479,284</u>
Indiana Criminal Justice Institute Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	4271, 33067	-	412,797
Indiana Criminal Justice Institute National Priority Safety Programs	20.616	CHRP0-2020-0001, 35519, 34233	-	201,651
Total Highway Safety Cluster			<u>-</u>	<u>1,093,732</u>
Total U.S. Department of Transportation			<u>-</u>	<u>6,723,962</u>
U.S. Department of Treasury				
Equitable Sharing Program	21.016		-	250,301
Total U.S. Department of Treasury			<u>-</u>	<u>250,301</u>
Environmental Protection Agency:				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		5,707	114,724
Total Environmental Protection Agency			<u>5,707</u>	<u>114,724</u>
U.S. Department of Education				
Indiana Department of Education Charter Schools	84.282	U282A170017	-	46,203
Total U.S. Department of Education			<u>-</u>	<u>46,203</u>
Executive Office of the President				
High Intensity Drug Trafficking Areas	95.001		-	167,363
Total Executive Office of the President			<u>-</u>	<u>167,363</u>
U.S. Department of Homeland Security:				
National Urban Search and Rescue (US&R) Response System	97.025		-	2,658,523
Assistance to Firefighters Grant	97.044		-	1,949,769
Indiana Department of Homeland Security Urban Areas Security Initiative- FFY 2017 Funding	97.067	23193, 23194, 23196	144,835	251,551
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		-	2,072,008
Total U.S. Department of Homeland Security			<u>144,835</u>	<u>6,931,851</u>
Total Expenditures of Federal Awards			<u>\$ 15,419,787</u>	<u>\$ 42,452,119</u>

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Indianapolis, Indiana (City) under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The federal loan program listed subsequently is administered directly by the City, and balance and transactions relating to this program are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2019, consist of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2019
14.248	Community Development Block Grants Section 108 Loan Guarantees	\$ 7,302,000

4. The accompanying Schedule does not include expenditures related to federal awards administered by the Indianapolis Housing Agency, a discretely presented component unit of the City because their federal awards programs are reported upon separately.

**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

Mr. Ken Clark, Controller and the
Audit Committee
City of Indianapolis, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2020, which contained a reference to the report of other auditors. Other auditors audited the financial statements of the Indianapolis Housing Agency, the sole discretely presented component unit as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

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

City's Response to the Finding

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

Purpose of this Report

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

BKD, LLP

Indianapolis, Indiana
June 30, 2020

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

Independent Auditor's Report

Mr. Ken Clark, Controller and the
Audit Committee
City of Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited the City of Indianapolis' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of Indianapolis Housing Agency (Housing Agency), as a discretely presented component unit, which received \$61,247,381 in federal awards which are not included in the schedule of expenditures of federal awards during the year ended December 31, 2019. Our audit described below, did not include the operations of the Housing Agency because the Housing Agency engaged other auditors to perform an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on HOME Investment Partnership Program

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the HOME Investment Partnership, CFDA 14.239 as described in finding numbers 2019-002 for special tests and provisions-housing quality standards and 2019-003 for subrecipient monitoring. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on HOME Investment Partnership Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the HOME Investment Partnership Program for the year ended December 31, 2019.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2019.

Other Matters

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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 City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003 that we consider to be material weaknesses.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2020, 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 30, 2020

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

Summary of Auditor's Results

Financial Statements

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

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

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

Federal Awards

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

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

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

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

7. The City's major programs were:

Cluster/Program	CFDA Number	Opinion Issued
Community Development Block Grants/Entitlement Grants (CDBG Entitlement Grants Cluster)	14.218	Unmodified
Home Investment Partnership Programs	14.239	Qualified
Community Development Block Grants Section 108 Loan Guarantees	14.248	Unmodified
Assistance to Firefighters Grant	97.044	Unmodified

8. The threshold used to distinguish between Type A and Type B programs was \$1,273,564.

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

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2019-001	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The City’s internal control environment over financial reporting did not detect certain adjustments to capital assets that were needed to prevent the financial statements from being materially misstated. (Material Weakness)</p> <p>Context: The City’s Office of Finance and Management (OFM) is primarily responsible for the financial reporting process, including maintaining and reconciling the capital assets records. Historically, the capital asset reconciliation for the government-wide financial statements has been prepared outside of the City’s accounting system. During 2019, the City invested significant time and effort to reconcile the accounting system to the financial statements. During this process, certain adjustments were identified.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: The City’s internal control environment did not identify these adjustments in a timely manner because certain account reconciliations, analyses and financial data were not always completed or subjected to a timely secondary review.</p> <p>Recommendation: OFM should establish and maintain an effective process whereby capital assets are reconciled to the accounting system on a regular basis while ensuring a secondary review of this reconciliation.</p> <p>Views of Responsible Officials and Planned Corrective Action: There have been significant improvements in the number of material audit adjustments that have been identified during the audit process. The control issue for 2019 as described primarily relates to financial reporting items in capital assets that related to 2018 and prior that were discovered by the City financial reporting team and corrected during 2019, and as such are not audit adjustments. This can be directly attributed to the financial reporting division continuing to improve the detailed review processes relative to capital assets and other areas. We continue working on improving the controls and oversight related to financial reporting.</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, 2020.</p>

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Findings Required to be Reported by *Uniform Guidance*

Reference Number	Finding
2019-002	<p>Federal Program Name: Home Investment Partnership Program</p> <p>Federal Agency: U.S. Department of Housing and Urban Development</p> <p>CFDA Title and Number: HOME Investment Partnerships Program, CFDA 14.239</p> <p>Criteria or Specific Requirement: Special Tests and Provisions – Housing Quality Standards. Title 24, Part 92 requires that the City ensure on-site inspections and financial oversight be completed during the period affordability to determine that the project meets certain property standards.</p> <p>Condition: On-site inspections and financial oversight were not appropriately completed during the period of affordability. (Material Weakness and Material Non-Compliance)</p> <p>Questioned Costs: No</p> <p>Context: During testing of rental properties 5 out of 9 selections resulted in errors. From a population of 57 rental properties, 9 were selected for testing. Errors consisted of 5 rental properties wherein no on-site inspections or financial monitoring was completed. Our sample was not, and was not intended to be, statistically valid.</p> <p>Effect: Quality housing standards of rental properties could not be verified to ensure compliance with HOME requirements.</p> <p>Cause: The property manager of the rental units failed to provide their required recertifications to the City, which is the initial step in scheduling an on-site visit. In addition, the property manager is unresponsive, and the City has therefore not been able to perform the necessary oversight.</p> <p>Repeat Finding: No</p> <p>Recommendation: HOME Grant Department should establish a process to perform on-site visits in the event that it is unable to contact the property manager, to ensure ongoing compliance.</p> <p>Views of Responsible Officials and Planned Corrective Actions: Without a response from a property manager or owner, we do not have the authority to enter private property to conduct inspections. We are determining changes that could be made to our HOME Program Policies & Procedures Manual to be more specific about the requirement that property owners and property managers promptly notify HOME Grant Staff of any changes to contract information. In addition, which approval from Office of Corporation Counsel, Policies and Procedures will be updated to reflect that non-compliance with Long-Term Affordability will result in non-payment or processing of contracts for current HOME agreements with the owner/developer.</p> <p><i>Person(s) responsible for implementing:</i> Costin Ritter, HOME Grant Manager</p> <p><i>Implementation Date:</i> December 31, 2020</p>

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-003	<p>Federal Program Name: HOME Investment Partnership Program</p> <p>Federal Agency: U.S. Department of Housing and Urban Development</p> <p>CFDA Title and Number: Home Investment Partnerships Program, CFDA 14.239</p> <p>Criteria or Specific Requirement: Subrecipient Monitoring. Title 24, Part 92 requires that the City perform risk assessments and/or on-site monitoring to ascertain whether subrecipients used Federal awards for authorized purposes and complied with Federal statutes, regulations, and the terms and conditions of the sub award.</p> <p>Condition: Risk assessments and on-site monitoring were not appropriately completed during the year. (Material Weakness and Material Non-Compliance)</p> <p>Questioned Costs: No</p> <p>Context: During subrecipient monitoring testing 2 out of 2 selections resulted in errors. From a population of 10 subrecipients, 2 were selected for testing. Errors consisted of 2 subrecipients wherein no risk assessments or on-site monitoring completed. Our sample was not, and was not intended to be, statistically valid.</p> <p>Effect: Appropriate use of funds for authorized purposes and compliance with Federal statutes, regulations, and the terms and condition of the sub award could not be verified to ensure compliance with HOME requirements.</p> <p>Cause: Risk assessments and on-site monitoring was not performed in the current year due to staff turn-over and limited resources.</p> <p>Repeat Finding: No</p> <p>Recommendation: HOME Grant Department should establish a process to perform risk assessments and on-site monitoring to ensure subrecipient compliance with Federal requirements and the terms and conditions of the sub award.</p> <p>Views of Responsible Officials and Planned Corrective Actions: Department of Metropolitan Development has written policies and procedures that require staff to perform annual risk assessments for all project sponsors/subrecipients. In addition, the written policies specify that the risk analysis will determine which projects will require an onsite visit and/or in-depth file review. Due to staff turn-over, this written policy was not followed in 2019. The HOME Team is fully staffed and has the capacity to comply with the written policies in future years.</p> <p><i>Person(s) responsible for implementing:</i> Costin Ritter, HOME Grant Manager</p> <p><i>Implementation Date:</i> March 31, 2021</p>

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

Reference Number	Summary of Finding	Status
2018-001	<p>Financial Reporting</p> <p>The City’s Office of Finance and Management (OFM) is primarily responsible for the financial reporting process. The financial records are maintained on a cash basis throughout the year. At year end, OFM converts the cash basis fund financial statements to the modified accrual basis of accounting. Additionally, a manual conversion process occurs outside the accounting system to convert the fund financial statements to the government-wide financial statements. During the 2018 audit, a material adjustment to notes payable, capital lease obligations, capital asset, and environmental remediation obligations were identified that affected the City’s financial statements.</p>	<p>Partially Resolved See finding 2019-001</p>



Subject: Corrective Action Plan
City of Indianapolis, Indiana
2019 Single Audit Results

Reference
Number

Finding

2019-001

Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.

Condition: The City's internal control environment over financial reporting did not detect certain adjustments to capital assets that were needed to prevent the financial statements from being materially misstated. (Material Weakness)

Context: The City's Office of Finance and Management (OFM) is primarily responsible for the financial reporting process, including maintaining and reconciling the capital assets records. Historically, the capital asset reconciliation for the government-wide financial statements has been prepared outside the City's accounting system. During 2019, the City invested significant time and effort to reconcile the accounting system to the financial statements. During this process, certain adjustments were identified.

Effect: Misstatements in the financial statements.

Cause: The City's internal control environment did not identify these adjustments in a timely manner because certain account reconciliations, analyses and financial data were not always completed or subjected to a timely secondary review.

Recommendation: OFM should establish and maintain an effective process whereby capital assets are reconciled to the accounting system on a regular basis while ensuring a secondary review of this reconciliation.

Views of Responsible Officials and Planned Corrective Action: There have been significant improvements in the number of material audit adjustments that have been identified during the audit process. The control issue for 2019 as described primarily relates to financial reporting items in capital assets that related to 2018 and prior that were discovered by the City financial reporting team and corrected during 2019, and as such are not audit adjustments. This can be directly attributed to the financial reporting division continuing to improve the detailed review processes relative to capital assets and other areas. We continue working on improving the controls and oversight related to financial reporting.

Persons responsible for implementing: Janae Rhoton, Deputy Controller and Adam Brill, Senior Financial Reporting Manager.

Anticipated completion date: December 31, 2020.



Office of Finance and Management, Suite 2222
200 E. Washington Street
Indianapolis, IN 46204

2019-002

Federal Program Name: Home Investment Partnership Program

Federal Agency: U.S. Department of Housing and Urban Development

CFDA Title and Number: HOME Investment Partnerships Program, CFDA 14.239

Criteria or Specific Requirement: Special Tests and Provisions – Housing Quality Standards. Title 24, Part 92 requires that the City ensure on-site inspections and financial oversight be completed during the period affordability to determine that the project meets certain property standards.

Condition: On-site inspections and financial oversight were not appropriately completed during the period of affordability. (Material Weakness and Material Non-Compliance)

Questioned Costs: No

Context: During testing of rental properties 5 out of 9 selections resulted in errors. From a population of 57 rental properties, 9 were selected for testing. Errors consisted of 5 rental properties wherein no on-site inspections or financial monitoring was completed. Our sample was not, and was not intended to be, statistically valid.

Effect: Quality housing standards of rental properties could not be verified to ensure compliance with HOME requirements.

Cause: The property manager of the rental units failed to provide their required recertifications to the City, which is the initial step in scheduling an on-site visit. In addition, the property manager is unresponsive, and the City has therefore not been able to perform the necessary oversight.

Repeat Finding: No

Recommendation: HOME Grant Department should establish a process to perform on-site visits in the event that it is unable to contact the property manager, to ensure ongoing compliance.

Views of Responsible Officials and Planned Corrective Actions: Without a response from a property manager or owner, we do not have the authority to enter private property to conduct inspections. We are determining changes that could be made to our HOME Program Policies & Procedures Manual to be more specific about the requirement that property owners and property managers promptly notify HOME Grant Staff of any changes to contract information. In addition, with approval from the Office of Corporation Counsel, Policies and Procedures will be updated to reflect that non-compliance with Long-Term Affordability will result in non-payment or processing of contracts for current HOME agreements with the owner/developer.

Person(s) responsible for implementing: Costin Ritter, HOME Grant Manager

Implementation Date: December 31, 2020



**Office of Finance and Management
Suite 2222
200 E. Washington Street
Indianapolis, IN 46204**

2019-03

Federal Program Name: HOME Investment Partnership Program

Federal Agency: U.S. Department of Housing and Urban Development

CFDA Title and Number: Home Investment Partnerships Program, CFDA 14.239

Criteria or Specific Requirement: Subrecipient Monitoring. Title 24, Part 92 requires that the City perform risk assessments and/or on-site monitoring to ascertain whether subrecipients used Federal awards for authorized purposes and complied with Federal statutes, regulations, and the terms and conditions of the sub award.

Condition: Risk assessments and on-site monitoring were not appropriately completed during the year. (Material Weakness and Material Non-Compliance)

Questioned Costs: No

Context: During subrecipient monitoring testing 2 out of 2 selections resulted in errors. From a population of 10 subrecipients, 2 were selected for testing. Errors consisted of 2 subrecipients wherein no risk assessments or on-site monitoring completed. Our sample was not, and was not intended to be, statistically valid.

Effect: Appropriate use of funds for authorized purposes and compliance with Federal statutes, regulations, and the terms and condition of the sub award could not be verified to ensure compliance with HOME requirements.

Cause: Risk assessments and on-site monitoring was not performed in the current year due to staff turn-over and limited resources.

Repeat Finding: No

Recommendation: HOME Grant Department should establish a process to perform risk assessments and on-site monitoring to ensure subrecipient compliance with Federal requirements and the terms and conditions of the sub award.

Views of Responsible Officials and Planned Corrective Actions: The Department of Metropolitan Development has written policies and procedures that require staff to perform annual risk assessments for all project sponsors/subrecipients. In addition, the written policies specify that the risk analysis will determine which projects will require an onsite visit and/or in-depth file review. Due to staff turn-over, this written policy was not followed in 2019. The HOME Team is fully staffed and has the capacity to comply with the written policies in future years.

Person(s) responsible for implementing: Costin Ritter, HOME Grant Manager
Implementation Date: March 31, 2021



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