



STATE OF INDIANA
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August 9, 2022

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

We have received the Annual Comprehensive Financial and Single Audit Reports of the City of Indianapolis which have been opined on by FORVIS, LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. 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, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the reports.

The Single Audit Report directly follows the Annual Comprehensive Financial Report. A Summary of Auditor's Results may be found on pages 9-10 of the Single Audit Report.

In our opinion, FORVIS, LLP prepared the audit reports 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

City of Indianapolis, Indiana

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



**Mayor
Joe Hogsett**

**Controller
Ken Clark**

INDIANAPOLIS

BICENTENNIAL

2020-2021

Annual Comprehensive Financial Report

Year Ended December 31, 2021

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

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

Year Ended December 31, 2021

Office of Finance and Management

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TABLE OF CONTENTS

	Page(s)
I. INTRODUCTORY SECTION (UNAUDITED)	
Letter of Transmittal	I – XII
Certificate of Achievement for Excellence in Financial Reporting	XIII
Organization of Local Government and Taxing Districts	
Introduction	XIV
Form of Government	XIV – XV
Other Governmental Units	XV – XIX
Maps	XVI – XVII
Unigov Organizational Chart – Consolidated Government for Indianapolis – Marion County	XVIII
City of Indianapolis Organizational Chart	XIX
Schedule of Elected and Appointed Officials	XX – XXIII
II. FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1 – 3
MANAGEMENT’S DISCUSSION AND ANALYSIS – REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	4 – 24
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	25 – 26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30 – 31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Net Position – Proprietary Funds	33
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Statement of Fiduciary Net Position – Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	37
Notes to Financial Statements	38 – 94

TABLE OF CONTENTS (continued)

Page(s)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Budgetary Comparison Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis – General Fund	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis – Coronavirus Relief Fund	96
Notes to Required Supplementary Information – Budgetary Comparison Schedule	97 – 98
Schedule of Changes in the City’s Net Pension Liability – Police Pre-1977 Plan	99 – 100
Schedule of Changes in the City’s Net Pension Liability – Firefighters’ Pre-1977 Plan	101 – 102
Schedule of Net Pension Liability and Related Ratios	103
Schedule of City’s Proportionate Share of Net Pension Liability	104 – 105
Schedule of City’s Pension Contributions	106 – 107
Schedule of the City’s Net OPEB Liability and Related Ratios	108
Schedule of the City’s OPEB Contributions	109

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES – OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds by Fund Type	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds by Fund Type	111
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund	112 – 113
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund	114 – 115
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual – Budgetary Basis	116 – 118
Schedule of Expenditures by Character – General Fund – Budget and Actual – Budgetary Basis	119 – 122
Combining Balance Sheet – Nonmajor Special Revenue Funds	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	124
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Special Revenue Funds – Budget and Actual – Budgetary Basis	125
Schedule of Expenditures by Character – Special Revenue Funds – Budget and Actual – Budgetary Basis	126 – 127
Combining Balance Sheet – Nonmajor Debt Service Funds	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	139
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds – Budget and Actual – Budgetary Basis	130 – 131
Schedule of Expenditures by Character – Debt Service Funds – Budget and Actual – Budgetary Basis	132

TABLE OF CONTENTS (continued)

Page(s)

Combining Balance Sheet – Nonmajor Capital Projects Funds	133 – 135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	136 – 138
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Annually Budgeted Capital Projects Funds – Budget and Actual – Budgetary Basis	139
Schedule of Expenditures by Character – Annually Budgeted Capital Projects Funds – Budget and Actual – Budgetary Basis	140 – 141
Combining Statement of Net Position – Internal Service Funds	142
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	143
Combining Statement of Cash Flows – Internal Service Funds	144
Combining Statement of Pension Trust Funds Net Position – Fiduciary Funds	145
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds – Police and Firefighters Pension Trust Funds	146
Schedule of Revenues and Expenditures – Fiduciary Funds – Police and Firefighters Pension Trust Funds – Budget and Actual – Budgetary Basis	147
Combining Statement of Fiduciary Net Position – Custodial Funds	148
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	149

III. STATISTICAL SECTION (UNAUDITED)

Net Position by Component	1	150
Changes in Net Position	2	151
Program Revenues by Function/Program	3	152
Fund Balances - Governmental Funds	4	153
Changes in Fund Balances – Governmental Funds	5	154
Tax Revenues by Source – Governmental Funds	6	155
Assessed Value and Estimated Actual Value of Taxable Property	7	156
Direct and Overlapping Governments – Property Tax Rates	8	157
Principal Property Tax Payers	9	158
Property Tax Levies and Collections	10	159
Ratios of Outstanding Debt by Type	11	160
Ratios of Net General Bonded Debt Outstanding	12	161
Schedule of Direct and Overlapping Debt and Bonded Debt Limit	13	162 – 164

TABLE OF CONTENTS (continued)

		Page(s)
Computation of Legal Debt Margin	14	165
Pledged Revenue Coverage	15	166
Demographic and Economic Statistics	16	167
Principal Employers	17	168
Full-Time Equivalent City Government Employees by Function/Program	18	169
Operating Indicators by Function/Program	19	170
Capital Asset Statistics by Function/Program	20	171

Introductory Section

Introductory Section



July 21, 2022

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

I submit to you the Annual Comprehensive Financial Report (“ACFR”) of the City of Indianapolis (“City”) for the fiscal year ended December 31, 2021. 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 ACFR 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 71 successful relocation and expansion projects in 2021, leading to 4,575 new jobs with an average wage of \$30.86 an hour and 2,537 retained jobs at an average of \$34.00 per hour with over \$572 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.²

In transportation, the Indianapolis International Airport (IND) averages 119 daily flights to 46 nonstop destinations. More than 7.1 million passengers flew through IND in 2021, an increase in overall passenger traffic by 75 percent compared to 2020. Due to the ongoing COVID-19 pandemic, the number of enplaned passengers has declined similarly to airport traffic in America, but air cargo total increased significantly. IND recorded 1.3 million tons of total cargo in 2021 and 5.7 million tons of landed weight.³ In addition to providing a workforce of 22,500 jobs, IND is home to the world's second largest FedEx operation and the nation's eighth-largest cargo facility. FedEx has announced that it will invest \$1.5 billion locally over the next seven years, adding 800 additional jobs. In 2021 FedEx processed the highest volume of cargo in their history at IND. In 2022, IND was voted Best Airport in North America by Airports Council International for the tenth consecutive year⁴ and Best Domestic Airport by Travel+Leisure in 2021.⁵ 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.

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 in the City; with a recent announcement that they will be investing \$1.6 billion to consolidate the IU Health Methodist and IU Health University Hospitals into an integrated "green" campus covering 44 acres between 16th and 12th Streets downtown, as well as adding research and education facilities for the IU School of Medicine.⁶ Riley Hospital will remain in its current location, following a \$475 million expansion, adding a new maternity tower and newborn health center which opened in November 2021.

¹ Data retrieved from: <https://indychamber.com/news/develop-indy-year-end-review-by-the-numbers/>

² The Indianapolis Chamber of Commerce. "Indianapolis Region Largest Logistics Companies." <https://indychamber.com/economic-development/indy-partnership/>.

³ Indianapolis Airport Authority, Annual Report, 2020

⁴ Airports Council International. "ACI Reveals World's Best Airports for Customer Experience" <https://aci.aero/programs-and-services/asq/asq-awards-and-recognition/>

⁵ Travel + Leisure. "The Top Ten Domestic Airports" <https://www.travelandleisure.com/worlds-best/airports-domestic>

⁶ Fox News Report, "IU Health Reveals Plans for new \$1.6 Billion Hospital, Expanded Medical Campus in Downtown Indianapolis" August 18, 2020

In addition to the healthcare sector, Indianapolis employs nearly 25,000 people in the life sciences industry, with companies such as Corteva Agriscience (DowDuPont), Eli Lilly and Co., Roche Diagnostics, Express Scripts, Covance Inc. and Anthem Inc. operating in the City. A report from the Indiana Business Research Center and BioCrossroads notes that Indiana is the second largest life science-exporting state in the U.S., behind only California.

The City is home to 25 institutions of higher learning with over 120,000 students enrolled⁷. 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 328 K-12 schools and 11 public school districts, with a population of 179,000 students distributed among all public and private schools⁸.

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. Indianapolis annually hosts the Big Ten Football championship game and has won the bid for several large events including: the 2024 NBA All-Star Weekend; the Women’s Big Ten Basketball Tournament; the NCAA Men’s 2021 Final Four; and the NCAA College 2022 Football National Championship. Due to the ongoing COVID-19 Pandemic, the City hosted the 2021 Big Ten Men and Women’s Basketball Tournament, the entire 64-game NCAA Men’s Basketball Tournament and will host the 2024 NBA All-Star Weekend that was originally scheduled to be hosted in Indianapolis in 2021. Gainbridge Fieldhouse is home to the Indiana Pacers and the Indiana Fever, which is currently undergoing a \$320 million renovation and expansion project. 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. The 15th largest convention center in the U.S. is poised for another major expansion announced in 2018. The 300,000 square-foot expansion includes a 50,000 square-foot ballroom and new pedestrian skybridge and is scheduled to be completed in 2023-2024. Indianapolis drew a record-setting 30 million visitors in 2019, with a record-setting estimated economic impact of \$5.6 billion. In 2022, Visit Indy estimates more than \$835 million in convention tourism will be generated in addition to an estimated \$200 million in leisure travel economic impact. Towards filling the City with future business, in 2022, Visit Indy is on pace to book more than 800,000 hotel room nights, representing conventions, trade shows, meetings, and events committing to meet in Indianapolis in 2023 and beyond. In addition to hosting the College Football Playoff National Championship (100,000 visitors), the City will also host the National FFA Convention (65,000 visitors), the Fire Department Instructors Conference (40,000 visitors), the largest tabletop gaming tradeshow in North America, Gen Con (65,000 visitors), and the Indianapolis 500 (300,000 visitors). This represents the City’s tourism industry at 85% recovered from pre-pandemic levels, with a full recovery expected to be realized by the first quarter of 2023.⁹

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 and monuments honoring our nation’s fallen. Further, the City’s expanding culinary scene has been recognized by Condé Nast Traveler as “the most underrated food city in the U.S.” Zagat named Indianapolis No. 22 among “The 30 Most Exciting Food Cities in America of 2017,” noting that “the Indy food scene has evolved with serious, elevated precision.”¹⁰ Travel and Leisure

⁷ Marion County Post-Secondary Education Student Enrollment: <https://nces.ed.gov/collegenavigator/?s=IN&of=1&od=0&pg=5>

⁸ Indiana Department of Education: <https://compass.doe.in.gov/search.aspx?county>

⁹ Provided directly by Visit Indy.

¹⁰ Zagat “30 Most Exciting Food Cities in America 2017” <https://www.zagat.com/b/30-most-exciting-food-cities-in-america-2017>

magazine rated Indianapolis as one of the “50 Best Places to Travel” in 2017, calling the City “poised to become America’s next big destination.” Food & Wine named Indianapolis one of “America’s Favorite Food Cities” in 2018 and Indianapolis landed on their list of “Best Places to Eat in 2019”. In 2020, Forbes named Indianapolis as one of the “25 Best Places to Visit in 2020”¹¹ and Travel and Leisure ranked Indianapolis #19 in their “50 Best Places to Travel in 2021”¹² citing the newly opened Bottleworks development as a key destination to visit. Food and Wine named Indianapolis as one of “America’s Next Great Food Cities” in April 2022¹³.

Economic Development

Despite impacts of the COVID-19 pandemic, 2021 was a strong year for Indianapolis economic development. The City, in partnership with Develop Indy, operated for the second year under a new “Inclusive Incentives” policy to advance job opportunities for Indianapolis residents and remove barriers to employment that prevent individuals from attaining and retaining well-paying jobs.

The City’s tax abatement policy continues 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 2021, 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.

Develop Indy is engaged in business and community development efforts beyond traditional corporate attraction. 2021 saw nearly 1,400 contacts with employers through the Indy Chamber’s regulatory ombudsman, business retention outreach, and uses of the online platform Open Counter. With the tight labor market, Develop Indy’s Business Retention and Expansion manager worked with community and re-entry organizations such as PACE, IDOC, HVAF, and the Indianapolis Urban League to help refer 500+ individuals into accessible jobs. 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 57% of the new and retained job announcements in 2021. Tech was the highest growth industry with nearly 2,267 new and retained job commitments, followed by advanced manufacturing with 2,187 new and retained jobs.

¹¹ Forbes “Best Places to Travel in 2020” <https://www.forbes.com/sites/laurabegleybloom/2019/12/19/best-places-travel-us-2020/?sh=55d493f84898>

¹² Travel and Leisure “Best Places to Travel in 2021” <https://www.travelandleisure.com/trip-ideas/best-places-to-travel-in-2021>

¹³ Food and Wine “These Are America’s Next Great Food Cities” <https://www.foodandwine.com/travel/best-food-cities>

2021 Job Commitments and Investments

In support of the primary economic development goals for the City, 7,112 job commitments (4,575 new jobs/2,537 current and retained jobs) and over \$572 million in capital investment from 71 successful relocation and expansion projects were announced in 2021. The average wage for retained jobs was \$34 per hour and the average wage for new jobs was \$30.86 per hour. 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 7,112 jobs and invest more than \$872 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.

2021 Notable Projects

Innovation Associates: A provider of software-enabled pharmacy fulfillment solutions announced plans to open the company's global headquarters in central Indiana. iA's new global headquarters already employs 20 Indianapolis-based employees, including iA executive leadership team members. iA plans to create up to an additional 420 new, high-wage jobs in central Indiana by the end of 2023.

WunderKind: A New York-based performance marketing engine delivering tailored experiences to digital businesses at scale, announced plans to establish operations in Indianapolis following its recent acquisition of Indiana-based tech firm SmarterHQ. With this growth, the company plans to create up to 224 new Hoosier jobs by the end of 2025.

Ambrose Redevelopment of Former Navistar Site: Ambrose Property Group is developing a \$23 million speculative industrial building planned at the former Navistar property on the east side. The Indianapolis-based company broke ground later in the year on the building—its first at the 93-acre site that Ambrose has branded Indianapolis Central Logistics Park. The building would be a 616,000-square-foot warehouse along the western edge of the property. It could be expanded to 1.2 million square feet, depending on tenant needs. Ambrose is committing to 100 new jobs for this development.

Jobvite: Moved its headquarters from San Mateo, California, to Indianapolis and plans to boost its local workforce by about 200 employees by the end of 2024. The recruiting technology company, which entered the local market with a single-employee office in 2014, began growing its Indianapolis operations after acquiring Canvas Talent Inc. in early 2019. The company said it will base its expansion from its downtown offices in the Guaranty Building on Monument Circle.

Kennected: A Software-as-a-Service (SaaS) company that simplifies the lives of business owners and entrepreneurs through lead generation, automation and education, announced plans to expand operations in Indianapolis. The company committed to creating up to 405 new jobs by the end of 2025 and has already hired 50 toward its goal.

Cook Medical: Cook Medical announced two adjacent projects on Indy's east side: a new medical device manufacturing facility and a local grocery store. The \$7 million manufacturing facility is being developed in a public-private partnership with Goodwill of Central & Southern Indiana, The Indianapolis Foundation, and the United Northeast Community Development Corp. Goodwill will provide high-skill manufacturing training and opportunities for long-term employment and career progression to the nearly 100 employees generated from the Cook contract, while the grocery store will provide access to healthy, fresh food for the new facility's employees and the wider community, which is largely known as a food desert.

Elevator Hill Phase 1: Located at approximately 1117 E. Market Street, 1820 Ventures plans to spend about \$16 million to develop the project. The 103-unit project would occupy about 0.71 acres near the middle of the 18-acre Elevator Hill campus, which has been in the midst of redevelopment since the departure of Angie's List. Current plans call for a five-story podium building with 36 studios, 47 one-bedroom units, and 20 two-bedroom units. There would be a courtyard at its center and parking on lower levels. The Downtown TIF was amended in 2021 to include the Elevator Hill area, with an anticipated \$250 million investment on the entire campus.

Wesley Place: Arrow Street Development broke ground this year on Wesley Place, a \$40 million mixed-use project with 244 units, contributing to the momentum of IU Health's adjacent \$1.6 billion hospital expansion on 16th Street.

Stutz Redevelopment: SomeraRoad, new owners of the Stutz building, announced in August 2021 plans for a \$60 million redevelopment to transform the building into a mixed-use project offering retail, dining, offices, and art studios.

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. Phase I, including the hotel, retail space, office space, movie theatre, and food hall, opened at the end of 2020. Phase II will open before the end of 2022, including more retail space, a 6-story office space, 60 luxury apartments, and an expansion of the parking garage. Additional office space and apartments are planned for additional phases.

16 Tech: An applied research institute and a hub for multi-sector entrepreneurship driven by the State's academic and research institutions. In 2019, the City-County Council authorized \$75 million in bonds for infrastructure for the project, expected to generate 2,700 jobs in its first phase. The 16 Tech campus, a 60-acre innovation district, will house the Indiana Biosciences Research Institute and offer two million square feet of office, lab, maker- and co-working space. A 40,000 sq. ft. Artisan Marketplace announced 20 vendors to occupy the space and the 120,000 sq. ft. Innovation Building I opened in August 2020. Development continues as the district will begin construction of a new bridge over the White River, roadways and connectivity, and a residential apartment in 2022.

Elanco Animal Health Inc: Announced a \$100 million headquarters campus at the former General Motors stamping plant west of downtown. The 45-acre campus will relocate 1,623 job to the downtown area and create up to 573 high-wage jobs. The City has committed to use \$115 million in Tax Increment Financing to build a new bridge across the White River, begin other infrastructure improvements, and partner with the State on constructing a new pedestrian bridge connecting both banks of the White River.

IU Health: IU Health's \$1.6 billion expansion is underway, serving as a major development catalyst along the 16th Street corridor. The expansion includes three multi-story patient towers as high as 16 floors as part of the 44-acre expansion. The new hospital is expected to be completed in four to five years.

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 \$366 million in net property tax revenue in 2021, including TIF. The City expects to collect \$370 million in net property tax revenue in 2022. The Circuit breaker impact is estimated to be \$41 million in 2022, approximately 15% of certified property tax levies. This represents an increase from the \$36 million loss in property tax revenue experienced in 2021.

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 2021, total LIT revenue distributed to the City attributed to the annual certified distribution was \$305 million which includes the three components of the income taxes, the total rate in 2021 was 1.7306%: County Option Income Tax (“COIT”) (1.0003%), Public Safety Income Tax (“PSIT”) (0.5000%), and the Local Option Income Tax (“LOIT”) Levy Freeze (0.2303%). In 2020, total City income taxes distributed were \$283 million. The \$22 million increase

from 2020 is attributable to organic growth in income tax revenue and a discretionary decision made by OFM to allocate all growth to the City. The certified 2022 City income tax amount is \$278 million, which is a decrease of \$27 million from 2021. The decrease is mainly attributed to \$12 million being allocated to the County, as part of a reorganization of the Metropolitan Emergency Services Agency, which was effective January 1, 2022. The remaining \$15 million decrease is attributable to a discretionary decision made by OFM to allocate more to the County, along with an impact in decreased collections as a direct result of the COVID-19 pandemic. 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 2021, the City received a supplemental amount of \$22 million, bringing total income taxes received in 2021 to \$327 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 Government Accounting Standards Board (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

The City continues to identify ways to create efficiencies and improve the delivery of services to the City despite limited resources. OFM works closely with City departments 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 initiatives that 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.

Focusing on fiscal stability, the City continues to maintain a AAA credit rating by showing solid cash reserves, including the Fiscal Stability fund, where we continue to keep a targeted unassigned fund balance of at least \$80 million. The Fiscal Stability Fund was established by law and has the primary purpose of supporting a solid credit rating for the City.

The City's fund balance policy also establishes a minimum level of funding reserves and the requirement that, if used, the City must establish a plan to replenish reserves in the following year. In addition, legislation passed by the Indiana General Assembly Senate Enrolled Act 621-2013, provided that budgets may be allocated on a semiannual basis as determined by the Controller. In addition, if revenues and fund balance are less than budgeted expenditures, the Controller can reduce agency budgets to create a funded budget. Under SEA 621, the City may impose management reserves, which places a percentage of each 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. This statute gives OFM and the Controller the authority needed to maintain strong financial management practices and policies, providing for a strong framework for solid fiscal operations.

As part of budget adoption for fiscal year 2021, continued investments in public safety and infrastructure were made. Significant investments in public safety included the following:

- Investments in community programs that help to reduce the prevalence of homelessness, treat addiction, address mental health challenges, and create mentoring opportunities for youth
- Funding for a Food Policy Coordinator, tasked with addressing issues of food access and food insecurity, as well as Reentry Services
- New and existing violence reduction and intervention initiatives and grants managed by the Office of Public Health and Safety ("OPHS") including \$3 million for Community Crime Prevention Grants, as well as funding for the Witness Protection Program, the Group Violence Intervention program, and Mobile Crisis Action Teams
- Public safety technology solutions for Indianapolis Metropolitan Police Department ("IMPD"), including dash cams for 25 vehicles and body cameras for IMPD's Operations Division
- Funding for 1,743 police officers and 1,220 firefighters

Significant investments in infrastructure and capital included the following:

- 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

- Purchasing new equipment and refuse service trucks to reduce repair costs on old equipment and ensure business continuity

Despite the effects of the COVID-19 pandemic, the 2022 budget was a structurally balanced budget. As a result of strong fiscal policy and management, the City has received multiple credit rating upgrades since 2017. The adopted 2022 budget increases investments across the City to benefit residents and taxpayers, maintains positive fund balances, protects the Fiscal Stability fund, and continues to operate an efficient City government. Fiscal challenges brought on by the pandemic continue to require strategic investment and conservative revenue forecasting in 2022. The 2022 Budget is guided by the priorities of Mayor Joe Hogsett and the City-County Council. It keeps Indianapolis on a path of strong fiscal stability while making strategic investments. Most notably, the 2022 budget does not diminish the level of government service, but includes strategic investments in public health and safety, infrastructure, criminal justice reform, and neighborhood development. The 2022 budget funds the following initiatives:

- Investment in community programs that helps reduce the prevalence of homelessness, treat addiction, and address mental health challenges
- New and existing violence reduction and intervention initiatives and grants managed by the Office of Public Health and Safety (OPHS) including Community Crime Prevention Grants, as well as funding for the Witness Protection Program and the Group Violence Intervention program
- Honors all commitments made by the City with collective bargaining groups, including funding for 1,743 police officers and 1,220 firefighters
- Annual commitment of the four-year infrastructure plan to invest more than \$163 million in roads, bridges, and greenways
- \$107 million for storm water systems across Indianapolis' neighborhoods
- Completion of DPW second shift to increase capacity and reduce overtime spending
- Programming that supports and connects individuals experiencing homelessness to permanent supportive housing
- Scholarships for Indianapolis residents pursuing a post-secondary degree or credential through the Indy Achieves program
- \$1.1 million for direct grants to Indianapolis arts organizations
- 290 patrol vehicles
- \$1 million for IFD apparatuses
- \$250 thousand increase for the Parks Department to respond to critical infrastructure needs for a total of \$1.25 million
- \$1.25 million for new solid waste trucks
- Increased funding for Department of Metropolitan Development property acquisition for economic development initiatives

Although the 2022 budget is largely an operational budget in nature, it does mark the beginning of a \$190 million initiative to upgrade critical government facilities and enhance service delivery to residents. This project, named Circle City Forward, demonstrates the Hogsett administration's commitment to public investment in neighborhoods and jump-starting the economy.

The payoff of existing pension bonds, which had approximately \$9.5 million in annual debt service payments have provided a financing mechanism to allow these projects to move forward, by offsetting the expiring pension levy with a mix of additional general obligation debt

projects and by levying additional county cumulative funds. Part of the funding for the projects was issued in late 2021 and the changed property tax levies will be in place for the 2022 budget. The debt financing will fund the following City projects:

- Frederick Douglass Park and Family Center facility
- Upgrades to Riverside Park, Krannert Park and Grassy Creek Park
- Fire station replacement in Broad Ripple
- New Animal Care facility
- New solid waste garage

In addition to the \$168 million in CARES Act funding received in 2020 to address the impacts of COVID, during May 2021, the City received additional stimulus in the amount of \$210 million via the Coronavirus State and Local Fiscal Recovery Funds. This was authorized by the American Rescue Plan Act, which provided \$350 billion in emergency funding for eligible state, local, territorial, and tribal governments. The \$210 million represents 50% of the City’s entire \$419 million allocation, the remaining 50% was received in June of 2022. The U.S. Treasury released the Interim Final Rule for the program that describes eligible uses for funding, which include responding to acute pandemic-response needs, filling revenue shortfalls, and supporting the communities and populations hardest-hit by the COVID-19 crisis. The program can incur expenses between March 1, 2021 through December 31, 2024. These funds will help extend critical resources for our community, which will help turn the tide on the pandemic, address its economic fallout and lay the foundation for a strong and equitable recovery. We look forward to expanding our relief capacity through the distribution of American Rescue Plan funding over the coming years.

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, 2021, the Audit Committee members were:

Mr. David Reynolds, <i>Chairperson</i>	Policy Analytics, Senior Vice President
Ms. Crystal Allen	CEO and VP Tax and Accounting Services
Mr. Michael Claytor	Retired Financial Services Sector Professional
Mr. Ryan Mann	Mayor’s Office – Special Counsel to the Mayor
Mr. Daniel Boots	City-County Councillor, City of Indianapolis – Marion County
Ms. Tanya Ndiaye	The Organizer, Accountant
Mr. Michael-Paul Hart	City-County Councillor, City of Indianapolis – Marion County

Certificate of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Indianapolis for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive 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, FORVIS.

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, flowing style.

Ken Clark

Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indianapolis
Indiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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 15th largest city in the nation with a population of 887,642 and a metropolitan area population of approximately 2.1 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:

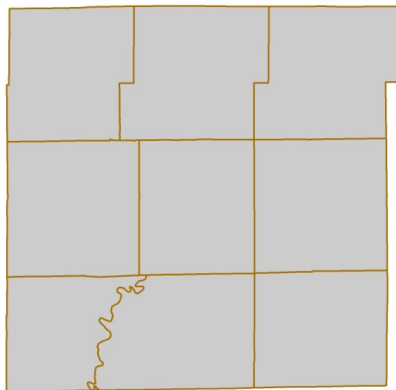
- **Marion County** as a governmental unit provides services such as courts, sheriff, tax assessment, collection, etc., not otherwise provided by other governmental units.
- The **Capital Improvement Board of Managers of Marion County** (“CIB”) is a separate and distinct municipal corporation with territory 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.

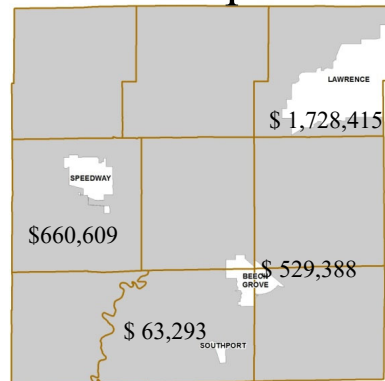
Map 1



**MARION COUNTY
AND OTHER INCLUDED
TOWNS**

Marion County \$46,796,021

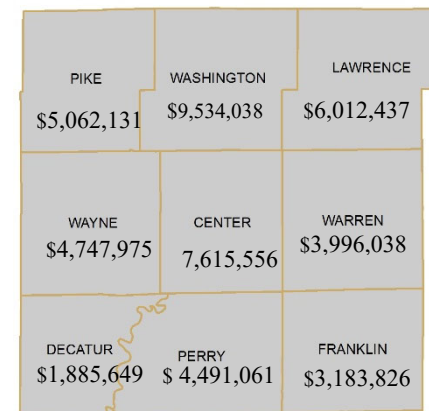
Map 2



**CONSOLIDATED
CITY OF INDIANAPOLIS**

City of Indianapolis \$43,814,316
Excluded Cities and Towns \$2,981,705

Map 3



TOWNSHIPS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2020 valuations for taxes collectible in 2021.

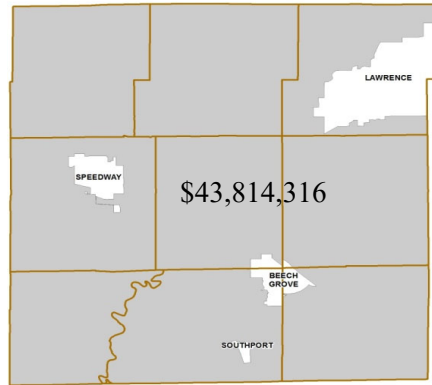
Map 4



LIBRARIES

Speedway	\$660,609
Marion County Libraries	\$46,135,412

Map 5

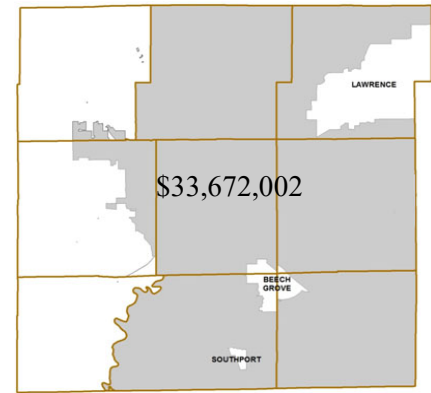


INDIANAPOLIS

POLICE SERVICE DISTRICT

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

Map 6

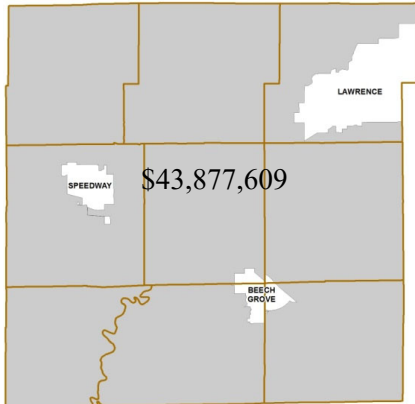


INDIANAPOLIS

FIRE SERVICE DISTRICT

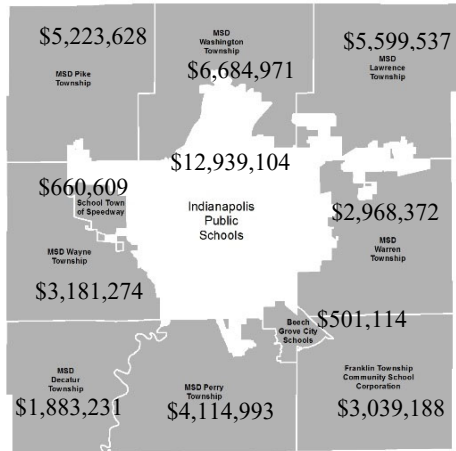
(Outside of this district, townships and excluded cities provide the fire service)

Map 7



**INDIANAPOLIS SOLID WASTE
SPECIAL SERVICE DISTRICT**

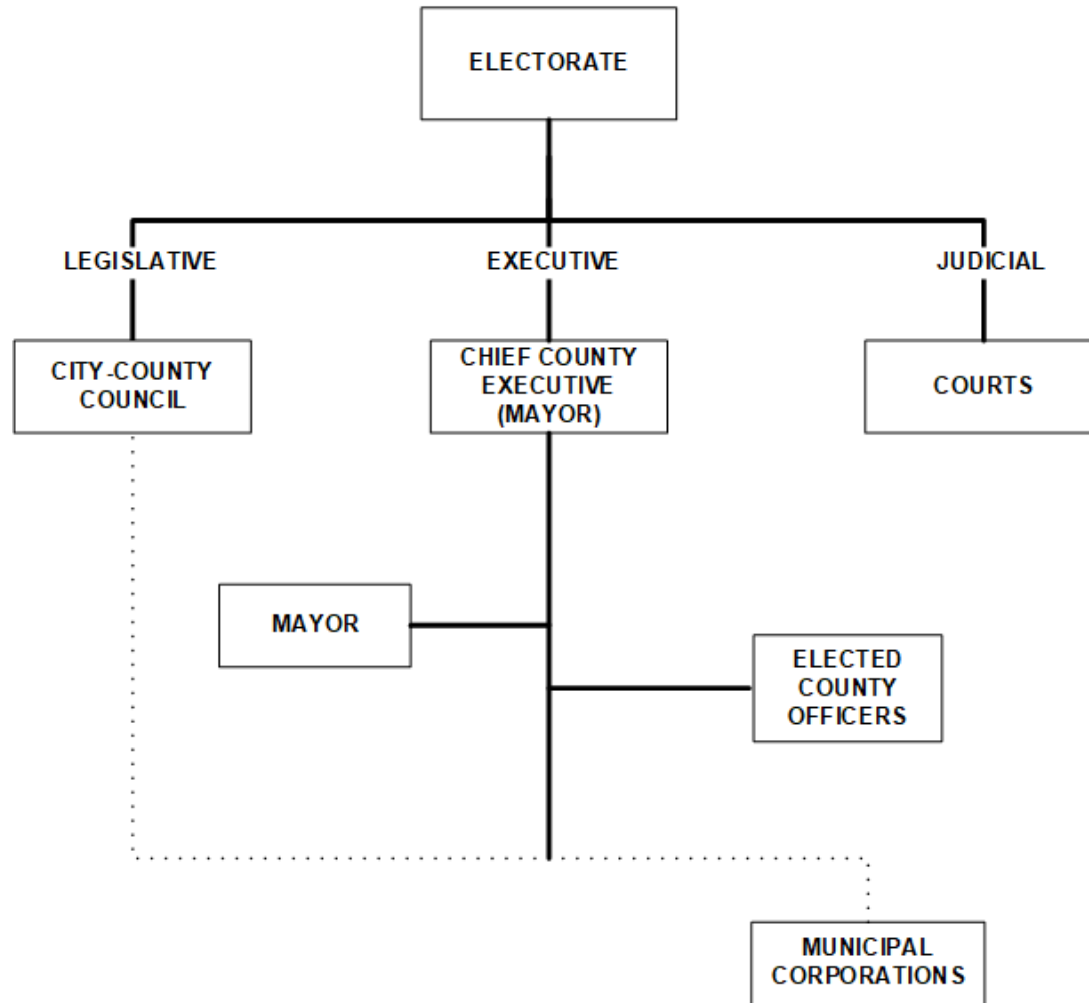
Map 8



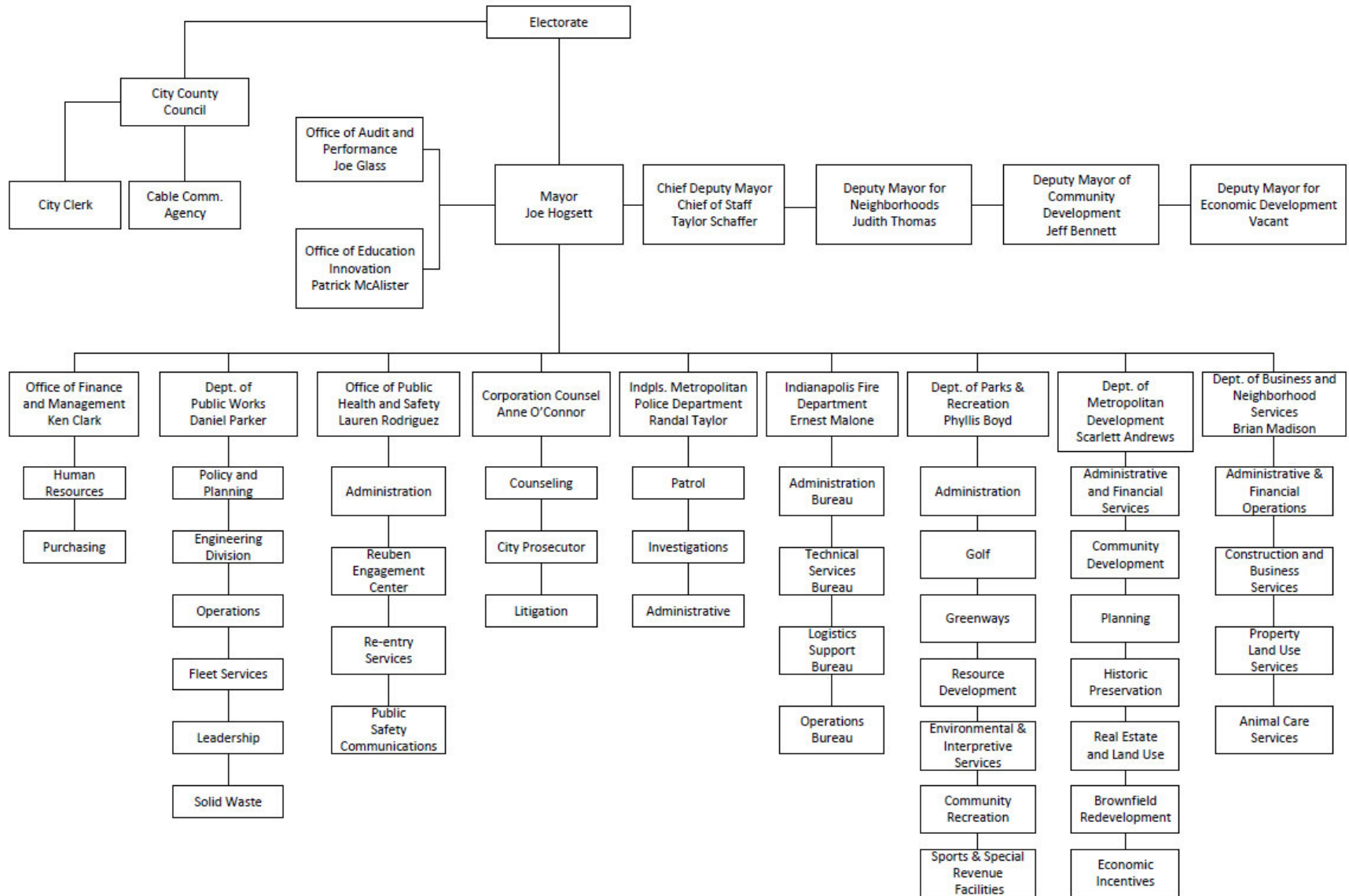
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2020 valuations for taxes collectible in 2021.

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



City of Indianapolis Organization Chart December 31, 2021



**CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS**

December 31, 2021

Elected Officials*



Joe Hogsett, Mayor
6 Years of Service
Mayor and Chief County Executive



Barbara Lawrence, Ex-Officio City Treasurer
1 Year of Service
Marion County Treasurer

City-County Councillors



Vop Osili, Council President
District 11
11 Years of Service
Architect/Principal
A+X Design and Development



Zach Adamson, Council Vice President
District 17
10 Years of Service
Owner
Urban Designs



Maggie Lewis, Council Majority Leader
District 10
13 Years of Service
CEO & Executive Director
Boys and Girls Club of Indianapolis



Brian Mowery, Council Minority Leader
District 25
6 Years of Service
Logistics Freight Broker
Direct Connect Logistix

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)
December 31, 2021



Leroy Robinson
 District 1
 11 Years of Service
 Director of Major Gifts
 CICF



Keith Potts
 District 2
 2 Years of Service
 City-County Councillor



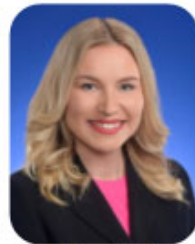
Dan Boots
 District 3
 2 Years of Service
 Partner
 Dentons Law



Ethan Evans
 District 4
 2 Years of Service
 Attendance Assistant
 North Central High School



Alison Brown
 District 5
 2 Years of Service
 Executive Director
 Rebuilding Together



Crista Carlino
 District 6
 2 Years of Service
 Director of Development and Communications
 Workforce Inc. DBA RecycleForce



John Barth
 District 7
 2 Years of Service
 Healthcare CEO



Monroe Gray Jr.
 District 8
 29 Years of Service
 Retired



William C. Oliver
 District 9
 18 Years of Service
 Retired



Jason Larrison
 District 12
 2 Years of Service
 Assistant Vice President
 J.S. Held LLC



Keith L. Graves
 District 13
 3 Years of Service
 Financial Services Professional
 TD Ameritrade



La Keisha Jackson
 District 14
 7 Years of Service
 Executive Director
 Pathway Resource Center

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)
December 31, 2021



Jessica McCormick
District 15
2 Year of Service
Academic Program Coordinator
IUPUI—Indiana University



Kristin Jones
District 16
2 Years of Service
Executive Director
Indiana Senate Democratic Committee



Michael-Paul Hart
District 18
2 Years of Service
Pre-Sales Solutions Architect
SHI International



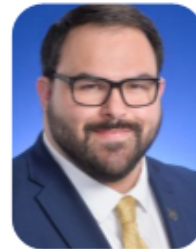
David Ray
District 19
6 Years of Service
Administrative Manager
Electrical Workers Benefit and Trust Fund



Joshua Bain
District 20
2 Year of Service
Legislative Assistant
IN House of Representatives



Frank Mascari
District 21
11 Years of Service
Jeweler
Spalding Jewelry



Jared Evans
District 22
6 Years of Service
Consultant



Paul Annee
District 23
2 Years of Service
Executive Director
Marion County Agricultural Fair Association



Michael Dilk
District 24
2 Year of Service
Property Manager
American Homes 4 Rent

*The term of office for all elected officials expires December 31, 2023 except for the Marion County Treasurer, whose term expires December 31, 2024.

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (cont.)
December 31, 2021

APPOINTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Number of Years in This Position</u>	<u>Number of Years Associated with City of Indianapolis – Marion County</u>
Taylor Schaffer	Chief Deputy Mayor/Chief of Staff	1	6
Judith Thomas	Deputy Mayor for Neighborhoods	1	1
Jeff Bennett	Deputy Mayor of Community Development	6	19
Vacant	Deputy Mayor for Economic Development	-	-
Patrick McAlister	Director of Office of Education Innovation	6	6
Ken Clark	Controller - Office of Finance and Management	2	9
Anne O'Connor	Corporation Counsel	2	6
Scarlett Andrews	Director of Metropolitan Development	2	5
Daniel Parker	Director of Public Works	5	5
Phyllis Boyd	Director of Parks and Recreation	1	1
Brian Madison	Director of Business and Neighborhood Services	4	12
Lauren Rodriguez	Director of Office of Public Health and Safety	1	1
SaRita Hughes	Clerk of the City-County Council	4	10
Joe Glass	Director of Office of Audit and Performance	1	1

CERTIFIED PUBLIC ACCOUNTANTS FORVIS

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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 Audit of the Financial Statements

Opinions

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 of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, as of December 31, 2021, 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.

We did not audit the financial statements of the Indianapolis Housing Agency, the discretely presented component unit, as of December 31, 2021, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Indianapolis Housing Agency are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary 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 – other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2022, 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.

FORVIS,LLP

Indianapolis, Indiana
July 21, 2022

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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, 2021

This Annual Comprehensive Financial Report presents an analysis of the financial activities of the City of Indianapolis (“City”) for the year ended December 31, 2021 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 assets and deferred outflows exceeded its liabilities and deferred inflows at December 31, 2021 by \$174.6 million, which represents the total net position of the City’s governmental activities. Included in this net position amount is a \$1,254.6 million unrestricted deficit due mainly to an unfunded net pension liability of \$752.2 million and an unfunded postemployment benefit obligation of \$245.6 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 \$733.5 million or 98% 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. 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 2021, the City’s total expenses were \$1,082.0 million or \$182.4 million less than the \$1,264.4 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2021, the City’s governmental funds reported combined ending fund balances of \$912.0 million. Of this amount, \$0.4 million was nonspendable, \$567.2 million was restricted, \$77.2 million was committed, \$134.1 million was assigned, and \$133.1 million was unassigned.
- The unassigned fund balance for the general fund was \$142.4 million or 18% 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 \$328.7 million or 41% of total general fund expenditures. The City’s policy is to maintain an unrestricted general fund balance of at least 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, 2021

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 public works. 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 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, Coronavirus Federal Stimulus 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, 2021

- *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 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 custodial 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 custodial 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, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City’s governmental activities net position (deficit) at December 31, 2021 and 2020 was \$174.6 million and \$(7.8) million, respectively.

Statement of Net Position
(In thousands)

	Governmental activities 2021	Governmental activities 2020	
Assets:			
Current and other assets	\$ 1,517,620	\$ 1,032,915	
Capital assets, net of accumulated depreciation	1,665,879	1,641,712	
Total assets	<u>3,183,499</u>	<u>2,674,627</u>	
Deferred outflows of resources	<u>195,203</u>	<u>155,007</u>	
Total assets and deferred outflows of resources	<u>3,378,702</u>	<u>2,829,634</u>	
Liabilities:			
Other liabilities	445,869	155,357	
Long-term liabilities	<u>2,447,761</u>	<u>2,587,606</u>	
Total liabilities	<u>2,893,630</u>	<u>2,742,963</u>	
Deferred inflows of resources	<u>310,442</u>	<u>94,440</u>	
Total liabilities and deferred inflows of resources	<u>3,204,072</u>	<u>2,837,403</u>	
Net position:			
Net investment in capital assets	856,341	653,339	
Restricted	572,906	238,525	
Unrestricted (deficit)	<u>(1,254,617)</u>	<u>(899,633)</u>	
Total net position (deficit)	<u>\$ 174,630</u>	<u>\$ (7,769)</u>	

ANALYSIS OF NET POSITION

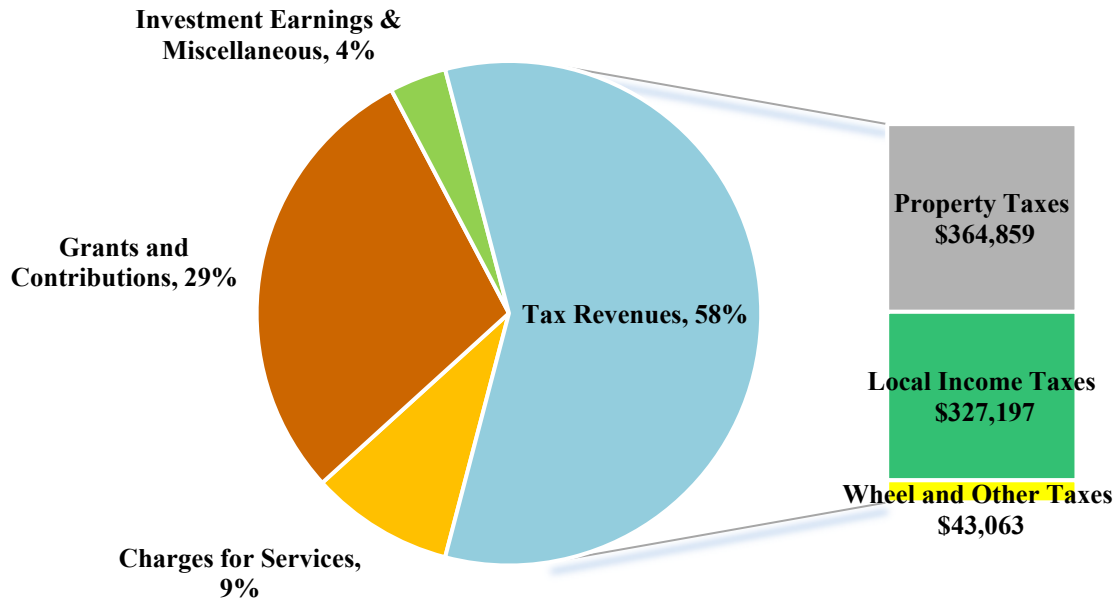
As noted earlier, net position may serve as a useful indicator of a government’s financial position. The largest portion of the City’s net position reflects its investments of \$856.3 million in capital assets (e.g., net book value of land, buildings, equipment, and infrastructure), less related outstanding debt used to acquire those assets that is still outstanding. The 2020 balance was \$653.3 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities. Included in the City’s total net position is \$572.9 million, versus \$238.5 million in 2020, which represents resources that are subject to external restrictions on how they may be used.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

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 \$1,254.6 million deficit at the end of the year as compared to a \$899.6 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 \$752.2 million and postemployment obligations of \$245.6 million, the City also has a net pension asset of \$128.0 million in 2021, but that balance is part of restricted net position.

Change in net position. The City’s total revenue (including transfers) on a government-wide basis for 2021 was \$1,264.4 million and \$1,257.0 million for 2020. Taxes represent 58% of the City’s revenue (55% for 2020). Another 9% of revenue (9% in 2020) came from fees charged for services, and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues.

Revenues by Source - Governmental Activities
(In thousands)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

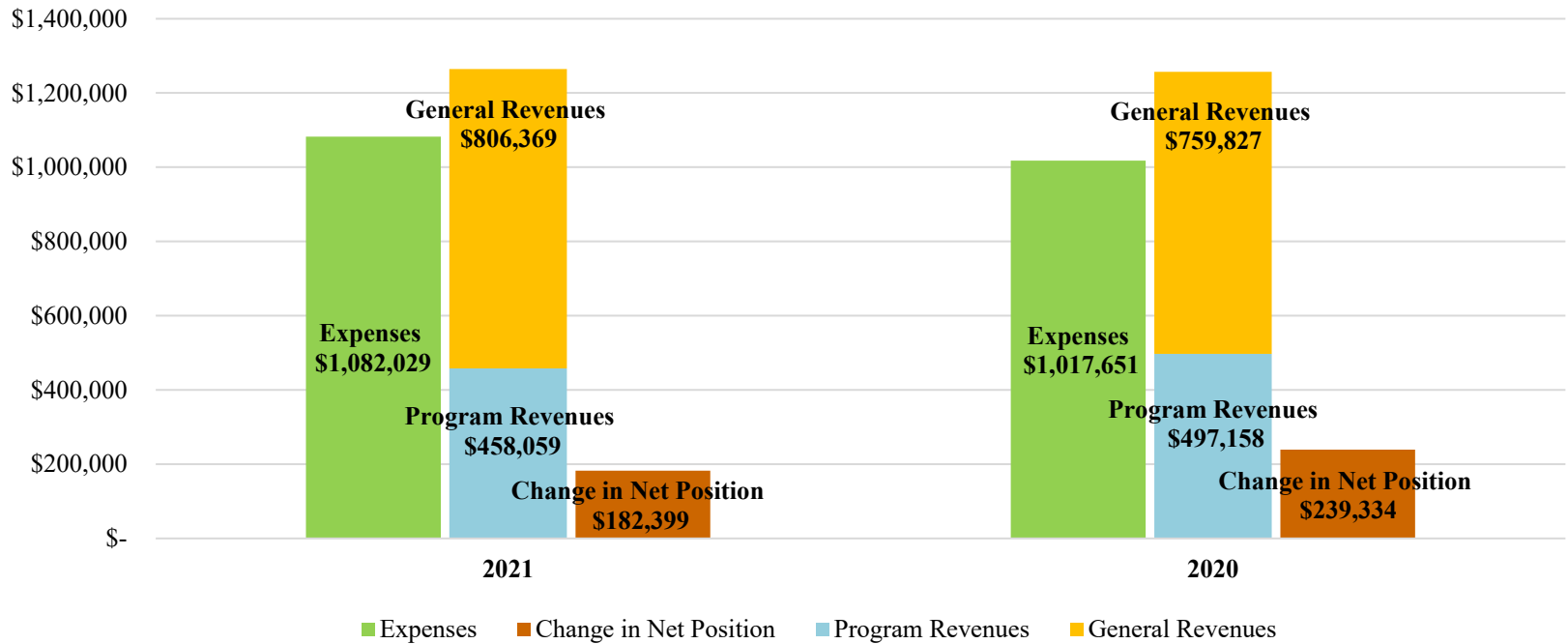
The changes in net position for the years ended December 31, 2021 and 2020 are as follows:

Schedule of Changes in Net Position
For the Years Ended December 31, 2021 and 2020
(In thousands)

	Governmental activities 2021	Governmental activities 2020
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 116,245	\$ 111,523
Operating grants and contributions	321,159	343,609
Capital grants and contributions	20,655	42,026
General revenues:		
Property tax	364,859	349,786
Other taxes	370,260	344,847
Other general revenues	71,250	65,194
Total revenues	<u>1,264,428</u>	<u>1,256,985</u>
Expenses:		
General government	53,482	73,012
Public safety	480,821	481,302
Public works	245,433	235,308
Health and welfare	13,886	39,791
Cultural and recreation	25,873	21,974
Urban redevelopment and housing	151,317	60,425
Economic development and assistance	61,089	55,529
Interest	50,128	50,310
Total expenses	<u>1,082,029</u>	<u>1,017,651</u>
Change in net position	<u>182,399</u>	<u>239,334</u>
Net position (deficit), beginning of year	<u>(7,769)</u>	<u>(247,103)</u>
Net position (deficit), ending	<u>\$ 174,630</u>	<u>\$ (7,769)</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

Governmental Activities Change in Net Position
(In thousands)



Governmental activities. The City’s governmental activities net position increased by \$182.4 million compared to an increase of \$239.3 million in the prior year. Key elements of the increase are as follows:

Total expenses for governmental activities for 2021 were \$1,082.0 million, an increase of \$64.4 million from the prior year, where \$35.8 million represents the change in pension expense from 2020 to 2021. In 2021, there was a \$93.6 million decrease to pension expense, mainly for Public Safety, while in 2020 pension expense decreased by \$57.8 million, mainly for Public Safety. The changes in pension expense from year to year are a direct result of the assumptions used in the actuarial valuations for the City’s pension plans. In addition to the change in pension expense, the City also saw the following changes to total expenditures for governmental activities:

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

- General Government expenditures decreased \$19.5 million, which is mainly attributed to \$23 million in expense related to the payoff of a capital lease related to equipment with the public safety communications district that was recognized in 2020.
- Public works expenditures increased \$10.1 million in 2021, which is mainly attributed to adjustments made related to infrastructure additions.
- Health and welfare expenditures decreased \$25.9 million, this is directly related to the federal funding received under the CARES Act, which provided a Coronavirus Relief Fund (CRF) for payments to State, Local, and Tribal governments navigating the impact of the COVID-19 pandemic. The CRF funding was fully utilized in 2020, in direct response to the public health needs of our community, and was incurred in the effort to stop the spread of COVID-19.
- Culture and recreation expenditures increased \$3.9 million in 2021, which is mainly attributed to adjustments related to capital assets.
- Urban redevelopment and housing expenditures increased \$90.9 million, which was related to the federal funding received under the American Rescue Plan Act, which established rental assistance for Marion County residents who were economically impacted because of the COVID-19 crisis.
- Economic development expenditures saw a net increase of \$5.6 million in 2021. In 2020, \$23 million was expensed related to the CRF funding, as the City provided critical resources for small businesses who had to curtail their operations in response to COVID-19. In 2021, economic development expense in the coronavirus stimulus fund was only \$2.3 million, a decrease of \$20.6 million. This decrease represents the decreasing need as the City and businesses continue to recover from the economic impact of the pandemic. In addition, we saw an increase of \$26 million in our non-major capital project funds related to economic development project activity.

Total governmental activities revenues in 2021 were \$1,264.4 million, an increase of \$7.4 million from the prior year, attributed to the following:

- The City saw an increase in property taxes of \$15.1 million, which was driven by overall growth in assessed values and strong collections in 2021.
- There was also an increase in local income tax of \$23.4 million, \$22.1 million of which is attributable to organic growth, as well as an increase of \$1.3 million in the supplemental income tax distribution. Every April, per statute, the State Budget Agency (“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 2021, the City received a supplemental amount of \$22.3 million, bringing total income taxes received in 2021 to \$327.2 million.
- The City saw a decrease in capital grants and contributions of \$21.4 million, attributable to a decrease in contributed revenue from the State of Indiana, related to INDOT projects. These contributions can vary from year to year based on timing of projects and completion of those projects.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

- There was a \$22.5 million decrease in operating grants and contributions in 2021, which relates to the timing of grant reimbursements. The City received \$210 million from the American Rescue Plan Act in 2021, but only the amount expensed during 2021 was recognized as revenue, and the remaining amount was recognized as unearned revenue on the statement of net position.

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, 2021, the unassigned fund balance of the General Fund was \$142.4 million (as compared to \$168.5 million in 2020) while the total General Fund balance was \$422.5 million (as compared to \$396.0 million in 2020). 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 17% of total General Fund expenditures and transfers out (as compared to 23% for 2020), while total fund balance represents 50% (55% for 2020) of total General Fund expenditures and transfers out.

The fund balance in the City’s General Fund increased by \$26.5 million or 7% during the year-ended December 31, 2021.

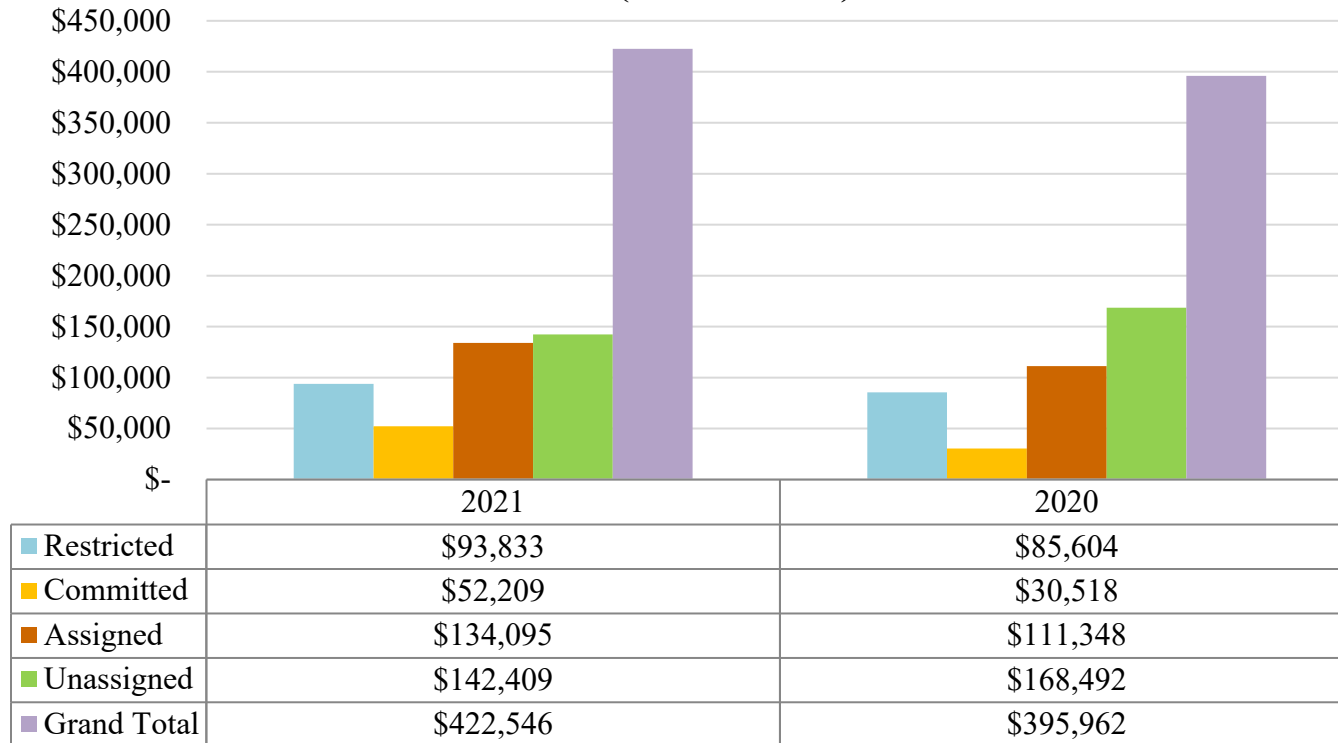
Total general fund revenues, not including other financing sources, totaled \$785.1 million, an increase of \$52.2 million or 7%. Significant revenues in the general fund that increased from 2020 to 2021 include:

- Income taxes were \$19.3 million higher in 2021, mainly attributable to organic growth; included in the overall increase was \$1.8 million more in supplemental income tax distribution compared to the 2020 supplemental distribution.
- Property Taxes increased by \$9.6 million, which is attributable to the growth in assessed values.
- Intergovernmental revenues, specifically state revenues increased by \$5.2 million, mainly attributed to an increase in gasoline taxes. Other intergovernmental revenues also increased \$16.5 million, related to balances that had been set aside in the Marion County’s Community Justice Campus subfund and were receipted to the City. The amount receipted to the City was for the completion of the CJC facilities, as the final purchase orders for completion of the CJC facilities were issued by the City.

Total general fund expenditures, not including other financing uses, totaled \$794.0 million, an increase of \$98.5 million or 14%, which is mainly attributed to the reimbursement of eligible public safety salaries that were moved from the general fund in 2020 to the Coronavirus Relief Fund. These same public safety salary expenses remained in the general fund in 2021 and as a result we show a \$56.2 million increase compared to prior year. Capital outlay expenditures increased by \$26.7 million in 2021, mainly attributable to an increase in transportation projects within the transportation subfund of the general fund.

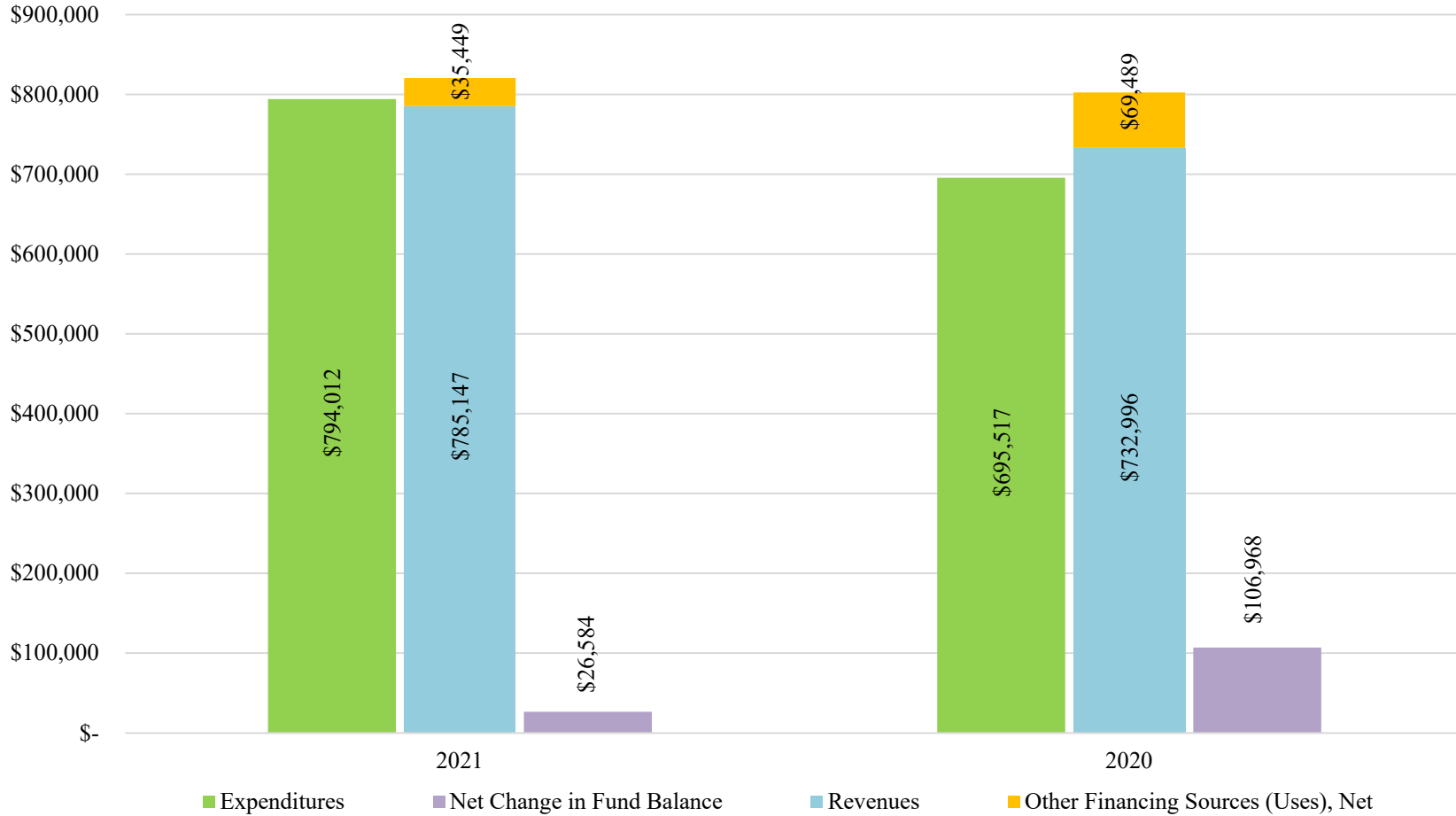
CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

General Fund Fund Balance Breakdown
(In thousands)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

General Fund Change in Fund Balance
(In thousands)

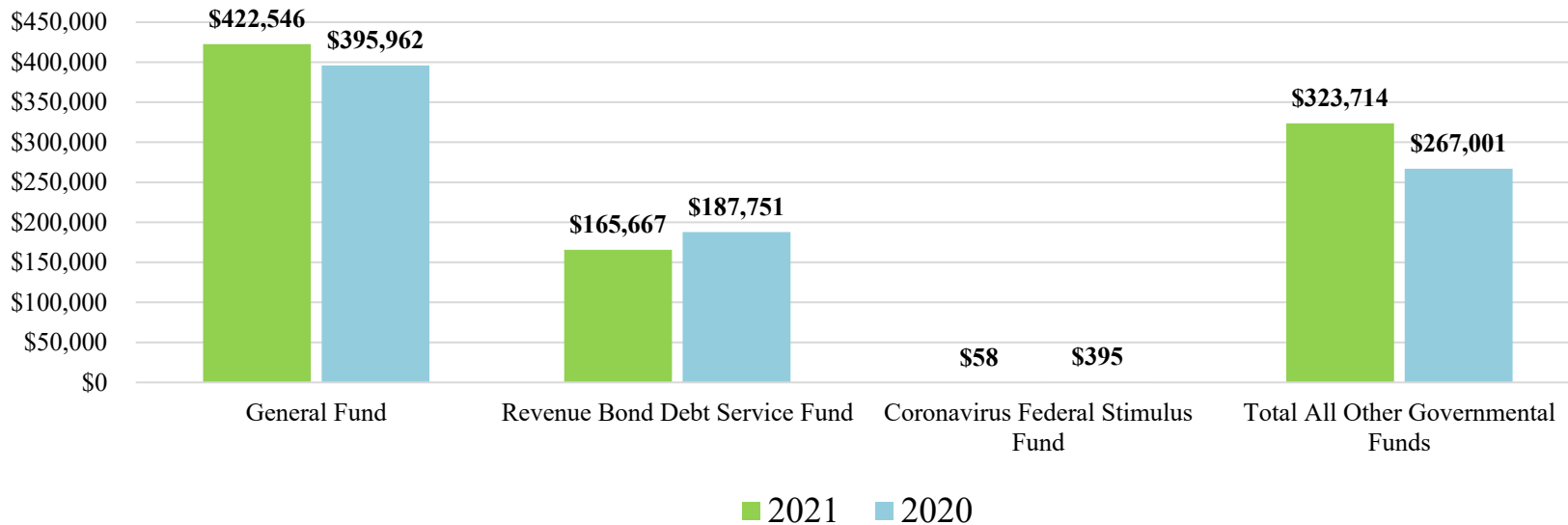


CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

The Revenue Bond Debt Service Fund ended the year with a \$165.7 million fund balance (as compared to \$187.8 million in 2020), which was restricted for debt service. The fund balance for the Revenue Bond Debt Service Fund decreased by \$22.1 million, mainly due to transfers out to nonmajor capital project funds, to fund eligible Tax Increment Financing projects.

The Coronavirus Federal Stimulus Fund ended the year with a \$0.1 million fund balance (as compared to \$0.4 million in 2020). During 2021, the City received an additional stimulus distribution in the amount of \$210 million via the Coronavirus State and Local Fiscal Recovery Funds authorized by the American Rescue Plan Act. The \$210 million represents 50% of the City’s entire \$420 million allocation. The remaining 50% was received in 2022. The federal dollars related to the program are reported as unearned income on the balance sheet.

Governmental Funds – Fund Balances
(In thousands)



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

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 2021, the net position of these pension funds amounted to \$(1.0) million, which represents a decrease of \$1.1 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.



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

The City is the custodian of certain custodial funds, and the most common use of custodial funds is for pass-through activity. At the end of 2021, the net position of the custodial funds was \$7.0 million. At the end of 2021, the combined gross assets of the custodial funds totaled \$8.4 million (\$9.1 million in 2020). This amount is composed of activity from the following custodial 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 2021, there was a \$144.8 million increase in appropriations during the year to the original General Fund budget, or an increase of 21%.

Excluding prior year encumbrances, the original General Fund expenditures budget for 2021 was \$704.4 million. The final General Fund expenditures budget was \$849.1 million. Actual expenditures were \$834.9 million. The total \$14.2 million underspent from the final budget were due to planned reductions in the budget, that were achieved through budget reserves and general operational savings.

General revenues were originally estimated at \$664.7 million, final estimated at \$704.4 million, and the actual was \$709.0 million, which was \$4.6 million higher than budgeted. \$8.1 million was an increase in taxes, which are attributable to our conservative budgeting of taxes. There was also an increase in intergovernmental revenues of \$6.8 million mainly related to an increase in gas taxes. We also saw a decrease in interest and other operating revenues, mainly due to the decrease in interest income during 2021 as a result of the federal reserve lowering interest rates in response to the COVID-19 pandemic.

Actual expenditures were greater than revenues by \$125.9 million. However, if transfers of \$50.6 million are taken into account, the net of revenues plus transfers is less than expenditures by \$75.3 million. This is important to note since the transfers include \$74.7 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. There are \$9.8 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 \$75.3 million, \$46 million can be attributed to the planned spenddown of the CJC subfund for the completion of the CJC facilities. In addition, there was a \$25 million appropriation for greenways and trails, this was also a one-time planned spend down of excess fund balance.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

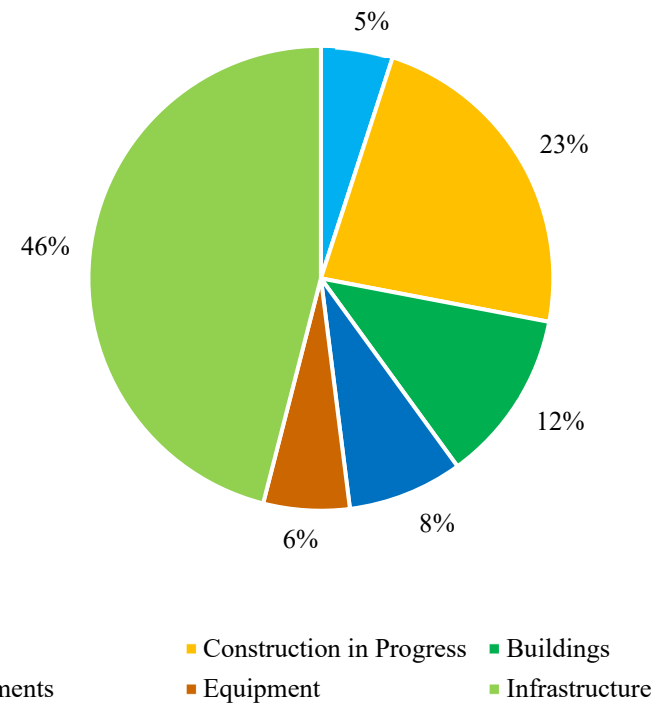
Capital Assets

The City had a net investment of \$1.67 billion in capital assets at December 31, 2021 (net of accumulated depreciation of \$3.14 billion) in a broad range of capital assets. This amount represents a net increase for the current year (including additions and deductions) of \$24.2 million.

Schedule of Capital Assets
(In thousands)

	Governmental activities 2021	Governmental activities 2020
Land	\$ 87,693	\$ 83,388
Construction in progress	390,598	357,358
Buildings	192,832	202,379
Improvements	125,716	116,816
Equipment	94,140	92,860
Infrastructure	774,900	788,911
Total	<u>\$ 1,665,879</u>	<u>\$ 1,641,712</u>

2021 Capital Assets



CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

Major capital asset additions in 2021 for governmental activities included:

- \$116.7 million of additions to construction in progress, principally infrastructure, and improvements. Reductions to construction in progress were \$83.5 million of which \$72.3 million was transferred into infrastructure, and \$2.8 million was transferred into improvements.
- \$16.6 million of additions to improvements, principally upgrades at parks and recreation facilities and to the IFD training facility.
- \$19.6 million of additions to equipment, principally for public safety and public works vehicles.
- \$91.2 million of additions to infrastructure, principally \$17.1 million for storm sewers, \$58.6 million for streets, curbs, and sidewalks, \$14.0 million for bridges, and \$1.5 million for traffic signals.
- \$4.3 million of additions to land, principally related to parks projects.

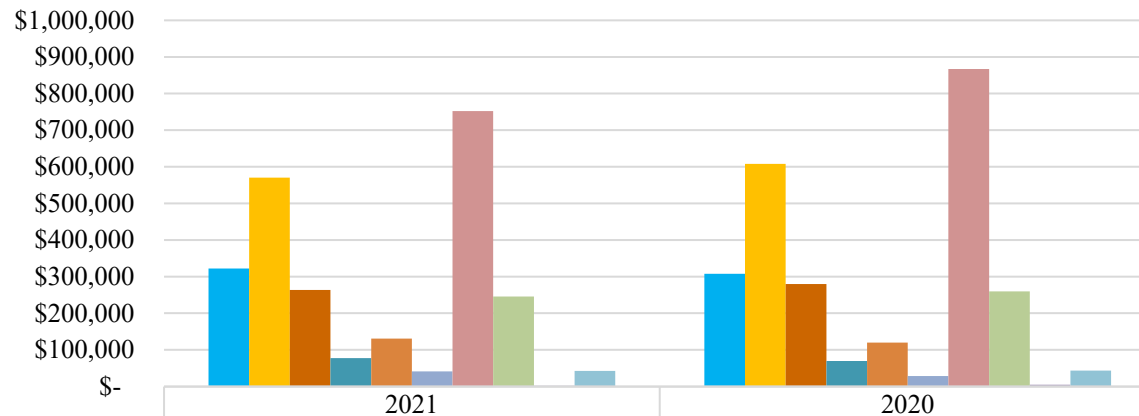
Donated capital assets for governmental activities were \$17.4 million, mainly attributable to capital contributions from the State of Indiana for public works projects built on the City’s behalf. Depreciation expense for 2021 for governmental activities was \$129.6 million. At December 31, 2021, the City had commitments related to ongoing capital asset construction projects of \$160.3 million. See footnote 9 to the basic financial statements for more information regarding capital assets.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

Long-Term Obligations

At the end of 2021, the City had outstanding long-term debt and other long-term obligations for governmental activities of \$2.45 billion, compared to \$2.59 billion at December 31, 2020 as shown below:

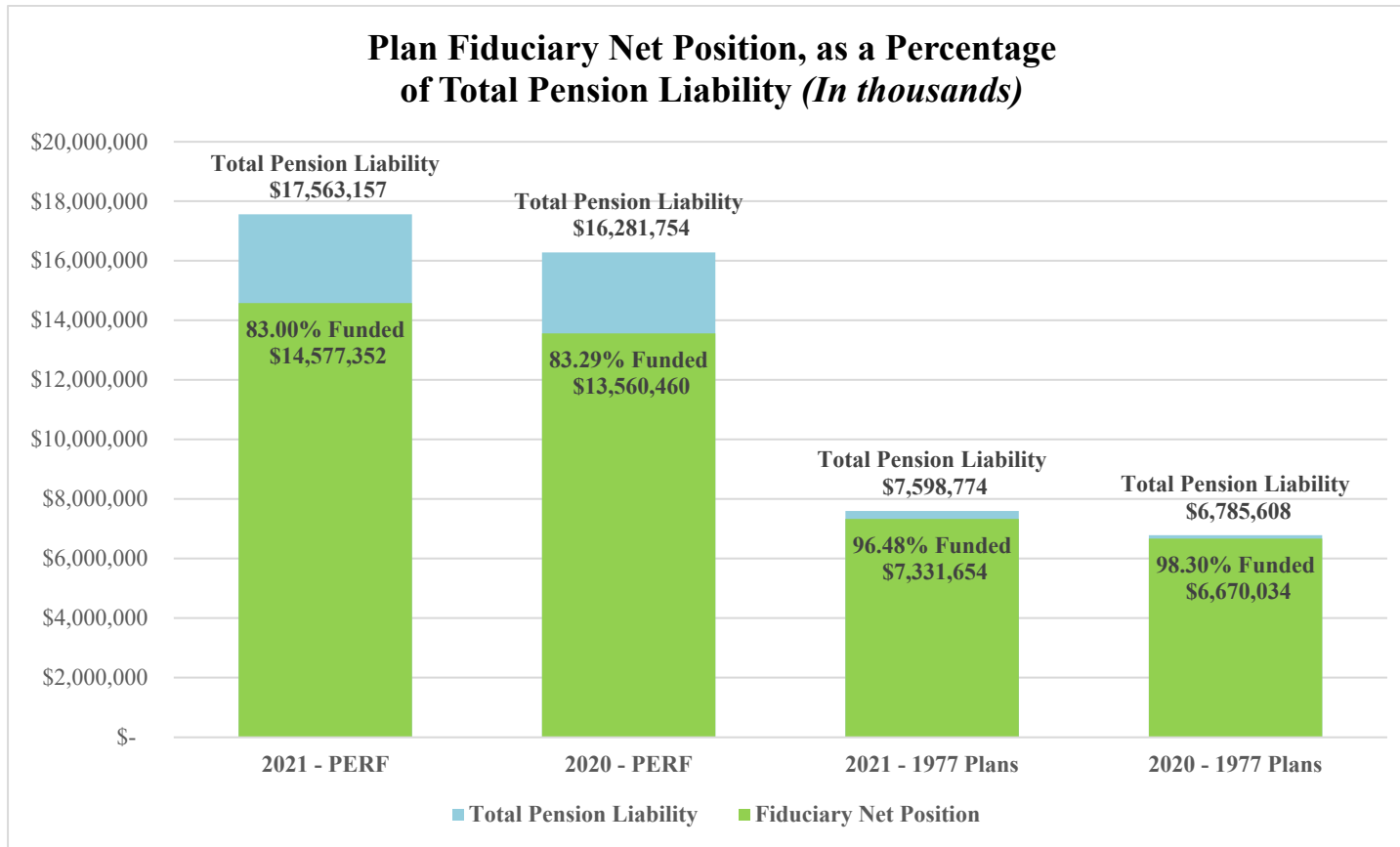
Schedule of Long-term Debt Obligations
(In thousands)



	2021	2020
■ Serial bonds payable	\$322,285	\$307,720
■ Tax increment bonds payable	\$570,423	\$607,701
■ Revenue bonds payable	\$263,715	\$279,675
■ Deferred premiums	\$77,286	\$69,582
■ Notes payable and certificates of participation	\$130,723	\$119,772
■ Capital lease payable	\$41,291	\$28,473
■ Net pension liabilities	\$752,245	\$867,115
■ Postemployment benefit obligation	\$245,607	\$259,666
■ Early retirement obligation	\$1,622	\$4,634
■ Compensated absences	\$42,564	\$43,268

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

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 2020 to 2021.



The decrease in the postemployment benefit obligation on the previous page relates to changes in actuarial assumptions. The City continues to fund this on a pay-as-you-go-basis, as contractually required in the union collective bargaining agreements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

Bonds and Notes Issued

General Obligation Bonds

On December 14, 2021, the City issued its Consolidated Civil City Bonds, Series 2021A in the amount of \$15.6 million. The proceeds will be used for the acquisition, construction, installation, equipping and financing of all or a portion of the following projects: construction of a firehouse building and construction of a solid waste building, and related expenses. The bonds mature on January 15, 2041 and have an interest rate of 3.00-5.00%.

On December 14, 2021, the City issued its Park District Bonds, Series 2021A in the amount of \$20.7 million. The proceeds will be used for the acquisition, construction, installation and equipping of certain community park improvements within the Park District, and related expenses. The bonds mature on January 15, 2041 and have an interest rate of 3.00-5.00%.

Tax Increment Revenue Bonds

On April 22, 2021, the City issued its Economic Development Revenue Refunding Bonds, Series 2021A (CityWay 1) and its Taxable Economic Development Revenue Refunding Bonds, Series 2021B (CityWay 1) in the amounts of \$73.0 million and \$0.1 million, respectively. The proceeds from these bonds will be used to purchase the Series 2011 A Qualified Obligations from the City, fund the debt service reserve fund allocable to the Series 2021 Bonds, and pay the costs of issuance of the Series 2021 Bonds and certain related expenses. The refunding resulted in an accounting gain of \$70.0 thousand, which has been deferred and is being amortized over the life of the bonds. As a result of the refunding, the City reduced its total debt service requirements by \$9.9 million, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$9.8 million. The Series 2021A and Series 2021B bonds mature on February 1, 2036 and February 1, 2024, respectively. The Series 2021A and Series 2021B bonds have interest rates of 5.00% and 1.00%, respectively.

Developer Backed Bonds

On May 17, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Taxable-Midtown Project) in the amount of \$3.3 million. The proceeds will be provided to Midtown Development Partners LLC (Developer) to pay a portion of the costs of a mixed-use, corporate headquarters development, containing one building consisting of approximately 53,000 square feet of office space, structured parking underneath with at least 51 parking spaces, and certain infrastructure, located at 6205-6215 N. College Avenue, Indianapolis, Indiana. The proceeds will also provide for the acquisition, construction, demolition, renovation, improvement, excavation, utility relocation, and/or equipping costs related to the project. The bonds are secured by TIF revenues generated within the Midtown allocation area. The bonds mature on January 15, 2041 and have an interest rate of 3.50%. This is a developer backed bond, that is secured by an 80% pledge of the TIF revenues generated from the project in the North Midtown Economic Development Area.

On November 30, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Rise on Meridian Project) in the amount of \$8.7 million. The proceeds will be used to provide the Developer with funds to pay the acquisition, construction, equipping and preservation of a mixed-use apartment building consisting of 269 multifamily units atop a 58,490 square foot concrete podium.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2021

Additionally, the proceeds will be used for all acquisition, construction, demolition, renovation, improvement, excavation, utility relocation, and/or equipping costs including, but not limited to certain streetscape and sidewalk projects and improvements for the Project located at 915 South Meridian Street. The bonds are draw bonds and as of December 31, 2021 \$0.4 million of draws have been made. The interest rate for these bonds is 8.00%. This is a developer backed bond, that is secured by an 80% pledge of the TIF revenues generated from Elevator Hill Phase I Project, within the consolidated allocation area TIF district.

On December 9, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Glendale II Project) in the amount of \$7.1 million. The proceeds will be used to finance or reimburse the Developer for the costs of the acquisition, construction, and equipping of the repurposing of the former Macy’s Department Store located at the Glendale Town Center to allow for the completion of approximately 56,000 square feet of retail use along with upgrades to the facility and surrounding areas to current industry standards for ingress/egress, parking, and HVAC, as well as energy efficiency. Additionally, the proceeds will be used to finance or reimburse the Developer for the costs of 267 units of new multifamily residential units located on a portion of the empty parking lots at the Glendale Town Center along with increased landscaping, improved lighting and increased connectivity to the Macy’s Project. The bonds are draw bonds, and as of December 31, 2021 no draws have been made. The interest rate for these bonds is 5.00%. This is a developer backed bond, that is secured by an 80% pledge of the TIF revenues generated from the project in the Glendale II Allocation Area.

On December 14, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Elevator Hill Phase I Project) in the amount of \$3.8 million. The proceeds will be used to provide the Developer with funds to finance certain projects, additions or improvements within the City, including all or any portion of the construction of a residential development consisting of approximately 77,000 square feet and approximately 103 residential units atop a concrete podium including structure parking and residential amenities, and for all acquisition, construction, demolition, renovation, improvement, excavation, utility relocation and/or equipping costs. The bonds are draw bonds, and as of December 31, 2021 no draws have been made. The interest rate for these bonds is 4.00%. This is a developer backed bond, that is secured by an 80% pledge of the TIF revenues generated from the project by the Rise on Meridian Project, located in the south meridian allocation area.

Note Payable

On November 10, 2021, the City issued its Series 2021 Stormwater Notes in an amount of \$50.0 million. 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 November 1, 2024 and the last draw of the commitment amount must occur by March 30, 2024. The outstanding balance of the notes at December 31, 2021 is \$0.3 million, as this is a draw note.

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.

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, 2021

ECONOMIC FACTORS AND THE 2022 BUDGET

The 2022 original budget for all annually council appropriated funds was \$951.4 million. Revisions of \$15.7 million have been made through May 2022. Revisions primarily relate to the following:

- \$5.2 million was appropriated in the general fund for a grant award issued by the Indiana Criminal Justice Institute (“ICJI”).
- \$3.7 million and \$1.3 million were appropriated in the federal grants funds related to Department of Justice and Federal Emergency Management Agency grant awards.
- \$2.0 million was appropriated in the federal grants fund related to a Community Development Block Grant award.
- \$2.0 million was appropriated in the general fund, related to upcoming land purchases.

The 2022 General Fund original budget was \$709.3 million, an increase of 0.7% from the 2021 General Fund original budget of \$704.4 million. Revisions of \$7.2 million have been made through May of 2022.

Unemployment rates were as follows:

	April 2022	April 2021
City of Indianapolis	2.0%	5.4%
State of Indiana	2.2%	4.2%
United States	3.6%	5.7%

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

Despite the effects of the COVID-19 pandemic, the 2021 and 2022 budget were structurally balanced budgets. The City’s two largest revenue sources, income tax and property tax, saw growth and strong collections in 2021. That growth is projected to continue during fiscal year 2022. The unemployment levels in the State of Indiana and Marion County are now lower than pre-pandemic levels. We are continuing to closely monitor the fiscal impact of the COVID-19 pandemic; fund balances are protected and we are taking a conservative approach to spending, while we continue to make meaningful investments that have a positive impact on our community and the citizens we serve.

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.

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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, 2021
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Equity in pooled cash	\$ 53,896	\$ 7,276
Cash and investments with fiscal agents	201,756	18,863
Investments	896,107	—
Property taxes receivable	8,715	—
Accounts receivable, less allowance for uncollectibles	170,500	1,016
Due from federal and state governments	19,593	210
Due from other governments	966	153
Other assets	—	1,233
Long-term receivables, less allowance for uncollectibles	38,082	10,503
Restricted assets	—	—
Net pension asset	128,005	—
Capital assets:		
Land	87,693	21,075
Infrastructure, net of accumulated depreciation	774,900	—
Other capital assets, net of accumulated depreciation	412,688	145,365
Construction in progress	390,598	—
Total assets	3,183,499	205,694
Deferred outflows of resources:		
OPEB	30,209	—
Pensions	139,628	818
Losses on Refundings	25,366	—
Total deferred outflows of resources	195,203	818
Total assets and deferred outflows of resources	3,378,702	206,512

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2021
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 218,426	\$ 1,695
Accrued interest payable	9,711	—
Unearned revenue	217,732	265
Customer deposits	—	440
Other liabilities	—	2,062
Long-term liabilities:		
Due within one year	172,383	8,957
Due in more than one year	2,275,378	14,779
Total liabilities	2,893,630	28,198
Deferred inflows of resources:		
OPEB	52,867	—
Pensions	241,975	2,314
Parking meter concession agreement	15,600	—
Total deferred inflows of resources	310,442	2,314
Total liabilities and deferred inflows of resources	3,204,072	30,512
NET POSITION (DEFICIT)		
Net investment in capital assets	856,341	144,728
Restricted for:		
Capital projects	122,828	—
Debt service	211,409	—
Section 8 vouchers and VASH	—	4,508
Reserves and escrow	—	282
Programs	—	12,906
Net pension asset	128,005	—
Other purposes by grantors	2,212	—
Other purposes by contributor – nonexpendable	372	—
Statutory restrictions	108,080	—
Unrestricted (deficit)	(1,254,617)	13,576
Total net position	\$ 174,630	\$ 176,000

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, 2021
(In thousands)

<u>Functions/Programs</u>	Program revenues				Net (expense) revenue and changes in net position	
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Governmental activities</u>	<u>Indianapolis Housing Agency</u>
Governmental activities:						
General government	\$ 53,482	\$ 15,514	\$ 9,279	\$ —	\$ (28,689)	\$ —
Public safety	480,821	32,046	65,821	3,220	(379,734)	—
Public works	245,433	61,500	76,750	11,433	(95,750)	—
Health and welfare	13,886	136	154,366	—	140,616	—
Cultural and recreation	25,873	3,756	967	6,002	(15,148)	—
Urban redevelopment and housing	151,317	1,914	13,383	—	(136,020)	—
Economic development and assistance	61,089	1,379	593	—	(59,117)	—
Interest	50,128	—	—	—	(50,128)	—
Total governmental activities	<u>\$ 1,082,029</u>	<u>\$ 116,245</u>	<u>\$ 321,159</u>	<u>\$ 20,655</u>	<u>(623,970)</u>	<u>—</u>
<u>Component Unit</u>						
Indianapolis Housing Agency	\$ 93,559	\$ 10,625	\$ 74,557	\$ 4,270		(4,107)
Total component units	<u>\$ 93,559</u>	<u>\$ 10,625</u>	<u>\$ 74,557</u>	<u>\$ 4,270</u>		<u>(4,107)</u>
General revenues:						
Taxes:						
Property taxes					364,859	—
Wheel taxes					16,409	—
Local income taxes					327,197	—
Other taxes					26,654	—
Grants and contributions not restricted to specific programs					25,168	—
Investment earnings not restricted to specific programs					12,870	—
Miscellaneous					33,212	2,097
Total general revenues					<u>806,369</u>	<u>2,097</u>
Change in net position					<u>182,399</u>	<u>(2,010)</u>
Net position (deficit) – beginning of year					<u>(7,769)</u>	<u>178,010</u>
Net position – ending					<u>\$ 174,630</u>	<u>\$ 176,000</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, 2021
(In thousands)

	<u>General</u>	<u>Coronavirus Federal Stimulus</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Equity in pooled cash	\$ 31,696	\$ —	\$ 3,876	\$ 16,052	\$ 51,624
Cash and investments with fiscal agents	—	—	130,640	70,414	201,054
Investments	381,197	204,540	36,443	252,565	874,745
Property taxes receivable	7,711	—	—	1,004	8,715
Accounts receivable, less allowance of \$1,725	66,637	91,455	—	9,361	167,453
Due from other funds	14,451	—	—	—	14,451
Due from federal and state governments	16	—	—	19,577	19,593
Long-term receivables, less allowance of \$24,947	100	—	—	37,982	38,082
Total assets	<u>\$ 501,808</u>	<u>\$ 295,995</u>	<u>\$ 170,959</u>	<u>\$ 406,955</u>	<u>\$ 1,375,717</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Matured bonds and notes payable	\$ —	\$ —	\$ 4,890	\$ 10,617	\$ 15,507
Matured interest payable	—	—	402	1,700	2,102
Accounts payable and other accrued liabilities	48,646	92,929	—	35,476	177,051
Accrued payroll and payroll taxes	14,984	—	—	151	15,135
Due to other funds	—	—	—	13,485	13,485
Unearned revenue	191	203,008	—	741	203,940
Total liabilities	<u>63,821</u>	<u>295,937</u>	<u>5,292</u>	<u>62,170</u>	<u>427,220</u>
Deferred inflows of resources - unavailable revenues	<u>15,441</u>	<u>—</u>	<u>—</u>	<u>21,071</u>	<u>36,512</u>
Fund balances:					
Nonspendable	—	—	—	372	372
Restricted	93,833	58	165,667	307,607	567,165
Committed	52,209	—	—	25,000	77,209
Assigned	134,095	—	—	—	134,095
Unassigned	142,409	—	—	(9,265)	133,144
Total fund balances	<u>422,546</u>	<u>58</u>	<u>165,667</u>	<u>323,714</u>	<u>911,985</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 501,808</u>	<u>\$ 295,995</u>	<u>\$ 170,959</u>	<u>\$ 406,955</u>	<u>\$ 1,375,717</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, 2021
(In thousands)

Fund balances – total governmental funds		
Amounts reported for governmental activities in the statement of net position are different because:	\$	911,985
Capital assets not reported in the fund statements		1,665,879
Net position of internal service funds not recorded in the fund statements		4,899
Deferred outflows of resources - OPEB not recorded in the fund statements		30,209
Deferred outflows of resources - pensions not recorded in the fund statements		139,628
Deferred outflows of resources - loss on refundings not recorded in the fund statements		25,366
Deferred inflows of resources - parking meter concession agreement not recorded in the fund statements		(15,600)
Deferred inflows of resources - OPEB not recorded in the fund statements		(52,867)
Deferred inflows of resources - pensions not recorded in the fund statements		(241,975)
Long-term liabilities not in the fund statements (excludes matured bonds payable of \$15,507)		(2,432,254)
Other liabilities not in the fund statements		(3,756)
Deferred inflows of resources in the fund statements not in the statement of net position		36,512
Unearned revenue in the statement of net position not in the fund statements		(13,792)
Pension asset not recorded in the fund statements		128,005
Accrued interest payable not in the fund statements (excludes matured interest payable)		(7,609)
Net position of governmental activities	\$	<u><u>174,630</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2021
(In thousands)

	<u>General</u>	<u>Coronavirus Federal Stimulus</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 499,204	\$ —	\$ 113,039	\$ 123,859	\$ 736,102
Licenses and permits	16,072	—	—	—	16,072
Charges for services	82,125	—	—	1,765	83,890
Other intergovernmental revenues:					
Federal revenues	2,712	140,581	—	37,571	180,864
State revenues	131,815	—	—	1,524	133,339
Other revenues	20,978	—	—	249	21,227
Intragovernmental revenues	11,222	—	—	27	11,249
Traffic violations and court fees	2,482	—	—	3,754	6,236
Interest and other operating revenues	18,537	164	2,496	31,104	52,301
Total revenues	<u>785,147</u>	<u>140,745</u>	<u>115,535</u>	<u>199,853</u>	<u>1,241,280</u>
Expenditures:					
Current:					
General government	39,703	7,198	134	2,502	49,537
Public safety	507,373	8,369	—	15,822	531,564
Public works	126,180	—	—	2,232	128,412
Health and welfare	941	—	—	13,182	14,123
Cultural and recreation	25,510	—	—	766	26,276
Urban redevelopment and housing	9,760	123,098	—	13,856	146,714
Economic development and assistance	1,426	2,344	8,000	46,269	58,039
Debt service:					
Redemption of bonds and notes	3,542	—	52,062	123,915	179,519
Interest on bonds and notes	404	—	6,486	37,375	44,265
Bond and note issuance costs	—	—	—	2,265	2,265
Lease payments and other	29	—	664	2,011	2,704
Capital outlays	79,144	42	—	85,292	164,478
Total expenditures	<u>794,012</u>	<u>141,051</u>	<u>67,346</u>	<u>345,487</u>	<u>1,347,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,865)</u>	<u>(306)</u>	<u>48,189</u>	<u>(145,634)</u>	<u>(106,616)</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, 2021
(In thousands)

	<u>General</u>	<u>Coronavirus Federal Stimulus</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	\$ 459	\$ —	\$ —	\$ 8,919	\$ 9,378
Sales of capital assets	734	—	—	—	734
Bonds and notes issued	—	—	—	69,014	69,014
Premium on bonds and notes issued	—	—	—	15,301	15,301
Refunding bonds issued	—	—	—	73,065	73,065
Transfers in	83,321	—	13,535	127,519	224,375
Transfers out	(49,065)	(31)	(83,808)	(91,471)	(224,375)
Total other financing sources (uses)	<u>35,449</u>	<u>(31)</u>	<u>(70,273)</u>	<u>202,347</u>	<u>167,492</u>
Net change in fund balances	26,584	(337)	(22,084)	56,713	60,876
Fund balances at beginning of year	395,962	395	187,751	267,001	851,109
Fund balances at end of year	<u>\$ 422,546</u>	<u>\$ 58</u>	<u>\$ 165,667</u>	<u>\$ 323,714</u>	<u>\$ 911,985</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, 2021

(In thousands)

Net change in fund balances – total governmental funds	
Amounts reported for governmental activities in the statement of activities are different because:	\$ 60,876
Depreciation expense reported in the statement of activities but not in the fund statements	(129,638)
Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of net position	151,515
Donations of capital assets not recorded in the fund statements	17,435
Loss on disposals of capital assets not recorded in the fund statements	(11,074)
Revenues in the statement of activities that do not provide current financial resources and are deferred inflows in the fund statements	28,450
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	(31,230)
Remediation settlement expenditures not recorded in the fund statements but reported as a reduction in a liability in the statement of net position	357
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	(157,380)
Bond and note principal payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of net position	179,519
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	(4,940)
Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements	5,578
Decrease in early retirement obligation that is not reported in the fund statements	3,012
Decrease in compensated absences that is not reported in the fund statements	704
Capital appreciation bond interest expense that is reported in the statement of activities but not the fund statements, as there is no cash outflow	(9,821)
Accrued interest on bonds and notes payable through December 31, 2021 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable	(7,609)
Capital lease payments reported as expenditures in the fund statements but as reduction of long-term liabilities in the statement of net position	4,622
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 net position	(9,378)
Accrued interest at December 31, 2021 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year	8,254
Net decrease in the other postemployment benefit liability that is not reported in the fund statements	(10,847)
Pension contributions recognized as expenditures in the fund statements in excess of pension expense recognized in the statement of activities	93,594
Change in net position of governmental activities	\$ <u><u>182,399</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
Proprietary Funds
December 31, 2021
(In thousands)

		Governmental activities – Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash	\$	2,272
Cash with fiscal agents		702
Investments		21,362
Accounts receivable		3,047
Total current assets		<u>27,383</u>
LIABILITIES		
Accounts payable and other current accrued liabilities		<u>22,484</u>
Total current liabilities		<u>22,484</u>
NET POSITION		
Unrestricted net position		<u>4,899</u>
Total net position	\$	<u><u>4,899</u></u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended December 31, 2021
(In thousands)

		Governmental activities – Internal Service Funds
Operating revenues:		
Charges to other funds	\$	104,971
Operating expenses:		
Claims		109,903
Administration		212
Total operating expenses		<u>110,115</u>
Operating loss		<u>(5,144)</u>
Nonoperating revenue:		
Investment income		<u>204</u>
Changes in net position		(4,940)
Net position, beginning of year		<u>9,839</u>
Net position, end of year	\$	<u><u>4,899</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, 2021
(In thousands)

		Governmental activities – Internal Service Funds
Cash flows from operating activities:		
Receipts from users	\$	104,166
Payments for administration		(212)
Payments for claims		(113,476)
Net cash (used) by operating activities		<u>(9,522)</u>
Cash flows from investing activities:		
Sales and maturities of investments		10,492
Investment income		204
Net cash provided by investing activities		<u>10,696</u>
Net increase in cash		1,174
Cash, beginning of year		<u>1,800</u>
Cash, end of year	\$	<u><u>2,974</u></u>
Reconciliation of operating loss to net cash (used) by operating activities:		
Operating loss	\$	(5,144)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Change in assets and liabilities:		
Increase in accounts receivable		(805)
Decrease in accounts payable and other liabilities		(3,573)
Net cash (used) by operating activities	\$	<u><u>(9,522)</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)
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2021
(In thousands)

	Pension (and Other Postemployment Benefit) Trust Funds	Custodial Funds
ASSETS		
Equity in pooled cash	\$ —	\$ 715
Investments		
Pooled investments	—	6,718
Accounts receivable	—	969
Total assets	—	8,402
LIABILITIES		
Accounts payable and other accrued liabilities	—	1,353
Due to other funds	966	—
Total liabilities	966	1,353
NET POSITION		
Restricted for:		
Pensions (deficit)	(966)	—
Individuals, organization, and other governments	—	7,049
Total restricted net position (deficit)	\$ (966)	\$ 7,049

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
Year ended December 31, 2021
(In thousands)

	Pension (and Other Postemployment Benefit) Trust Funds	Custodial Funds
ADDITIONS		
Employer contributions	\$ 53,527	\$ 2,691
Police confiscations	—	3,599
Fees collected for other governments	—	7,307
Total additions	53,527	13,597
DEDUCTIONS		
Benefits paid to participants or beneficiaries	54,605	2,691
Payments of fees collected to other governments	—	7,307
Court released confiscations	—	4,245
Total deductions	54,605	14,243
Net decrease in net position	(1,078)	(646)
Net position – beginning of year	112	7,695
Net position (deficit)– end of year	\$ (966)	\$ 7,049

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(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 discretely presented financial information herein reported for the Housing Agency. The Housing Agency and Insight issue separate financial statements, which can be obtained by writing to Indianapolis Housing Agency, 1919 North Meridian Street, Indianapolis, Indiana 46202.

The City’s financial reporting entity also includes the Circle Area Community Development Corporation (“CAC”), which was incorporated on July 22, 1997. The Mayor appoints the entire CAC board and may remove board members at will. The 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, 2021
(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.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, fiduciary 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 (additions) are recognized when they are earned, and their expenses (deductions) are recognized when they are incurred, except as to the accounting for certain pension and other postemployment benefit costs. Custodial funds use the economic resource measurement focus. The City records pension payments reimbursed by the State of Indiana as both revenue and expenditures/expense. Unfunded pension and other postemployment benefit obligations are recorded in the government-wide statements in the long-term liabilities due in more than one year.

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 *Coronavirus Federal Stimulus Fund* accounts for the resources received and payments made related to the Coronavirus pandemic and federal funding provided from the American Rescue Plan Act (ARPA).

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 – Custodial Funds and Pension (and Other Postemployment Benefit) Trust Funds. Funds in this classification are used to account for assets held by the City in a fiduciary capacity. Custodial Funds are custodial in nature and account for monies held on behalf of contractors, the E-911 dispatch program, and for confiscated items related to public safety activities. Pension and Other Postemployment Benefit Trust Funds are those funds held in trust for disbursement to covered employees with certain balances going to union trust funds. The City records deductions for pension and other postemployment benefit 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, 2021
(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, 2021
(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 160 hours earned benefit leave can be carried forward to subsequent years. Accumulated unused sick leave earned before September 1, 1994 is payable only upon the death or retirement of an employee, and only half the accumulated sick leave is then payable. 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, 2021.

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.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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

- 1) *Nonspendable* – This consists of resources that are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- 2) *Restricted* – This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.
- 3) *Committed* – This consists of resources that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. The City’s highest level of decision-making authority rests with the Council. Resources are reported as committed by the Council through passage of an ordinance. The Council can modify or rescind a commitment of resources through passage of a new ordinance.
- 4) *Assigned* – This consists of resources constrained by the government’s intention to use them for specific purposes but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of \$87,800, 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, 2021, the unassigned fund balance of the Fiscal Stability Fund is \$92,311. 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 assets by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net assets 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.

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, as well as for certain capital leases that have been issued but the City has yet to receive funds or equipment.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Q. Future Adoption of Accounting Standards

GASB has issued Statement No. 87, *Leases*; Statement No. 91, *Conduit Debt Obligations*; GASB No. 92, *Omnibus 2020*; GASB No. 93, *Replacement of Interbank Offered Rates*; GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB No. 96, *Subscription-Based Information Technology Arrangements*; GASB Statement No. 99, *Omnibus 2022*; GASB Statement No. 100, *Accounting Changes and Error Corrections*; and GASB No. 101, *Compensated Absences*. The City intends to adopt these GASB Statements, as applicable, on their respective effective dates.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

2. Cash Deposits and Investments

As of December 31, 2021, the City had the following cash deposits and investments:

Cash and investments	\$	950,003
Cash and investments with fiscal agents		201,756
Cash and investments – Fiduciary Funds		<u>7,433</u>
Total cash and investments	\$	<u><u>1,159,192</u></u>

Deposits

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

The carrying amount of the City’s total cash deposits at December 31, 2021 was \$173,628. 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, 2021.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Below is a segmented time distribution for the City’s investments at December 31, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
United States Treasury Notes	\$ 107,150	\$ 66,357	\$ 40,793
Money market mutual funds	82,461	82,461	—
State external investment pool – TrustINDiana	795,953	795,953	—
	\$ 985,564	\$ 944,771	\$ 40,793

Credit Risk

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

At December 31, 2021, the City’s investments were rated by Moody's and Standard & Poor’s as follows:

Investment Type	Fair Value	Ratings Moody's / S&P
United States Treasury Notes	\$ 107,150	Aaa/AAA
Money market mutual funds	82,461	Aaa/AAA
State external investment pool – TrustINDiana	795,953	Not Rated
	\$ 985,564	

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, 2021, 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 \$38,442, 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, 2021, as their existence is not evidenced by securities that exist in physical book entry form.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer. At December 31, 2021, the City did not hold any investments that represent more than 5% of total investments.

Foreign Currency Risk

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

3. 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, 2021:

	<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	\$ 107,150	\$ 107,150	\$ —	\$ —
Money market mutual funds	82,461	82,461	—	—
Total investments measured at fair value	<u>189,611</u>	<u>\$ 189,611</u>	<u>—</u>	<u>\$ —</u>
Investments measured at the net asset value (NAV) (a)				
State external investment pool - TrustINDiana	795,953			
Total	<u>\$ 985,564</u>			

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

Investments

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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.

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 January 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 2021 property taxes were levied based on assessed valuations determined by the Auditor as of the 2020 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2021 property taxes was January 1, 2020 (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 2021, the first half of the year 2021 taxes were due and payable to the Treasurer in May 2021. The second half of the year 2021 taxes were due and payable to the Treasurer in November 2021. Property taxes outstanding at December 31, 2021, 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.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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.

The estimated gross amount, on an accrual basis, by which the total property tax revenues for the abatement taxpayer recipient (payable 2021 taxes) were reduced as a result of the aforementioned abatement programs follows:

Real Property Tax Abatement	\$	1,668
Personal Property Tax Abatement		2,349
Total	\$	4,017

While the City has calculated the potential impact of existing tax abatements on total property tax revenues for 2021, 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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

6. Receivables Disaggregation

Accounts receivable as of December 31, 2021, 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	\$ 9,936	\$ 58,426	\$ 68,362
Coronavirus Federal Stimulus Fund	—	91,455	91,455
Other Nonmajor Governmental Funds	8,635	726	9,361
Internal Service Fund	3,047	—	3,047
Total receivables	<u>21,618</u>	<u>150,607</u>	<u>172,225</u>
Allowance for uncollectible accounts	<u>(1,725)</u>	<u>—</u>	<u>(1,725)</u>
Total governmental activities	<u>\$ 19,893</u>	<u>\$ 150,607</u>	<u>\$ 170,500</u>

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

7. Due from Federal and State Governments

Amounts due under federal, state, and local grants at December 31, 2021 for specific programs and capital projects include:

	<u>General</u>	<u>Governmental Activities Other Nonmajor Governmental</u>	<u>Total</u>
Reimbursements under federal grants:			
Department of Housing and Urban Development (HUD)	\$ —	\$ 9,968	\$ 9,968
Department of Justice (DOJ)	16	2,048	2,064
Executive Office of the President	—	220	220
Environmental Protection Agency (EPA)	—	14	14
Department of Transportation (DOT)	—	163	163
Department of Education (DOE)	—	5	5
Department of Homeland Security (DHS)	—	7,053	7,053
U.S. Department of Agriculture	—	106	106
	<u>\$ 16</u>	<u>\$ 19,577</u>	<u>\$ 19,593</u>

At December 31, 2021, the City had available lines of credit or grant authorizations from HUD totaling \$64,526.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

8. Long-term Receivables

The City has receivables for U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2021 of \$23,447, including accrued interest of \$10,824. The City has provided a reserve of \$23,447 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 25 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 expired in 2021, the City forgave \$500 of the loan due to Comlux maintaining at least 112 full-time employees at the facilities. During 2021, \$83 of the loan was repaid and \$50 was forgiven. The balance was paid off in full by December 31, 2021.

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, 2021, the City has recorded a \$1,500 reserve against the long-term receivable to fully reserve the loan.

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, 2021, 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, 2021, the long-term receivable and the outstanding balance is \$446. 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, 2021, 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, 2021, the long-term receivable is \$14,695.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021, the long-term receivable is \$4,416.

In 2020, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2020 (421 N Penn Project) in the amount of \$9,852. As part of the arrangement, the City entered into a financing agreement with CSP 421 N. Penn Street, LLC, in which the Developer agreed to pay a commission fee totaling \$150 to the City. The amount due is scheduled to be paid in three equal installments – the first to be paid before or upon issuance of the bonds, and the second and third to be paid before or on the fourth and fifth anniversary of the bond issuance, respectively. At December 31, 2021, the long-term receivable is \$100.

In 2020, the City loaned the Indianapolis Housing Authority (IHA) \$1,500. The loan was intended to provide financial aid to IHA as they act on the guidelines established with Indiana Code 36-7-15.1 (the “Redevelopment Act”), which promotes the use of land in the manner that best serves the interests of the City and its inhabitants, to assess, clear, remediate, replan, and redevelop areas needing redevelopment, to remedy and control obsolescence and deteriorated conditions of improvements, environmental contamination, faulty land use, shifting of population, and technological and social changes, for the benefit of the health, safety, and welfare of the City and its inhabitants, and to protect and increase property values in the City. The loan is due to be repaid at May 9, 2022. At December 31, 2021, the long-term receivable is \$1,500.

The minimum future payments to be received as of December 31, 2021 on long-term receivables are as follows:

		<u>Governmental Activities</u>
2022	\$	2,715
2023		1,251
2024		1,584
2025		1,672
2026		1,621
2027-2031		21,062
2032-2036		13,655
2037-2041		4,102
2042-2046		14,892
2047-2051		250
2052-2056		225
		<u>63,029</u>
Less: allowance		<u>(24,947)</u>
Total	\$	<u><u>38,082</u></u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

9. Capital Assets

Following is a summary of changes in capital assets for the City’s governmental activities for the year ended December 31, 2021:

	Balance, January 1, 2021	Additions	Reductions	Balance, December 31, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 83,388	\$ 4,346	\$ 41	\$ 87,693
Construction in progress	357,358	116,672	83,432	390,598
Total capital assets not being depreciated	<u>440,746</u>	<u>121,018</u>	<u>83,473</u>	<u>478,291</u>
Capital assets being depreciated:				
Buildings	429,072	1,200	63	430,209
Improvements	244,506	16,576	—	261,082
Equipment	275,083	19,611	8,272	286,422
Infrastructure	3,275,733	91,205	12,255	3,354,683
Total capital assets being depreciated	<u>4,224,394</u>	<u>128,592</u>	<u>20,590</u>	<u>4,332,396</u>
Less accumulated depreciation:				
Buildings	226,693	10,748	64	237,377
Improvements	127,690	7,676	—	135,366
Equipment	182,223	18,171	8,112	192,282
Infrastructure	2,486,822	93,043	82	2,579,783
Total accumulated depreciation	<u>3,023,428</u>	<u>129,638</u>	<u>8,258</u>	<u>3,144,808</u>
Total capital assets being depreciated, net	<u>1,200,966</u>	<u>(1,046)</u>	<u>12,332</u>	<u>1,187,588</u>
Governmental activities capital assets, net	<u>\$ 1,641,712</u>	<u>\$ 119,972</u>	<u>\$ 95,805</u>	<u>\$ 1,665,879</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021:

	<u>Balance, January 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2021</u>
Housing Agency				
Capital assets not being depreciated:				
Land	\$ 21,005	\$ 70	\$ —	\$ 21,075
Construction in progress	1,555	221	1,776	—
Total capital assets not being depreciated	<u>22,560</u>	<u>291</u>	<u>1,776</u>	<u>21,075</u>
Capital assets being depreciated:				
Buildings and improvements	225,276	1,706	—	226,982
Equipment	12,097	2,748	—	14,845
Total capital assets being depreciated	<u>237,373</u>	<u>4,454</u>	<u>—</u>	<u>241,827</u>
Less accumulated depreciation:				
Buildings and improvements	79,942	7,546	—	87,488
Equipment	8,480	494	—	8,974
Total accumulated depreciation	<u>88,422</u>	<u>8,040</u>	<u>—</u>	<u>96,462</u>
Total capital assets being depreciated, net	<u>148,951</u>	<u>(3,586)</u>	<u>—</u>	<u>145,365</u>
Total Housing Agency	<u>\$ 171,511</u>	<u>\$ (3,295)</u>	<u>\$ 1,776</u>	<u>\$ 166,440</u>

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2021 as follows:

Governmental Activities:	
General government	\$ 5,715
Public safety	13,546
Public works	100,805
Cultural and recreation	5,138
Urban redevelopment and housing	4,302
Economic development and assistance	132
	<u>\$ 129,638</u>

Depreciation expense of \$8,040 was charged to the City’s discretely presented component unit, the Housing Agency, during 2021.

Construction in progress at December 31, 2021 consists of several ongoing projects. These types of projects include but are not limited to security upgrades, recreational facility improvements, and infrastructure improvements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

At December 31, 2021, the City’s commitments relating to construction in progress include the following:

	<u>Authorized</u>	<u>Accrued Expenditures Through December 31, 2021</u>	<u>Committed</u>
Executive and Legislative	\$ 10,602	\$ 2,710	\$ 7,892
Indianapolis Metropolitan Police Department	16,565	15,642	923
Department of Metropolitan Development	9,433	8,393	1,040
Department of Public Works	495,110	351,981	143,129
Indianapolis Fire Department	8,472	1,329	7,143
Department of Parks and Recreation	3,932	3,932	-
Office of Public Health & Safety	6,833	6,611	222
Total governmental activities	<u>\$ 550,947</u>	<u>\$ 390,598</u>	<u>\$ 160,349</u>

10. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2021 for the City are as follows:

	<u>Vendors</u>	<u>Third-party Contracts</u>	<u>Due to Other Governments</u>	<u>Claims and Settlements</u>	<u>Accrued Payroll and Taxes</u>	<u>Total Payables and Other Current Liabilities</u>
Governmental Activities:						
General Fund	\$ 34,601	\$ 13,758	\$ 287	\$ —	\$ 14,984	\$ 63,630
Coronavirus Federal Stimulus	1,474	—	91,455	—	—	92,929
Other Nonmajor Governmental	27,402	7,472	602	—	151	35,627
Internal Service Fund	6	—	—	22,478	—	22,484
Adjustment to government-wide	—	—	—	3,756	—	3,756
Total governmental activities	<u>\$ 63,483</u>	<u>\$ 21,230</u>	<u>\$ 92,344</u>	<u>\$ 26,234</u>	<u>\$ 15,135</u>	<u>\$ 218,426</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 2021, the City paid \$3,062 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 2021, the City paid the Building Authority \$2,414 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 \$2,506 for governmental activities in 2021. The leases expire at various dates through 2044. Minimum future payments on all noncancelable operating leases as of December 31, 2021 are as follows:

	Governmental Activities
2022	\$ 1,516
2023	209
2024	192
2025	129
2026	38
2027-2031	145
Thereafter	7
Total future payments	\$ 2,236

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 expires on October 15, 2025, after exercising the first option to renew for five years and is ongoing under the original lease provisions. The lease provides for two additional 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 2021, the City contributed additional subsidies to the Market of \$614.

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, 2021, the leased property had a carrying amount of \$511 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 \$436 in 2021.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2021 are as follows:

		Governmental Activities
2022	\$	315
2023		270
2024		270
2025		261
2026		243
2027-2031		981
2032-2036		625
2037-2041		625
2042-2046		344
Total future receipts	\$	3,934

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021:

	<u>Balance, January 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2021</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds payable	\$ 293,685	\$ 36,265	\$ 20,470	\$ 309,480	\$ 12,260
General obligation bonds from direct borrowing and direct placements	14,035	—	1,230	12,805	1,005
Tax increment bonds payable	508,501	82,886	123,140	468,247	41,586
Tax increment bonds from direct borrowing and direct placements	99,200	13,772	10,796	102,176	18,096
Revenue bonds payable	265,120	—	13,735	251,385	735
Revenue bonds from direct borrowing and direct placements	14,555	—	2,225	12,330	—
Unamortized amounts:					
Premiums	69,582	15,301	7,597	77,286	—
Total bonds payable	<u>1,264,678</u>	<u>148,224</u>	<u>179,193</u>	<u>1,233,709</u>	<u>73,682</u>
Notes payables from direct borrowings and direct placements	119,772	18,977	8,026	130,723	68,605
Capital leases payable	28,473	17,440	4,622	41,291	6,860
Net pension liabilities	867,115	88,379	203,249	752,245	—
Other postemployment benefit liability	259,666	21,762	35,821	245,607	—
Early retirement obligation	4,634	—	3,012	1,622	1,622
Compensated absences	43,268	35,775	36,479	42,564	21,614
Total governmental activities	<u>\$ 2,587,606</u>	<u>\$ 330,557</u>	<u>\$ 470,402</u>	<u>\$ 2,447,761</u>	<u>\$ 172,383</u>
Discretely Presented Component Unit - Housing Agency:					
Notes payable	\$ 23,495	\$ —	\$ 4,543	\$ 18,952	\$ 8,620
Due to other governmental units	3,192	—	7	3,185	216
FSS escrow	447	—	25	422	113
Net pension liability	2,800	—	1,740	1,060	—
Compensated absences	235	—	118	117	9
Total discretely presented component unit	<u>\$ 30,169</u>	<u>\$ —</u>	<u>\$ 6,433</u>	<u>\$ 23,736</u>	<u>\$ 8,958</u>

Included in additions to bonds payable is \$9,821 representing accretion on capital appreciation bonds, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount plus \$142,079 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance amounts to the \$151,900 of related additions reflected in the roll forward above.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Included in additions to capital leases payable is \$8,062 representing a lease receivable, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount plus \$9,378 of issuance of capital leases reported in the statement of revenues, expenditures, and changes in fund balance amounts to the \$17,440 of related additions reflected in the roll forward above.

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, 2021 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%	\$ 4,635
Consolidated City, Series 2017A	02/01/2017	01/15/2038	3.125 – 5.000	17,135
Consolidated City, Series 2021A	12/14/2021	01/15/2041	3.000 - 5.000	15,570
<u>Direct borrowings and direct placements:</u>				
Fire Training Facility, Series 2019A*	11/26/2019	01/15/2033	2.010	<u>12,805</u>
Total Civil City Bonds				<u>50,145</u>
Public Safety Communication System Bonds:				
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	6,105
Public Safety Communication District Bonds, Series 2020A	01/22/2020	01/01/2029	1.881	<u>30,300</u>
Total Public Safety Communication System Bonds				<u>44,240</u>
Metropolitan Thoroughfare District Bonds:				
Metropolitan Thoroughfare District, Series 2017A	02/01/2017	01/11/2032	3.125 – 5.000	20,580
IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020A	10/13/2020	01/01/2041	4.000 – 5.000	50,000
IndyRoads Metropolitan Thoroughfare District Refunding Bonds, Series 2020B	10/13/2020	01/01/2040	0.383 – 2.473	<u>132,935</u>
Total Metropolitan Thoroughfare District Bonds				<u>203,515</u>
Park District Bonds:				
Park District Bonds, Series 2017A	02/01/2017	01/01/2028	4.000 – 5.000	3,690
Park District Bonds, Series 2021A	12/14/2021	01/15/2041	3.000 - 5.000	<u>20,695</u>
Total Park District Bonds				<u>24,385</u>
Total general obligation bonds recorded in governmental activities				322,285
Less: matured bonds payable recorded in the debt service funds				<u>(9,985)</u>
				<u>\$ 312,300</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

All principal and interest payments for the City’s general obligation bonds are due on January 1 and July 1 or January 15 and July 15 of the respective year. Accordingly, the City appropriates all payments due in January in the year before payment is due and provides the amount in the Debt Service Funds. All serial bond principal and interest payments due in January 2022 have been recorded as matured bonds payable and matured interest payable at December 31, 2021 within the fund financial statements. All general obligation bonds have pledges of all proceeds of the Trust Estate.

On December 14, 2021, the City issued its Consolidated Civil City Bonds, Series 2021A in the amount of \$15,570. The proceeds will be used for the acquisition, construction, installation, equipping and financing of all or a portion of the following projects: construction of a firehouse building and construction of a solid waste building, and related expenses. The bonds mature on January 15, 2041 and have an interest rate of 3.00-5.00%.

On December 14, 2021, the City issued its Park District Bonds, Series 2021A in the amount of \$20,695. The proceeds will be used for the acquisition, construction, installation and equipping of certain community park improvements within the Park District, and related expenses. The bonds mature on January 15, 2041 and have an interest rate of 3.00-5.00%.

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
	2022	\$ 6,050	\$ 1,198	\$ 1,005	\$ 252	\$ 1,465
2023	2,125	1,239	1,025	232	4,005	5,490
2024	1,340	1,153	1,045	211	4,090	5,397
2025	1,300	1,087	1,065	190	5,735	5,257
2026	1,365	1,020	1,085	169	7,900	5,060
2027-2031	6,060	4,128	5,760	506	56,255	21,310
2032-2036	8,435	2,784	1,820	36	59,115	13,735
2037-2041	10,665	877	—	—	64,950	5,411
Total	\$ 37,340	\$ 13,486	\$ 12,805	\$ 1,596	\$ 203,515	\$ 64,899

Years Ending December 31	Park		Public Safety Communications System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 455	\$ 687	\$ 4,290	\$ 823	\$ 13,265
2023	1,015	1,013	6,675	989	14,845	8,963
2024	985	963	7,775	825	15,235	8,549
2025	860	917	6,005	648	14,965	8,099
2026	900	873	6,185	464	17,435	7,586
2027-2031	5,270	3,619	13,310	409	86,655	29,972
2032-2036	6,715	2,185	—	—	76,085	18,740
2037-2041	8,185	704	—	—	83,800	6,992
Total	\$ 24,385	\$ 10,961	\$ 44,240	\$ 4,158	\$ 322,285	\$ 95,100

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021 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%	\$ 208,315
Less: discount				<u>(33,788)</u>
				<u>174,527</u>
Redevelopment District Bonds, Series, 2007 (Glendale)	05/10/07	02/01/27	5.450 – 6.210	2,305
Redevelopment District Bonds, Series 2010 (Dow AgroSciences)	06/22/10	02/01/25	3.000 – 5.125	7,875
Redevelopment District Bonds, Series 2011A	03/10/11	08/01/24	0.500 – 5.000	10,455
Redevelopment District Bonds, Series 2011C	05/19/11	02/01/36	4.000 – 5.750	19,980
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	6,300
Redevelopment District Refunding Bonds 2016A (Marriott)	10/19/16	02/01/38	3.000 – 5.000	48,700
Redevelopment District Refunding Bonds, Series 2018 (Taxable)(Market District Garage)	01/11/18	01/15/33	4.150	10,140
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	1,860
Economic Development Revenue Bonds, Series 2014C (MSA Project)	09/03/14	02/01/29	2.000 – 5.000	10,845
Economic Development Revenue Bonds, Series 2014D Taxable (Pulliam Project)	09/03/14	02/01/29	5.000	3,320
Economic Development Tax Increment Revenue Bonds, Series 2019A (16 Tech)	08/06/19	02/01/40	3.000 – 5.000	29,575
Economic Development Tax Increment Revenue Refunding Bonds, Series 2021 A (CityWay 1)	04/22/21	02/01/36	5.000	72,950
Economic Development Tax Increment Revenue Refunding Bonds, Series 2021 B Taxable (CityWay 1)	04/22/21	02/01/24	1.000	<u>115</u>
Total Tax Increment Revenue Bonds				468,247

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 (Ameriplex)	12/28/07	02/01/23	6.200	1,000
Redevelopment District Bonds, Series 2010A	06/03/10	02/01/25	5.000	2,184
Redevelopment District Bonds, Series 2010 (AIT Laboratories)	11/04/10	02/01/35	2.600 – 5.150	3,865
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	990
Redevelopment District Project and Refunding Bonds, Series 2020B (Infosys Project)	03/01/20	01/15/25	0.930	22,200
Redevelopment District Bonds, Series 2020C Taxable (Infosys Project)	03/01/20	01/15/23	1.580	11,200
Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project)	05/20/15	02/01/20	1.980	6,040

Continued...

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
<u>Developer Backed Bonds</u>				
Economic Development Tax Increment Revenue Bonds, Series 2017 (Bethel AME Project)	09/19/17	02/01/42	5.500	7,825
Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project)	05/15/18	02/01/40	3.610 – 4.500	4,417
Economic Development Tax Increment Revenue Bonds, Series 2018 (Goodwill Riverview Project)	05/25/18	01/15/43	5.000	4,145
Economic Development Tax Increment Revenue Bonds, Series 2018 (River House Broad Ripple Project)	06/07/18	01/15/40	5.000	2,550
Economic Development Tax Increment Revenue Bonds, Series 2018 (Duke Headquarters Project-Draw Bonds)	06/28/18	01/15/43	4.000	2,926
Economic Development Tax Increment Revenue Bonds, Series 2018 (Ardmore Project- Draw Bonds)	11/30/18	01/15/43	5.000	7,200
Economic Development Tax Increment Revenue Bonds, Series 2018 (Ford Assembly Plant Project)	12/11/18	01/15/43	4.300	3,713
Economic Development Tax Increment Revenue Bonds, Series 2019 (PR Mallory Building Project)	09/01/19	01/15/27	5.995	12,275
Economic Development Tax Increment Revenue Bonds, Series 2019 (City's End Project)	11/01/19	01/15/44	4.500	3,434
Economic Development Tax Increment Revenue Bonds, Series 2020 A (Block 20 Development Project)	01/07/20	02/01/44	5.000	1,506
Economic Development Tax Increment Revenue Bonds, Series 2021 (Midtown Project)	05/17/21	01/15/41	3.500	3,286
Economic Development Tax Increment Revenue Bonds, Series 2021 (Rise on Meridian Project-Draw Bonds)	11/30/21	02/01/46	8.000	360
Total direct borrowings and direct placement				<u>102,176</u>
Total tax increment revenue bonds (direct and public offerings)				570,423
Less: Matured bonds payable recorded in the debt service funds				(690)
				<u>\$ 569,733</u>

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); Redevelopment District Refunding Bonds, Series 2015A (Brokenburr Project), Economic Development Tax Increment Revenue Bonds, Series 2020A (Block 20 Development Project), Economic Development Tax Increment Revenue Bonds, Series 2020 (421 N Penn Project-Draw Bonds), Economic Development Tax Increment Revenue Bonds, Series 2021 (Rise on Meridian Project-Draw Bonds), Economic Development Tax Increment Revenue Bonds, Series 2021 (Glendale II Project-Draw Bonds), and Economic Development Tax Increment Revenue Bonds, Series 2021 (Elevator Hill Phase I Project-Draw Bonds) have pledges of all proceeds of the Trust Estate. Following an event of default on the Economic Development Tax Increment Revenue Bonds, Series 2020A (Block 20 Development Project) Bonds, the trustee may declare the principal and accrued interest on all bonds to be due and payable immediately. Following an event of default on the Economic Development Tax Increment Revenue Bonds, Series 2021 (Rise on Meridian Project-Draw Bonds) and the Economic Development Tax Increment Revenue Bonds, Series 2021 (Elevator Hill Phase I Project-Draw Bonds), the trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal and accrued interest. Following an event of default on the Economic Development Tax Increment Revenue Bonds, Series 2021 (Glendale II Project-Draw Bonds), the non-defaulting party, at its option and with any prior notice required hereunder, may institute any action, suit or other proceeding at law or in equity which it shall deem necessary or proper for the protection of its interests.

On April 22, 2021, the City issued its Economic Development Revenue Refunding Bonds, Series 2021A (CityWay 1) and its Taxable Economic Development Revenue Refunding Bonds, Series 2021B (CityWay 1) in the amounts of \$72,950 and \$115, respectively. The proceeds from these bonds will be used to purchase the Series 2011 A Qualified Obligations from the City, fund the debt service reserve fund allocable to the Series 2021 Bonds, and pay the costs of issuance of the Series 2021 Bonds and certain related expenses. The refunding resulted in an accounting gain of \$70, which has been deferred and is being amortized over the life of the bonds. As a result of the refunding, the City reduced its total debt service requirements by \$9,886, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$9,793. The Series 2021A and Series 2021B bonds mature on February 1, 2036 and February 1, 2024, respectively. The Series 2021A and Series 2021B bonds have interest rates of 5.00% and 1.00%, respectively.

Developer Backed Bonds

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

On May 17, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Taxable-Midtown Project) in the amount of \$3,286. The proceeds will be provided to Midtown Development Partners LLC (Developer) to pay a portion of the costs of a mixed-use, corporate headquarters development, containing one building consisting of approximately 53,000 square feet of office space, structured parking underneath with at least 51 parking spaces, and certain infrastructure, located at 6205-6215 N. College Avenue, Indianapolis, Indiana. The proceeds will also provide for the acquisition, construction, demolition, renovation, improvement, excavation, utility relocation, and/or equipping costs related to the project. The bonds are secured by TIF revenues generated within the Midtown allocation area. The bonds mature on January 15, 2041 and have an interest rate of 3.50%. This is a developer backed bond secured by an 80% pledge of the TIF revenues generated from the project in the North Midtown Economic Development Area.

On November 30, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Rise on Meridian Project) in the amount of \$8,660. The proceeds will be used to provide the Developer with funds to pay the acquisition, construction, equipping and preservation of a mixed-use apartment building consisting of 269 multifamily units atop a 58,490 square foot concrete podium. Additionally, the proceeds will be used for all acquisition, construction, demolition, renovation, improvement, excavation, utility relocation, and/or equipping costs including, but not limited to certain streetscape and sidewalk projects and improvements for the Project located at 915 South Meridian Street. The bonds are draw bonds and as of December 31, 2021 \$360 of draws have been made. The interest rate for these bonds is 8.00%. This is a developer backed bond secured by an 80% pledge of the TIF revenues generated from Elevator Hill Phase I Project within the consolidated allocation area TIF district.

On December 9, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Glendale II Project) in the amount of \$7,113. The proceeds will be used to finance or reimburse the Developer for the costs of the acquisition, construction, and equipping of the repurposing of the former Macy's Department Store located at the Glendale Town Center to allow for the completion of approximately 56,000 square feet of retail use along with upgrades to the facility and surrounding areas to current industry standards for ingress/egress, parking, and HVAC, as well as energy efficiency. Additionally, the proceeds will be used to finance or reimburse the Developer for the costs of 267 units of new multifamily residential units located on a portion of the empty parking lots at the Glendale Town Center along with increased landscaping, improved lighting and increased connectivity to the Macy's Project. The bonds are draw bonds, and as of December 31, 2021 no draws have been made. The interest rate for these bonds is 5.00%. This is a developer backed bond secured by an 80% pledge of the TIF revenues generated from the project in the Glendale II Allocation Area.

On December 14, 2021, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2021 (Elevator Hill Phase I Project) in the amount of \$3,750. The proceeds will be used to provide the Developer with funds to finance certain projects, additions or improvements within the City, including all or any portion of the construction of a residential development consisting of approximately 77,000 square feet and approximately 103 residential units atop a concrete podium including structure parking and residential amenities, and for all acquisition, construction, demolition, renovation, improvement, excavation, utility relocation and/or equipping costs. The bonds are draw bonds, and as of December 31, 2021 no draws have been made. The interest rate for these bonds is 4.00%. This is a developer backed bond secured by an 80% pledge of the TIF revenues generated from the project by the Rise on Meridian Project, located in the south meridian allocation area.

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Years Ending December 31	Publicly Issued		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 41,586	\$ 13,505	\$ 18,096	\$ 3,038	\$ 59,682	\$ 16,543
2023	42,485	12,897	12,197	3,005	54,682	15,902
2024	45,520	12,158	11,868	2,826	57,388	14,984
2025	43,730	11,408	6,874	2,690	50,604	14,098
2026	42,555	10,754	1,894	2,600	44,449	13,354
2027-2031	201,544	38,257	22,593	8,466	224,137	46,723
2032-2036	70,540	10,405	12,018	5,404	82,558	15,809
2037-2041	14,075	710	12,581	2,491	26,656	3,201
2042-2046	—	—	4,055	195	4,055	195
	<u>502,035</u>	<u>110,094</u>	<u>102,176</u>	<u>30,715</u>	<u>604,211</u>	<u>140,809</u>
Less: deferred interest on capital appreciation bonds	(33,788)	—	—	—	(33,788)	—
Total	<u>\$ 468,247</u>	<u>\$ 110,094</u>	<u>\$ 102,176</u>	<u>\$ 30,715</u>	<u>\$ 570,423</u>	<u>\$ 140,809</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021, 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	\$ 4,395
Economic Development Refunding Bonds, Series 2012B	12/20/12	04/01/39	2.000 – 5.000	14,420
Stormwater District Revenue Refunding Bonds, Series 2013	10/16/13	01/01/26	2.000 – 5.000	17,385
Indy Roads Revenue Bond, Series 2015A	03/25/15	01/01/35	3.000 – 5.000	5,390
Indy Roads Revenue Bonds, Series 2015B	09/16/15	01/01/35	3.000 – 5.000	6,775
PILOT Refunding Bonds, Series 2017C	12/28/17	01/01/40	4.000 – 5.000	143,135
Indy Roads Revenue Bond, Series 2018A	12/18/18	01/01/39	4.000 – 5.000	985
Stormwater District Revenue Bonds, Series 2019	10/16/19	01/01/41	4.000 – 5.000	50,000
Indy Roads Revenue Bonds, Series 2019A	09/19/19	01/01/40	5.000	<u>8,900</u>
Total revenue bonds				251,385
Direct Borrowings and direct placements:				
Stormwater District Revenue Bonds, Series 2011	08/10/11	01/01/41	3.580	12,330
Facilities Revenue Refunding, Series 2015	12/16/15	07/15/21	1.760	<u>—</u>
Total direct revenue bonds				<u>12,330</u>
Total revenue bonds recorded in governmental activities (direct and public)				263,715
Less matured bonds payable recorded in debt service funds				<u>—</u>
				<u>\$ 263,715</u>

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, 2022 and January 15, 2022 have been recorded as matured bonds payable and matured interest payable at December 31, 2021.

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Revenue bond debt service requirements to maturity are as follows:

<u>Years Ending December 31</u>	<u>Publicly Issued</u>		<u>Direct Borrowings and Direct Placements</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 735	\$ 6,456	\$ -	\$ 260	\$ 735	\$ 6,716
2023	14,425	11,702	445	511	14,870	12,213
2024	15,145	10,974	460	493	15,605	11,467
2025	15,885	10,249	480	474	16,365	10,723
2026	14,620	9,537	500	454	15,120	9,991
2027-2031	56,645	38,929	2,815	1,948	59,460	40,877
2032-2036	65,940	24,178	3,430	1,325	69,370	25,503
2037-2041	67,990	6,923	4,200	528	72,190	7,451
Total	\$ <u>251,385</u>	\$ <u>118,948</u>	\$ <u>12,330</u>	\$ <u>5,993</u>	\$ <u>263,715</u>	\$ <u>124,941</u>

At December 31, 2021, \$333,550 of defeased revenue bonds remain outstanding and have been removed from the basic financial statements.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021	Pledged Revenues for Fiscal Year Ended December 31, 2021	Total Principal and Interest Remaining on Debt
Tax increment revenue	Infrastructure improvements and certain economic development projects	Through 2044	Property tax increment	\$ 78,439	\$ 123,491	\$ 751,078 (1)
Transportation revenue	Construction, reconstruction, and repair of roads, streets, and sidewalks	Through 2040	Wheel tax and gasoline tax	5,592	86,009	25,506
Facilities revenue	Improvements and repairs to various city and county-owned buildings	Through 2021	Rent charged back to City and County agencies	913	1,819	-
Stormwater	Improvements of stormwater handling capabilities	Through 2041	Net revenues of the stormwater system	9,158	11,448	163,829
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	1,583	1,583	27,974
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	12,088	19,739	217,609

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

F. Notes Payable

- 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, 2021 is \$9,108.
- 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. The notes were fully paid off as of December 31, 2021.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

3. 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, 2021 the CAC has recorded \$745 of cash in escrow and long-term debt of \$15,010. Included in the cash balance is \$745 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.
4. 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.
5. 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, 2021 is \$448.
6. 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, 2021, the long-term receivable and the outstanding balance of the note is \$4,650.
7. 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, 2021, the outstanding balance of the note is \$2,181. 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.
8. 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, 2021, 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.
9. On August 1, 2020, the City borrowed funds for the Near South Meridian Project for \$1,250, though a total of \$5,000 was authorized. The loan will mature on August 1, 2039. Principal payments are due annually and interest payments are due quarterly. At December 31, 2021, the outstanding balance of the note is \$1,250 as this is a draw note. The funds will be used to develop the near Southside, which is a developing area 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, 2021 is \$17,895.
11. 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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

12. 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, 2021 is \$45,106, as this is a draw note.
13. 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, 2021 is \$14,300. 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.
14. On November 10, 2021, the City issued its Series 2021 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 November 1, 2024 and the last draw of the commitment amount must occur by March 30, 2024. The outstanding balance of the notes at December 31, 2021 is \$345, as this is a draw note.

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>
2022	\$ 68,605	\$ 3,622
2023	21,636	1,682
2024	6,278	1,148
2025	6,448	850
2026	5,208	731
2027-2031	12,404	2,185
2032-2036	9,065	626
2037-2041	1,079	5
Total	<u>\$ 130,723</u>	<u>\$ 10,849</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021, the total net book value of capital assets under such leases was \$42,386 and the related capital lease obligations amounted to \$41,291.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2021:

	Governmental Activities
2022	\$ 7,999
2023	8,302
2024	8,015
2025	5,781
2026	5,086
2027-2031	8,384
2032-2036	3,800
2037-2041	760
	48,127
Amount representing interest	(6,836)
Present value of net minimum lease payments	\$ 41,291

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. Early Retirement Obligation: On October 12, 2020, the City County Council passed Amended Proposal No. 298, which authorized an elective retirement option for employees. Early retirement benefits included a \$10 lump sum payment paid during the first month of retirement, and 75% of the retiree’s base salary at the time of retirement paid during the retiree’s regular pay cycle for 12 months following their retirement date. The program was capped at 190 City and County employees, with preference based on age plus years of continuous service. 88 City employees participated in the program for a total cost of \$4,634. At December 31, 2021, the remaining liability was \$1,622, which is included on the government-wide statement of net assets as a long-term liability.
4. Compensated Absences Payable: A long-term liability for benefit and sick leave earned but not paid of \$42,564 at December 31, 2021 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. Currently outstanding as of December 31, 2021 are 18 series of Economic Development Revenue Bonds approved by the Council issued on or after 2001 for a total not-to-exceed amount of \$263,439. The aggregate principal amount outstanding at December 31, 2021 since 2001 is \$167,671.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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>Coronavirus Federal Stimulus Fund</u>	<u>Revenue Bond Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Permanent fund (principal and interest)	\$ —	\$ —	\$ —	\$ 372	\$ 372
Restricted for:					
Street maintenance and projects	59,622	—	—	—	59,622
Stormwater management	34,211	—	—	—	34,211
Debt service	—	—	165,667	52,610	218,277
Capital projects	—	—	—	240,249	240,249
Other purposes by grantors	—	58	—	5,130	5,188
Sidewalk, curb and street repair	—	—	—	9,618	9,618
	<u>93,833</u>	<u>58</u>	<u>165,667</u>	<u>307,607</u>	<u>567,165</u>
Committed to:					
Capital projects	—	—	—	25,000	25,000
Utility monitoring	300	—	—	—	300
CJC	51,909	—	—	—	51,909
	<u>52,209</u>	<u>—</u>	<u>—</u>	<u>25,000</u>	<u>77,209</u>
Assigned to:					
Redevelopment	13,542	—	—	—	13,542
Parks and recreation	6,463	—	—	—	6,463
Stormwater management	5,678	—	—	—	5,678
Operating expenditures	100,860	—	—	—	100,860
Public safety	7,552	—	—	—	7,552
	<u>134,095</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>134,095</u>
Unassigned	<u>142,409</u>	<u>—</u>	<u>—</u>	<u>(9,265)</u>	<u>133,144</u>
Total fund balance	\$ <u>422,546</u>	\$ <u>58</u>	\$ <u>165,667</u>	\$ <u>323,714</u>	\$ <u>911,985</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021 (valuation date), are:

	2021
Active Employees	4,040
Retired Employees	761
Beneficiaries	51
Spouses of Retired Employees	131
	4,983

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

C. Contributions

Contribution requirements are negotiated between the City and union representatives. For fiscal year 2021, the City contributed \$7,134 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 \$245,607 was measured as of December 31, 2021 for the year ended December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. 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, 2021, 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	5.10% - 3.80% over 54 years
Discount Rate	2.06%

Mortality rates for police and fire employees were based on the PubS-2010 Mortality Table for Employees and Healthy Annuitants, while the mortality rates for civilian employees were based on the PubG-2010 Mortality Table for Employees and Healthy Annuitants. Both rates include generational projections of future improvements per the MP-2019 Ultimate scale and a margin for improvements in longevity beyond the valuation date.

The plan has not had a formal actuarial experience study performed for the January 1, 2021 valuation. Total OPEB liability was calculated using the previously established actuarial assumptions.

The long-term expected rate of return on the OPEB Plan investments of 2.06% 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, 2021. 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	Expected Geometric Real
		Real Rate of Return	Rate of Return
U.S. Core Fixed Income	65.50%	1.36%	1.28%
U.S. Equity Market	21.70%	4.84%	3.52%
U.S. Cash	12.80%	-0.07%	-0.06%
	100.00%		

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.06% for the year ended December 31, 2021. 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:

	2021		
	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance, beginning of year	\$ 273,891	\$ 14,225	\$ 259,666
Changes for the year:			
Service Cost	15,616	-	15,616
Interest on total OPEB liability	6,065	-	6,065
Effect of economic/demographic gains or losses	(11,039)	-	(11,039)
Effect of assumptions changes or inputs	(17,454)	-	(17,454)
Benefit payments	(6,839)	(6,839)	-
Employer contributions	-	7,134	(7,134)
Net investment income	-	194	(194)
Administrative expense	-	(81)	81
Net Changes	(13,651)	408	(14,059)
Balance, end of year	\$ 260,240	\$ 14,633	\$ 245,607

Changes of assumptions reflect a change in the discount rate from 2.12% at December 31, 2020 to 2.06% at December 31, 2021.

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 2.06%. 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	\$ 275,630	\$ 245,607	\$ 219,889

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

	<u>1% Decrease</u>		<u>Current Trend Rates</u>		<u>1% Increase</u>
City's net OPEB liability	\$ 210,937	\$	245,607	\$	288,235

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$17,981. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 29,757
Changes of assumptions	30,187	23,109
Net difference between projected and actual earnings on OPEB plan investments	<u>22</u>	<u>-</u>
Total	<u>\$ 30,209</u>	<u>\$ 52,866</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to OPEB will be recognized in OPEB expense as follows:

2022	(3,477)
2023	(3,535)
2024	(3,558)
2025	(3,501)
2026	(1,578)
Thereafter	<u>(7,008)</u>
\$	<u><u>(22,657)</u></u>

I. Payable to the OPEB Plan

At December 31, 2021, the City reported a payable of \$384, for the outstanding amount of contributions to the OPEB Plan required for the year ended December 31, 2021.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021 follows:

	Pre-1977 Police Plan	Pre-1977 Firefighters’ Plan
Retirees and beneficiaries currently receiving benefits	690	654
Current employees - vested	5	1
Total	695	655

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%.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 2021, the State of Indiana contributed \$53,527 of pension relief to the City's Police and Firefighters' Pre-1977 Plans (\$27,376 and \$26,151, 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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 City’s contractually required contribution rate for 2021 was 17.5% 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, 2021 was \$38,643, 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 June 30, 2021, a total of \$98,500 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 \$ for 2021, are not included in this report but can be found in the Housing Agency’s separately issued financial report.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 2021, 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 2021. 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.

During 2021 the City-County Council adopted a resolution, which modified the retirement options offered by INPRS for new employees, effective January 1, 2022. Employees with an employment start date on or after, January 1, 2022, will have a choice between membership in either the PERF Hybrid Plan or the My Choice Plan. Members have 60 days to make an election, if no election is made within 60 days, they will automatically default into the PERF Hybrid plan.

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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

An employee who has reached: (1) age 65 and has at least 10 years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to \$2 are included as part of the employee's salary.

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

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

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, 2021 was \$1,607.

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 2021 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, 2021 was \$5,977, equal to the approved employer contribution and 11.2% of covered payroll for each year.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 \$744 for 2021. Employers can also choose to make an additional contribution to employee accounts ranging from 0% up to the normal cost of the fund. The normal cost for 2021 was 4.2%. The City elected to contribute an additional 1.2% for 2021, which was \$248 for 2021. 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 \$1,786 in 2021.

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/>.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021	January 1, 2021	Assets: June 30, 2021 Liabilities: June 30, 2020 - rolled forward to measurement date	Assets: June 30, 2021 Liabilities: June 30, 2020 - rolled forward to measurement date
Measurement date	December 31, 2021	December 31, 2021	June 30, 2021	June 30, 2021
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	6.25%	6.25%
Money-weighted rate of return	N/A	N/A	25.50%	25.50%
Inflation rate	2.00%	2.00%	2.00%	2.00%
Cost of living adjustment	Non-converted - 2.65% each July 1st Converted - 1.90% on July 1, 2021; 1.95% thereafter	Non-converted - 2.65% each July 1st Converted - 1.90% on July 1, 2021; 1.95% thereafter	1.95%	1.00%
Salary increase	2.65%	2.65%	2.65%	2.65% - 8.65%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019
Experience period	6/30/2014 to 6/30/2019	6/30/2014 to 6/30/2019	6/30/2014 to 6/30/2019	6/30/2014 to 6/30/2019
Discount rate	Barclay's 20-year Municipal Bond Index:	Barclay's 20-year Municipal Bond Index:		
2021	1.39%	1.39%	6.25%	6.25%
2020	1.49%	1.49%	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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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	20%	3.6%
Private equity	15%	7.3%
Fixed income - ex inflation linked	20%	1.5%
Fixed income - inflation linked	15%	-0.3%
Commodities	10%	0.8%
Real estate	10%	4.2%
Absolute return	5%	2.5%
Risk parity	20%	4.4%
Leverage Offset	-15%	-1.4%
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, 2021.

The discount rate used to measure the total pension liability for the 1977 Police and Firefighters’ Plan and PERF was 6.25%. 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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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:

Plan	Net Pension Liability (Asset)		
	1% Decrease	Current Rate	1% Increase
Pre-1977 Police Plan (current rate: 1.39%)	\$ 419,392	\$ 380,211	\$ 346,888
Pre-1977 Firefighters' Plan (current rate: 1.39%)	388,872	353,276	322,975
1977 Police and Firefighters' Plan (current rate: 6.25%) - proportionate share (21.7%)	131,927	(128,005)	(337,840)
PERF (current rate: 6.25%) - proportionate share (1.43%)	49,060	18,758	(6,518)
Total	\$ 989,251	\$ 624,240	\$ 325,505

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, 2021 and the total pension liability used to calculate the net liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to the measurement date. Member census data as of December 31, 2020, was used in the valuation and adjusted, where appropriate, to reflect changes between December 31, 2020 and December 31, 2021. For December 31, 2021 valuations, there were numerous assumption changes. See below:

1. Discount Rate: The discount rate used for the December 31, 2021 valuation was 1.39%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2021. This is a decrease from the 1.49% used for the December 31, 2020 valuation.
2. Cost-of-living-adjustment (COLA): For converted members, the July 1, 2020 COLA was updated from the ongoing valuation assumption to reflect the known increase of 1.9%. Beginning July 1, 2021, the assumption reverts to the assumed annual rate, which decreased to 1.95% from the 2.1% used in the December 31, 2020 valuation. For non-converted members, the COLA assumption was updated from 2.75% to 2.65% in alignment with the salary increase assumption.
3. Inflation: The inflation rate used for the December 31, 2021 valuation was 2.00%, a decrease from the 2.25% used for the December 31, 2020 valuation.
4. Salary increases: The salary increase assumption used for the December 31, 2021 valuation was 2.65%, a decrease from the 2.75% used for the December 31, 2020 valuation.

The net pension liability for the 1977 Police and Firefighters’ Plan was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to the measurement date. Member census data as of June 30, 2020, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 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, 2021, the City’s proportion for its police officers was 11.88707%, which was a decrease of 0.29202% from its proportion measured as of June 30, 2020. At June 30, 2021, the City’s proportion for its firefighters was 9.77137%, which was a decrease of 0.28289% from its proportion measured as of June 30, 2020.

The net pension liability for PERF was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to the measurement date. Member census data as of June 30, 2020, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 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, 2021, the City’s proportion was 1.42552%, which was a decrease of 0.04400% from its proportion measured as of June 30, 2020.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

At December 31, 2021, 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:

<u>Plan</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Police Pre-1977 Plan	\$ —	\$ 380,211	\$ —	\$ —	\$ 4,136
Firefighters' Pre-1977 Plan	—	353,276	—	—	12,454
1977 Police and Firefighters' Plan	128,005	—	124,967	210,590	(10,443)
PERF	—	18,758	14,661	31,385	(1,612)
Total	\$ 128,005	\$ 752,245	\$ 139,628	\$ 241,975	\$ 4,535

The components of the net pension liability of the City for the Police and Firefighters' Pre-1977 Plans as of December 31, 2021 were as follows:

	<u>Pre-1977 Police Plan</u>	<u>Pre-1977 Firefighters' Plan</u>
Total pension liability	\$ 379,854	\$ 352,667
Plan's fiduciary net position	(357)	(609)
City's net pension liability	<u>\$ 380,211</u>	<u>\$ 353,276</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>-0.09%</u>	<u>-0.17%</u>

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

	<u>Pre-1977 Police Plan</u>			<u>Pre-1977 Firefighters' Plan</u>		
	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of January 1, 2021	\$ 402,671	\$ 4	\$ 402,667	\$ 366,186	\$ 108	\$ 366,078
Changes for the year:						
Service cost	66		66	67		67
Interest on total pension liability	5,787		5,787	5,297		5,297
Difference between expected and actual experience	(879)		(879)	7,866		7,866
Effect of assumptions changes	(850)		(850)	(788)		(788)
Employer contributions		27,376	(27,376)		26,151	(26,151)
Projected benefit payments	(26,941)		(26,941)	(25,961)		(25,961)
Benefit payments		(27,737)	27,737		(26,868)	26,868
Total net changes	<u>(22,817)</u>	<u>(361)</u>	<u>(22,456)</u>	<u>(13,519)</u>	<u>(717)</u>	<u>(12,802)</u>
Balances as of December 31, 2021	<u>\$ 379,854</u>	<u>\$ (357)</u>	<u>\$ 380,211</u>	<u>\$ 352,667</u>	<u>\$ (609)</u>	<u>\$ 353,276</u>

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

The Police and Firefighters’ Pre-1977 Plans have no deferred outflows of resources or deferred inflows of resources as of December 31, 2021. Deferred outflows of resources and deferred inflows of resources related to the 1977 Police and Firefighters’ Plan and PERF as of December 31, 2021 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	\$ 33,227	\$ 3,666	\$ 642	\$ 375	\$ 33,869	\$ 4,041
Net difference between projected and actual earnings on pension plan investments	—	186,712	—	24,355	-	211,067
Changes of assumptions	69,794	18,847	9,434	4,213	79,228	23,060
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,145	1,365	1,578	2,442	2,723	3,807
City's contributions subsequent to the measurement date	20,801	—	3,007	—	23,808	-
Total	\$ 124,967	\$ 210,590	\$ 14,661	\$ 31,385	\$ 139,628	\$ 241,975

At December 31, 2021, the City reported \$20,801 and \$3,007 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, \$20,801 will be recognized as a decrease in the net pension liability for the 1977 Police and Firefighters’ Plan and \$3,007 will be recognized as a decrease in the net pension liability for PERF in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense as follows:

	1977 Police and Firefighters' Plan	PERF	Total
2022	\$ (41,802)	\$ (5,211)	\$ (47,013)
2023	(35,521)	(4,442)	(39,963)
2024	(27,983)	(3,116)	(31,099)
2025	(37,881)	(6,962)	(44,843)
2026	14,019	—	14,019
Thereafter	22,744	—	22,744
Total	\$ (106,424)	\$ (19,731)	\$ (126,155)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021 follows:

	Police Pension	Firefighters' Pension	Total
ASSETS			
Equity in pooled cash	\$ —	\$ —	\$ —
Investments	—	—	—
Total assets	<u>—</u>	<u>—</u>	<u>—</u>
LIABILITIES			
Due to other funds	357	609	966
Total liabilities	<u>357</u>	<u>609</u>	<u>966</u>
NET POSITION			
Net position restricted for pensions	<u>\$ (357)</u>	<u>\$ (609)</u>	<u>\$ (966)</u>

The combining statement of changes in fiduciary net position for the year ended December 31, 2021 follows:

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Employer contributions	\$ 27,376	\$ 26,151	\$ 53,527
DEDUCTIONS			
Benefits	27,737	26,868	54,605
Net increase in net position	(361)	(717)	(1,078)
Net position (deficit) restricted for pensions – beginning of year	4	108	112
Net position restricted for pensions – end of year	<u>\$ (357)</u>	<u>\$ (609)</u>	<u>\$ (966)</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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 City. 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 \$1,397 at December 31, 2021. 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 \$3,623 – \$67,150, 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.

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 2021 and 2020, 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, 2019	\$ 10,078	\$ 1,005	\$ 11,145	\$ 22,228
Incurring claims and changes in estimates	5,742	2,507	90,604	98,853
Claims paid	<u>(6,387)</u>	<u>(2,636)</u>	<u>(86,001)</u>	<u>(95,024)</u>
Unpaid claims, December 31, 2020	\$ 9,433	\$ 876	\$ 15,748	\$ 26,057
Incurring claims and changes in estimates	7,414	4,052	98,437	109,903
Claims paid	<u>(7,603)</u>	<u>(3,529)</u>	<u>(102,344)</u>	<u>(113,476)</u>
Unpaid claims, December 31, 2021	<u>\$ 9,244</u>	<u>\$ 1,399</u>	<u>\$ 11,841</u>	<u>\$ 22,484</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.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 2021, the City's monthly share of the revenue was 30% for parking meter revenues collected between \$0 and \$673 and 60% for all such amounts above \$673 (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, 2021, \$15,600 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 2021, \$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 2021, the City incurred approximately \$17,845 in information systems costs and \$864 in telephone costs. The City also paid the County \$7,109 of 911 dispatch fees. During 2021, the County paid the City \$651 for fuel charges. As of December 31, 2021, the County owed the City \$1,736 for court costs. In addition, the City and County both act in capacities as pass through and subrecipient agents for federal and state grants.

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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 2021 amounted to \$1,002; however, per the agreement, such amount shall never exceed \$3,000 annually. The term of the Public Safety Agreement extends to February 28, 2025 and automatically renews for additional four-year periods until terminated by either party.

The City and County have transactions with each other throughout the year. As part of the accounts receivable and accounts payable analyses, a number of these transactions are determined to be accruals. At December 31, 2021, the City recorded \$1,194 in accounts payable to Marion County, and the County recorded \$122 in accounts payable to the City of Indianapolis.

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, \$2,500 in 2020, and \$2,700 annually 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.

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, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fiduciary Funds	966
General Fund	Nonmajor Governmental Funds	13,485
Total		\$ <u><u>14,451</u></u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

Interfund transfers for the year ended December 31, 2021 consisted of the following:

<u>Transfers Out</u>	Transfers In			
	Governmental Activities			
	General Fund	Revenue Bond Debt Service Fund	Nonmajor Governmental Funds	Total
General Fund	\$ —	\$ 5,641	\$ 43,424	\$ 49,065
Coronavirus Federal Stimulus	31	—	—	31
Revenue Bond Debt Service Fund	—	360	83,448	83,808
Nonmajor Governmental Funds	83,290	7,534	647	91,471
Total transfers	\$ 83,321	\$ 13,535	\$ 127,519	\$ 224,375

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 *governmental activities – total net position*, as reported in the government-wide statement of net position at December 31, 2021, follow:

Bonds and notes payable	\$ 1,287,146
Unamortized premiums, net of discounts	77,286
Amounts recorded as matured bonds and notes payable at December 31, 2021	(15,507)
Capital leases payable	41,291
Net pension liabilities	624,240
Postemployment benefit liability	245,607
Early retirement obligation	1,622
Compensated absences	42,564
Combined adjustment	\$ 2,304,249

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

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, 2021, follow:

Debt issued:	
General obligation bonds	\$ 36,265
Tax increment bonds, excluding accretion on capital appreciation bonds of \$9,821	86,837
Notes payable	18,977
Unamortized premiums	<u>15,301</u>
Combined adjustment	<u><u>\$ 157,380</u></u>
Repayments:	
Bond principal, less decrease in matured bonds payable of \$103	\$ 171,493
Notes payable	<u>8,026</u>
Combined adjustment	<u><u>\$ 179,519</u></u>

24. Deficit Fund Balances

Negative fund balances by fund are as follows:

Deficit Fund Balances	2021
Nonmajor Special Revenue	
Federal Grants	\$ (9,265)
Internal Service Fund	
Employee Health Insurance	\$ (552)
Risk Management	<u>(2,171)</u>

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

25. Subsequent Events

On February 1, 2022, the City issued its Economic Development Tax Increment Bonds, Series 2022 A (Indy Penn Center Hotel Garage Project), in the amount of \$18,225. The proceeds, together with a cash contribution was used to redeem the City's outstanding Economic Development Tax Increment Revenue Bond Anticipation Note, Series 2017, in the amount of \$17,895. The bonds mature on February 1, 2042 and have an interest rate of 2.31%.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Financial Statements
December 31, 2021
(Dollars in Thousands)

On February 1, 2022, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2022, in the amount of \$3,447. The proceeds together, with a cash contribution from the City will refund a portion of the Economic Development Revenue Bonds, Series 2015 A. The bonds mature on February 1, 2025 and have an interest rate of 2.25%.

On February 15, 2022, the City executed a public-private build-operate-transfer agreement with Garmong & Son, Inc. in the amount of \$36,075 for the design, construction and financing of a judicial and professional building parking garage, located at the Community Justice Campus. The installment purchase agreement matures on January 30, 2027 and has a balloon principal payment of \$33,000 due on that date, interest is due annually at a rate of 1.9%.

On February 24, 2022 the City issued its Stormwater District Revenue Bonds, Series 2022A in the amount of \$50,000. The proceeds will be used to effect a current refunding of the Stormwater District Revenue Notes, Series 2019, 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 2022 Bonds.

On February 24, 2022, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2022 B (Elanco Project) in the amount of \$127,785. The proceeds will be used to acquire, construct, and equip facilities related to Elanco US, Inc., redevelopment and operation of a new global headquarters in the City, and related infrastructure improvements located on approximately 39 acres of a larger 91 acre site, commonly known as the former GM Stamping Plant Site. The proceeds will also affect a current refunding on the Indianapolis Local Improvement Bond Bank's Series 2011 F bonds. While the refunding was not completed at the qualified entity level, the savings related to the refunding will be passed along to the City. The bonds mature on February 1, 2047 and have interest rates of 4.00%-5.00%.

In May 2021, the City received a direct allocation from the United States Department of Treasury for the Coronavirus State and Local Fiscal Recovery Funds in the amount of \$209,885, which represents 50% of the City's entire \$419,769 allocation. The Coronavirus State and Local Fiscal Recovery Funds program were authorized by the American Rescue Plan Act, which provided \$350 billion in emergency funding for eligible state, local, territorial, and tribal governments to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The City received 50% of the allocation in May of 2021 and the remaining 50% was received in June of 2022. The U.S. Treasury released the Interim Final Rule for the program that describes eligible uses for funding, which include responding to acute pandemic-response needs, filling revenue shortfalls, and supporting the communities and populations hardest-hit by the COVID-19 crisis. The program can incur expenses between March 1, 2021 through December 31, 2024.

On June 30, 2022, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2022 D (16 Tech Project) in the amount of \$19,530. The proceeds will be used to pay for the costs of construction of the 16 Tech Project, and pay all costs incidental to, or on account of the issuance of the 2022 Bonds. The proceeds will also be placed into a debt service reserve fund. The bonds mature on February 1, 2039 and have an interest rate of 3.77%.

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, 2021
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Taxes	\$ 453,401	\$ 490,845	\$ 498,945	\$ 8,100
Licenses and permits	15,794	15,793	15,652	(141)
Charges for services	81,003	81,003	78,273	(2,730)
Intergovernmental revenues	79,493	79,493	86,259	6,766
Traffic violations and court fees	2,384	2,384	1,868	(516)
Intragovernmental revenues	13,205	15,284	10,851	(4,433)
Interest and other operating revenues	19,433	19,608	17,115	(2,493)
Total revenues	<u>664,713</u>	<u>704,410</u>	<u>708,963</u>	<u>4,553</u>
Expenditures:				
Current:				
General government	41,100	106,247	117,573	(11,326)
Public safety	454,733	458,712	458,762	(50)
Public works	121,774	133,082	129,184	3,898
Health and welfare	924	24,584	2,132	22,452
Cultural and recreation	30,231	31,384	29,183	2,201
Urban redevelopment and housing	8,854	8,827	9,901	(1,074)
Economic development and assistance	1,526	1,526	3,833	(2,307)
Capital outlays	45,223	84,766	84,317	449
Total expenditures	<u>704,365</u>	<u>849,128</u>	<u>834,885</u>	<u>14,243</u>
Deficiency of revenues under expenditures	<u>(39,652)</u>	<u>(144,718)</u>	<u>(125,922)</u>	<u>18,796</u>
Other financing sources:				
Sale and lease of property	1,787	1,787	733	(1,054)
Transfers in	49,677	42,569	50,560	7,991
Total other financing sources	<u>51,464</u>	<u>44,356</u>	<u>51,293</u>	<u>6,937</u>
Revenues and other financing sources over (under) expenditures and other financing uses	11,812	(100,362)	(74,629)	25,733
Fund balance at beginning of year	230,553	286,013	321,324	35,311
Cancellation of purchase orders and other	55,459	46,378	16,422	(29,956)
Fund balance at end of year	<u>\$ 297,824</u>	<u>\$ 232,029</u>	<u>\$ 263,117</u>	<u>\$ 31,088</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)
Coronavirus Federal Stimulus Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2021
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Intergovernmental revenues	\$ —	\$ 343,589	\$ 343,589	\$ —
Interest and other operating revenues	—	—	175	175
Total revenues	<u>—</u>	<u>343,589</u>	<u>343,764</u>	<u>175</u>
Expenditures:				
Current:				
General government	—	7,198	7,198	—
Public safety	—	9,858	9,858	—
Public works	—	—	—	—
Health and welfare	—	83,639	350	83,289
Cultural and recreation	—	—	—	—
Urban redevelopment and housing	—	162,352	137,146	25,206
Economic development and assistance	—	3,150	3,150	—
Capital outlays	<u>—</u>	<u>106,356</u>	<u>118</u>	<u>106,238</u>
Total expenditures	<u>—</u>	<u>372,553</u>	<u>157,820</u>	<u>214,733</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>(28,964)</u>	<u>185,944</u>	<u>214,908</u>
Other financing sources:				
Transfers in	<u>—</u>	<u>—</u>	<u>(31)</u>	<u>(31)</u>
Total other financing sources	<u>—</u>	<u>—</u>	<u>(31)</u>	<u>(31)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>—</u>	<u>(28,964)</u>	<u>185,913</u>	<u>214,877</u>
Fund balance at beginning of year	—	—	—	—
Cancellation of purchase orders and other	<u>—</u>	<u>28,964</u>	<u>(185,913)</u>	<u>(214,877)</u>
Fund balance at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<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)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2021
(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	\$ 704,365
Revisions	144,763
	<hr/>
Revised appropriations	\$ 849,128
	<hr/> <hr/>

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, 2021
(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 2021 operations from a budgetary basis to a GAAP basis are as follows:

	General Fund	Coronavirus Federal Stimulus Fund
Revenues over (under) expenditures and other financing sources (uses) (budgetary basis)	\$ (74,631)	185,913
Adjustments:		
Accrued revenues	76,650	(203,019)
Accrued expenditures	(34,474)	15,056
Transfers, net	(16,310)	-
Encumbrances	128,988	18,610
Expenditures from prior year encumbrances	(53,639)	(16,897)
Net change in fund balances (GAAP basis)	\$ 26,584	(337)

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>2021</u>	<u>2020</u>	<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	\$ 66	\$ 147	\$ 173	\$ 227	\$ 268	\$ 469	\$ 598	\$ 430	\$ 244
Interest cost	5,787	8,748	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	(879)	(7,115)	(1,608)	(333)	(253)	270	(2,747)	—	(4,432)
Assumption changes	(850)	(3,099)	38,078	(13,830)	20,399	(29,167)	(1,539)	61,324	65,959
Projected benefit payments	(26,941)	(27,361)	(28,160)	(28,513)	(28,723)	(28,979)	(29,171)	(29,267)	(28,886)
Net change in total pension liability	(22,817)	(28,680)	23,528	(30,782)	5,229	(45,337)	(20,466)	51,184	55,578
Total pension liability - beginning	402,671	431,351	407,823	438,605	433,376	478,713	499,179	447,995	392,417
Total pension liability - ending	<u>\$ 379,854</u>	<u>\$ 402,671</u>	<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	\$ 27,376	\$ 27,377	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762	\$ 29,503
Actual benefit payments	(27,737)	(27,833)	(28,133)	(28,532)	(28,570)	(28,761)	(30,153)	(28,783)	(28,469)
Net change in plan fiduciary net position	(361)	(456)	5	(349)	(267)	126	(1,037)	(21)	1,034
Plan fiduciary net position - beginning	4	460	455	804	1,071	945	1,982	2,003	969
Plan fiduciary net position - ending	<u>\$ (357)</u>	<u>\$ 4</u>	<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>\$ 380,211</u>	<u>\$ 402,667</u>	<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>

(Continued)

Notes to Schedule

Required supplementary information is not available for 2012.

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2020 valuation.

- *Discount Rate* : The discount rate used for the December 31, 2021 valuation was 1.39%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2021. This is a decrease from the 1.49% used for the December 31, 2020 valuation.
- *Cost-of-living-adjustment (COLA)*: For converted members, the July 1, 2021 COLA was updated from the ongoing valuation assumption to reflect the known increase of 1.90%. Beginning July 1, 2022 the assumption reverts to the assumed annual rate of 1.95%, a decrease from the 2.10% used for the December 31, 2020 valuation. For non-converted members, the COLA assumption was updated from 2.75% to 2.65% in alignment with the salary increase assumption.
- *Inflation* : The inflation rate used for the December 31, 2021 valuation was 2.00%, a decrease from the 2.25% used for the December 31, 2020 valuation.
- *Salary increases* : The salary increase assumption used for the December 31, 2021 valuation was 2.65%, a decrease from the 2.75% used for the December 31, 2020 valuation.

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

	<u>2021</u>	<u>2020</u>	<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	\$ 67	\$ 50	\$ 78	\$ 122	\$ 167	\$ 330	\$ 327	\$ 299	\$ 187
Interest cost	5,297	7,966	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	7,866	(4,097)	466	1,348	(4,522)	(552)	(628)	—	(3,704)
Assumption changes	(788)	(2,574)	33,418	(12,231)	17,990	(26,359)	(1,395)	55,244	59,984
Projected benefit payments	<u>(25,961)</u>	<u>(26,420)</u>	<u>(27,196)</u>	<u>(27,432)</u>	<u>(27,655)</u>	<u>(28,046)</u>	<u>(28,340)</u>	<u>(28,489)</u>	<u>(29,490)</u>
Net change in total pension liability	(13,519)	(25,075)	20,260	(27,569)	(1,664)	(43,478)	(18,536)	44,460	48,274
Total pension liability - beginning	366,186	391,261	371,001	398,570	400,234	443,712	462,248	417,788	369,514
Total pension liability - ending	<u>\$ 352,667</u>	<u>\$ 366,186</u>	<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	\$ 26,151	\$ 26,488	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,163	\$ 29,209
Actual benefit payments	<u>(26,868)</u>	<u>(26,643)</u>	<u>(27,477)</u>	<u>(28,209)</u>	<u>(27,830)</u>	<u>(27,727)</u>	<u>(28,383)</u>	<u>(28,395)</u>	<u>(29,567)</u>
Net change in plan fiduciary net position	(717)	(155)	469	(502)	(344)	247	(233)	768	(358)
Plan fiduciary net position (deficit) - beginning	108	263	(206)	296	640	393	626	(142)	216
Plan fiduciary net position (deficit) - ending	<u>\$ (609)</u>	<u>\$ 108</u>	<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>\$ 353,276</u>	<u>\$ 366,078</u>	<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>

(Continued)

Notes to Schedule

Required supplementary information is not available for 2012.

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2020 valuation.

- *Discount Rate* : The discount rate used for the December 31, 2021 valuation was 1.39%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2021. This is a decrease from the 1.49% used for the December 31, 2020 valuation.
- *Cost-of-living-adjustment* (COLA): For converted members, the July 1, 2021 COLA was updated from the ongoing valuation assumption to reflect the known increase of 1.90%. Beginning July 1, 2022 the assumption reverts to the assumed annual rate of 1.95%, a decrease from the 2.10% used for the December 31, 2020 valuation. For non-converted members, the COLA assumption was updated from 2.75% to 2.65% in alignment with the salary increase assumption.
- *Inflation* : The inflation rate used for the December 31, 2021 valuation was 2.00%, a decrease from the 2.25% used for the December 31, 2020 valuation.
- *Salary increases* : The salary increase assumption used for the December 31, 2021 valuation was 2.65%, a decrease from the 2.75% used for the December 31, 2020 valuation.

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

Actuarial valuation date	Total pension liability (a)	Plan fiduciary net position (b)	City's net pension liability (a-b)	Fiduciary net position as a % of total pension liability (b/a)	City's covered payroll* (c)	City's net pension liability as a percentage of covered payroll ((a-b)/c)
Police Pre-1977 Plan						
12/31/2021	\$ 379,854	\$ (357)	\$ 380,211	(0.09) %	\$ 462	82,296.8 %
12/31/2020	402,671	4	402,667	0.00	718	56,081.8
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						
12/31/2021	352,667	(609)	353,276	(0.17)	127	278,170.1
12/31/2020	366,186	108	366,078	0.03	149	245,689.9
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 2012.

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>2021</u>	<u>2020</u>	<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)	21.66% %	22.23 %	22.13 %	22.59 %	22.89 %	22.60 %	22.75 %	22.01 %
City's proportionate share of the net pension liability (asset)	\$ (128,005)	\$ 53,985	\$ 2,040	\$ (19,856)	\$ (3,532)	\$ 20,079	\$ (33,609)	\$ (11,223)
City's covered payroll	\$ 205,630	\$ 206,168	\$ 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	(62.25)	26.18 %	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)	96.48	98.30 %	98.60 %	101.96 %	100.29 %	98.24 %	103.16 %	101.08 %
PERF								
City's proportion of the net pension liability	1.426 %	1.470 %	1.395 %	1.366 %	1.360 %	1.387 %	1.393 %	1.375 %
City's proportionate share of the net pension liability	\$ 18,758	\$ 44,385	\$ 46,106	\$ 46,405	\$ 60,665	\$ 62,935	\$ 56,743	\$ 36,131
City's covered payroll	\$ 78,595	\$ 79,334	\$ 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	23.87	55.95	63.44	66.58 %	89.93 %	94.70 %	85.03 %	53.82 %
Plan fiduciary net position as a percentage of the total pension liability	83.00	83.29	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: As a result of the Asset-Liability work completed and discussed at the May 7, 2021 Board meeting, the Board made portfolio revisions and adopted a new set of economic assumptions for the June 30, 2021 actuarial valuation as follows:

PERF & 1977 Plans

- 1) The investment return assumption was lowered from 6.75% (as of June 30, 2020) to 6.25%.
- 2) Price inflation was lowered from 2.25% (as of June 30, 2020) to 2.00%.
- 3) General wage inflation was lowered from 2.75% (as of June 30, 2020) to 2.65%.

PERF Only

- 1) Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023. This replaces the COLA assumption of 0.4% for Fiscal Years 2022 and 2023 but does not change the assumption for future years.

1977 Plans Only

- 1) Interest on member balances was lowered from 3.50% (as of June 30, 2020) to 3.30%.
- 2) Cost-of-living adjustments were lowered from 2.10% (as of June 30, 2020) to 1.95%. For benefits paid under the 2017 House Enrolled Act No. 1617, the annual cost-of-living assumption was lowered from 2.75% to 2.65%.

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 2013 and 2012.

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>2021</u>	<u>2020</u>	<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	\$ 37,013	\$ 30,248	\$ 25,903	\$ 20,017	\$ 16,540	\$ 25,353	\$ 26,503	\$ 26,211
Contributions in relation to the actuarially determined contribution	\$ 38,643	\$ 36,462	\$ 35,627	\$ 33,241	\$ 32,274	\$ 35,650	\$ 33,947	\$ 31,256
Contribution deficiency (excess)	\$ (1,630)	\$ (6,214)	\$ (9,724)	\$ (13,224)	\$ (15,734)	\$ (10,297)	\$ (7,444)	\$ (5,045)
City's covered payroll	\$ 188,504	\$ 206,261	\$ 201,559	\$ 187,126	\$ 183,122	\$ 179,821	\$ 169,213	\$ 159,052
Contributions as a percentage of covered payroll	20.50	17.68	17.68	17.76	17.62 %	19.83 %	20.06 %	19.65 %
PERF								
Actuarially determined contribution	\$ 5,244	\$ 4,930	\$ 5,307	\$ 5,463	\$ 6,761	\$ 6,666	\$ 7,682	\$ 7,065
Contributions in relation to the actuarially determined contribution	\$ 5,977	\$ 6,361	\$ 6,653	\$ 6,831	\$ 7,188	\$ 7,496	\$ 7,682	\$ 7,065
Contribution deficiency (excess)	\$ (733)	\$ (1,431)	\$ (1,346)	\$ (1,368)	\$ (427)	\$ (830)	\$ —	\$ —
City's covered payroll	\$ 72,976	\$ 73,398	\$ 70,551	\$ 67,735	\$ 66,251	\$ 66,984	\$ 68,622	\$ 67,406
Contributions as a percentage of covered payroll	8.19	8.67	9.43	10.08	10.85 %	11.19 %	11.19 %	10.48 %
Police Pre-1977 Plan								
Statutorily required contribution	\$ 27,376	\$ 27,377	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762
Contributions in relation to the statutorily required contribution	\$ 27,376	\$ 27,377	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll*	\$ 462	\$ 718	\$ 1,022	\$ 1,469	\$ 1,498	\$ 1,824	\$ 1,645	\$ 1,805
Contributions as a percentage of covered payroll	5,925.54	3,812.95	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	\$ 26,151	\$ 26,488	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,164
Contributions in relation to the statutorily required contribution	\$ 26,151	\$ 26,488	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,164
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll*	\$ 127	\$ 149	\$ 250	\$ 709	\$ 1,115	\$ 1,436	\$ 1,175	\$ 1,370
Contributions as a percentage of covered payroll	20,591.34	17,777.18	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 June 30 (measurement date).

Benefit changes: None

Changes in assumptions: As a result of the Asset-Liability work completed and discussed at the May 7, 2021 Board meeting, the Board made portfolio revisions and adopted a new set of economic assumptions for the June 30, 2021 actuarial valuation as follows:

PERF & 1977 Plans

- 1) The investment return assumption was lowered from 6.75% (as of June 30, 2020) to 6.25%.
- 2) Price inflation was lowered from 2.25% (as of June 30, 2020) to 2.00%.
- 3) General wage inflation was lowered from 2.75% (as of June 30, 2020) to 2.65%.

PERF Only

- 1) Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023. This replaces the COLA assumption of 0.4% for Fiscal Years 2022 and 2023 but does not change the assumption for future years.

1977 Plans Only

- 1) Interest on member balances was lowered from 3.50% (as of June 30, 2020) to 3.30%.
- 2) Cost-of-living adjustments were lowered from 2.10% (as of June 30, 2020) to 1.95%. For benefits paid under the 2017 House Enrolled Act No. 1617, the annual cost-of-living assumption was lowered from 2.75% to 2.65%.

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 2013 and 2012.

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 15,616	13,355	10,001	12,338
Interest	6,065	6,965	9,849	8,374
Economic/demographic gains/losses	(11,039)	-	(31,867)	-
Changes in assumptions	(17,454)	16,305	29,142	(15,568)
Benefit payments	<u>(6,838)</u>	<u>(7,093)</u>	<u>(5,893)</u>	<u>(6,154)</u>
Net change in total OPEB liability	(13,650)	29,532	11,232	(1,010)
Total OPEB liability - beginning	273,891	244,359	233,127	234,137
Total OPEB liability - ending	<u>\$ 260,241</u>	<u>273,891</u>	<u>244,359</u>	<u>233,127</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 7,134	7,514	6,720	7,190
Net investment income	194	648	393	103
Benefit payments	(6,839)	(7,093)	(5,893)	(6,154)
Administrative expense	<u>(80)</u>	<u>(18)</u>	<u>(20)</u>	<u>(36)</u>
Net change in fiduciary net position	409	1,051	1,200	1,103
Plan fiduciary net position - beginning	14,225	13,174	11,974	10,871
Plan fiduciary net position - ending	<u>\$ 14,634</u>	<u>14,225</u>	<u>13,174</u>	<u>11,974</u>
Net OPEB liability	\$ 245,607	259,666	231,185	221,153
Plan fiduciary net position as a percentage of the total OPEB liability	6%	5%	5%	5%
Covered-employee payroll	359,231	352,958	322,297	311,988
Net OPEB liability as a percentage of covered-employee payroll	68%	74%	72%	71%

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: Discount rate decreased from 2.12% at December 31, 2020 to 2.06% at December 31, 2021.

Required supplementary information is not available for 2012 through 2017.

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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 7,134	\$ 7,514	\$ 6,720	\$ 7,190
Contributions in relation to the contractually determined contribution	<u>7,134</u>	<u>7,514</u>	<u>6,720</u>	<u>7,190</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered-employee payroll	359,231	352,958	322,297	311,988
Contributions as a percentage of covered-employee payroll	2%	2%	2%	2%

Notes to Schedule

Required supplementary information is not available for 2012 through 2017.

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Additional
Supplementary Information

Additional
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Governmental Funds by Fund Type
December 31, 2021
(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	\$ 1,526	\$ 2,671	\$ 11,855	\$ —	\$ 16,052
Cash and investments with fiscal agents	—	23,180	46,862	372	70,414
Investments	14,351	25,116	213,098	—	252,565
Property taxes receivable	—	424	580	—	1,004
Accounts receivable, less allowance	196	756	8,409	—	9,361
Due from federal and state governments	19,577	—	—	—	19,577
Long-term receivables, less allowance	5,095	14,695	18,192	—	37,982
Total assets	<u>\$ 40,745</u>	<u>\$ 66,842</u>	<u>\$ 298,996</u>	<u>\$ 372</u>	<u>\$ 406,955</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Matured bonds payable	\$ —	\$ 10,617	\$ —	\$ —	\$ 10,617
Matured interest payable	—	1,700	—	—	1,700
Accounts payable and other accrued liabilities	9,466	1,174	24,836	—	35,476
Accrued payroll and payroll taxes	151	—	—	—	151
Due to other funds	13,485	—	—	—	13,485
Unearned revenue	741	—	—	—	741
Total liabilities	<u>23,843</u>	<u>13,491</u>	<u>24,836</u>	<u>—</u>	<u>62,170</u>
Deferred inflows of resources	<u>11,419</u>	<u>741</u>	<u>8,911</u>	<u>—</u>	<u>21,071</u>
Fund balances:					
Nonspendable	—	—	—	372	372
Restricted	14,748	52,610	240,249	—	307,607
Committed	—	—	25,000	—	25,000
Unassigned	(9,265)	—	—	—	(9,265)
Total fund balances	<u>5,483</u>	<u>52,610</u>	<u>265,249</u>	<u>372</u>	<u>323,714</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,745</u>	<u>\$ 66,842</u>	<u>\$ 298,996</u>	<u>\$ 372</u>	<u>\$ 406,955</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)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds by Fund Type
Year ended December 31, 2021
(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	\$ 74,616	\$ 33,457	\$ 15,786	\$ —	\$ 123,859
Charges for services	1,765	—	—	—	1,765
Intergovernmental revenues	37,820	1,524	—	—	39,344
Intragovernmental revenues	—	27	—	—	27
Traffic violations and court fees	3,754	—	—	—	3,754
Interest and other operating revenues	572	28,995	1,537	—	31,104
Total revenues	<u>118,527</u>	<u>64,003</u>	<u>17,323</u>	<u>—</u>	<u>199,853</u>
Expenditures:					
Current:					
General government	2,502	—	—	—	2,502
Public safety	15,822	—	—	—	15,822
Public works	2,232	—	—	—	2,232
Health and welfare	13,182	—	—	—	13,182
Cultural and recreation	766	—	—	—	766
Urban redevelopment and housing	13,856	—	—	—	13,856
Economic development and assistance	1	—	46,268	—	46,269
Debt service:					
Redemption of bonds and notes	5	123,910	—	—	123,915
Interest on bonds and notes	1	37,374	—	—	37,375
Bond and note issuance costs	—	1,023	1,242	—	2,265
Lease payments and other	—	2,011	—	—	2,011
Capital outlays	3,837	—	81,455	—	85,292
Total expenditures	<u>52,204</u>	<u>164,318</u>	<u>128,965</u>	<u>—</u>	<u>345,487</u>
Excess (deficiency) of revenues over (under) expenditures:	<u>66,323</u>	<u>(100,315)</u>	<u>(111,642)</u>	<u>—</u>	<u>(145,634)</u>
Other financing sources (uses):					
Issuance of capital lease	—	—	8,919	—	8,919
Bonds and notes issued	—	—	69,014	—	69,014
Premium on bonds and notes issued	—	8,181	7,120	—	15,301
Refunding bonds issued	—	73,065	—	—	73,065
Transfers in	—	34,393	93,126	—	127,519
Transfers out	(75,465)	(14,847)	(1,159)	—	(91,471)
Total other financing sources (uses)	<u>(75,465)</u>	<u>100,792</u>	<u>177,020</u>	<u>—</u>	<u>202,347</u>
Net change in fund balances	(9,142)	477	65,378	—	56,713
Fund balances at beginning of year	14,625	52,133	199,871	372	267,001
Fund balances at end of year	<u>\$ 5,483</u>	<u>\$ 52,610</u>	<u>\$ 265,249</u>	<u>\$ 372</u>	<u>\$ 323,714</u>

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

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, 2021
(In thousands)

	General Fund Total	Intrafund Eliminations	Consolidated County	Redevelop- ment	Solid Waste		Public Safety Communications
					Collection	Disposal	
ASSETS							
Equity in pooled cash	\$ 31,696	\$ —	\$ 18,043	\$ 1,284	\$ 742	\$ —	\$ 438
Investments	381,197	—	252,815	12,076	6,978	—	4,118
Property taxes receivable	7,711	—	1,001	19	1,151	—	—
Accounts receivable	68,362	—	41,391	299	1,227	761	—
Allowance for estimated uncollectibles – accounts receivable	(1,725)	—	—	—	—	—	—
Due from other funds	14,451	(358)	14,809	—	—	—	—
Due from federal and state governments	16	—	16	—	—	—	—
Long-term receivables	100	—	—	100	—	—	—
Total assets	<u>\$ 501,808</u>	<u>(358)</u>	<u>\$ 328,075</u>	<u>\$ 13,778</u>	<u>\$ 10,098</u>	<u>\$ 761</u>	<u>\$ 4,556</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ 48,646	\$ —	\$ 21,384	\$ 182	\$ 8,680	\$ 1,078	\$ 281
Accrued payroll and payroll taxes	14,984	—	6,204	26	191	—	—
Due to other funds	—	(358)	—	—	—	358	—
Unearned revenue	191	—	—	—	—	—	—
Total liabilities	<u>63,821</u>	<u>(358)</u>	<u>27,588</u>	<u>208</u>	<u>8,871</u>	<u>1,436</u>	<u>281</u>
Deferred inflows of resources	<u>15,441</u>	<u>—</u>	<u>1,626</u>	<u>28</u>	<u>1,786</u>	<u>735</u>	<u>—</u>
Fund balances:							
Restricted	93,833	—	—	—	—	—	—
Committed	52,209	—	52,209	—	—	—	—
Assigned	134,095	—	100,860	13,542	—	—	4,275
Unassigned	142,409	—	145,792	—	(559)	(1,410)	—
Total fund balances	<u>422,546</u>	<u>—</u>	<u>298,861</u>	<u>13,542</u>	<u>(559)</u>	<u>(1,410)</u>	<u>4,275</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 501,808</u>	<u>\$ (358)</u>	<u>\$ 328,075</u>	<u>\$ 13,778</u>	<u>\$ 10,098</u>	<u>\$ 761</u>	<u>\$ 4,556</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, 2021
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
ASSETS					
Equity in pooled cash	\$ 5,385	\$ 312	\$ 718	\$ 656	\$ 4,118
Investments	50,638	2,937	6,749	6,169	38,717
Property taxes receivable	—	3,388	686	1,466	—
Accounts receivable	16,773	1,563	506	1,297	4,545
Allowance for estimated uncollectibles – accounts receivable	—	—	—	—	(1,725)
Due from other funds	—	—	—	—	—
Due from federal and state governments	—	—	—	—	—
Long-term receivables	—	—	—	—	—
	<u>72,796</u>	<u>8,200</u>	<u>8,659</u>	<u>9,588</u>	<u>45,655</u>
Total assets	<u>\$ 72,796</u>	<u>\$ 8,200</u>	<u>\$ 8,659</u>	<u>\$ 9,588</u>	<u>\$ 45,655</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 12,464	\$ 532	\$ 597	\$ 426	\$ 3,022
Accrued payroll and payroll taxes	394	4,139	373	3,540	117
Due to other funds	—	—	—	—	—
Unearned revenue	—	—	191	—	—
	<u>12,858</u>	<u>4,671</u>	<u>1,161</u>	<u>3,966</u>	<u>3,139</u>
Total liabilities	<u>12,858</u>	<u>4,671</u>	<u>1,161</u>	<u>3,966</u>	<u>3,139</u>
Deferred inflows of resources	<u>316</u>	<u>4,943</u>	<u>1,035</u>	<u>2,345</u>	<u>2,627</u>
Fund balance:					
Restricted	59,622	—	—	—	34,211
Committed	—	—	—	—	—
Assigned	—	—	6,463	3,277	5,678
Unassigned	—	(1,414)	—	—	—
	<u>59,622</u>	<u>(1,414)</u>	<u>6,463</u>	<u>3,277</u>	<u>39,889</u>
Total fund balances	<u>59,622</u>	<u>(1,414)</u>	<u>6,463</u>	<u>3,277</u>	<u>39,889</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 72,796</u>	<u>\$ 8,200</u>	<u>\$ 8,659</u>	<u>\$ 9,588</u>	<u>\$ 45,655</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)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2021
(In thousands)

	General Fund Total	Intrafund eliminations	Consolidated County	Redevelop- ment	Solid Waste		Public Safety Communications
					Collection	Disposal	
Revenues:							
Taxes	\$ 499,204	\$ —	\$ 253,949	\$ 1,638	\$ 39,143	\$ —	\$ 10,320
Licenses and permits	16,072	—	15,768	37	—	—	—
Charges for services	82,125	—	14,481	1,187	3,035	9,092	162
Other intergovernmental revenues:							
Federal revenues	2,712	—	58	—	—	—	—
State revenues	131,815	—	3,152	750	—	—	—
Other revenues	20,978	—	19,649	—	—	—	327
Intragovernmental revenue	11,222	—	5,968	—	—	—	369
Traffic violations and court fees	2,482	—	1,924	—	—	—	—
Interest and other operating revenues	18,537	—	7,979	90	4	(7)	10
Total revenues	<u>785,147</u>	<u>—</u>	<u>322,928</u>	<u>3,702</u>	<u>42,182</u>	<u>9,085</u>	<u>11,188</u>
Expenditures:							
Current:							
General government	39,703	—	39,703	—	—	—	—
Public safety	507,373	—	30,473	—	—	—	9,854
Public works	126,180	—	283	—	41,774	8,137	—
Health and welfare	941	—	290	651	—	—	—
Cultural and recreation	25,510	—	1,100	—	—	—	—
Urban redevelopment and housing	9,760	—	8,265	1,495	—	—	—
Economic development and assistance	1,426	—	102	1,324	—	—	—
Debt service:							
Redemption of bonds and notes	3,542	—	953	5	—	—	—
Interest on bonds and notes	404	—	230	1	—	—	—
Lease payments and other	29	—	—	4	—	—	1
Capital outlays	79,144	—	229	132	6,927	—	338
Total expenditures	<u>794,012</u>	<u>—</u>	<u>81,628</u>	<u>3,612</u>	<u>48,701</u>	<u>8,137</u>	<u>10,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,865)</u>	<u>—</u>	<u>241,300</u>	<u>90</u>	<u>(6,519)</u>	<u>948</u>	<u>995</u>
Other financing sources (uses):							
Issuance of capital lease	459	—	—	—	459	—	—
Sales of capital assets	734	—	168	428	—	—	—
Transfers in	83,321	(200,819)	8,524	175	—	—	—
Transfers out	(49,065)	200,819	(225,250)	(1,161)	(129)	—	—
Total other financing sources (uses)	<u>35,449</u>	<u>—</u>	<u>(216,558)</u>	<u>(558)</u>	<u>330</u>	<u>—</u>	<u>—</u>
Net change in fund balance	26,584	—	24,742	(468)	(6,189)	948	995
Fund balances (deficits) at beginning of year	395,962	—	274,119	14,010	5,630	(2,358)	3,280
Fund balances (deficits) at end of year	<u>\$ 422,546</u>	<u>\$ —</u>	<u>\$ 298,861</u>	<u>\$ 13,542</u>	<u>\$ (559)</u>	<u>\$ (1,410)</u>	<u>\$ 4,275</u>

(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, 2021
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
Revenues:					
Taxes	\$ 16,409	\$ 100,887	\$ 25,391	\$ 51,467	\$ —
Licenses and permits	5	18	—	244	—
Charges for services	1,806	712	4,171	4,035	43,444
Other intergovernmental revenues:					
Federal revenues	2,359	—	205	90	—
State revenues	71,958	26,694	—	29,261	—
Other revenues	—	501	—	501	—
Intragovernmental revenue	4,127	—	—	—	758
Traffic violations and court fees	13	—	—	545	—
Interest and other operating revenues	624	3,675	237	5,478	447
Total revenues	<u>97,301</u>	<u>132,487</u>	<u>30,004</u>	<u>91,621</u>	<u>44,649</u>
Expenditures:					
Current:					
General government	—	—	—	—	—
Public safety	—	195,005	1,591	270,450	—
Public works	52,558	—	—	—	23,428
Health and welfare	—	—	—	—	—
Cultural and recreation	—	—	24,410	—	—
Urban redevelopment and housing	—	—	—	—	—
Economic development and assistance	—	—	—	—	—
Debt service:					
Redemption of bonds and notes	—	126	2,319	139	—
Interest on bonds and notes	—	32	108	33	—
Lease payments and other	9	3	8	2	2
Capital outlays	56,093	—	2,968	198	12,259
Total expenditures	<u>108,660</u>	<u>195,166</u>	<u>31,404</u>	<u>270,822</u>	<u>35,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,359)</u>	<u>(62,679)</u>	<u>(1,400)</u>	<u>(179,201)</u>	<u>8,960</u>
Other financing sources (uses):					
Issuance of capital lease	—	—	—	—	—
Sales of capital assets	—	—	—	138	—
Transfers in	33,000	60,865	1,967	178,919	690
Transfers out	(13,199)	—	—	(700)	(9,445)
Total other financing sources (uses)	<u>19,801</u>	<u>60,865</u>	<u>1,967</u>	<u>178,357</u>	<u>(8,755)</u>
Net change in fund balance	8,442	(1,814)	567	(844)	205
Fund balances at beginning of year	51,180	400	5,896	4,121	39,684
Fund balances at end of year	<u>\$ 59,622</u>	<u>\$ (1,414)</u>	<u>\$ 6,463</u>	<u>\$ 3,277</u>	<u>\$ 39,889</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)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis

Year ended December 31, 2021

(In thousands)

	Total General Fund		Consolidated County		Redevelopment		Solid Waste Collection	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ 490,845	\$ 498,945	\$ 253,057	\$ 253,949	\$ 1,559	\$ 1,638	\$ 37,941	\$ 39,143
Licenses and permits	15,793	15,652	15,337	15,348	108	37	—	—
Charges for services	81,003	78,273	14,630	12,981	1,119	897	2,366	2,442
Other intergovernmental revenues:								
Federal revenues	1,494	6,308	114	2,545	—	—	—	—
State revenues	73,002	75,435	2,640	2,960	750	750	—	—
Other revenues	4,997	4,516	2,795	3,187	—	—	—	—
Traffic violations and court fees	2,384	1,868	1,744	1,390	—	—	—	—
Intragovernmental revenues	15,284	10,851	5,942	5,597	—	—	—	—
Interest and other operating revenues	19,608	17,115	5,836	6,929	200	90	241	4
Total revenues	<u>704,410</u>	<u>708,963</u>	<u>302,095</u>	<u>304,886</u>	<u>3,736</u>	<u>3,412</u>	<u>40,548</u>	<u>41,589</u>
Expenditures:								
Current:								
General government	106,247	117,573	106,247	117,573	—	—	—	—
Public safety	458,712	458,762	32,039	32,290	—	—	—	—
Public works	133,082	129,184	384	345	—	—	42,402	41,475
Health and welfare	24,584	2,132	23,960	1,675	624	457	—	—
Cultural and recreation	31,384	29,183	1,100	1,100	—	—	—	—
Urban redevelopment and housing	8,827	9,901	6,599	8,270	2,228	1,631	—	—
Economic development and assistance	1,526	3,833	—	2,474	1,526	1,359	—	—
Capital outlays	84,766	84,317	1,033	894	170	65	1,859	1,859
Total expenditures	<u>849,128</u>	<u>834,885</u>	<u>171,362</u>	<u>164,621</u>	<u>4,548</u>	<u>3,512</u>	<u>44,261</u>	<u>43,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,718)</u>	<u>(125,922)</u>	<u>130,733</u>	<u>140,265</u>	<u>(812)</u>	<u>(100)</u>	<u>(3,713)</u>	<u>(1,745)</u>
Other financing sources (uses):								
Sales of capital assets	1,787	733	488	168	1,234	428	—	—
Transfers in (out)	42,569	50,560	(216,592)	(200,410)	—	(998)	—	(129)
Total other financing sources (uses)	<u>44,356</u>	<u>51,293</u>	<u>(216,104)</u>	<u>(200,242)</u>	<u>1,234</u>	<u>(570)</u>	<u>—</u>	<u>(129)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(100,362)</u>	<u>(74,629)</u>	<u>(85,371)</u>	<u>(59,977)</u>	<u>422</u>	<u>(670)</u>	<u>(3,713)</u>	<u>(1,874)</u>
Fund balances at beginning of year	286,013	321,324	205,451	240,499	12,684	12,549	6,166	8,676
Cancellation of purchase orders and other	46,378	16,422	40,716	4,770	(1,190)	346	2,493	238
Fund balances at end of year	<u>\$ 232,029</u>	<u>\$ 263,117</u>	<u>\$ 160,796</u>	<u>\$ 185,292</u>	<u>\$ 11,916</u>	<u>\$ 12,225</u>	<u>\$ 4,946</u>	<u>\$ 7,040</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, 2021
(In thousands)

	<u>Solid Waste Disposal</u>		<u>Public Safety Communications</u>		<u>Transportation</u>		<u>Metropolitan Police</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	\$ —	\$ —	\$ 10,320	\$ 10,320	\$ 15,538	\$ 16,150	\$ 49,833	\$ 51,467
Licenses and permits	—	—	—	—	—	5	328	244
Charges for services	9,389	9,067	155	160	1,811	795	2,829	3,687
Other intergovernmental revenues:								
Federal revenues	—	—	—	—	1,000	3,522	280	39
State revenues	—	—	—	—	67,182	69,298	1,887	1,885
Other revenues	—	—	320	327	—	—	941	501
Traffic violations and court fees	—	—	—	—	—	13	640	465
Intragovernmental revenues	—	—	—	369	8,578	4,127	—	—
Interest and other operating revenues	—	(8)	—	10	2,110	459	7,010	5,459
Total revenues	<u>9,389</u>	<u>9,059</u>	<u>10,795</u>	<u>11,186</u>	<u>96,219</u>	<u>94,369</u>	<u>63,748</u>	<u>63,747</u>
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	11,047	10,019	—	—	246,383	245,906
Public works	9,198	9,198	—	—	55,889	53,239	—	—
Health and welfare	—	—	—	—	—	—	—	—
Cultural and recreation	—	—	—	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Capital outlays	—	—	467	420	64,785	64,785	55	19
Total expenditures	<u>9,198</u>	<u>9,198</u>	<u>11,514</u>	<u>10,439</u>	<u>120,674</u>	<u>118,024</u>	<u>246,438</u>	<u>245,925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>191</u>	<u>(139)</u>	<u>(719)</u>	<u>747</u>	<u>(24,455)</u>	<u>(23,655)</u>	<u>(182,690)</u>	<u>(182,178)</u>
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	65	137
Transfers in (out)	—	—	—	—	19,976	19,801	183,967	178,219
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,976</u>	<u>19,801</u>	<u>184,032</u>	<u>178,356</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>191</u>	<u>(139)</u>	<u>(719)</u>	<u>747</u>	<u>(4,479)</u>	<u>(3,854)</u>	<u>1,342</u>	<u>(3,822)</u>
Fund balances at beginning of year	(118)	(504)	1,107	1,643	\$ 19,182	17,668	4,823	3,822
Cancellation of purchase orders and other	(304)	112	468	129	2,361	4,104	(1,335)	3,716
Fund balances at end of year	<u>\$ (231)</u>	<u>\$ (531)</u>	<u>\$ 856</u>	<u>\$ 2,519</u>	<u>\$ 17,064</u>	<u>\$ 17,918</u>	<u>\$ 4,830</u>	<u>\$ 3,716</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, 2021
(In thousands)

	Fire		Park		Storm Water Management	
	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:						
Taxes	\$ 97,815	\$ 100,887	\$ 24,782	\$ 25,391	\$ —	\$ —
Licenses and permits	20	18	—	—	—	—
Charges for services	909	708	4,700	4,116	43,095	43,420
Other intergovernmental revenues:						
Federal revenues	—	—	100	202	—	—
State revenues	543	542	—	—	—	—
Other revenues	941	501	—	—	—	—
Traffic violations and court fees	—	—	—	—	—	—
Intragovernmental revenues	—	—	—	—	764	758
Interest and other operating revenues	3,610	3,657	601	231	—	284
Total revenues	<u>103,838</u>	<u>106,313</u>	<u>30,183</u>	<u>29,940</u>	<u>43,859</u>	<u>44,462</u>
Expenditures:						
Current:						
General government	—	—	—	—	—	—
Public safety	169,001	168,925	242	1,622	—	—
Public works	—	—	—	—	25,209	24,927
Health and welfare	—	—	—	—	—	—
Cultural and recreation	—	—	30,284	28,083	—	—
Urban redevelopment and housing	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Capital outlays	77	77	3,598	3,476	12,722	12,722
Total expenditures	<u>169,078</u>	<u>169,002</u>	<u>34,124</u>	<u>33,181</u>	<u>37,931</u>	<u>37,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,240)</u>	<u>(62,689)</u>	<u>(3,941)</u>	<u>(3,241)</u>	<u>5,928</u>	<u>6,813</u>
Other financing sources (uses):						
Sale of capital assets	—	—	—	—	—	—
Transfers in (out)	64,534	60,865	—	1,967	(9,316)	(8,755)
Total other financing sources (uses)	<u>64,534</u>	<u>60,865</u>	<u>—</u>	<u>1,967</u>	<u>(9,316)</u>	<u>(8,755)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(706)</u>	<u>(1,824)</u>	<u>(3,941)</u>	<u>(1,274)</u>	<u>(3,388)</u>	<u>(1,942)</u>
Fund balances at beginning of year	3,396	2,152	3,264	4,248	30,058	30,571
Cancellation of purchase orders and other	559	2,315	2,463	442	147	250
Fund balances at end of year	<u>\$ 3,249</u>	<u>\$ 2,643</u>	<u>\$ 1,786</u>	<u>\$ 3,416</u>	<u>\$ 26,817</u>	<u>\$ 28,879</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)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(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		\$ 3,401	\$ 2,761	\$ 640
Supplies		6	2	4
Other services and charges		3,282	3,129	153
Capital outlay		—	—	—
Internal charges		(743)	(743)	—
Total		<u>5,946</u>	<u>5,149</u>	<u>797</u>
Office of Audit and Performance				
	Consolidated County			
Personal services		873	721	152
Supplies		2	—	2
Other services and charges		973	962	11
Capital outlay		3	1	2
Internal charges		21	21	—
Total		<u>1,872</u>	<u>1,705</u>	<u>167</u>
City-County Council				
	Consolidated County			
Personal services		1,780	1,693	87
Supplies		6	2	4
Other services and charges		540	540	—
Capital outlay		3	2	1
Internal charges		6	6	—
Total		<u>2,335</u>	<u>2,243</u>	<u>92</u>
Cable Franchise Board				
	Consolidated County			
Personal services		363	363	—
Supplies		3	3	—
Other services and charges		202	202	—
Capital outlay		30	30	—
Internal charges		4	4	—
Total		<u>602</u>	<u>602</u>	<u>—</u>
Office of the Corporation Counsel				
	Consolidated County			
Personal services		3,594	3,290	304
Supplies		7	1	6
Other services and charges		1,886	1,824	62
Internal charges		(3,892)	(3,892)	—
Total		<u>1,595</u>	<u>1,223</u>	<u>372</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, 2021
(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		\$ 4,872	\$ 4,838	\$ 34
Supplies		42	33	9
Other services and charges		13,685	13,554	131
Capital outlay		21	19	2
Internal charges		261	259	2
Total		<u>18,881</u>	<u>18,703</u>	<u>178</u>
Minority and Women Owned Business	Consolidated County			
Personal services		614	526	88
Supplies		2	2	—
Other services and charges		151	122	29
Capital outlay		1	—	1
Internal charges		60	60	—
Total		<u>828</u>	<u>710</u>	<u>118</u>
Non-Departmental	Consolidated County			
Personal services		483	—	483
Supplies		56	13	43
Other services and charges		88,288	88,240	48
Capital outlay		11	—	11
Total		<u>88,838</u>	<u>88,253</u>	<u>585</u>
Total – Executive and Legislative		<u>\$ 120,897</u>	<u>\$ 118,588</u>	<u>\$ 2,309</u>
Department of Metropolitan Development	Consolidated County			
Personal services		\$ 2,926	\$ 2,870	\$ 56
Supplies		12	6	6
Other services and charges		4,375	4,204	171
Capital outlay		13	7	6
Internal charges		126	124	2
Total		<u>7,452</u>	<u>7,211</u>	<u>241</u>
Department of Metropolitan Development	Redevelopment			
Personal services		1,288	835	453
Supplies		3	—	3
Other services and charges		2,931	2,456	475
Capital outlay		170	65	105
Internal charges		156	156	—
Total		<u>4,548</u>	<u>3,512</u>	<u>1,036</u>
Total – Department of Metropolitan Development		<u>\$ 12,000</u>	<u>\$ 10,723</u>	<u>\$ 1,277</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, 2021
(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		\$ 15,835	\$ 14,305	\$ 1,530
Supplies		583	505	78
Other services and charges		8,327	7,081	1,246
Capital outlay		638	565	73
Internal charges		1,852	1,707	145
Total – Department of Business and Neighborhood Services		<u>\$ 27,235</u>	<u>\$ 24,163</u>	<u>\$ 3,072</u>
Department of Public Works	Consolidated County			
Personal services		\$ 10,950	\$ 10,580	\$ 370
Supplies		14,891	14,873	18
Other services and charges		10,947	8,616	2,331
Capital outlay		313	270	43
Internal charges		(33,234)	(31,378)	(1,856)
Total		<u>3,867</u>	<u>2,961</u>	<u>906</u>
Department of Public Works	Transportation			
Personal services		23,590	23,590	—
Supplies		7,053	7,053	—
Other services and charges		17,541	15,102	2,439
Capital outlay		64,785	64,785	—
Internal charges		7,705	7,494	211
Total		<u>120,674</u>	<u>118,024</u>	<u>2,650</u>
Department of Public Works	Park			
Personal services		7,363	7,362	1
Supplies		227	220	7
Other services and charges		2,648	2,629	19
Capital outlay		1,094	1,092	2
Internal charges		(11,332)	(11,303)	(29)
Total		<u>—</u>	<u>—</u>	<u>—</u>
Department of Public Works	Solid Waste Collection			
Personal services		9,252	9,252	—
Supplies		81	79	2
Other services and charges		25,346	25,310	36
Capital outlay		1,859	1,859	—
Internal charges		7,723	6,834	889
Total		<u>44,261</u>	<u>43,334</u>	<u>927</u>
Department of Public Works	Solid Waste Disposal			
Other services and charges		9,198	9,198	—
Total		<u>9,198</u>	<u>9,198</u>	<u>—</u>
Department of Public Works	Storm Water Management			
Personal services		7,140	7,140	—
Supplies		39	39	—
Other services and charges		15,681	15,550	131
Capital outlay		12,722	12,722	—
Internal charges		2,349	2,198	151
Total		<u>37,931</u>	<u>37,649</u>	<u>282</u>
Total – Department of Public Works		<u>\$ 215,931</u>	<u>\$ 211,166</u>	<u>\$ 4,765</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, 2021
(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		\$ 1,507	\$ 1,326	\$ 181
Supplies		25	25	—
Other services and charges		9,236	9,208	28
Internal charges		43	39	4
Total		<u>10,811</u>	<u>10,598</u>	<u>213</u>
Office of Public Health and Safety	Public Safety			
Personal services	Communications	1,442	1,413	29
Supplies		75	68	7
Other services and charges		6,394	6,230	164
Capital outlay		430	392	38
Internal charges		14	10	4
Total		<u>8,355</u>	<u>8,113</u>	<u>242</u>
Total – Office of Public Health and Safety		<u>\$ 19,166</u>	<u>\$ 18,711</u>	<u>\$ 455</u>
Indianapolis Fire Department	Public Safety			
Personal services	Communications	\$ 3,033	\$ 2,219	\$ 814
Supplies		24	14	10
Other services and charges		65	65	—
Capital outlay		37	28	9
Total		<u>3,159</u>	<u>2,326</u>	<u>833</u>
Indianapolis Fire Department	Fire			
Personal services		152,452	152,452	—
Supplies		2,537	2,463	74
Other services and charges		9,016	9,014	2
Capital outlay		77	77	—
Internal charges		4,996	4,996	—
Total		<u>169,078</u>	<u>169,002</u>	<u>76</u>
Total – Indianapolis Fire Department		<u>\$ 172,237</u>	<u>\$ 171,328</u>	<u>\$ 909</u>
Indianapolis Metropolitan Police Department	Metropolitan Police			
Personal services		\$ 211,315	\$ 211,267	\$ 48
Supplies		1,616	1,605	11
Other services and charges		22,551	22,551	—
Capital outlay		55	19	36
Internal charges		10,901	10,483	418
Total – Indianapolis Metropolitan Police Department		<u>\$ 246,438</u>	<u>\$ 245,925</u>	<u>\$ 513</u>
Department of Parks and Recreation	Consolidated County			
Other services and charges		\$ 1,100	\$ 1,100	\$ —
Total		<u>1,100</u>	<u>1,100</u>	<u>—</u>
Department of Parks and Recreation	Park			
Personal services		9,603	9,197	406
Supplies		633	525	108
Other services and charges		8,703	8,423	280
Capital outlay		2,504	2,384	120
Internal charges		12,681	12,652	29
Total		<u>34,124</u>	<u>33,181</u>	<u>943</u>
Total – Department of Parks and Recreation		<u>\$ 35,224</u>	<u>\$ 34,281</u>	<u>\$ 943</u>
Total – General Fund – by Department and Division		<u>\$ 849,128</u>	<u>\$ 834,885</u>	<u>\$ 14,243</u>

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

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, 2021
(In thousands)

	<u>Parking</u>	<u>Federal Grants</u>	<u>State of Indiana Grants</u>	<u>Public Safety Income Tax</u>	<u>Drug Free Community</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS						
Equity in pooled cash	\$ 1,040	\$ —	\$ 467	\$ —	\$ 19	\$ 1,526
Investments	9,781	—	4,392	—	178	14,351
Accounts receivable	55	—	141	—	—	196
Due from federal and state governments	—	19,577	—	—	—	19,577
Long-term receivables, less allowance of \$23,447	—	5,095	—	—	—	5,095
Total assets	<u>\$ 10,876</u>	<u>\$ 24,672</u>	<u>\$ 5,000</u>	<u>\$ —</u>	<u>\$ 197</u>	<u>\$ 40,745</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 1,238	\$ 8,161	\$ 4	\$ —	\$ 63	\$ 9,466
Accrued payroll and payroll taxes	20	131	—	—	—	151
Due to other funds	—	13,485	—	—	—	13,485
Unearned revenue	—	741	—	—	—	741
Total liabilities	<u>1,258</u>	<u>22,518</u>	<u>4</u>	<u>—</u>	<u>63</u>	<u>23,843</u>
Deferred inflows of resources	<u>—</u>	<u>11,419</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,419</u>
Fund balances:						
Restricted	9,618	—	4,996	—	134	14,748
Unassigned	—	(9,265)	—	—	—	(9,265)
Total fund balances	<u>9,618</u>	<u>(9,265)</u>	<u>4,996</u>	<u>—</u>	<u>134</u>	<u>5,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,876</u>	<u>\$ 24,672</u>	<u>\$ 5,000</u>	<u>\$ —</u>	<u>\$ 197</u>	<u>\$ 40,745</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)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
Year ended December 31, 2021
(In thousands)

	<u>Parking</u>	<u>Federal Grants</u>	<u>State of Indiana Grants</u>	<u>Public Safety Income Tax</u>	<u>Drug Free Community</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ 74,616	\$ —	\$ 74,616
Charges for services	1,765	—	—	—	—	1,765
Other intergovernmental revenues:						
Federal revenues	—	37,571	—	—	—	37,571
Other revenues	—	—	—	—	249	249
Traffic violations and court fees	736	1,348	1,670	—	—	3,754
Interest and other operating revenues	897	(383)	12	43	3	572
Total revenues	<u>3,398</u>	<u>38,536</u>	<u>1,682</u>	<u>74,659</u>	<u>252</u>	<u>118,527</u>
Expenditures:						
Current:						
General government	41	1,623	542	—	296	2,502
Public safety	—	15,671	151	—	—	15,822
Public works	1,952	280	—	—	—	2,232
Health and welfare	—	13,182	—	—	—	13,182
Cultural and recreation	—	766	—	—	—	766
Urban redevelopment and housing	—	13,856	—	—	—	13,856
Economic development and assistance	—	1	—	—	—	1
Debt service:						
Redemption of bonds and notes	—	5	—	—	—	5
Interest on bonds and notes	—	1	—	—	—	1
Capital outlay	458	3,379	—	—	—	3,837
Total expenditures	<u>2,451</u>	<u>48,764</u>	<u>693</u>	<u>—</u>	<u>296</u>	<u>52,204</u>
Excess (deficiency) of revenues over (under) expenditures	<u>947</u>	<u>(10,228)</u>	<u>989</u>	<u>74,659</u>	<u>(44)</u>	<u>66,323</u>
Other financing sources (uses):						
Transfers out	(800)	(6)	—	(74,659)	—	(75,465)
Total other financing sources (uses)	<u>(800)</u>	<u>(6)</u>	<u>—</u>	<u>(74,659)</u>	<u>—</u>	<u>(75,465)</u>
Net change in fund balances	147	(10,234)	989	—	(44)	(9,142)
Fund balances at beginning of year	<u>9,471</u>	<u>969</u>	<u>4,007</u>	<u>—</u>	<u>178</u>	<u>14,625</u>
Fund balances (deficits) at end of year	<u>\$ 9,618</u>	<u>\$ (9,265)</u>	<u>\$ 4,996</u>	<u>\$ —</u>	<u>\$ 134</u>	<u>\$ 5,483</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)
Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 74,616	\$ 74,616	\$ —	\$ —	\$ 74,616	\$ 74,616
Charges for services	3,525	1,765	—	—	—	—	—	—	—	—	3,525	1,765
Other intergovernmental revenues:												
Federal revenues	—	—	95,535	27,975	—	—	—	—	—	—	95,535	27,975
Traffic violations and court fees	1,200	681	1,100	1,282	1,090	1,529	—	—	—	—	3,390	3,492
Interest and other operating revenues	—	496	—	95	—	12	—	43	—	4	—	650
Total revenues	<u>4,725</u>	<u>2,942</u>	<u>96,635</u>	<u>29,352</u>	<u>1,090</u>	<u>1,541</u>	<u>74,616</u>	<u>74,659</u>	<u>—</u>	<u>4</u>	<u>177,066</u>	<u>108,498</u>
Expenditures:												
Current:												
General government	41	41	1,590	1,074	—	—	—	—	315	284	1,946	1,399
Public safety	—	—	24,802	15,502	606	473	—	—	—	—	25,408	15,975
Public works	2,104	1,958	600	285	—	—	—	—	—	—	2,704	2,243
Health and welfare	—	—	27,371	11,016	—	—	—	—	—	—	27,371	11,016
Cultural and recreation	—	—	1,983	761	—	—	—	—	—	—	1,983	761
Urban redevelopment and housing	—	—	26,899	13,798	—	—	—	—	—	—	26,899	13,798
Economic development and assistance	—	—	12,745	—	—	—	—	—	—	—	12,745	—
Capital outlays	4,978	4,577	8,085	1,097	—	—	—	—	—	—	13,063	5,674
Total expenditures	<u>7,123</u>	<u>6,576</u>	<u>104,075</u>	<u>43,533</u>	<u>606</u>	<u>473</u>	<u>—</u>	<u>—</u>	<u>315</u>	<u>284</u>	<u>112,119</u>	<u>50,866</u>
Excess (deficiency) of revenues over (under) expenditures	(2,398)	(3,634)	(7,440)	(14,181)	484	1,068	74,616	74,659	(315)	(280)	64,947	57,632
Other financing sources (uses), net:												
Sale of capital assets	—	—	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	(800)	(800)	(829)	(325)	(770)	(818)	(67,048)	(74,659)	315	249	(69,132)	(76,353)
Total other financing sources (uses)	<u>(800)</u>	<u>(800)</u>	<u>(829)</u>	<u>(325)</u>	<u>(770)</u>	<u>(818)</u>	<u>(67,048)</u>	<u>(74,659)</u>	<u>315</u>	<u>249</u>	<u>(69,132)</u>	<u>(76,353)</u>
Revenues over (under) expenditures and other financing sources (uses)	(3,198)	(4,434)	(8,269)	(14,506)	(286)	250	7,568	—	—	(31)	(4,185)	(18,721)
Fund balances (deficits) at beginning of year	8,475	9,269	—	—	—	—	—	—	39	12	8,514	9,281
Cancellation of purchase orders and other	1,493	736	8,269	14,506	286	(250)	(7,568)	—	(122)	68	2,358	15,060
Fund balances at end of year	<u>\$ 6,770</u>	<u>\$ 5,571</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (83)</u>	<u>\$ 49</u>	<u>\$ 6,687</u>	<u>\$ 5,620</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)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(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		\$ 40	\$ 15	\$ 25
Total		<u>40</u>	<u>15</u>	<u>25</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		1,550	1,394	156
Total		<u>1,550</u>	<u>1,394</u>	<u>156</u>
Office of Finance and Management	Drug Free Community			
Other services and charges		315	284	31
Total		<u>315</u>	<u>284</u>	<u>31</u>
Non-Departmental	Federal Grants			
Personal services		1,000	998	2
Supplies		169	37	132
Other services and charges		1,675	1,369	306
Capital outlay		34	—	34
Total		<u>2,878</u>	<u>2,404</u>	<u>474</u>
Non-Departmental	Coronavirus Stimulus Fund			
Personal services		14,640	14,618	22
Other services and charges		251,557	143,084	108,473
Capital outlay		106,356	118	106,238
Total		<u>372,553</u>	<u>157,820</u>	<u>214,733</u>
Total - Executive and Legislative		<u>\$ 377,377</u>	<u>\$ 161,958</u>	<u>\$ 215,419</u>
Department of Metropolitan Development	Federal Grants			
Personal services		\$ 1,123	\$ 951	\$ 172
Supplies		13	2	11
Other services and charges		60,325	23,599	36,726
Capital outlay		1,500	—	1,500
Internal charges		266	264	2
Total – Department of Metropolitan Development		<u>63,227</u>	<u>24,816</u>	<u>38,411</u>
Department of Public Works	Parking			
Personal services		\$ 1,104	1,104	\$ —
Other services and charges		1,000	854	146
Capital outlay		4,978	4,577	401
Total		<u>7,082</u>	<u>6,535</u>	<u>547</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, 2021
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Public Works	Federal Grants			
Other services and charges		\$ 600	\$ 285	\$ 315
Capital outlay		<u>2,500</u>	<u>368</u>	<u>2,132</u>
Total		<u>3,100</u>	<u>653</u>	<u>2,447</u>
Total – Department of Public Works		\$ <u>10,182</u>	\$ <u>7,188</u>	\$ <u>2,994</u>
Office of Public Health and Safety	Federal Grants			
Personal services		\$ 379	\$ —	\$ 379
Supplies		235	—	235
Other services and charges		5,016	2,315	2,701
Capital outlay		<u>145</u>	<u>—</u>	<u>145</u>
Total – Office of Public Health and Safety		<u>5,775</u>	<u>2,315</u>	<u>3,460</u>
Indianapolis Fire Department	Federal Grants			
Personal services		\$ 9,937	\$ 5,413	\$ 4,524
Supplies		369	79	290
Other services and charges		3,583	2,290	1,293
Capital outlay		2,922	395	2,527
Internal charges		40	12	28
Total – Indianapolis Fire Department		<u>16,851</u>	<u>8,189</u>	<u>8,662</u>
Indianapolis Metropolitan Police Department	Federal Grants			
Personal services		\$ 3,555	\$ 1,765	\$ 1,790
Supplies		644	246	398
Other services and charges		3,488	642	2,846
Capital outlay		<u>984</u>	<u>334</u>	<u>650</u>
Total		<u>8,671</u>	<u>2,987</u>	<u>5,684</u>
Indianapolis Metropolitan Police Department	State of Indiana Grants			
Supplies		426	425	1
Other services and charges		<u>180</u>	<u>48</u>	<u>132</u>
Total		<u>606</u>	<u>473</u>	<u>133</u>
Total - Indianapolis Metropolitan Police Department		\$ <u>9,277</u>	\$ <u>3,460</u>	\$ <u>5,817</u>
Department of Parks and Recreation	Federal Grants			
Personal services		\$ 360	\$ 172	\$ 188
Supplies		3	—	3
Other services and charges		<u>1,620</u>	<u>588</u>	<u>1,032</u>
Total – Department of Parks and Recreation		<u>1,983</u>	<u>760</u>	<u>1,223</u>
Total – Special Revenue Funds – by Department and Division		\$ <u>484,672</u>	\$ <u>208,686</u>	\$ <u>275,986</u>

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

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, 2021
(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	\$ 794	\$ 353	\$ —	\$ 224	\$ 60	\$ 1,240	\$ —	\$ 2,671
Cash and investments with fiscal agents	—	57	9	21	—	23,084	9	23,180
Investments	7,466	3,313	—	2,113	564	11,660	—	25,116
Property taxes receivable	96	198	—	65	65	—	—	424
Accounts receivable	176	99	—	37	10	434	—	756
Long-term receivables	—	—	—	—	—	14,695	—	14,695
Total assets	<u>\$ 8,532</u>	<u>\$ 4,020</u>	<u>\$ 9</u>	<u>\$ 2,460</u>	<u>\$ 699</u>	<u>\$ 51,113</u>	<u>\$ 9</u>	<u>\$ 66,842</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Matured bonds and notes payable	\$ 6,550	\$ 2,015	\$ —	\$ 1,465	\$ 455	\$ 132	\$ —	\$ 10,617
Matured interest payable	628	282	—	472	92	226	—	1,700
Accounts payable and other accrued liabilities	1	—	—	—	—	1,173	—	1,174
Total liabilities	<u>7,179</u>	<u>2,297</u>	<u>—</u>	<u>1,937</u>	<u>547</u>	<u>1,531</u>	<u>—</u>	<u>13,491</u>
Deferred inflows of resources	<u>269</u>	<u>297</u>	<u>—</u>	<u>101</u>	<u>74</u>	<u>—</u>	<u>—</u>	<u>741</u>
Fund balances:								
Restricted	<u>1,084</u>	<u>1,426</u>	<u>9</u>	<u>422</u>	<u>78</u>	<u>49,582</u>	<u>9</u>	<u>52,610</u>
Total fund balances	<u>1,084</u>	<u>1,426</u>	<u>9</u>	<u>422</u>	<u>78</u>	<u>49,582</u>	<u>9</u>	<u>52,610</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,532</u>	<u>\$ 4,020</u>	<u>\$ 9</u>	<u>\$ 2,460</u>	<u>\$ 699</u>	<u>\$ 51,113</u>	<u>\$ 9</u>	<u>\$ 66,842</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)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
Year ended December 31, 2021
(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	\$ 11,547	\$ 6,974	\$ —	\$ 2,236	\$ 561	\$ 10,340	\$ —	\$ 31,658
Other taxes	963	597	—	191	48	—	—	1,799
Other intergovernmental revenues:								
State revenues	—	—	—	—	—	1,524	—	1,524
Intragovernmental revenue	—	27	—	—	—	—	—	27
Interest on investments	4	5	2	1	1	645	9	667
Other revenues	—	—	—	—	—	8,589	19,739	28,328
Total revenues	<u>12,514</u>	<u>7,603</u>	<u>2</u>	<u>2,428</u>	<u>610</u>	<u>21,098</u>	<u>19,748</u>	<u>64,003</u>
Expenditures:								
Debt service:								
Redemption of bonds and notes	11,560	6,505	4,285	3,385	455	92,845	4,875	123,910
Interest on bonds and notes	1,381	1,197	4,873	6,151	185	16,374	7,213	37,374
Bond issuance costs	—	—	—	—	—	1,023	—	1,023
Lease payments and other	45	51	109	208	4	1,593	1	2,011
Total expenditures	<u>12,986</u>	<u>7,753</u>	<u>9,267</u>	<u>9,744</u>	<u>644</u>	<u>111,835</u>	<u>12,089</u>	<u>164,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(472)</u>	<u>(150)</u>	<u>(9,265)</u>	<u>(7,316)</u>	<u>(34)</u>	<u>(90,737)</u>	<u>7,659</u>	<u>(100,315)</u>
Other financing sources (uses):								
Premium on bonds	—	—	—	—	—	8,181	—	8,181
Refunding bonds issued	—	—	—	—	—	73,065	—	73,065
Transfers in	575	—	9,267	7,320	—	17,231	—	34,393
Transfers out	—	—	—	—	—	(7,187)	(7,660)	(14,847)
Total other financing sources (uses)	<u>575</u>	<u>—</u>	<u>9,267</u>	<u>7,320</u>	<u>—</u>	<u>91,290</u>	<u>(7,660)</u>	<u>100,792</u>
Net change in fund balances	103	(150)	2	4	(34)	553	(1)	477
Fund balances at beginning of year	981	1,576	7	418	112	49,029	10	52,133
Fund balances at end of year	<u>\$ 1,084</u>	<u>\$ 1,426</u>	<u>\$ 9</u>	<u>\$ 422</u>	<u>\$ 78</u>	<u>\$ 49,582</u>	<u>\$ 9</u>	<u>\$ 52,610</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)
Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(In thousands)

	Civil City		Public Safety Communications		Stormwater District		Metropolitan Thoroughfare District		Revenue	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
	Revenues:									
Taxes	\$ 12,214	\$ 12,510	\$ 7,310	\$ 7,570	\$ —	\$ —	\$ 2,396	\$ 2,427	\$ 117,383	\$ 113,039
Charges for services	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Intragovernmental	—	—	—	27	—	—	—	—	—	—
Other operating revenues	—	4	—	5	—	2	—	1	915	2,495
Total revenues	<u>12,214</u>	<u>12,514</u>	<u>7,310</u>	<u>7,602</u>	<u>—</u>	<u>2</u>	<u>2,396</u>	<u>2,428</u>	<u>118,298</u>	<u>115,534</u>
Expenditures:										
Economic development and assistance	—	—	—	—	—	—	—	—	8,000	8,000
Debt service	12,987	12,986	7,753	7,753	9,823	9,267	9,744	9,744	59,921	59,615
Total expenditures	<u>12,987</u>	<u>12,986</u>	<u>7,753</u>	<u>7,753</u>	<u>9,823</u>	<u>9,267</u>	<u>9,744</u>	<u>9,744</u>	<u>67,921</u>	<u>67,615</u>
Deficiency of revenues under expenditures	<u>(773)</u>	<u>(472)</u>	<u>(443)</u>	<u>(151)</u>	<u>(9,823)</u>	<u>(9,265)</u>	<u>(7,348)</u>	<u>(7,316)</u>	<u>50,377</u>	<u>47,919</u>
Other financing sources (uses), net:										
Bond proceeds	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	575	575	—	—	9,816	9,267	7,296	7,320	5,727	(70,272)
Total other financing sources (uses)	<u>575</u>	<u>575</u>	<u>—</u>	<u>—</u>	<u>9,816</u>	<u>9,267</u>	<u>7,296</u>	<u>7,320</u>	<u>5,727</u>	<u>(70,272)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(198)</u>	<u>103</u>	<u>(443)</u>	<u>(151)</u>	<u>(7)</u>	<u>2</u>	<u>(52)</u>	<u>4</u>	<u>56,104</u>	<u>(22,353)</u>
Fund balances at beginning of year	698	978	864	1,577	—	8	325	395	362	589
Cancellation of purchase orders and other	250	1	800	—	7	(1)	33	(1)	(56,262)	23,358
Fund balances at end of year	<u>\$ 750</u>	<u>\$ 1,082</u>	<u>\$ 1,221</u>	<u>\$ 1,426</u>	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ 306</u>	<u>\$ 398</u>	<u>\$ 204</u>	<u>\$ 1,594</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, 2021
(In thousands)

	Park District		Economic Development District		PILOT		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
	Revenues:							
Taxes	\$ 604	\$ 609	\$ 10,566	\$ 10,340	\$ —	\$ —	\$ 150,473	\$ 146,495
Charges for services	—	—	1,603	1,287	—	—	1,603	1,287
Intergovernmental	—	—	—	1,024	—	—	—	1,024
Intragovernmental	—	—	—	—	—	—	—	27
Other operating revenues	—	1	—	5,915	19,739	19,749	20,654	28,172
Total revenues	<u>604</u>	<u>610</u>	<u>12,169</u>	<u>18,566</u>	<u>19,739</u>	<u>19,749</u>	<u>172,730</u>	<u>177,005</u>
Expenditures:								
Economic development and assistance	—	—	—	—	—	—	8,000	8,000
Debt service	644	643	139,177	109,003	12,090	12,089	252,139	221,100
Total expenditures	<u>644</u>	<u>643</u>	<u>139,177</u>	<u>109,003</u>	<u>12,090</u>	<u>12,089</u>	<u>260,139</u>	<u>229,100</u>
Deficiency of revenues under expenditures	<u>(40)</u>	<u>(33)</u>	<u>(127,008)</u>	<u>(90,437)</u>	<u>7,649</u>	<u>7,660</u>	<u>(87,409)</u>	<u>(52,095)</u>
Other financing sources (uses), net:								
Bond proceeds	—	—	—	81,246	—	—	—	81,246
Transfers in (out)	—	—	—	10,045	(7,649)	(7,660)	15,765	(50,725)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>91,291</u>	<u>(7,649)</u>	<u>(7,660)</u>	<u>15,765</u>	<u>30,521</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(40)</u>	<u>(33)</u>	<u>(127,008)</u>	<u>854</u>	<u>—</u>	<u>—</u>	<u>(71,644)</u>	<u>(21,574)</u>
Fund balances at beginning of year	94	111	605	577	—	10	2,948	4,245
Cancellation of purchase orders and other	5	(1)	127,401	(854)	14	—	72,248	22,502
Fund balances at end of year	<u>\$ 59</u>	<u>\$ 77</u>	<u>\$ 998</u>	<u>\$ 577</u>	<u>\$ 14</u>	<u>\$ 10</u>	<u>\$ 3,552</u>	<u>\$ 5,173</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)
Debt Service Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(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		\$ 1,078	\$ 879	\$ 199
Total		<u>1,078</u>	<u>879</u>	<u>199</u>
Non Departmental	Stormwater District			
Other services and charges		9,823	9,267	556
Total		<u>9,823</u>	<u>9,267</u>	<u>556</u>
Non Departmental	Metropolitan Thoroughfare District			
Other services and charges		9,744	9,744	—
Total		<u>9,744</u>	<u>9,744</u>	<u>—</u>
Non Departmental	Park District			
Other services and charges		644	643	1
Total		<u>644</u>	<u>643</u>	<u>1</u>
Non Departmental	Public Safety Communications			
Other services and charges		7,753	7,753	—
Total		<u>7,753</u>	<u>7,753</u>	<u>—</u>
Non Departmental	Civil City			
Other services and charges		12,987	12,986	1
Total		<u>12,987</u>	<u>12,986</u>	<u>1</u>
Non Departmental	Revenue			
Other services and charges		66,843	66,736	107
Total		<u>66,843</u>	<u>66,736</u>	<u>107</u>
Non Departmental	Economic Development			
Other services and charges		139,177	109,003	30,174
Total		<u>139,177</u>	<u>109,003</u>	<u>30,174</u>
Non Departmental	PILOT			
Other services and charges		12,090	12,089	1
Total		<u>12,090</u>	<u>12,089</u>	<u>1</u>
Total – Debt Service Funds – by Department		\$ <u>260,139</u>	\$ <u>229,100</u>	\$ <u>31,039</u>

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

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 & Lifecycle -** 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, 2021
(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	\$ 5,600	\$ 78	\$ 18	\$ 1,261	\$ —	\$ 1,080
Cash and investments with fiscal agents	5,631	8,133	—	16,778	—	5,416
Investments	52,659	732	168	58,394	24,758	10,153
Property taxes receivable	—	—	—	—	—	413
Accounts receivable	—	—	—	—	—	551
Long-term receivables, less allowance \$1,500	18,192	—	—	—	—	—
Total assets	<u>\$ 82,082</u>	<u>\$ 8,943</u>	<u>\$ 186</u>	<u>\$ 76,433</u>	<u>\$ 24,758</u>	<u>\$ 17,613</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 7,051	\$ —	\$ —	\$ 9,609	\$ 331	\$ 1,472
Total liabilities	<u>7,051</u>	<u>—</u>	<u>—</u>	<u>9,609</u>	<u>331</u>	<u>1,472</u>
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>887</u>
Fund balances:						
Restricted	75,031	8,943	186	66,824	24,427	15,254
Committed	—	—	—	—	—	—
Total fund balances	<u>75,031</u>	<u>8,943</u>	<u>186</u>	<u>66,824</u>	<u>24,427</u>	<u>15,254</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 82,082</u>	<u>\$ 8,943</u>	<u>\$ 186</u>	<u>\$ 76,433</u>	<u>\$ 24,758</u>	<u>\$ 17,613</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, 2021
(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	\$ 477	\$ 7	\$ —	\$ 2	\$ 356	\$ 168
Cash and investments with fiscal agents	—	—	—	—	—	10,785
Investments	4,481	61	1,809	23	3,348	1,571
Property taxes receivable	—	—	—	—	167	—
Accounts receivable	—	—	—	—	7,858	—
Long-term receivables, less allowance \$1,500	—	—	—	—	—	—
Total assets	<u>\$ 4,958</u>	<u>\$ 68</u>	<u>\$ 1,809</u>	<u>\$ 25</u>	<u>\$ 11,729</u>	<u>\$ 12,524</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 213	\$ —	\$ 222	\$ —	\$ 308	\$ 4,852
Total liabilities	<u>213</u>	<u>—</u>	<u>222</u>	<u>—</u>	<u>308</u>	<u>4,852</u>
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,024</u>	<u>—</u>
Fund balances:						
Restricted	4,745	68	1,587	25	3,397	7,672
Committed	—	—	—	—	—	—
Total fund balances	<u>4,745</u>	<u>68</u>	<u>1,587</u>	<u>25</u>	<u>3,397</u>	<u>7,672</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,958</u>	<u>\$ 68</u>	<u>\$ 1,809</u>	<u>\$ 25</u>	<u>\$ 11,729</u>	<u>\$ 12,524</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, 2021
(In thousands)

	Capital Asset Development & Lifecycle	Consolidated City District	Section 108 HUD Loan	Total Nonmajor Capital Projects Funds
ASSETS				
Equity in pooled cash	\$ 2,403	\$ —	\$ 405	\$ 11,855
Cash and investments with fiscal agents	—	119	—	46,862
Investments	22,597	28,533	3,811	213,098
Property taxes receivable	—	—	—	580
Accounts receivable	—	—	—	8,409
Long-term receivables, less allowance \$1,500	—	—	—	18,192
Total assets	\$ 25,000	\$ 28,652	\$ 4,216	\$ 298,996
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other accrued liabilities	\$ —	\$ 649	\$ 129	\$ 24,836
Total liabilities	—	649	129	24,836
Deferred inflows of resources	—	—	—	8,911
Fund balances:				
Restricted	—	28,003	4,087	240,249
Committed	25,000	—	—	25,000
Total fund balances	25,000	28,003	4,087	265,249
Total liabilities, deferred inflows of resources and fund balances	\$ 25,000	\$ 28,652	\$ 4,216	\$ 298,996

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)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2021
(In thousands)

	Redevelopment District Tax Increment	Economic Development	PILOT Revenue Bonds	Metropolitan Thoroughfare District	Park District	City Cumulative Capital Improvement
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	11,257
Other intergovernmental revenues:						
Other revenues	—	—	—	—	—	—
Interest and other operating revenues	36	3	4	30	—	1,424
Total revenues	<u>36</u>	<u>3</u>	<u>4</u>	<u>30</u>	<u>—</u>	<u>12,681</u>
Expenditures:						
Economic development and assistance	45,890	—	—	—	—	—
Debt service:						
Bond and note issuance costs	619	—	—	—	162	—
Capital outlays	20,380	—	97	19,239	810	13,622
Total expenditures	<u>66,889</u>	<u>—</u>	<u>97</u>	<u>19,239</u>	<u>972</u>	<u>13,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,853)</u>	<u>3</u>	<u>(93)</u>	<u>(19,209)</u>	<u>(972)</u>	<u>(941)</u>
Other financing sources (uses):						
Issuance of capital lease	—	—	—	—	—	8,919
Bonds and notes issued	13,772	—	—	—	20,695	—
Premium on bonds issued	—	—	—	—	4,300	—
Transfers in	67,426	—	—	—	—	700
Transfers out	(578)	—	—	(5)	—	—
Total other financing sources	<u>80,620</u>	<u>—</u>	<u>—</u>	<u>(5)</u>	<u>24,995</u>	<u>9,619</u>
Net change in fund balances	13,767	3	(93)	(19,214)	24,023	8,678
Fund balances at beginning of year	61,264	8,940	279	86,038	404	6,576
Fund balances at end of year	<u>\$ 75,031</u>	<u>\$ 8,943</u>	<u>\$ 186</u>	<u>\$ 66,824</u>	<u>\$ 24,427</u>	<u>\$ 15,254</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, 2021
(In thousands)

	County Cumulative Capital Improvement	Tax Revenue Note	Public Safety Communications	Landmark Building Preservation	Fire Cumulative	Storm Water
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 4,529	\$ —
Other intergovernmental revenues:						
Other revenues	—	—	—	—	—	—
Interest and other operating revenues	12	—	1	2	9	—
Total revenues	<u>12</u>	<u>—</u>	<u>1</u>	<u>2</u>	<u>4,538</u>	<u>—</u>
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service:						
Bonds and notes issuance costs	—	—	—	—	—	194
Capital outlays	399	—	573	—	4,393	16,574
Total expenditures	<u>399</u>	<u>—</u>	<u>573</u>	<u>—</u>	<u>4,393</u>	<u>16,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(387)</u>	<u>—</u>	<u>(572)</u>	<u>2</u>	<u>145</u>	<u>(16,768)</u>
Other financing sources (uses):						
Issuance of capital lease	—	—	—	—	—	—
Bonds and notes issued	—	—	—	—	—	18,977
Premium on bonds issued	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	(575)	(1)
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(575)</u>	<u>18,976</u>
Net change in fund balances	<u>(387)</u>	<u>—</u>	<u>(572)</u>	<u>2</u>	<u>(430)</u>	<u>2,208</u>
Fund balances at beginning of year	5,132	68	2,159	23	3,827	5,464
Fund balances at end of year	<u>\$ 4,745</u>	<u>\$ 68</u>	<u>\$ 1,587</u>	<u>\$ 25</u>	<u>\$ 3,397</u>	<u>\$ 7,672</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, 2021
(In thousands)

	<u>Capital Asset Development & Lifecycle</u>	<u>Consolidated City District</u>	<u>Section 108 HUD Loan</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Taxes	\$ —	\$ —	\$ —	\$ 15,786
Other intergovernmental revenues:				
Other revenues	—	—	—	—
Interest and other operating revenues	1	7	8	1,537
Total revenues	<u>1</u>	<u>7</u>	<u>8</u>	<u>17,323</u>
Expenditures:				
Economic development and assistance	—	—	378	46,268
Debt service:				
Bonds and notes issuance costs	—	267	—	1,242
Capital outlays	1	5,346	21	81,455
Total expenditures	<u>1</u>	<u>5,613</u>	<u>399</u>	<u>128,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>(5,606)</u>	<u>(391)</u>	<u>(111,642)</u>
Other financing sources (uses):				
Issuance of capital lease	—	—	—	8,919
Bonds and notes issued	—	15,570	—	69,014
Premium on bonds issued	—	2,820	—	7,120
Transfers in	25,000	—	—	93,126
Transfers out	—	—	—	(1,159)
Total other financing sources	<u>25,000</u>	<u>18,390</u>	<u>—</u>	<u>177,020</u>
Net change in fund balances	25,000	12,784	(391)	65,378
Fund balances at beginning of year	—	15,219	4,478	199,871
Fund balances at end of year	<u>\$ 25,000</u>	<u>\$ 28,003</u>	<u>\$ 4,087</u>	<u>\$ 265,249</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)
Annually Budgeted Capital Projects Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(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	\$ 10,814	\$ 11,258	\$ —	\$ —	\$ 4,375	\$ 4,529	\$ 15,189	\$ 15,787
Intragovernmental revenues	—	—	—	—	—	—	—	—
Interest and other operating revenues	—	675	—	12	—	9	—	696
Total revenues	<u>10,814</u>	<u>11,933</u>	<u>—</u>	<u>12</u>	<u>4,375</u>	<u>4,538</u>	<u>15,189</u>	<u>16,483</u>
Expenditures:								
Current:								
General government	500	499	—	—	—	—	500	499
Public safety	1,010	826	—	—	1,056	956	2,066	1,782
Public works	—	—	—	—	—	—	—	—
Cultural and recreation	720	719	—	—	—	—	720	719
Economic development and assistance	600	600	—	—	—	—	600	600
Capital outlays	10,024	7,475	—	—	3,780	3,763	13,804	11,238
Total expenditures	<u>12,854</u>	<u>10,119</u>	<u>—</u>	<u>—</u>	<u>4,836</u>	<u>4,719</u>	<u>17,690</u>	<u>14,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,040)</u>	<u>1,814</u>	<u>—</u>	<u>12</u>	<u>(461)</u>	<u>(181)</u>	<u>(2,501)</u>	<u>1,645</u>
Other financing sources, net:								
Transfers in (out)	1,400	700	—	—	(575)	(575)	825	125
Total other financing sources (uses)	<u>1,400</u>	<u>700</u>	<u>—</u>	<u>—</u>	<u>(575)</u>	<u>(575)</u>	<u>825</u>	<u>125</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(640)</u>	<u>2,514</u>	<u>—</u>	<u>12</u>	<u>(1,036)</u>	<u>(756)</u>	<u>(1,676)</u>	<u>1,770</u>
Fund balances at beginning of year	1,887	2,458	3,586	4,226	3,354	3,546	8,827	10,230
Cancellation of purchase orders and other	628	671	648	—	230	49	1,506	720
Fund balances at end of year	<u>\$ 1,875</u>	<u>\$ 5,643</u>	<u>\$ 4,234</u>	<u>\$ 4,238</u>	<u>\$ 2,548</u>	<u>\$ 2,839</u>	<u>\$ 8,657</u>	<u>\$ 12,720</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)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(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		<u>600</u>	<u>600</u>	<u>—</u>
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		<u>274</u>	<u>274</u>	<u>—</u>
Total – Department of Business and Neighborhood Services		<u>\$ 274</u>	<u>\$ 274</u>	<u>\$ —</u>
Department of Public Works	City Cumulative Capital Improvement			
Supplies		\$ 25	\$ 23	\$ 2
Other services and charges		695	695	—
Capital outlay		4,440	4,439	1
Internal charges		<u>(4,600)</u>	<u>(4,598)</u>	<u>(2)</u>
Total		<u>560</u>	<u>559</u>	<u>1</u>
Total – Department of Public Works		<u>\$ 560</u>	<u>\$ 559</u>	<u>\$ 1</u>
Department of Parks and Recreation	City Cumulative Capital Improvement			
Internal charges		\$ 4,600	\$ 4,598	\$ 2
Total - Department of Parks and Recreation		<u>\$ 4,600</u>	<u>\$ 4,598</u>	<u>\$ 2</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, 2021
(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		\$ 300	\$ 274	\$ 26
Other services and charges		710	552	158
Capital Outlay		5,310	2,762	2,548
Total - Indianapolis Metropolitan Police Department		<u>\$ 6,320</u>	<u>\$ 3,588</u>	<u>\$ 2,732</u>
Indianapolis Fire Department	Fire Cumulative			
Supplies		\$ 1,056	\$ 956	\$ 100
Other services and charges		3,780	3,763	17
Total – Indianapolis Fire Department		<u>\$ 4,836</u>	<u>\$ 4,719</u>	<u>\$ 117</u>
Total – Capital Projects Funds – by Department and Division		<u>\$ 17,690</u>	<u>\$ 14,838</u>	<u>\$ 2,852</u>

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

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, 2021
(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	\$	609	\$	862	\$	801	\$	2,272
Cash and investments with fiscal agents		702		—		—		702
Investments		5,720		8,111		7,531		21,362
Accounts receivable		<u>42</u>		<u>48</u>		<u>2,957</u>		<u>3,047</u>
Total current assets	\$	<u>7,073</u>	\$	<u>9,021</u>	\$	<u>11,289</u>	\$	<u>27,383</u>
 LIABILITIES								
Accounts payable and other current accrued liabilities	\$	<u>9,244</u>	\$	<u>1,399</u>	\$	<u>11,841</u>	\$	<u>22,484</u>
Total current liabilities		<u>9,244</u>		<u>1,399</u>		<u>11,841</u>		<u>22,484</u>
 NET POSITION (DEFICIT)								
Unrestricted (deficit)	\$	<u>(2,171)</u>	\$	<u>7,622</u>	\$	<u>(552)</u>	\$	<u>4,899</u>
Total liabilities and equity	\$	<u>7,073</u>	\$	<u>9,021</u>	\$	<u>11,289</u>	\$	<u>27,383</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)
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended December 31, 2021
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Operating revenues:				
Charges to other funds	\$ 9,329	\$ 4,861	\$ 90,781	\$ 104,971
Operating expenses:				
Claims	7,414	4,052	98,437	109,903
Administration	212	—	—	212
Total operating expenses	7,626	4,052	98,437	110,115
Operating income (loss)	1,703	809	(7,656)	(5,144)
Nonoperating revenue (expense):				
Interest on investments	26	65	113	204
Income (loss)	1,729	874	(7,543)	(4,940)
Change in net position	1,729	874	(7,543)	(4,940)
Total net position (deficit) – beginning of year	(3,900)	6,748	6,991	9,839
Total net position (deficit) – end of year	\$ (2,171)	\$ 7,622	\$ (552)	\$ 4,899

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)
Internal Service Funds
Combining Statement of Cash Flows
Year ended December 31, 2021
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Cash flows from operating activities:				
Receipts from users	\$ 9,287	\$ 4,813	\$ 90,066	\$ 104,166
Payments for administration	(212)	—	—	(212)
Payments for claims	(7,603)	(3,529)	(102,344)	(113,476)
Net cash provided by (used in) operating activities	1,472	1,284	(12,278)	(9,522)
Cash flows from investing activities:				
Investment purchases	(1,060)	(738)	12,290	10,492
Investment income (expense)	26	65	113	204
Net cash provided by (used in) investing activities	(1,034)	(673)	12,403	10,696
Net increase (decrease) in cash	438	611	125	1,174
Cash, beginning of year	873	251	676	1,800
Cash, end of year	\$ 1,311	\$ 862	\$ 801	\$ 2,974
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,703	\$ 809	\$ (7,656)	\$ (5,144)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(42)	(48)	(715)	(805)
Increase (decrease) in accounts payable	(189)	523	(3,907)	(3,573)
Net cash provided by (used in) operating activities	\$ 1,472	\$ 1,284	\$ (12,278)	\$ (9,522)

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

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 Fiduciary Net Position
Pension and Other Postemployment Benefit Trust Funds
Year ended December 31, 2021
(In thousands)

	Police Pension	Firefighters' Pension	Total
ASSETS			
Equity in pooled cash	\$ —	\$ —	\$ —
Total assets	—	—	—
 LIABILITIES			
Liabilities:			
Due to other funds	357	609	966
Total liabilities	357	609	966
 NET POSITION (DEFICIT) RESTRICTED FOR PENSIONS			
Net position restricted for pensions	\$ (357)	\$ (609)	\$ (966)

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
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Postemployment Benefit Trust Funds
Year ended December 31, 2021
(In thousands)

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ 27,376	\$ 26,151	\$ 53,527
DEDUCTIONS			
Benefits	27,737	26,868	54,605
Total deductions	<u>27,737</u>	<u>26,868</u>	<u>54,605</u>
Net increase (decrease) in net position	(361)	(717)	(1,078)
Net position restricted for pensions – beginning of year	<u>4</u>	<u>108</u>	<u>112</u>
Net position restricted for pensions – end of year	<u><u>\$ (357)</u></u>	<u><u>\$ (609)</u></u>	<u><u>\$ (966)</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)
Fiduciary Funds
Police and Firefighters' Pre-1977 Pension Trust Funds
Budget and Actual – Budgetary Basis
Year ended December 31, 2021
(In thousands)

	Police Pension			Firefighters' Pension		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Intergovernmental	\$ 30,110	\$ 27,376	\$ (2,734)	\$ 27,707	\$ 26,151	\$ (1,556)
Total revenues	<u>30,110</u>	<u>27,376</u>	<u>(2,734)</u>	<u>27,707</u>	<u>26,151</u>	<u>(1,556)</u>
Expenditures:						
Personal services	<u>30,110</u>	<u>27,737</u>	<u>2,373</u>	<u>27,707</u>	<u>26,879</u>	<u>828</u>
Total expenditures	<u>30,110</u>	<u>27,737</u>	<u>2,373</u>	<u>27,707</u>	<u>26,879</u>	<u>828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ —</u>	<u>\$ (361)</u>	<u>\$ (361)</u>	<u>\$ —</u>	<u>\$ (728)</u>	<u>\$ (728)</u>
Revenues over (under) expenditures						
Revenues over (under) expenditures and other financing sources	<u>\$ —</u>	<u>\$ (361)</u>	<u>\$ (361)</u>	<u>\$ —</u>	<u>\$ (728)</u>	<u>\$ (728)</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)
Fiduciary Funds
Combining Statement of Fiduciary Net Position
Custodial Funds
Year ended December 31, 2021
(In thousands)

	Sanitation 15 Year Law	E-911 Allocation	Police and Fire Retiree Health Insurance	IMPD Confiscated Cash	Other	Total
ASSETS						
Equity in pooled cash	\$ 29	\$ —	\$ 37	\$ 575	\$ 74	\$ 715
Investments						
Pooled investments	274	—	347	5,403	694	6,718
Accounts receivable	—	969	—	—	—	969
Total assets	<u>303</u>	<u>969</u>	<u>384</u>	<u>5,978</u>	<u>768</u>	<u>8,402</u>
LIABILITIES						
Accounts payable and other accrued liabilities	—	969	384	—	—	1,353
Total liabilities	<u>—</u>	<u>969</u>	<u>384</u>	<u>—</u>	<u>—</u>	<u>1,353</u>
NET POSITION (DEFICIT)						
Restricted for individuals, organizations, and other governments	<u>\$ 303</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,978</u>	<u>\$ 768</u>	<u>\$ 7,049</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)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year ended December 31, 2021
(In thousands)

	Sanitation 15 Year Law	E-911 Allocation	Police and Fire Retiree Health Insurance	IMPD Confiscated Cash	Other	Total
ADDITIONS						
Employer contributions	\$ —	\$ —	\$ 2,691	\$ —	\$ —	\$ 2,691
Police confiscations	—	—	—	3,599	—	3,599
Fees collected for other governments	—	7,307	—	—	—	7,307
Total Additions	<u>—</u>	<u>7,307</u>	<u>2,691</u>	<u>3,599</u>	<u>—</u>	<u>13,597</u>
DEDUCTIONS						
Benefits paid to participants or beneficiaries	—	—	2,691	—	—	2,691
Court released confiscations	—	—	—	4,245	—	4,245
Payments of fees collected to other governments	—	7,307	—	—	—	7,307
Total deductions	<u>—</u>	<u>7,307</u>	<u>2,691</u>	<u>4,245</u>	<u>—</u>	<u>14,243</u>
Net increase (decrease) in net position	—	—	—	(646)	—	(646)
Net position – beginning of year	303	—	—	6,624	768	7,695
Net position – end of year	<u>\$ 303</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,978</u>	<u>\$ 768</u>	<u>\$ 7,049</u>

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

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Statistical Section

Statistical Section

CITY OF INDIANAPOLIS
Statistical Section
Table of Contents

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

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

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:										
Net investment in capital assets	\$ 621,413	\$ 682,291	\$ 604,736	\$ 618,860	\$ 658,793	\$ 682,445	\$ 706,470	\$ 676,215	\$ 653,339	\$ 856,341
Restricted	124,511	122,379	171,863	177,408	180,615	176,332	164,849	166,495	238,525	572,906
Unrestricted (deficit)	<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>	<u>(899,633)</u>	<u>(1,254,617)</u>
Total governmental activities net position (deficit)	<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>	<u>\$ (7,769)</u>	<u>\$ 174,630</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 45,395	\$ 36,467	\$ 43,599	\$ 48,124	\$ 44,689	\$ 44,321	\$ 36,351	\$ 105,277	\$ 73,012	\$ 53,482
Public safety	448,007	447,016	461,873	412,157	389,302	511,305	436,687	604,609	481,302	480,821
Public works	196,687	204,217	230,470	214,740	163,710	208,581	222,011	281,251	235,308	245,433
Health and welfare	3,890	6,015	6,320	7,555	7,926	7,730	11,594	7,120	39,791	13,886
Cultural and recreation	22,413	18,465	10,130	14,714	15,313	26,059	30,423	24,984	21,974	25,873
Urban redevelopment and housing	31,493	28,124	24,114	18,354	18,899	18,752	23,302	24,120	60,425	151,317
Economic development and assistance	97,983	41,862	33,181	75,451	27,512	30,412	52,671	78,181	55,529	61,089
Interest	55,920	55,480	51,571	51,584	53,919	45,664	49,159	49,415	50,310	50,128
Total governmental activities expenses	<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>	<u>1,017,651</u>	<u>1,082,029</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	20,982	22,245	21,785	25,881	17,468	14,703	18,857	18,277	14,701	15,514
Public safety	27,576	19,698	23,679	29,080	29,549	30,475	32,110	32,049	30,902	32,046
Public works	35,520	37,427	38,896	43,184	52,597	52,641	57,340	59,977	59,412	61,500
Health and welfare	74	675	808	149	264	1,214	94	177	37	136
Cultural and recreation	3,426	3,129	3,638	3,714	4,036	3,396	3,583	3,358	2,557	3,756
Urban redevelopment and housing	1,357	1,330	1,835	2,050	2,008	2,451	2,224	2,045	1,999	1,914
Economic development and assistance	791	1,051	1,530	1,259	7,222	1,148	961	1,399	1,915	1,379
Operating grants and contributions	143,556	138,311	137,828	139,251	134,890	133,040	151,026	209,824	343,609	321,159
Capital grants and contributions	30,217	77,797	4,845	37,351	34,023	20,072	12,215	15,262	42,026	20,655
Total governmental activities program revenues	<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>	<u>497,158</u>	<u>458,059</u>
Net (Expense) Revenue	<u>(638,289)</u>	<u>(535,983)</u>	<u>(626,414)</u>	<u>(560,760)</u>	<u>(439,213)</u>	<u>(633,684)</u>	<u>(583,788)</u>	<u>(832,589)</u>	<u>(520,493)</u>	<u>(623,970)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	277,122	280,883	297,487	285,649	300,101	294,886	315,230	333,060	349,786	364,859
Wheel tax	12,433	12,983	13,250	14,645	13,644	14,843	15,354	15,527	16,000	16,409
County option income tax	174,342	154,273	164,582	206,838	266,834	230,417	237,319	272,699	303,772	327,197
Other taxes	21,998	19,949	21,460	20,472	21,967	23,085	23,159	23,641	25,075	26,654
Grants and contributions not restricted by function	12,745	12,978	13,165	9,465	10,017	12,224	12,439	12,808	13,317	25,168
Investment earnings not restricted by function	3,481	3,416	7,984	6,373	9,977	14,249	16,302	20,131	16,353	12,870
Miscellaneous	24,021	20,133	17,000	28,675	20,933	27,766	29,269	34,592	35,524	33,212
Transfers	—	—	—	—	—	—	—	—	—	—
Special item - gain on sale of water and wastewater utilities	—	—	—	—	—	—	—	—	—	—
Total governmental activities general revenues and other changes in net position	<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>	<u>759,827</u>	<u>806,369</u>
Change in Net Position										
Governmental activities	<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>	<u>\$ 239,334</u>	<u>\$ 182,399</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function/Program										
Governmental activities:										
General government	\$ 25,197	\$ 28,022	\$ 28,433	\$ 29,935	\$ 20,722	\$ 29,328	\$ 26,080	\$ 82,343	\$ 188,876	\$ 24,793
Public safety	113,605	91,203	89,255	91,716	93,854	96,521	93,984	98,554	100,429	101,087
Public works	85,696	139,321	88,035	118,727	125,176	103,100	128,741	131,296	170,651	149,683
Health and welfare	4,611	7,118	6,807	7,302	6,547	7,411	7,357	7,216	7,082	154,502
Cultural and recreation	4,935	11,527	4,865	8,845	7,290	5,905	5,793	5,865	7,422	10,725
Urban redevelopment and housing	21,638	15,832	13,373	22,314	17,152	14,888	14,657	14,945	19,851	15,297
Economic development and assistance	7,817	8,640	4,076	3,080	11,316	1,987	1,798	2,149	2,847	1,972
Total governmental activities program revenues	<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>	<u>\$ 497,158</u>	<u>\$ 458,059</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Restricted	\$ 34,950	\$ 42,256	\$ 32,069	\$ 35,306	\$ 89,454	\$ 105,276	\$ 85,591	\$ 87,641	\$ 85,604	\$ 93,833
Committed	134,151	70,457	37,992	9,207	2,749	659	5,040	10,861	30,518	52,209
Assigned	96,691	76,815	83,902	79,775	77,923	77,726	76,505	85,825	111,348	134,095
Unassigned	82,931	91,191	70,784	79,192	94,093	99,761	107,099	104,667	168,492	142,409
Total General Fund	<u>\$ 348,723</u>	<u>\$ 280,719</u>	<u>\$ 224,747</u>	<u>\$ 224,747</u>	<u>\$ 264,219</u>	<u>\$ 283,422</u>	<u>\$ 274,235</u>	<u>\$ 288,994</u>	<u>\$ 395,962</u>	<u>\$ 422,546</u>
All other governmental funds:										
Nonspendable	\$ 1,872	\$ 3,138	\$ 2,275	\$ 1,959	\$ 1,180	\$ 357	\$ 362	\$ 370	\$ 372	\$ 372
Restricted	259,101	221,517	271,375	317,629	308,953	361,601	374,569	435,459	454,775	473,332
Committed	—	—	—	—	—	—	—	—	—	25,000
Assigned	—	—	—	—	—	—	—	—	—	—
Unassigned	(5,586)	(2,155)	(364)	(322)	(68)	—	—	—	—	(9,265)
Total all other governmental funds	<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>	<u>\$ 455,147</u>	<u>\$ 489,439</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 487,666	\$ 467,820	\$ 497,061	\$ 529,231	\$ 601,328	\$ 563,213	\$ 590,330	\$ 642,666	\$ 694,410	\$ 736,102
Licenses and permits	14,632	13,457	12,010	14,249	13,952	14,362	15,974	17,834	15,594	16,072
Charges for services	61,207	58,826	63,949	65,744	76,844	75,395	80,594	83,320	80,551	83,890
Intergovernmental revenues	171,362	164,365	151,369	154,789	146,074	149,804	157,487	160,836	345,914	335,430
Intragovernmental revenues	1,650	4,880	3,286	2,342	1,909	2,974	11,327	7,420	7,521	11,249
Traffic violations and court fees	6,707	5,429	5,112	5,822	6,771	5,861	7,025	5,590	6,689	6,236
Interest and other operating revenues	37,630	31,816	46,174	57,835	53,004	55,987	51,818	116,588	59,297	52,301
Total revenues	780,854	746,593	778,961	830,012	899,882	867,596	914,555	1,034,254	1,209,976	1,241,280
Expenditures:										
Current:										
General government	25,015	21,721	25,957	24,888	24,720	26,591	29,174	41,093	41,200	49,537
Public safety	414,456	416,774	429,520	442,491	452,435	469,029	484,947	496,092	529,844	531,564
Public works	100,806	101,172	114,061	107,819	107,520	101,343	114,599	124,049	130,816	128,412
Health and welfare	3,865	5,973	6,241	7,550	7,832	7,694	7,778	7,211	40,082	14,123
Cultural and recreation	14,579	13,864	13,031	13,267	14,910	24,606	23,816	24,682	25,745	26,276
Urban redevelopment and housing	27,374	24,033	17,760	22,731	17,641	14,023	18,476	18,567	56,821	146,714
Economic development and assistance	95,236	37,981	28,411	61,202	20,163	27,326	23,327	44,627	52,594	58,039
Capital outlays	151,228	105,394	84,975	122,022	78,901	134,973	205,552	203,925	210,516	164,478
Debt service:										
Redemption of bonds and notes	68,114	61,598	76,953	69,066	72,787	83,575	94,026	188,013	87,544	179,519
Interest on bonds and notes	50,892	51,981	47,877	45,915	49,835	53,807	42,353	42,237	76,914	44,265
Swap termination payment	—	—	—	—	—	—	—	—	—	—
Bond and note issuance costs	614	5,705	1,099	2,445	1,358	3,288	2,670	2,129	2,401	2,265
Advance funding escrow	—	36,705	10,525	11,655	—	—	—	—	—	—
Operating lease payments and administration	16,339	16,047	16,184	18,448	16,662	2,337	4,808	3,123	25,962	2,704
Total expenditures	968,518	898,948	872,594	949,499	864,764	948,592	1,051,526	1,195,748	1,280,439	1,347,896
Excess (deficiency) of revenues over (under) expenditures	(187,664)	(152,355)	(93,633)	(119,487)	35,118	(80,996)	(136,971)	(161,494)	(70,463)	(106,616)
Other financing sources (uses):										
Proceeds of financing from capital lease	—	—	605	3,248	—	—	4,972	29,566	8,596	9,378
Proceeds from execution of parking meter contract	—	—	—	—	—	—	—	—	—	—
Proceeds from restructuring of debt	—	85	212	749	—	—	—	—	—	—
Sales of capital assets	1,608	795	625	472	1,264	1,153	739	2,077	2,768	734
Bonds and notes issued	17,915	5,780	69,370	116,600	10,707	128,132	118,627	180,490	142,353	69,014
Premium on bonds and notes issued	2,509	11,744	6,215	12,146	6,609	31,522	4,217	25,018	12,479	15,301
Refunding bonds issued	24,415	86,605	11,420	10,985	50,325	150,800	12,202	—	148,513	73,065
Payment to refunded bond escrow agent	(28,453)	(53,545)	—	—	(52,485)	(159,515)	—	—	(117,960)	—
Transfers in	65,313	102,216	53,138	128,974	98,909	102,286	184,829	188,575	288,487	224,375
Transfers out	(65,313)	(102,216)	(53,138)	(128,974)	(98,909)	(102,286)	(184,829)	(188,575)	(288,487)	(224,375)
Total other financing sources (uses)	17,994	51,464	88,447	144,200	16,420	152,092	140,757	237,151	196,749	167,492
Special item—sale of wastewater collection and treatment facilities:										
Assumption of bond anticipation note by CEG	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of wastewater collection and treatment facilities	—	—	—	—	—	—	—	—	—	—
Assumption of additional liabilities by CEG	—	—	—	—	—	—	—	—	—	—
Transfer of debt service reserve and unspent bond proceeds to CEG	—	—	—	—	—	—	—	—	—	—
Total special item	—	—	—	—	—	—	—	—	—	—
Net change in fund balances (deficits)	\$ (169,670)	\$ (100,891)	\$ (5,186)	\$ 24,713	\$ 51,538	\$ 71,096	\$ 3,786	\$ 75,657	\$ 126,286	\$ 60,876
Debt service as a percentage of noncapital expenditures	15%	15%	17%	15%	15%	16%	16%	23%	15%	19%
Debt service expenditures	\$ 119,006	\$ 113,579	\$ 124,830	\$ 114,981	\$ 122,622	\$ 137,382	\$ 136,379	\$ 230,250	\$ 164,458	\$ 223,784
Noncapital expenditures	803,222	781,499	721,252	768,280	793,994	846,477	878,890	1,023,315	1,084,289	1,196,381

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
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
2020	349,786	303,772	16,000	25,075	694,633
2021	366,080	327,197	16,409	26,416	736,102

(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)

Fiscal year	Residential property (c)	Commercial property (c)	Industrial property (c)	Personal property (c)	Other (c)	Total taxable assessed value (a) (b)	Total direct tax rate	Estimated actual taxable value	Taxable assessed value as a % of actual taxable value (a)
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
2020	23,259,818	15,085,633	3,378,670	6,906,428	956,093	49,586,642	0.7040	49,586,642	100
2021	25,141,091	15,524,519	3,542,094	7,095,509	948,461	52,251,674	0.6973	52,251,674	100

Note: Tax-exempt property for 2021 of \$5,704,236 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 2021, total taxable assessed value includes \$5,455,655 of assessed valuation for Marion County Tax Increment Financing Districts.
- (c) Provided by the Marion County Treasurer

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	
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
2020	0.6540	0.0500	0.7040	0.3869	0.4383	1.5292	1.4284	0.0568	3.0144
2021	0.6507	0.0466	0.6973	0.3931	0.4368	1.5272	1.3785	0.0559	2.9616

- (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	2021			Principal taxpayers	2012		
	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	\$ 1,388,552	1	2.657 %	Eli Lilly and Company	\$ 1,038,078	1	2.654 %
Citizens Energy Group	511,463	2	0.979	Indianapolis Power & Light Co.	280,605	2	0.717
Federal Express Corporation	254,753	3	0.488	Federal Express Corporation	191,125	3	0.489
White Legacy Properties, LLC	208,680	4	0.399	Convention Headquarters Hotels, LLC	156,907	4	0.401
Allison Transmission Inc.	178,039	5	0.341	Allison Transmission Inc.	143,606	5	0.367
SFT Property LLC	156,989	6	0.300	Macquarie Office Monument Center I, LLC	117,671	6	0.301
Indianapolis Power and Light Company	156,313	7	0.299	Indiana Bell Telephone Company, Inc.	81,452	7	0.208
Rolls-Royce Corporation	124,979	8	0.239	SVC Manufacturing Inc.	77,263	8	0.198
G&I IX MJW Keystone Crossing, LLC	106,125	9	0.203	Rolls Royce	76,161	9	0.195
SVC Manufacturing Inc.	91,987	10	0.176	Hub Properties GA, LLC	73,706	10	0.188
Corteva Agriscience LLC	90,579	11	0.173	National Starch, LLC	72,913	11	0.186
American United Life Insurance Company	90,116	12	0.172	American United Life Insurance Company	72,528	12	0.185
MSA North Developer LLC	88,392	13	0.169	Motors Liquidation Company	72,256	13	0.185
Castleton Square, LLC	84,751	14	0.162	Circle Centre Development Company	67,810	14	0.173
IMD2 LLC	79,489	15	0.152	Citizens Gas & Coke Utility	67,682	15	0.173
Cellco Partnership	79,342	16	0.152	Crossroads Indiana, LLC	60,590	16	0.155
Westin Indianapolis LLC	71,976	17	0.138	MT Acquisitions, LLC	57,404	17	0.147
Axis FC LLC	71,192	18	0.136	Castleton Square, LLC	52,022	18	0.133
Comcast of Indianapolis LP	68,732	19	0.132	Cellco Partnership	51,064	19	0.131
IN-IUPUI Holdings, LLC	67,355	20	0.129	LHO Indianapolis Hotel One, LLC	50,686	20	0.130
	<u>\$ 3,969,804</u>		<u>7.596</u>		<u>\$ 2,861,529</u>		<u>7.316</u>

- (a) Represents the January 1, 2020 valuations for taxes due and payable in 2021 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, 2011 valuations for taxes due and payable in 2012 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 2012 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Property Tax Levies and Collections
Schedule 10
Last Ten Fiscal Years
(In thousands)

Fiscal year ended December 31	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount (a)	Percentage of levy
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
2015	195,944	189,917	96.9	4,913	194,830	99.4 (b)
2016	194,983	187,224	96.0	6,639	193,863	99.4
2017	217,161	210,628	97.0	5,666	216,294	99.6
2018	214,321	207,816	97.0	6,131	213,947	99.8
2019	224,783	212,813	94.7	7,754	220,567	98.1
2020	223,480	214,454	96.0	7,303	221,757	99.2
2021	231,911	223,857	96.5	—	223,857	96.5

(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.

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		
2012	\$ 210,616	\$ 632,594	\$ 264,850	(b) 46,150	\$ 8,175	\$ 1,162,385	2.75%	\$ 1,391
2013	180,800	626,551	260,150	28,732	8,038	1,104,271	2.63%	1,307
2014	157,574	669,880	271,520	40,422	8,549	1,147,945	2.65%	1,350
2015	129,860	649,323	345,558	74,633	11,607	1,210,981	2.67%	1,418
2016	85,898	624,750	335,028	82,197	10,619	1,138,492	2.44%	1,325
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	2.49%	1,449
2019	121,652	614,661	453,785	104,601	39,997	1,334,696	2.54%	1,523
2020	324,760	623,875	316,043	119,772	28,473	1,412,923	2.47%	1,592
2021	344,837	592,530	296,342	130,723	41,291	1,405,723	2.45%	1,584

(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				
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	147.57	
2018	124,440	15,395	109,045	0.244	125.20	
2019	121,652	15,930	105,722	0.225	120.63	
2020	324,760	17,525	307,235	0.620	346.12	
2021	344,837	13,265	331,572	0.635	373.54	

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, 2021
(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	\$ 43,814,316	0.67%	\$ 293,556	\$ 50,145
Park District	1	46,796,021	0.67%	313,533	24,385
Redevelopment District	2	43,814,316	(f)	-	—
Flood Control District	1	46,796,021	0.67%	313,533	—
Metropolitan Thoroughfare District	1	46,796,021	1.33%	622,387	203,515
Solid Waste Special Service District	7	43,877,609	2.00%	877,552	—
Public Safety Communications and Computer Facilities District	1	46,796,021	0.67%	313,533	44,240
Premium on General Obligation Debt				-	22,552
Total City General Obligation Debt				<u>\$ 2,734,094</u>	<u>344,837</u>
Other Direct Debt (i)					
Tax increment bonds					592,530
Revenue bonds					296,342
Note payable and certificate of participations					130,723
Capital leases					41,291
Total City Direct Debt					<u>\$ 1,405,723</u>
Overlapping:					
Marion County	1	\$ 46,796,021	0.67%	<u>\$ 313,533</u>	<u>\$ —</u>
Municipal Corporations:					
Indianapolis Airport Authority	1	\$ 46,796,021	0.67%	\$ 313,533	\$ —
Health and Hospital Corporation	1	46,796,021	0.67%	313,533	164,805
Capital Improvement Board of Managers	1	46,796,021	0.67%	313,533	—
Indianapolis-Marion County Building Authority	1	46,796,021	(b)	-	—
Indianapolis-Marion County Public Library	4	46,135,412	0.67%	309,107	73,820
Indianapolis Public Transportation Corporation	2	44,343,703	0.67%	297,103	—
Total Municipal Corporations				<u>\$ 1,546,809</u>	<u>\$ 238,625</u>
School Districts:					
Beech Grove	8	\$ 501,114	(g)	\$ 3,357	\$ 1,937
Decatur	8	1,883,231	(g)	12,618	6,490
Franklin	8	3,039,188	(g)	20,363	4,780
Indianapolis Public Schools	8	12,939,104	(g)	86,692	44,354
Lawrence	8	5,599,537	(g)	37,517	22,690
Perry	8	4,114,993	(g)	27,570	22,835

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2021
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit		Bonds outstanding (h)
			%	Dollar amount	
School Districts (continued):					
Pike	8	\$ 5,223,628	(g)	\$ 34,998	\$ 20,940
Speedway	8	660,609	(g)	4,426	1,360
Warren	8	2,968,372	(g)	19,888	—
Washington	8	6,684,971	(g)	44,789	18,805
Wayne	8	3,181,274	(g)	21,315	5,275
Total School Districts		<u>\$ 46,796,021</u>		<u>\$ 313,533</u>	<u>\$ 149,466</u>
Other Cities and Towns:					
Beech Grove	2	\$ 529,388	0.67%	\$ 3,547	\$ 350
Lawrence	2	1,728,415	0.67%	11,580	1,994
Southport	2	63,293	0.67%	424	98
Speedway	2	660,609	0.67%	4,426	2,799
Total Other Cities and Towns		<u>\$ 2,981,705</u>		<u>\$ 19,977</u>	<u>\$ 5,241</u>
Townships:					
Center	3	\$ 7,615,556	0.67%	\$ 51,024	\$ —
Decatur	3	1,885,649	0.67%	12,634	—
Franklin	3	3,183,826	0.67%	21,332	—
Lawrence	3	6,012,437	0.67%	40,283	1,115
Perry	3	4,491,061	0.67%	30,090	—
Pike	3	5,062,131	0.67%	33,916	—
Warren	3	3,996,038	0.67%	26,773	—
Washington	3	9,534,038	0.67%	63,878	—
Wayne	3	4,747,975	0.67%	31,811	518
Total Townships		<u>\$ 46,528,711</u>		<u>\$ 311,741</u>	<u>\$ 1,633</u>
Excluded Library Districts:					
Speedway	4	\$ 660,609	0.67%	\$ 4,426	\$ 75
Total Excluded Library Districts		<u>\$ 660,609</u>		<u>\$ 4,426</u>	<u>\$ 75</u>
Ben Davis Conservancy District		<u>\$ 402,164</u>	(c)	<u>\$ —</u>	<u>\$ —</u>
Total overlapping debt					<u>\$ 395,040</u>
Total direct and overlapping debt					<u>\$ 1,800,763</u>

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2021
(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, 2020 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2021.
- (e) See Introductory Section.
- (f) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (g) A statutory 0.67% 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.
- (i) Other direct debt outstanding includes deferred premiums.

Source: All outstanding debt for the overlapping governments can be found on Indiana Gateway. gateway.ifionline.org

CITY OF INDIANAPOLIS
Computation of Legal Debt Margin (a)(c)
Schedule 14
December 31, 2021
(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	\$ 43,814,316	0.67%	\$ 293,556	\$ 50,145	\$ 243,411	17.08%
Park District	46,796,021	0.67%	313,533	24,385	289,148	7.78%
Redevelopment District	43,814,316	(b)	—	—	—	—
Flood Control District	46,796,021	0.67%	313,533	—	313,533	0.00%
Metropolitan Thoroughfare District	46,796,021	1.33%	622,387	203,515	418,872	32.70%
Solid Waste Special Service District	43,877,609	2.00%	877,552	—	877,552	—
Public Safety Communications and Computer Facilities District	46,796,021	0.67%	313,533	44,240	269,293	14.11%

(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 Annual Comprehensive 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	
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
2020	78,012	3,545	4,659	9.51 (l)
2021	86,009	4,285	1,307	15.38

PILOT revenue bonds				
Payments in lieu of taxes (b)	Debt service		Coverage	
	Principal	Interest (h)		
\$ 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	
18,908	2,790	7,352	1.86	
19,739	4,875	7,213	1.63	

Property tax increment bonds				
Tax increment revenues (c)	Debt service		Coverage	
	Principal (d)	Interest		
\$ 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	
118,105	52,364	20,612	1.62	
123,491	58,500	19,939	1.57 (n)	

Facilities revenue bonds				
Fiscal year	Charge back (e)	Debt service		Coverage
		Principal	Interest	
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
2020	1,820	1,775	39	1.00
2021	1,819	905	8	1.99

Economic development bonds				
Parking fees (f)	Debt service		Coverage	
	Principal	Interest		
\$ 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	
1,586	705	881	1.00	
1,583	720	863	1.00	

Stormwater revenue bonds (m)				
Net revenues of the stormwater system (g)	Debt service		Coverage	
	Principal	Interest		
\$ 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)	
11,379	4,095	5,008	1.25	
11,448	4,285	4,873	1.25	

- (a) 2011-2012, only wheel taxes pledged. 2013-2020, 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.
- (l) Principal payment does not include \$104,360 for the IndyRoads Metropolitan Thoroughfare District Refunding Bonds, Series 2020B.
- (m) Revenue disclosed is equal to required coverage, actual coverage is higher.
- (n) Principal payment does not include \$78,915 for the Economic Development Bonds Series 2011A NOS.

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 (a)</u>	<u>Education level in years of schooling (a)</u>	<u>School enrollment (c)</u>	<u>Unemployment rate (d)</u>
2012	835,499	\$ 42,320,319	\$ 46,011	33.70	12	146,175	9.40 %
2013	844,696	42,029,249	45,197	33.90	12	149,697	7.00
2014	850,164	43,324,791	46,290	34.10	12	130,007	5.80
2015	853,714	45,335,677	48,238	34.30	12	130,371	4.60
2016	859,049	46,676,017	49,357	34.40	12	131,754	3.90
2017	863,478	47,727,002	50,211	34.50	12	132,596	3.10
2018	870,960	50,634,219	52,815	34.50	12	132,838	3.40
2019	876,384	52,478,123	54,405	34.20	12	131,292	2.90
2020	887,642	57,259,810	59,264	34.40	12	131,830	5.70
2021	887,642 (f)	57,259,810 (e)	59,264 (e)	34.40 (f)	12	127,552	1.90

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Indiana Department of Education

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

(e) This information was not made available by the Bureau of Economic Analysis as of the ACFR issuance date; therefore, prior year numbers were utilized.

(f) 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, 2021

Employer	2021 (b)			Employer	2012 (c)		
	Employees	Rank	Percentage of total city employment (a)		Employees	Rank	Percentage of total city employment (a)
Indiana University Health	23,187	1	4.81%	Eli Lilly and Company	11,550	1	2.73%
Ascension St. Vincent	17,398	2	3.61%	St. Vincent Hospitals & Health Services	11,075	2	2.62%
Community Health Network	15,000	3	3.11%	Community Health Network	8,079	3	1.91%
IUPUI	14,000	4	2.90%	IUPUI	7,066	4	1.67%
Eli Lilly and Company	10,317	5	2.14%	Rolls-Royce	4,316	5	1.02%
Walmart	9,582	6	1.99%	FedEx	4,311	6	1.02%
Kroger Co	7,520	7	1.56%	Roche Diagnostic Corporation	4,300	7	1.02%
Federal Express Corporation	6,500	8	1.35%	WellPoint Inc.	3,950	8	0.94%
Anthem	4,870	9	1.01%	St. Francis Hospital & Health Centers	3,628	9	0.86%
Meijer	4,707	10	0.98%	Allison Transmission/Div of GMC	3,400	10	0.81%

- (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 obtained from Indy Partnership.
- (c) Data presented as originally published in the 2012 Comprehensive Annual Financial Report.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	230	211	200	192	190	195	194	199	190	191
Protection of People										
Police Department	1,542	1,527	1,549	1,654	1,647	1,654	1,653	1,660	1,628	1,684
Fire Department	1,221	1,155	1,173	1,180	1,184	1,184	1,179	1,189	1,192	1,256
Other (Civilian)	262	348	336	337	331	340	342	392	379	362
Public Works	683	620	626	632	648	649	684	694	713	681
Parks and Recreation	114	99	103	103	104	117	119	123	119	183
Redevelopment	206	204	226	237	239	254	247	251	231	211
Total full-time City employees	<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>	<u>4,452</u>	<u>4,568</u>

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Building permits issued	38,803	38,384	39,708	37,967	38,117	42,140	43,962	47,513	40,146	43,589
Building inspections conducted	35,509	29,891	31,026	40,088	37,681	37,645	35,875	37,400	29,241	24,004
Households assisted with entitlement grants	1,789	2,233	2,100	4,219	6,812	6,436	2,193	1,496	2,099	2,846
Police										
Physical arrests	55,965	52,337	42,293	39,417	61,059	41,310	32,578	15,466 (c)	22,720	22,458
Parking violations	3,778	2,362	3,440	6,512	7,501	7,599	6,827	6,971	6,838	7,442
Traffic violations	30,328	36,953	31,684	40,642	49,921	35,915	35,062	39,016	28,781	29,019
Fire										
Emergency responses	151,950	150,535	97,140	106,118	164,030	178,522	167,217	161,339	155,449	164,296
Dispatched fire runs	18,682	18,744	18,543	18,809	15,145	15,526	16,793	19,628	19,534	18,471
Inspections	8,231	10,960	15,228	17,678	14,049	13,687	14,398	11,436	11,297	15,957
Refuse collection										
Refuse collected (tons per day)	924	960	975	991	1,044	1,127	765	787	873	855
Leaves collected (tons per year)	4,907	6,359	5,785	5,397	3,789	3,842	4,894	4,880	5,458	3,862
Other public works										
Street resurfacing (miles)	139	178	254	138	157	72	114	237	147	123
Pothole work orders completed (a)	13,410	14,512	21,722	24,106	21,954	24,202	43,731	45,454	32,060	22,578
Parks and recreation										
Number of shelter rental reservations	2,279	2,176	2,097	2,467	2,208	2,263	2,865	3,039	1,403 (b)	2,773
Number of day camp registrations	3,143	3,107	3,213	3,226	3,077	3,010	3,079	3,492	428 (b)	488 (b)
Community park and facility attendance	7,321,222	7,844,919	5,172,493	7,460,471	8,648,601	8,456,535	8,393,228	8,936,017	7,499,379 (b)	8,185,883

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

(b) Reduction due to COVID-19 pandemic and related restrictions.

(c) Represents physical arrests from June through December 2019, January through May is not available.

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police stations	6	6	6	6	6	6	6	6	6	6
Police and emergency management vehicles and other rolling stock	2,049	1,925	1,838	1,916	2,009	2,029	2,069	2,128	2,131	2,234
Fire stations	44	44	44	44	43	43	43	43	43	44
Fire vehicles and other rolling stock	282	276	276	291	296	305	315	328	316	316
Animal control vehicles and other rolling stock	27	34	30	33	33	33	32	41	36	36
Other Public Works										
Streets (miles)	3,299	3,307	3,323	3,337	3,339	3,339	3,342	3,401	3,402	3,402
Sidewalks (miles)	2,815	3,097	3,199	3,224	3,247	3,251	3,252	3,151	3,152	3,158
Bridges	527	541	541	540	538	539	539	539	538	538
Traffic signal installations	1,130	1,132	1,136	1,141	1,147	1,147	1,151	1,156	1,163	1,164
Miles of storm sewers and drainage	1,525	1,536	1,540	1,544	1,545	1,550	1,552	1,561	1,564	1,573
Public works vehicle and other rolling stock	672	652	644	605	590	593	682	721	665	643
Cultural and Recreation										
Parks	207	207	208	208	207	210	210	218	218	214
Park properties – acreage	11,161	11,161	11,186	11,186	11,254	11,254	11,254	11,386	11,386	11,348
Playgrounds	126	126	126	126	125	125	126	126	130	130
Golf courses	13	13	13	13	13	13	13	13	12	12
Swimming pools – outdoors	16	16	16	16	16	18	18	18	18	18
Swimming pools – indoors	5	5	5	5	5	4	4	4	4	4
Recreational centers	24	24	24	24	23	23	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, 2021

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
December 31, 2021

Contents

Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards.....	3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> - Independent Auditor's Report	4
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.....	6
Schedule of Findings and Questioned Costs.....	9
Summary Schedule of Prior Audit Findings.....	12

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing 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	74902	\$ -	\$ 480,412
Indiana Department of Education Summer Food Service Program for Children (<i>Child Nutrition Cluster</i>)	10.559	74902	-	278,757
Total U.S. Department of Agriculture			<u>-</u>	<u>759,169</u>
U.S. Department of Commerce				
Economic Adjustment Assistance (<i>Economic Development Cluster</i>)	11.307		-	79,702
Total U.S. Department of Commerce			<u>-</u>	<u>79,702</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants (<i>CDBG Entitlement Grants Cluster</i>)	14.218		5,746,496	9,002,062
COVID-19 Community Development Block Grants/Entitlement Grants (<i>CDBG Entitlement Grants Cluster</i>)	14.218		870,917	2,094,143
Total CDBG Entitlement Grants Cluster			<u>6,617,413</u>	<u>11,096,205</u>
Indiana State Office of Community & Rural Affairs Community Development Block Grants/State's Program	14.228	A192-21-FSSA-CV2-103	164,158	170,171
Emergency Solutions Grant Program	14.231		847,732	893,399
COVID-19 Emergency Solutions Grant Program	14.231		3,800,511	3,800,511
			<u>4,648,243</u>	<u>4,693,910</u>
Home Investment Partnerships Program	14.239		1,423,233	1,740,823
Housing Opportunities for Persons with AIDS	14.241		1,714,289	1,749,446
COVID-19 Housing Opportunities for Persons with AIDS	14.241		97,661	97,661
			<u>1,811,950</u>	<u>1,847,107</u>
Community Development Block Grants Section 108 Loan Guarantees	14.248		-	8,279,000
Continuum of Care	14.267		7,227,084	7,337,039
Total U.S. Department of Housing and Urban Development			<u>21,892,081</u>	<u>35,164,255</u>
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034		778,944	839,139
Indiana State Police Missing Children's Assistance	16.543	44540	-	25,531
Indiana Criminal Justice Institute Crime Victim Assistance	16.575	00238	-	147,458
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590		-	187,592
Project Safe Neighborhoods Indiana Criminal Justice Institute Project Safe Neighborhoods	16.609	PSN-S-2019-00011	-	17,070
			<u>-</u>	<u>16,000</u>
			<u>-</u>	<u>33,070</u>
Special Data Collections and Statistical Studies	16.734		-	73,623
Edward Byrne Memorial Justice Assistance Grant Program	16.738		684,397	955,555
Criminal and Juvenile Justice and Mental Health Collaboration	16.745		-	100,858
Second Chance Act Reentry Initiative	16.812		-	22,900
Justice Reinvestment Initiative	16.827		-	82,761
National Sexual Assault Kit Initiative	16.833		-	59,412
Equitable Sharing Program	16.922		-	340,804
Total U.S. Department of Justice			<u>1,463,341</u>	<u>2,868,703</u>
U.S. Department of Transportation				
Indiana Department of Transportation Highway Planning and Construction (<i>Highway Planning and Construction Cluster</i>)	20.205	1401726, 1601002, 1500287, 1400940, 1600992, 1601001, 1298645, 1600994, 1700928, 1700936, 1401727, 1700901	-	1,110,822
Indiana Criminal Justice Institute State and Community Highway Safety (<i>Highway Safety Cluster</i>)	20.600	CHIRP-2021-00021, SAVE-2021-00037	-	725,501
Total U.S. Department of Transportation			<u>-</u>	<u>1,836,323</u>

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Treasury				
Equitable Sharing Program	21.016		\$ -	\$ 590,516
COVID-19 Coronavirus Relief Fund	21.019		-	369,737
COVID-19 Emergency Rental Assistance Program	21.023		120,335,612	120,335,612
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		2,919,069	20,345,197
Total U.S. Department of Treasury			<u>123,254,681</u>	<u>141,641,062</u>
National Endowment for the Humanities				
State Of Indiana Arts Commission				
Promotion of the Arts Partnership Agreements	45.025	N/A	-	663
Total National Endowment for the Humanities			<u>-</u>	<u>663</u>
Environmental Protection Agency				
Brownfields Assessment and Cleanup Cooperative Agreements				
Total Environmental Protection Agency	66.818		<u>-</u>	<u>249,470</u>
U.S. Department of Education				
Indiana Department of Education				
Charter Schools	84.282	49260	-	19,386
Total U.S. Department of Education			<u>-</u>	<u>19,386</u>
Executive Office of the President				
City of Crown Point				
High Intensity Drug Trafficking Areas	95.001	GY20LC0003A	-	219,565
Total Executive Office of the President			<u>-</u>	<u>219,565</u>
U.S. Department of Homeland Security				
National Urban Search and Rescue (US&R) Response System				
Assistance to Firefighters Grant	97.025		-	3,920,782
Staffing for Adequate Fire and Emergency Response (SAFER)	97.044		-	2,897,250
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		-	4,095,682
Total U.S. Department of Homeland Security			<u>-</u>	<u>10,913,714</u>
Total Expenditures of Federal Awards			<u>\$ 146,610,103</u>	<u>\$ 193,752,012</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, 2021

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, 2021. 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 or other applicable regulatory 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, 2021, consist of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at December 31, 2021
14.248	Community Development Block Grants Section 108 Loan Guarantees	\$ 8,006,000

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, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 21, 2022. Our report includes a reference to other auditors who 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.

Report on 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) as a basis for designing 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

FORVIS,LLP

Indianapolis, Indiana
July 21, 2022

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

Opinion on Each Major Federal Program

We have audited the City of Indianapolis, Indiana's (City) compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of Indianapolis Housing Agency (Housing Agency) as a discretely presented component unit, which expended \$67,370,802 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2021. Our compliance audit, described in the "Opinion on Each Major Federal Program" section above, does not include the operations of the Housing Agency because the Housing Agency engaged other auditors to perform an audit of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We have issued our report thereon dated July 21, 2022, which contained unmodified opinions on those financial statements and a reference to other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. 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.

FORVIS,LLP

Indianapolis, Indiana
July 21, 2022

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP was:

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None Reported
Noncompliance material to the financial statements noted? Yes No

Federal Awards

3. Internal control over major federal awards programs:

Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None Reported

4. Type of auditor’s report on compliance for major federal awards programs:

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, 2021

5. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
14.231	Emergency Solutions Grant Program
14.267	Continuum of Care
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
97.025	National Urban Search and Rescue (US&R) Response System

8. Dollar threshold used to distinguish between Type A and Type B programs was \$3,000,000.

9. Auditee 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, 2021

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

City of Indianapolis
(A Component Unit of the Consolidated City of
Indianapolis - Marion County)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
2020-001	<p>Financial Reporting</p> <p>The City’s Office of Finance and Management (OFM) is primarily responsible for the financial reporting process, including maintaining and reconciling the capital asset records. Certain adjustments and passed adjustments were not identified by management in a timely manner as a result of various unusual transactions that occurred during the COVID environment. Additionally, a passed adjustment was evaluated as a result of the lack of formal review over INDOT projects. Finally, during 2020, the City continued to invest time and effort to reconcile the accounting system to the financial statements and during this process identified an additional passed adjustment.</p>	Resolved