



City of Indianapolis, Indiana

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

Annual Comprehensive Financial Report

Year Ended December 31, 2020

Joe Hogsett, Mayor

Ken Clark, Controller

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**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

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

Year Ended December 31, 2020

Office of Finance and Management

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Introductory Section

Introductory Section



July 21, 2021

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, 2020. 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 73 successful relocation and expansion projects in 2020, leading to 4,125 new jobs and 4,827 retained jobs at a record high average of \$33.86 per hour with \$1.4 billion 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 145 daily flights to 50 nonstop destinations including a transatlantic flight to Paris, inaugurated May 2018. In addition, more than 9.5 million passengers flew through IND that year, setting a new historical record with the addition of new nonstop service flights and the entry of Spirit Airlines.³ Due to the ongoing COVID-19 pandemic, the number of enplaned passengers has declined similarly to airport traffic in America, but air cargo tonnage year to date has remained essentially stable, on par with 2019 levels.⁴ 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, IND was voted Best Airport in North America by Airports Council International for the ninth consecutive year⁵ and Best Domestic Airport by Travel+Leisure.⁶ 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.⁷ Riley Hospital will remain in its current location, following its \$475 million expansion, but will be adding a new maternity and newborn health center in 2021.

¹ Data retrieved from: <https://indychamber.com/news/press-release-mayor-joe-hogsett-and-develop-indy-report-2020-economic-development-successes-and-unprecedented-small-business-support/>

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

³ Indianapolis Airport Authority, Annual Report, 2019

⁴ On June 1, 2020 and November 16, 2020, The Indianapolis Airport filed a report on EMMA, providing updated information on flights, passenger revenue and financial assumptions for FY2020, following the onset of the COVID-19 pandemic. <https://www.ind.com/about/investors-financials-reports/covid-19-investor-information>

⁵ Airports Council International. "ACI Reveals World's Best Airports for Customer Experience" <https://aci.aero/news/2021/03/01/worlds-best-airports-for-customer-experience-revealed/>

⁶ Travel + Leisure. "The Top Ten Domestic Airports" <https://www.travelandleisure.com/worlds-best/airports-domestic>

⁷ 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 20 institutions of higher learning with over 127,000 students enrolled⁸. These include Indiana University-Purdue University Indianapolis (IUPUI), Butler University, University of Indianapolis, Marian University, Ivy Tech Community College and others. The Indianapolis area is served by 341 K-12 schools and 11 public school districts, with a population of 181,000 students distributed among all public and private schools⁹.

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 Final Four for 2021; and the NCAA College Football National Championship game in 2022. Due to the ongoing COVID-19 Pandemic, the City will host 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. Bankers Life Fieldhouse is home to the Indiana Pacers and the Indiana Fever, 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 17th 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 dollars. The top annual conventions and events are: Gen Con (70k), National FFA Convention (64k), Big Ten Championship (70k), and the Indy 500 (up to 300k attending). In 2019, Visit Indy secured 840,899 future hotel room nights for conventions, trade shows, meetings, and events¹⁰.

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."¹¹ Travel and Leisure 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 "25 Best Places to Visit in 2020"¹²

⁸ Marion County Post-Secondary Education Student Enrollment: <https://nces.ed.gov/collegenavigator/?s=IN&of=1&od=0&pg=5>

⁹ Indiana Department of Education: <https://compass.doe.in.gov/search.aspx?county>

¹⁰ Provided directly by Visit Indy.

¹¹ Zagat "30 Most Exciting Food Cities in America 2017" <https://www.zagat.com/b/30-most-exciting-food-cities-in-america-2017>

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

and Travel and Leisure ranked Indianapolis #19 “50 Best Places to Travel in 2021”¹³ citing the newly opened Bottleworks development as a key destination to visit.

Economic Development

The City, in partnership with the Indy Chamber, continued working toward its inclusive growth, which included successfully implementing a new roadmap for inclusive incentives in 2020. The plan established a baseline of requirements for jobs to be incentivized: sustainable wages, health benefits, workforce support funding, and community impact. These policy changes help to ensure agreements are equitable for all. The inclusive incentives will also continue to be a critical asset as Indianapolis recovers from the impacts of COVID-19.

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 2020, two 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. 2020 saw nearly 1,200 ‘contacts’ with employers through the Indy Chamber’s regulatory ombudsman, an expanded suite of online business services, and business retention outreach, in addition to over 6,628 total touches including the online platform Open Counter. As part of the Indy Chamber and a partner of the City, Develop Indy also continues to serve a customer service function to support the existing business community, while welcoming new businesses to the City.

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

Companies in our target industries accounted for nearly 56% of the new and retained job announcements in 2020. Life sciences was the highest growth industry with nearly 2,600 new and retained job commitments, followed by information technology with 2,314 new and retained jobs and professional services with 2,294 new and retained jobs. A March 2020 Brookings Institute analysis reported Indianapolis had a noteworthy 6% average annual digital services job growth between 2000 and 2018. In a recent announcement, the Indy Chamber will

¹³ Travel and Leisure “Best Places to Travel in 2021” <https://www.travelandleisure.com/trip-ideas/best-places-to-travel-in-2021>

be partnering with the Brookings Institution’s Metropolitan Policy Program to help advance locally-relevant metrics of economic inclusion to advance growth and opportunity in the Indianapolis region.¹⁴

2020 Job Commitments and Investments

In support of the primary economic development goals for the City, 8,952 job commitments (4,125 new jobs/4,827 current and retained jobs) and over \$1.4 billion in capital investment from 73 successful relocation and expansion projects were announced in 2020. The average wage for retained jobs was \$32.18 per hour and the average wage for new jobs was \$33.86 per hour, showing an increase over the previous year. These successes were realized due to the partnership between the Mayor’s Office and the Indy Chamber. The commitment from companies to add and retain over 8,952 jobs and invest more than \$1.4 billion 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.

Small Business Support

The City, in partnership with Develop Indy and Indy Chamber, alongside private and philanthropic investors stepped up to meet the needs of small business in direct response to the COVID-19 pandemic, through a variety of programs and initiatives.

- The Indy Chamber’s Rapid Response Hub served as a central resource providing answers to over 500 direct questions from employers impacted by COVID-19, as well as a connection point to much-needed financial resources.
- Rapid Response Loans totaling \$3.8 million in Marion County served as a pivotal financial bridge early in the pandemic and as an ongoing support mechanism for small business lending capital.
- To assure the smallest of employers could secure Paycheck Protection Program (PPP) loans, the Indy Chamber created a unique partnership with Anderson-based Bankable to connect \$3.4 million in federal funds to local small businesses.
- The Ready to Restart Grant Program awarded over \$2.6 million in funds to arm Marion County small businesses with necessary health and safety items or services to combat the pandemic.
- And most recently, \$10.6 million in funds have been distributed through the Hospitality Establishment Lifeline Payment (HELP) Grants for restaurants, bars, and live entertainment venues.
- The Indy Music Strategy also supported businesses by providing two rounds of grants in partnership with Musical Family Tree to local, independent music venues totaling \$0.3 million.

¹⁴ Travel and Leisure “Best Places to Travel in 2021” <https://www.travelandleisure.com/trip-ideas/best-places-to-travel-in-2021>

2020 Notable Projects

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

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

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 \$64 million in Tax Increment Financing to build a new bridge across the White River, other infrastructure improvements and partner with the State on constructing a new pedestrian bridge connecting both banks of the White River.

Point Bio Pharma: A Toronto-based pharmaceutical startup, announced plans to build a \$25 million cancer-drug manufacturing plant in Indianapolis. Point said it will transform a 77,000-square-foot building at 4850 W. 78th St. into a cancer-drug manufacturing plant, its first in the United States. Additionally, it expects to hire 30 workers over the next two years, with employment ramping up further as production increases. The private company expects to employ 113 workers by the end of 2024.

Advanced Accelerator Applications SA: A subsidiary of Swiss drug giant Novartis AG, announced plans to build a drug manufacturing plant at Purdue Research Park near Indianapolis International Airport. The 50,000-square-foot advanced manufacturing facility, which will produce radiopharmaceuticals for cancer treatment, is expected to open in 2023. The project will create 26 new jobs initially; if successful, phase two could create an additional 100 jobs.

Kainos Group Plc: A Northern Ireland-based digital services company, that opened an office locally in October 2020 announced plans to add 133 employees by the end of 2024. They are investing over \$0.8 million to lease and equip office space in downtown's Circle Tower. Kainos also plans to recruit and develop local talent to work in support of the growth of Kainos Smart, its automated testing platform designed for Workday.

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 \$350 million in net property tax revenue in 2020, including TIF. The City expects to collect \$363 million in net property tax revenue in 2021. The Circuit breaker impact is estimated to be \$36 million in 2021, approximately 13% of certified property tax levies. This represents a slight increase from the \$35 million loss in property tax revenue experienced in 2020.

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 2020, total local income tax revenue distributed to the City attributed to the annual certified distribution was \$283 million which includes the three components of the income taxes, the total rate in 2020 was 1.7263%: County Option Income Tax (“COIT”) (0.9806%), Public Safety Income Tax (“PSIT”) (0.5000%), and the Local Option Income Tax (“LOIT”) Levy Freeze (0.2457%). In 2019, total City income taxes distributed were \$273 million. The \$10 million increase from 2019 is attributable to organic growth in income tax revenue and

a discretionary decision made by OFM to allocate more to the City offset by less to the County. The certified 2021 City income tax amount is \$305 million, an increase of \$22 million from 2020. 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 2020, the City received a supplemental amount of \$21 million, bringing total income taxes received in 2020 to \$304 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

In 2013, the Indiana General Assembly passed Senate Enrolled Act 621-2013. Senate Enrolled Act 621 (“SEA 621”) provided that City budgets may be allocated on a semiannual basis as determined by the City Controller. In addition, if revenues and fund balance are less than budgeted expenditures, the City Controller can reduce City agency budgets to create a funded budget. Under SEA 621 the City may impose management reserves, which places a percentage of each agency and department’s budget into reserve and does not allow for expenditure unless the Controller believes the appropriation is fully supported by a combination of current revenues and existing fund balance.

Focusing on fiscal stability, the City continues to maintain a AAA credit rating by showing solid cash reserves, including the Fiscal Stability fund which has an unassigned fund balance of approximately \$82.8 million at the end of 2020. The Fiscal Stability Fund was established by law and has the primary purpose of supporting a solid credit rating for the City.

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

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

Subsequent to the 2020 budget adoption, the United States Secretary of the Department of Health and Human services declared a public-health emergency for the United States on January 31, 2020, related to the outbreak and spread of the novel Coronavirus disease, known as COVID-19. On March 6, 2020, the Governor declared a disaster emergency for the State of Indiana. Subsequently, the Mayor issued Executive Order No. 1, 2020 declaring a local disaster emergency and ordering a watch-level travel advisory in Marion County. As part of City and State executive orders, social distancing strategies and mask mandates aimed at reducing the spread of infection were ordered.

In direct response to the COVID-19 pandemic the City thoughtfully deployed over \$168 million in 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. This funding provided critical resources for small businesses, vulnerable residents and neighbors throughout Indianapolis and Marion County. Funding priorities were focused on public health, social services and economic recovery aimed at getting Indianapolis residents and businesses impacted by COVID-19 back on their feet; while providing tools that made key government services more easily accessible for residents. Significant CRF investments were made in the following programs:

- Personal Protective Equipment (“PPE”)
- Face coverings for Marion County residents
- Rental assistance
- Food Access
- Housing options for homeless neighbors
- Restart programs for small business and nonprofit organizations
- Rapid reemployment hub in partnership with Ascend, EmployIndy and the Indy Chamber
- Technology

Despite the effects of the COVID-19 pandemic, the 2021 budget was still a structurally balanced budget. Fund balances are protected, and, while we are taking a conservative approach to spending in light of COVID-19, we are continuing to make meaningful investments in public safety, infrastructure, criminal justice reform, neighborhood development, and inclusive growth initiatives. The 2021 budget funds additional grants for neighborhood-based crime prevention and violence reduction programs, initiatives to combat homelessness and food insecurity, public safety technology solutions for IMPD, including expanding body cameras, investments in public safety communications, including maintenance and support for the County’s new computer aided dispatch system (“CAD”), 1,743 police officers, 1,220 firefighters, legal defense for children in need of social services (TPR-CHINS), and honors all commitments made by the City with collective bargaining groups. In addition, this budget invests in critical economic development and community building initiatives including Develop Indy, Indy Achieves, Indy 3.0, and the Arts Council. It funds the annual commitment we made under the four-year infrastructure plan that invests more than \$500 million in roads, bridges, trails, and storm water systems across Indianapolis’ neighborhoods.

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% will be distributed in May 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 months.

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, 2020, the Audit Committee members were:

Mr. Charles Johnson III, <i>Chairperson</i>	Engaging Solutions - Managing Principal
Mr. David Reynolds	Policy Analytics, Senior Vice President
Ms. Debra Shoffner	Retired Financial Services Sector Professional
Mr. Tim Moriarty	Mayor’s Office - Senior Executive Policy Advisor to the Mayor
Mr. Daniel Boots	City-County Councillor, City of Indianapolis – Marion County
Ms. Tanya Ndiaye	The Organizer, Accountant
Vacancy	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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

Acknowledgment

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ken Clark", written in a cursive style.

Ken Clark

Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indianapolis
Indiana**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

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 17th largest city in the nation with a population of 876,384 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:

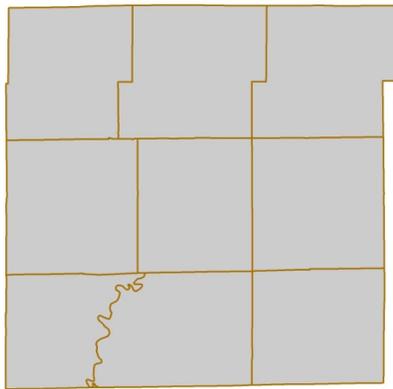
- **Marion County** as a governmental unit provides services such as courts, sheriff, tax assessment, collection, etc., not otherwise provided by other governmental units.
- The **Capital Improvement Board of Managers of Marion County** (“CIB”) is a separate and distinct municipal corporation with territory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

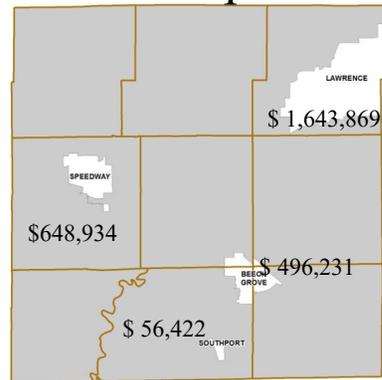
Map 1



**MARION COUNTY
AND OTHER INCLUDED
TOWNS**

Marion County \$44,379,618

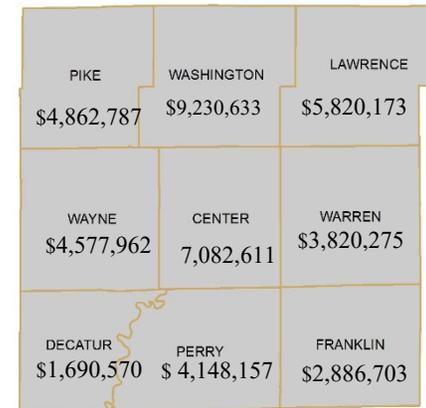
Map 2



**CONSOLIDATED
CITY OF INDIANAPOLIS**

City of Indianapolis \$41,534,162
Excluded Cities and Towns \$2,845,456

Map 3



TOWNSHIPS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2019 valuations for taxes collectible in 2020.

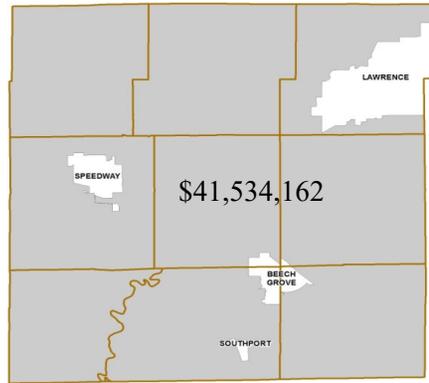
Map 4



LIBRARIES

Speedway	\$648,934
Marion County Libraries	\$43,730,684

Map 5

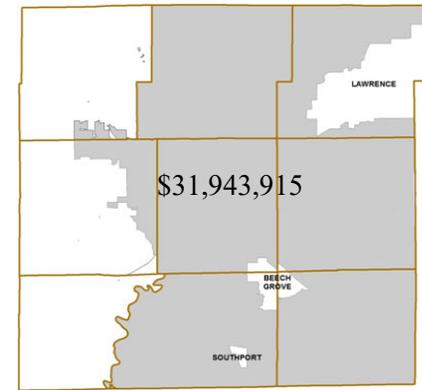


INDIANAPOLIS

POLICE SERVICE DISTRICT

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

Map 6

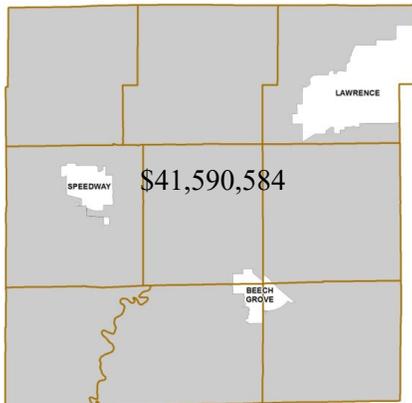


INDIANAPOLIS

FIRE SERVICE DISTRICT

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

Map 7



**INDIANAPOLIS SOLID WASTE
SPECIAL SERVICE DISTRICT**

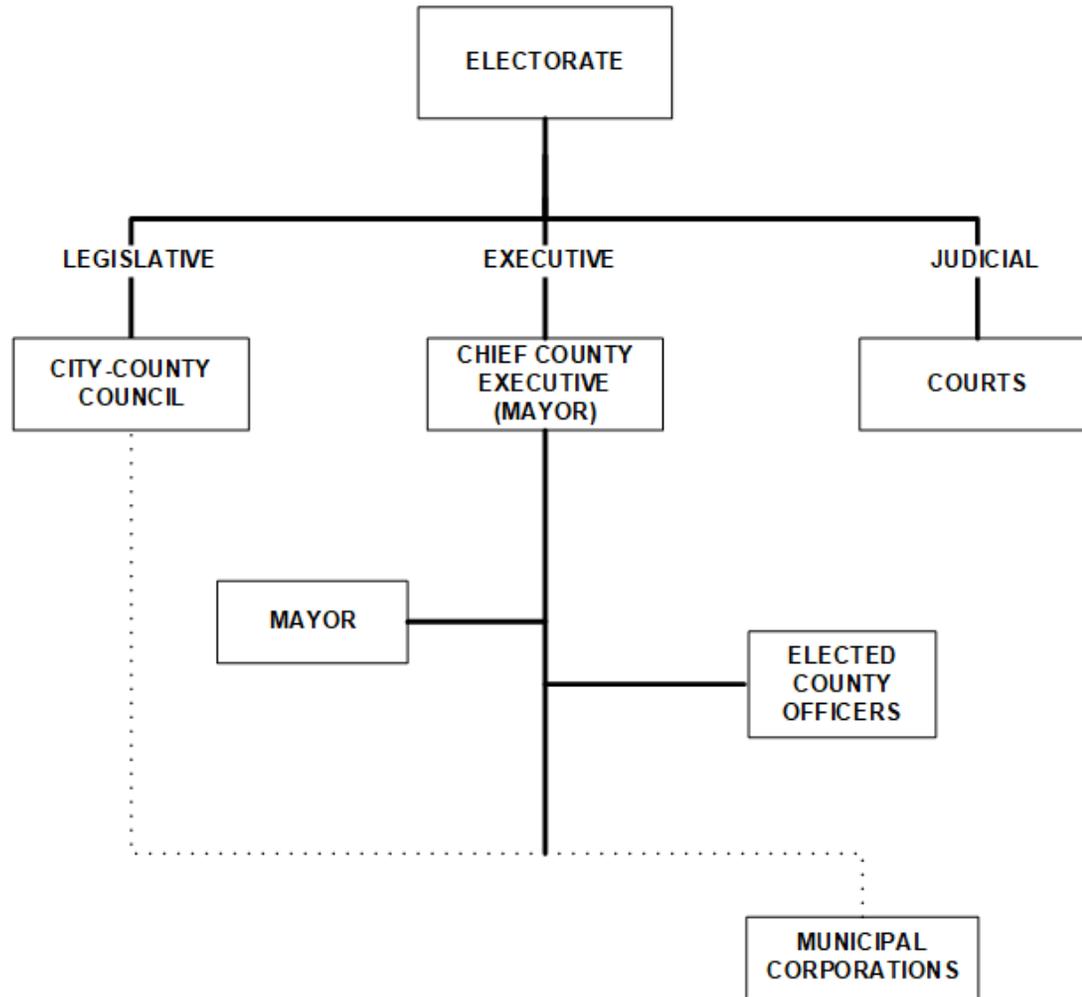
Map 8



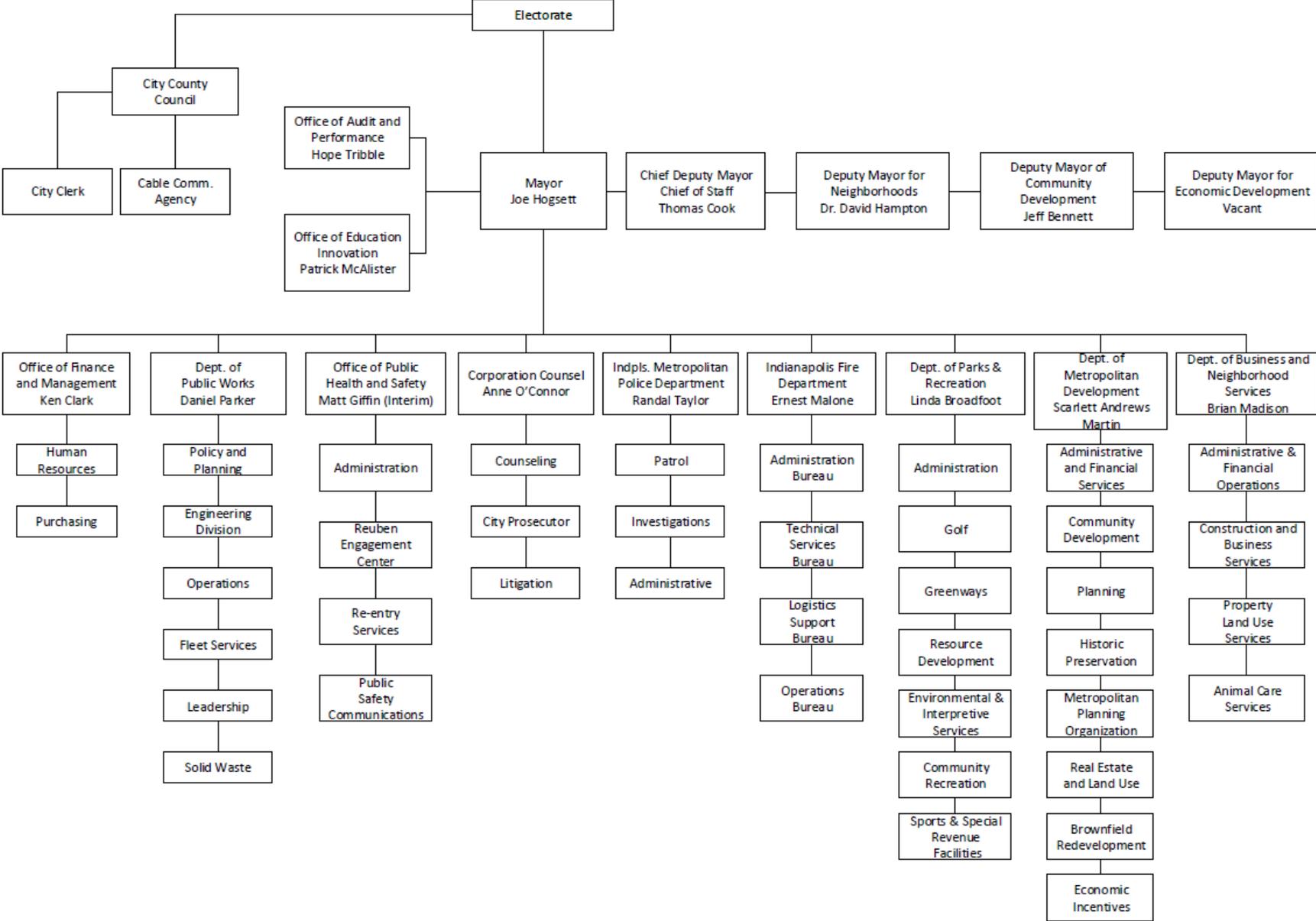
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for January 1, 2019 valuations for taxes collectible in 2020.

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



City of Indianapolis Organization Chart December 31, 2020



CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS

December 31, 2020

Elected Officials*



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



Claudia O. Fuentes, Ex-Officio City Treasurer
9 Years of Service
Marion County Treasurer

City-County Councillors



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



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



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



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

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)
December 31, 2020



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



Keith Potts
District 2
1 Year of Service
City-County Councillor



Dan Boots
District 3
1 Year of Service
Partner
Dentons Law



Ethan Evans
District 4
1 Year of Service
Attendance Assistant
North Central High School



Alison Brown
District 5
1 Year of Service
Executive Director
Rebuilding Together



Crista Carlino
District 6
1 Year of Service
Library Media Specialist
Ben Davis University High School



John Barth
District 7
1 Year of Service
Healthcare CEO



Monroe Gray Jr.
District 8
28 Years of Service
Retired



William C. Oliver
District 9
17 Years of Service
Retired



Jason Larrison
District 12
1 Year of Service
Senior Project Manager
Core Strategies



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



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

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)
December 31, 2020



Jessica McCormick
District 15
1 Year of Service
EDDP Academic Coordinator
Butler University



Kristin Jones
District 16
1 Year of Service
City-County Councillor



Michael-Paul Hart
District 18
1 Year of Service
Senior Consultant
VMware



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



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



Frank Mascari
District 21
10 Years of Service
Jeweler
Spalding Jewelry



Jared Evans
District 22
5 Years of Service
Consultant



Paul Annee
District 23
1 Year of Service
Executive Director
Marion County Agricultural Fair Association



Michael Dilk
District 24
1 Year of Service
City-County Councillor

*The term of office for all elected officials expires December 31, 2023 except for the Marion County Treasurer, whose term expires December 31, 2020.

CITY OF INDIANAPOLIS
SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (cont.)
December 31, 2020

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>
Thomas Cook	Chief Deputy Mayor/Chief of Staff	5	5
Dr. David Hampton	Deputy Mayor for Neighborhoods	5	5
Jeff Bennett	Deputy Mayor of Community Development	5	18
Vacant	Deputy Mayor for Economic Development	-	-
Patrick McAlister	Director of Office of Education Innovation	5	5
Ken Clark	Controller - Office of Finance and Management	1	8
Anne O'Connor	Corporation Counsel	1	5
Scarlett Andrews Martin	Director of Metropolitan Development	1	4
Daniel Parker	Director of Public Works	4	4
Linda Broadfoot	Director of Parks and Recreation	4	4
Brian Madison	Director of Business and Neighborhood Services	3	11
Matt Giffin (Interim)	Director of Office of Public Health and Safety	1	2
SaRita Hughes	Clerk of the City-County Council	3	9
Hope Tribble	Director of Office of Audit and Performance	5	8

CERTIFIED PUBLIC ACCOUNTANTS BKD, LLP

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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis (City), a component unit of the Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Indianapolis, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2020, the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 21, 2021, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
July 21, 2021

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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, 2020

This Annual Comprehensive Financial Report presents an analysis of the financial activities of the City of Indianapolis (“City”) for the year ended December 31, 2020 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the City’s financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City’s liabilities and deferred inflows exceeded its assets and deferred outflows at December 31, 2020 by \$7.8 million, which represents the total net deficit of the City’s governmental activities. Included in this net position amount is a \$899.6 million unrestricted deficit due mainly to an unfunded net pension liability of \$867.1 million and an unfunded postemployment benefit obligation of \$259.7 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 \$768.7 million or 89% of the total net pension liabilities will be covered by the State of Indiana. Regarding the unfunded postemployment benefit obligation, there is no intent by the City or legal requirement to fund this long-term liability beyond the annual payments required by existing labor agreements. Without these two unfunded obligations, the unrestricted net position balance would be a \$227.2 million surplus. 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 2020, the City’s total expenses were \$1,017.7 million or \$239.3 million less than the \$1,257.0 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2020, the City’s governmental funds reported combined ending fund balances of \$851.1 million. Of this amount, \$0.4 million was nonspendable, \$540.4 million was restricted, \$30.5 million was committed, \$111.3 million was assigned, and \$168.5 million was unassigned.
- The unassigned fund balance for the general fund was \$168.5 million or 24% 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 \$310.4 million or 45% of total general fund expenditures. The City’s policy is to maintain an unrestricted general fund balance of 17% of total general fund expenditures. These policies were formally adopted in ordinance by the City-County Council in 2016.

OVERVIEW OF FINANCIAL STATEMENTS

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Management’s Discussion and Analysis
Year ended December 31, 2020

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 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, 2020

- *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. The City’s Pre-77 Police and Fire Pension Plans are fiduciary component units as provided for in GASB 84 because each meets the criteria set forth in GASB 14, as amended. 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 and other employee benefit trust funds, and custodial funds. Also in this section are comparisons of actual to budget for all other annually budgeted funds.

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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City’s governmental activities net position (deficit) at December 31, 2020 and 2019 was \$(7.8) million and \$(247.1) million, respectively.

Statement of Net Position
December 31, 2020 and 2019
(In thousands)

	Governmental activities 2020	Governmental activities 2019
Assets:		
Current and other assets	\$ 1,032,915	\$ 862,073
Capital assets, net of accumulated depreciation	1,641,712	1,528,616
Total assets	2,674,627	2,390,689
Deferred outflows of resources	155,007	99,922
Total assets and deferred outflows of resources	2,829,634	2,490,611
Liabilities:		
Other liabilities	155,357	136,624
Long-term liabilities	2,587,606	2,475,333
Total liabilities	2,742,963	2,611,957
Deferred inflows of resources	94,440	125,757
Total liabilities and deferred inflows of resources	2,837,403	2,737,714
Net position:		
Net investment in capital assets	653,339	676,215
Restricted	238,525	166,495
Unrestricted (deficit)	(899,633)	(1,089,813)
Total net position (deficit)	\$ (7,769)	\$ (247,103)

ANALYSIS OF NET POSITION

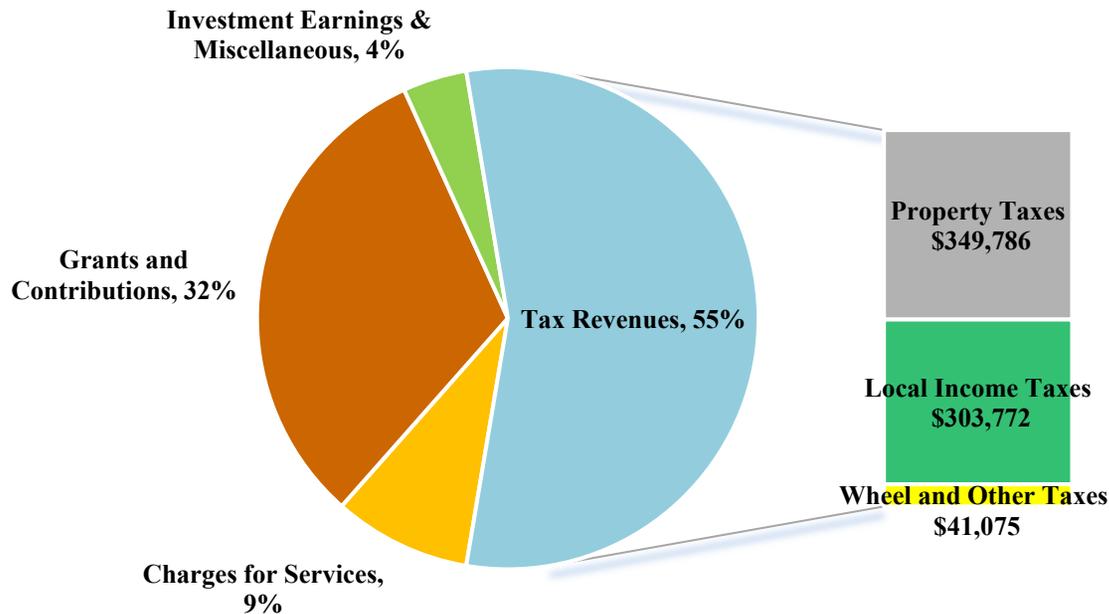
As noted earlier, net position may serve as a useful indicator of a government’s financial position. The largest portion of the City’s net position reflects its investments of \$653.3 million in capital assets (e.g., net book value of land, buildings, equipment, and infrastructure), less related outstanding debt used to acquire those assets that is still outstanding. The 2019 balance was \$676.2 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 \$246.0 million, versus \$166.5 million in 2019, which represents resources that are subject to external restrictions on how they may be used.

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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 \$899.6 million deficit at the end of the year as compared to a \$1,089.8 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 \$867.1 million and postemployment obligations of \$259.7 million.

Change in net position. The City’s total revenue (including transfers) on a government-wide basis for 2020 was \$1,257.0 million and \$1,054.8 million for 2019. Taxes represent 55% of the City’s revenue (61% for 2019). Another 9% of revenue (11% in 2019) 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)



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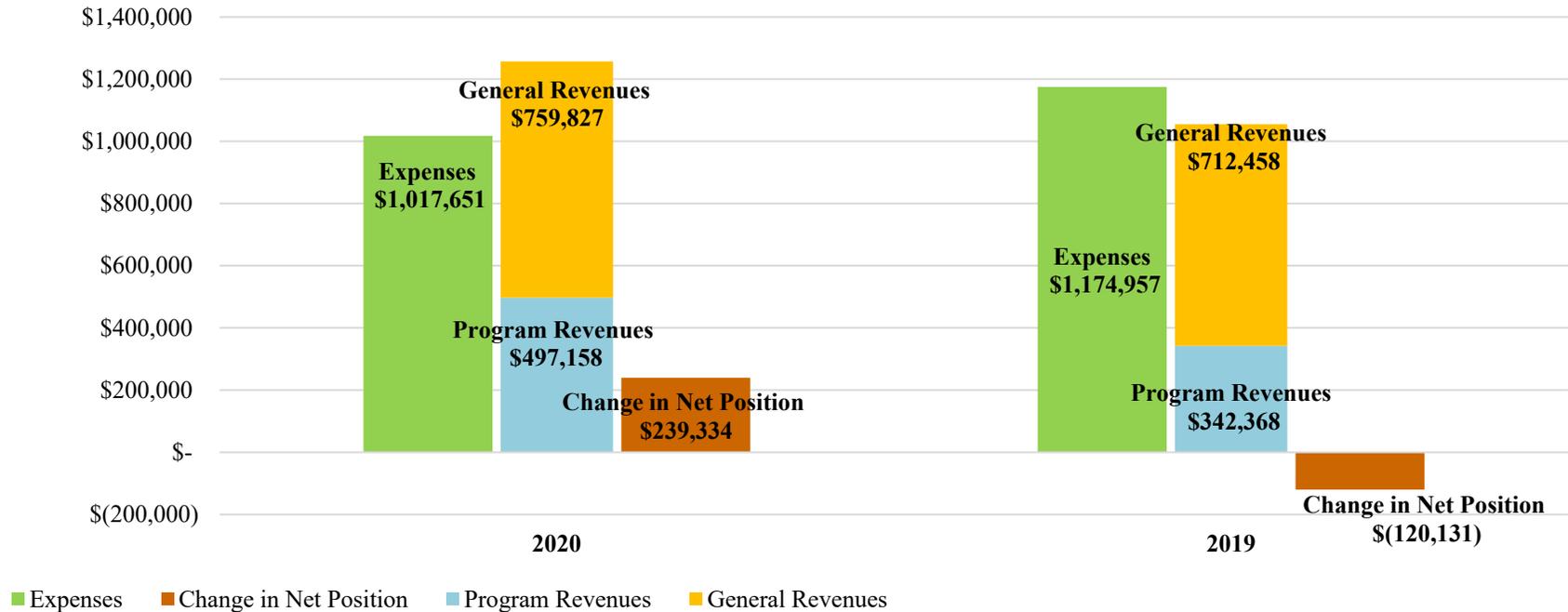
The changes in net position for the years ended December 31, 2020 and 2019 are as follows:

Schedule of Changes in Net Position
For the Years Ended December 31, 2020 and 2019
(In thousands)

	Governmental activities 2020	Governmental activities 2019
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues		
Charges for services	\$ 111,523	\$ 117,282
Operating grants and contributions	343,609	209,824
Capital grants and contributions	42,026	15,262
General revenues:		
Property tax	349,786	333,060
Other taxes	344,847	311,867
Other general revenues	65,194	67,531
Total revenues	<u>1,256,985</u>	<u>1,054,826</u>
Expenses:		
General government	73,012	105,277
Public safety	481,302	604,609
Public works	235,308	281,251
Health and welfare	39,791	7,120
Cultural and recreation	21,974	24,984
Urban redevelopment and housing	60,425	24,120
Economic development and assistance	55,529	78,181
Interest	50,310	49,415
Total expenses	<u>1,017,651</u>	<u>1,174,957</u>
Change in net position	<u>239,334</u>	<u>(120,131)</u>
Net position (deficit), beginning of year	<u>(247,103)</u>	<u>(126,972)</u>
Net position (deficit), ending	<u>\$ (7,769)</u>	<u>\$ (247,103)</u>

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Governmental Activities Change in Net Position
(In thousands)



Governmental activities. The City’s governmental activities net position increased by \$239.3 million compared to a decrease of \$120.1 million in the prior year. Key elements of the decrease are as follows:

Total expenses for governmental activities for 2020 were \$1,017.7 million, a decrease of \$157.3 million from the prior year, where \$134.7 million represents the change in pension expense from 2019 to 2020. In 2020 there was a \$57.8 million decrease to pension expense, mainly for Public Safety, while in 2019 pension expense increased by \$76.9 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:

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- General Government expenditures decreased \$32.3 million, which is mainly attributed to the \$53.2 million of expense recognized in 2019 related to the contribution of construction in progress to Marion County for the community justice campus project. There was also \$23 million increase in 2020 to general government expense related to the payoff of a capital lease related to equipment with the public safety communications district.
- Public works expenditures decreased \$45.9 million in 2020, which is mainly attributed to adjustments made related to infrastructure retirements.
- Health and Welfare expenditures increased by \$32.6 million 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. Expenditures related to the public health of our community were incurred in the effort to stop the spread of COVID-19.
- Urban redevelopment and housing expenditures increased \$36.3 million, which was also directly related to the CRF funding. Utilizing the CRF funds, the City was able to establish rental assistance for Marion County residents who were economically impacted because of the COVID-19 crisis.
- Economic development expenditures saw a net decrease of \$22.6 million in 2020, which is attributed to an increase from the prior year for \$30 million, associated with the issuance of Taxable Economic Development Tax Increment Revenue Note, Series 2019. The City also saw a \$13 million decrease in economic development expenditures for our nonmajor capital project funds, related to the timing of economic development project activity. There was also an increase of \$23 million as part of the CRF funding, as the City provided critical resources for small businesses who had to curtail their operations in response to COVID-19. These overall increases and decreases gets us to a net decrease of \$22.6 million in 2020.

Total governmental activities revenues in 2020 were \$1,257.0 million, an increase of \$202.2 million from the prior year. The main driver of the increase in revenue relates to operating grants and contributions; \$168.3 million of federal grant revenue was recorded for the Coronavirus Relief Fund. Federal funding received by the City under the CARES Act, provided a Coronavirus Relief Fund for payments to State, Local, and Tribal governments navigating the impact of the COVID-19.

In addition, the City also saw an increase in property taxes of \$18.6 million, which was driven by overall growth in assessed values and strong collections in 2020. There was also an increase in local income tax of \$31.1 million, \$10 million which is attributable to organic growth, as well as a \$21 million 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 2020, the City received a supplemental amount of \$21 million, bringing total income taxes received in 2020 to \$304 million.

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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, 2020, the unassigned fund balance of the General Fund was \$168.5 million (as compared to \$104.7 million in 2019) while the total General Fund balance was \$396.0 million (as compared to \$289.0 million in 2019). 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 23% of total General Fund expenditures and transfers out (as compared to 14% for 2019), while total fund balance represents 55% (38% for 2019) of total General Fund expenditures and transfers out.

The fund balance in the City’s General Fund increased by \$107.0 million or 37.0% during the year-ended December 31, 2020.

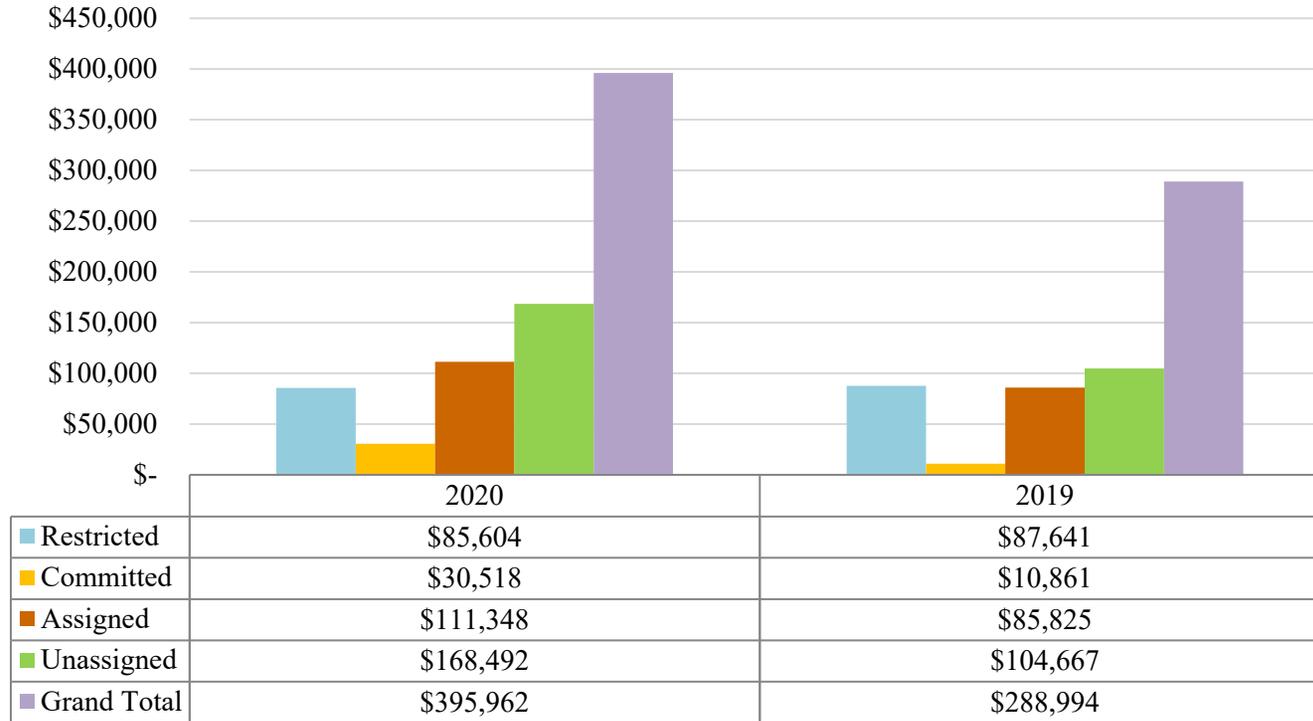
Total general fund revenues, not including other financing sources, totaled \$733.0 million, an increase of \$41.2 million or 6.0%. Significant revenues in the general fund that increased from 2019 to 2020 include:

- Income taxes were \$26 million higher in 2020, mainly attributable to organic growth; included in the overall increase was \$15.0 million in a supplemental income tax distribution that was deposited into the rainy day fund.
- Property Taxes increased by \$7 million, which is attributable to the growth in assessed values.
- Intergovernmental revenues, specifically state revenues increased by \$9.6 million, mainly attributed to an increase in gasoline taxes. The City saw an increase in 2020, despite a decrease in consumption due to COVID-19, as a result of changes in the gasoline tax distribution factors for local units that took effect in 2020.

Total general fund expenditures, not including other financing uses, totaled \$695.5 million, a decrease of \$56.7 million or 7.5%, which is mainly attributed the reimbursement of eligible public safety salaries from the Coronavirus Relief Fund. General government expenditures decreased by \$12.9 million, mainly due to the City making a one-time \$9.3 million contribution in 2019 to Marion County to fund a revenue stabilization account with the deposit trustee related to the community justice campus project.

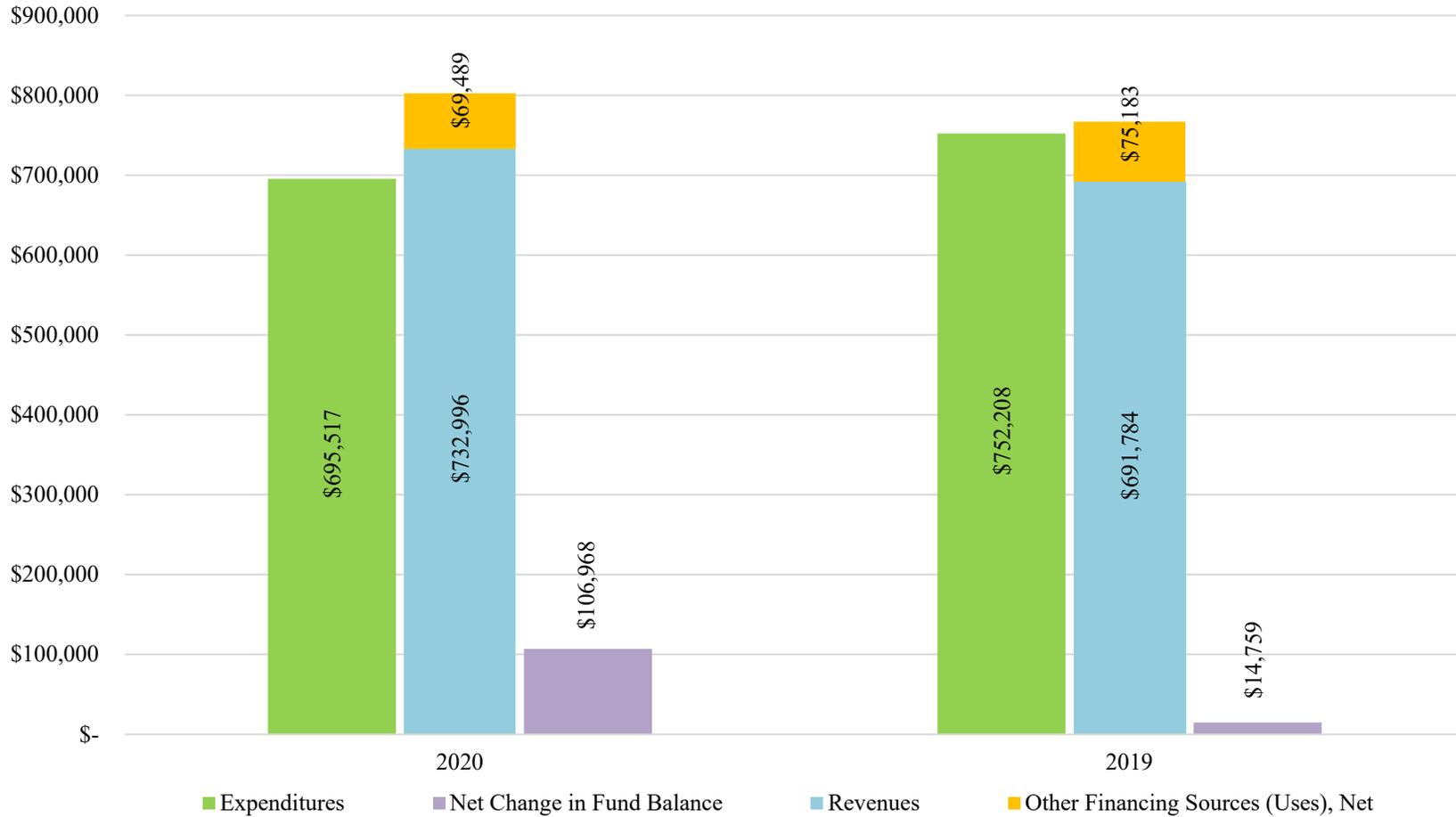
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General Fund Fund Balance Breakdown
(In thousands)



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General Fund Change in Fund Balance
(In thousands)



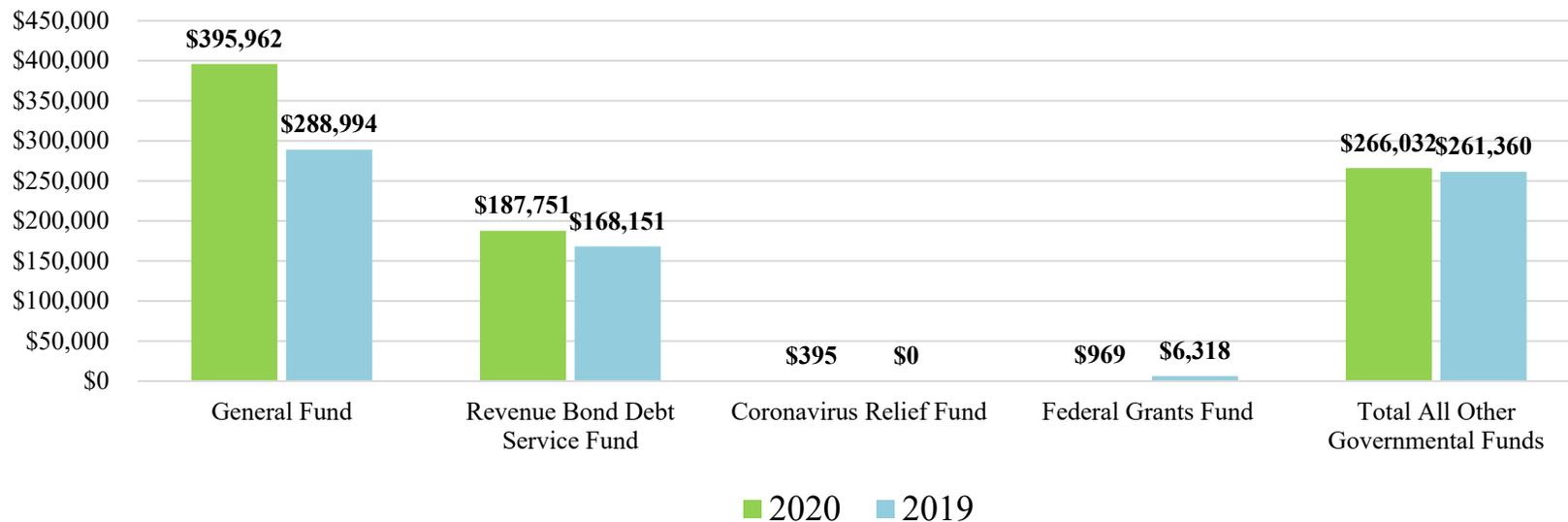
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The Revenue Debt Service Fund ended the year with a \$187.8 million fund balance (as compared to \$168.2 million in 2019) which was restricted for debt service. The fund balance for the Revenue Debt Service Fund increased by \$19.6 million mainly due to a \$9.3 million increase in tax increment revenues, attributed to growth in assessed values.

The Coronavirus Relief Fund ended the year with a \$0.4 million fund balance, which is a new fund in 2020. During 2020, the City received \$168.3 million in federal funding under the CARES Act, which provided a Coronavirus Relief Fund for payments to State, Local, and Tribal governments navigating the impact of the COVID-19. This funding provided critical resources for small businesses, vulnerable residents and neighbors throughout Indianapolis and Marion County. Funding priorities were focused on public health, social services and economic recovery aimed at getting Indianapolis residents and businesses impacted by COVID-19 back on their feet; while providing tools that made key government services more easily accessible for residents.

The Federal Grants Fund ended the year with a \$1.0 million fund balance (as compared to \$6.3 million in 2019). The fund balance decreased by \$5.3 million, which is mainly attributed to the timing of reimbursement from the federal government for grant programs.

Governmental Funds – Fund Balances
(In thousands)

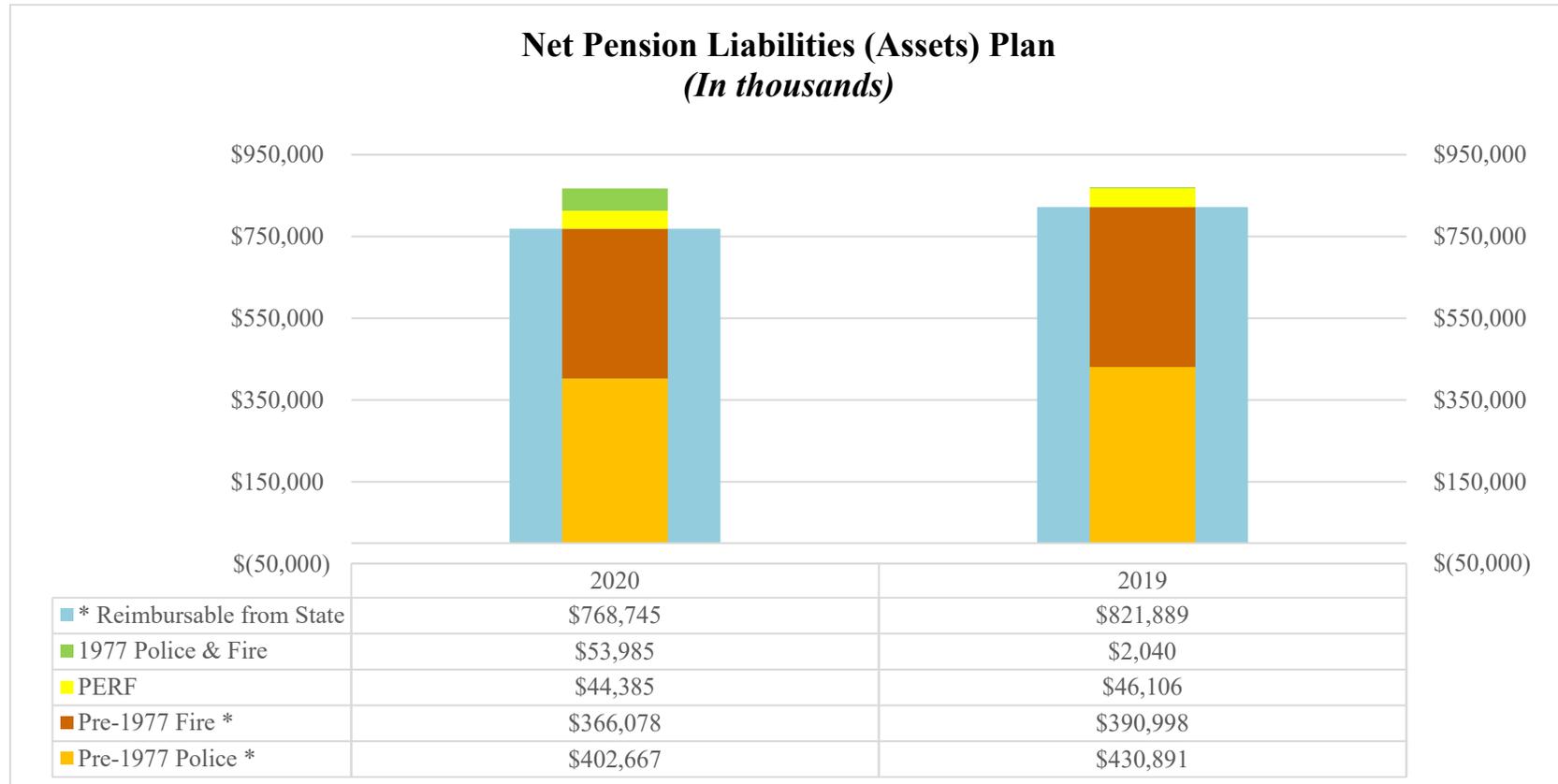


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Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for police and firefighters hired before May 1, 1977. At the end of 2020, the net position of these pension funds amounted to \$0.11 million, which represents a decrease of \$0.61 million in total net position during the year. Effective January 1, 2009, all pension payments are funded by the State of Indiana. No further funding is required by the City.

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



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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 2020, there was a \$34.0 million increase in appropriations during the year to the original General Fund budget or an increase of 4.9%.

Excluding prior year encumbrances, the original General Fund expenditures budget for 2020 was \$688.8 million. The final General Fund expenditures budget was \$722.8 million. Actual expenditures were \$667.2 million. Of the total \$55.6 million underspent from the final budget, \$46.6 million was in public safety, \$1.8 million was in public works, and \$2.6 million was in health and welfare. In direct response to the COVID-19 pandemic, immediate steps were taken following the onset of the pandemic to fiscally prepare for the unknown loss of revenue. These steps included placing reserves on budgets and instituting a hiring freeze for non-public safety personnel. While these actions contributed to a portion of the overall underspend seen in the general fund, the majority of the underspend seen in public safety expenditures is due to the reimbursement of eligible public safety salaries from the Coronavirus Relief fund. The City received federal dollars in April of 2021 under the CARES Act, which provided a Coronavirus Relief Fund (“CRF”) to State, Local, and Tribal governments navigating the impact of the COVID-19.

General revenues were originally estimated at \$653.0 million, final estimated at \$693.1 million, and the actual was \$663.9 million, which was \$29.2 million lower than budgeted. The variance of \$29.2 million was primarily driven by the federal Small Business Administration’s (“SBA”) Paycheck Protection Program. During 2020, the City in partnership with Indy Chamber through the Neighborhood Self Employment Initiative, Inc, developed a rapid response hub to provide aid to small businesses impacted by COVID-19 with small-business loans to eligible Marion County businesses. The City appropriated \$25 million for the purposes of providing up-front capital, which would be fully reimbursed as the loans were forgiven by the SBA. The entire \$25 million was budgeted as an intergovernmental revenue, however the total loans provided was only \$2.8 million and as of December 31, 2020, the City is still waiting on final reimbursement on those loans.

Actual expenditures were greater than revenues by \$3.3 million. However, if transfers of \$57.6 million are taken into account, the net of revenues plus transfers is more than expenditures by \$54.3 million. This is important to note since the transfers include \$70.7 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 \$9.1 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 more than expenditures by \$54.3 million, the majority which represents the underspend we saw in public safety related to the CRF reimbursement.

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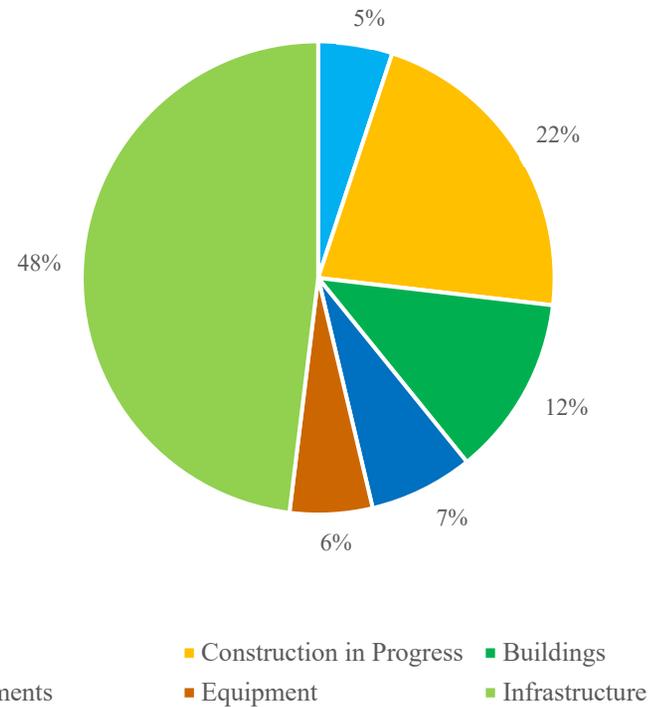
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City had a net investment of \$1.6 billion in capital assets at December 31, 2020 (net of accumulated depreciation of \$3.0 billion) in a broad range of capital assets. This amount represents a net increase for the current year (including additions and deductions) of \$113.1 million.

Schedule of Capital Assets
(In thousands)

	Governmental activities 2020	Governmental activities 2019
Land	\$ 83,388	\$ 75,085
Construction in progress	357,358	325,314
Buildings	202,379	189,784
Improvements	116,816	112,705
Equipment	92,860	92,197
Infrastructure	788,911	733,531
Total	\$ 1,641,712	\$ 1,528,616

2020 Capital Assets



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Major capital asset additions in 2020 for governmental activities included:

- \$155.0 million of additions to construction in progress, principally infrastructure, and improvements. Reductions to construction in progress were \$122.9 million of which \$117.5 million was transferred into infrastructure, and \$1.2 million was transferred into improvements.
- \$11.9 million of additions to improvements, principally upgrades at parks and recreation facilities.
- \$20.6 million of additions to equipment, principally for public safety and public works vehicles.
- \$39.6 million of additions to infrastructure, principally \$2.1 million for storm sewers, \$22.5 million for streets, curbs, and sidewalks, \$8.7 million for bridges, and \$6.3 million for traffic signals.
- \$8.3 million of additions to land.

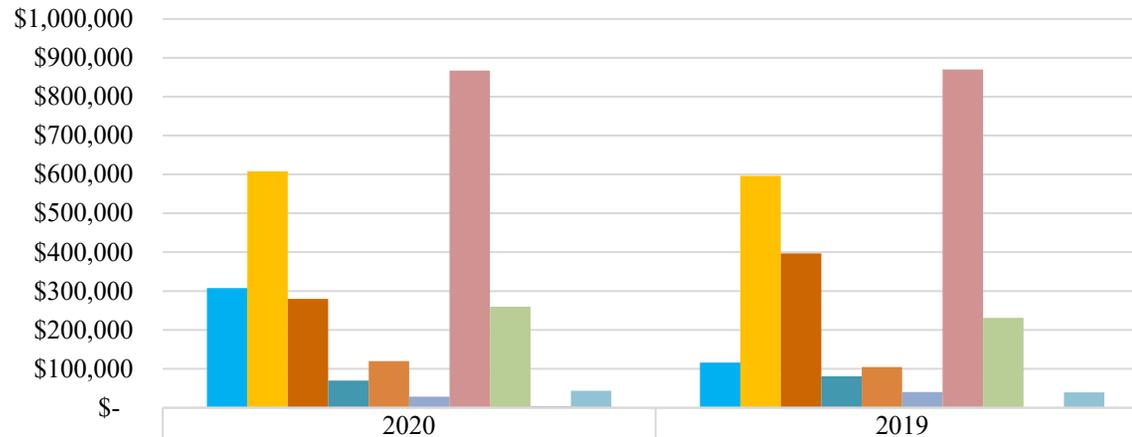
Donated capital assets for governmental activities were \$41.6 million, mainly attributable to capital contributions from the State of Indiana for public works projects built on the City’s behalf. Depreciation expense for 2020 for governmental activities was \$124.8 million. At December 31, 2020, the City had commitments related to ongoing capital asset construction projects of \$93.2 million. See footnote 9 to the basic financial statements for more information regarding capital assets.

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Long-Term Obligations

At the end of 2020, the City had outstanding long-term debt and other long-term obligations for governmental activities of \$2.59 billion, compared to \$2.48 billion at December 31, 2019 as shown below:

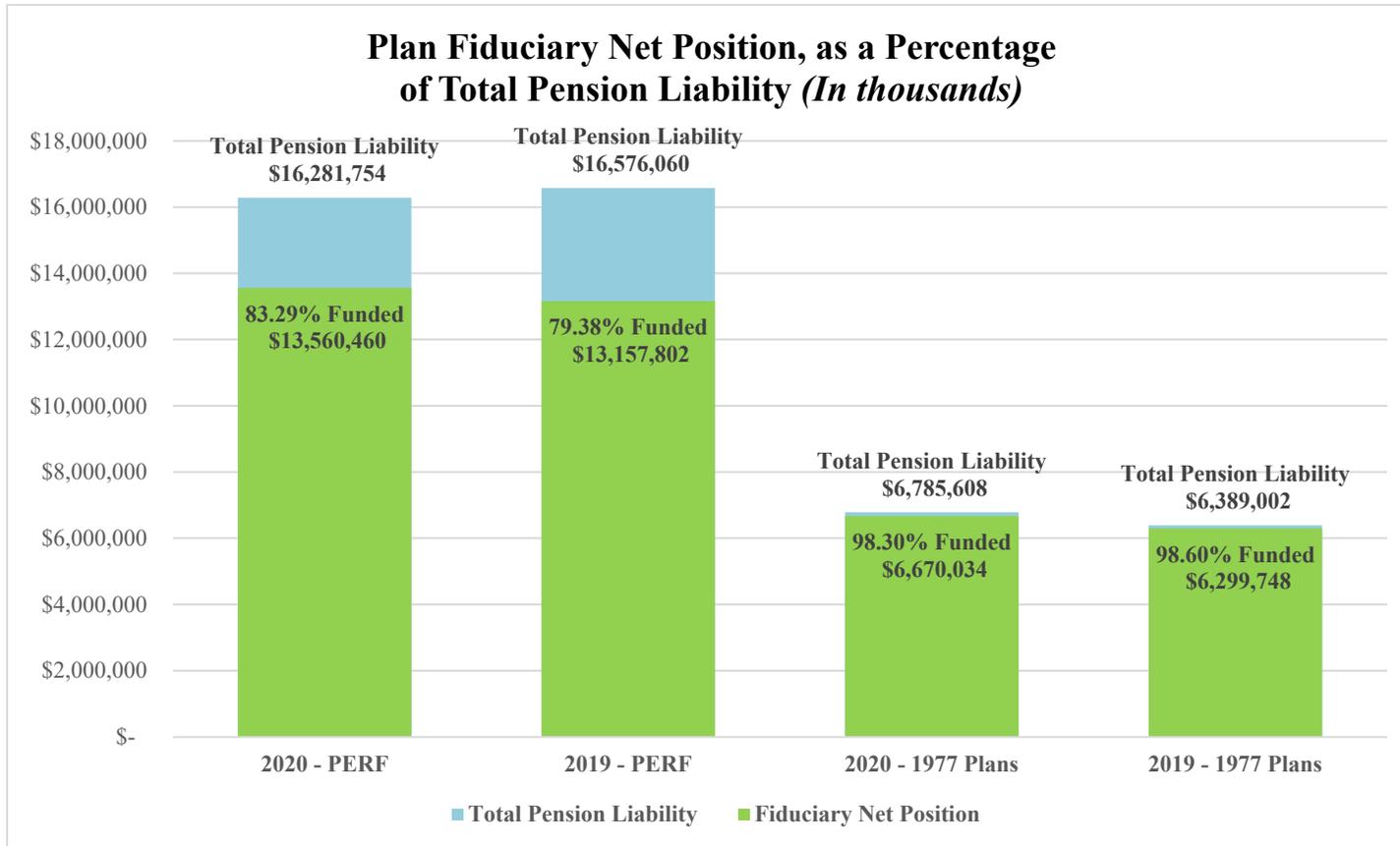
Schedule of Long-term Debt Obligations
(In thousands)



	2020	2019
Serial bonds payable	\$307,720	\$116,060
Tax increment bonds payable	\$607,701	\$596,249
Revenue bonds payable	\$279,675	\$396,935
Deferred premiums	\$69,582	\$80,854
Notes payable and certificates of participation	\$119,772	\$104,601
Capital lease payable	\$28,473	\$39,997
Net pension liabilities	\$867,115	\$870,035
Postemployment benefit obligation	\$259,666	\$231,185
Early retirement obligation	\$4,634	\$-
Compensated absences	\$43,268	\$39,417

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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 2019 to 2020.



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

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Bonds and Notes Issued (*Dollars in Thousands*)

General Obligation Bonds

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

On October 13, 2020, the City issued IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020A in the amount of \$50,000. The proceeds will be used to finance road and street construction and reconstruction and the repair of street, road, bridge, curb and sidewalk improvements within the City. The bonds mature on January 1, 2041 and have interest rates of 4.00- 5.00%.

On October 13, 2020, the City issued IndyRoads Metropolitan Thoroughfare District Refunding Bonds, Series 2020B in the amount of \$134,855. These proceeds from these bonds, together with other available funds on hand, were used to advance refund portions of the City’s outstanding IndyRoads Revenue Bonds for an aggregate outstanding principal balance of \$104,360, broken down by the following series; Series 2015A, in the principal amount of \$24,925, Series 2015B, in the principal amount of \$21,050, Series 2018A, in the principal amount of \$28,775 and Series 2019A, in the principal amount of \$29,610. The refunding resulted in an accounting loss of \$16,309, 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 \$8,052, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$4,550. The bonds mature on January 1, 2040 and have interest rates of 0.383 – 2.473%.

Tax Increment Revenue Bonds

On March 1, 2020, the City issued via direct placement its Redevelopment District Project and Refunding Bonds, Series 2020B (Infosys Project) in the amount of \$22,200. The proceeds will be used for site-acquisition and public infrastructure costs related to the development of a 125-acre campus for Infosys’s U.S. Education Center, which is located at the site of the former Indianapolis Airport. In addition, the proceeds can be used, if desired to defease a portion of the currently refundable Redevelopment District Bonds, Series 2007 (Ameriplex). As of December 31, 2020, the City had not defeased the 2007 series. The overall economic development investment is expected to create 3,000 jobs by 2023. The bonds mature on January 15, 2025 and have an interest rate of 0.93%.

On March 1, 2020, the City issued its Redevelopment District, Series 2020C Taxable (Infosys Project) in the amount of \$22,800. The proceeds were used to purchase an existing parking garage located at the former Indianapolis Airport from the Indianapolis Airport Authority. The garage and parking rights will exclusively be granted to Infosys for an annual nominal sum. The bonds mature on January 15, 2023 and have an interest rate of 1.58%.

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Developer Backed Bonds *(Dollars in Thousands)*

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

On August 31, 2020, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2020 (421 N Penn Project) in the amount of \$9,852. The proceeds will be used to finance or reimburse the Developer for the costs of all or a portion of the acquisition, construction, and equipping of a thirteen-story mixed-use development building consisting of approximately 213 residential units, approximately 27,400 square feet of combined retail and office space, and approximately 214 parking spots, located at 421 N. Pennsylvania Street. The bonds are draw bonds, and as of December 31, 2020 no draws have been made. The interest rate for these bonds is 6.50%.

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.

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ECONOMIC FACTORS AND THE 2021 BUDGET

The 2021 original budget for all annually council appropriated funds was \$850 million. Revisions of \$124.0 million have been made through May 2021. Revisions primarily relate to the following:

- \$13 million was appropriated as part of the continued response to the COVID-19 pandemic. This appropriation continued the funding of critical programs, such as; rental assistance, food assistance, homelessness housing and contact tracing.
- \$29 million was appropriated for rental assistance; in January 2021 the City received \$29 million in federal funds from the Emergency Rental Assistance Program (“ERA1”) program, which was established by section 501 of the Consolidated Appropriations Act, 2021.
- \$19 million was appropriated to cover design and site due diligence for City facilities as part of the Circle City Forward project. It is anticipated that some of these costs will be reimbursed from the issuances of future bonds, which will cover the entire construction of these facilities.
- \$46.1 million was appropriated from the City Community Justice Campus subfund of the general fund, which will support the completion of the Community Justice Campus.

The 2021 general fund original budget was \$704.4 million, an increase of 1.5% from the 2020 original General Fund budget of \$693.8 million. Revisions (\$92.4 million) have been made through May 2021.

Unemployment rates were as follows:

	April 2021	April 2020
City of Indianapolis	5.4%	14.0%
State of Indiana	4.2%	17.1%
United States	5.7%	14.4%

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

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Management’s Discussion and Analysis
Year ended December 31, 2020

The City is still closely monitoring the fiscal impact of the COVID-19 pandemic but, the City’s two largest revenue sources; income tax and property tax still saw growth and strong collections in 2020. 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, we don’t anticipate an impact to our income tax revenues until 2022. Despite the effects of the COVID-19 pandemic, the 2021 budget was still a structurally balanced budget. Fund balances are protected, and, while we are taking a conservative approach to spending in light of COVID-19, we are continuing to make meaningful investments. The City thoughtfully deployed over \$168 million in federal funding received under the CARES Act, which provided a Coronavirus Relief Fund for payments to State, Local, and Tribal governments navigating the impact of the COVID-19. Subsequent to December 31, 2020, 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% will be distributed in May 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. These funds will help extend critical resources for small businesses, vulnerable residents, and neighbors throughout Indianapolis, which will help turn the tide on the pandemic, address its economic fallout and lay the foundation for a strong and equitable recovery.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

Basic Financial Statements

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2020
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Equity in pooled cash	\$ 17,033	\$ 10,398
Cash and investments with fiscal agents	256,396	19,097
Investments	648,273	—
Property taxes receivable	9,936	—
Accounts receivable, less allowance for uncollectibles	47,108	1,313
Due from federal and state governments	14,683	711
Other assets	—	1,220
Long-term receivables, less allowance for uncollectibles	39,486	9,979
Capital assets:		
Land	83,388	21,005
Infrastructure, net of accumulated depreciation	788,911	—
Other capital assets, net of accumulated depreciation	412,055	148,951
Construction in progress	357,358	1,555
Total assets	2,674,627	214,229
Deferred outflows of resources - OPEB	36,018	—
Deferred outflows of resources - pensions	91,604	520
Deferred outflows of resources - deferred losses on refundings	27,385	—
Total deferred outflows of resources	155,007	520
Total assets and deferred outflows of resources	2,829,634	214,749

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2020
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 125,359	\$ 1,825
Accrued interest payable	11,119	—
Unearned revenue	18,879	758
Customer deposits	—	387
Other liabilities	—	2,379
Long-term liabilities:		—
Due within one year	112,128	4,941
Due in more than one year	2,475,478	25,228
Total liabilities	2,742,963	35,518
Deferred inflows of resources - OPEB	33,770	—
Deferred inflows of resources - pensions	44,670	1,221
Deferred inflows of resources - parking meter concession agreement	16,000	—
Total deferred inflows of resources	94,440	1,221
Total liabilities and deferred inflows of resources	2,837,403	36,739
NET POSITION (DEFICIT)		
Net investment in capital assets	653,339	145,231
Restricted for:		
Capital projects	34,506	—
Debt service	94,259	—
Section 8 vouchers and VASH	—	1,083
Reserves and escrow	—	13,023
Programs	—	1,711
Other purposes by grantors	10,931	—
Other purposes by contributor – nonexpendable	372	—
Statutory restrictions	98,457	—
Unrestricted (deficit)	(899,633)	16,962
Total net position (deficit)	\$ (7,769)	\$ 178,010

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, 2020
(In thousands)

Functions/Programs	Program revenues				Net (expense) revenue and changes in net position	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities	Component Unit Indianapolis Housing Agency
Governmental activities:						
General government	\$ 73,012	\$ 14,701	\$ 174,175	\$ —	\$ 115,864	\$ —
Public safety	481,302	30,902	69,070	457	(380,873)	—
Public works	235,308	59,412	73,643	37,596	(64,657)	—
Health and welfare	39,791	37	7,045	—	(32,709)	—
Cultural and recreation	21,974	2,557	892	3,973	(14,552)	—
Urban redevelopment and housing	60,425	1,999	17,852	—	(40,574)	—
Economic development and assistance	55,529	1,915	932	—	(52,682)	—
Interest	50,310	—	—	—	(50,310)	—
Total governmental activities	<u>\$ 1,017,651</u>	<u>\$ 111,523</u>	<u>\$ 343,609</u>	<u>\$ 42,026</u>	<u>(520,493)</u>	<u>—</u>
Component Unit						
Indianapolis Housing Agency	\$ 89,853	\$ 8,823	\$ 77,529	\$ 5,351		1,850
Total component units	<u>\$ 89,853</u>	<u>\$ 8,823</u>	<u>\$ 77,529</u>	<u>\$ 5,351</u>		<u>1,850</u>
General revenues:						
Taxes:						
Property taxes					349,786	—
Wheel taxes					16,000	—
Local income taxes					303,772	—
Other taxes					25,075	—
Grants and contributions not restricted to specific program:					13,317	—
Investment earnings not restricted to specific program:					16,353	—
Miscellaneous					35,524	(410)
Total general revenues					<u>759,827</u>	<u>(410)</u>
Change in net position					<u>239,334</u>	<u>1,440</u>
Net position (deficit) – beginning of year					<u>(247,103)</u>	<u>176,570</u>
Net position (deficit) – ending					<u>\$ (7,769)</u>	<u>\$ 178,010</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, 2020
(In thousands)

	<u>General</u>	<u>Federal Grants</u>	<u>Coronavirus Relief Fund</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Equity in pooled cash	\$ 11,064	\$ —	\$ 554	\$ 1,055	\$ 3,274	\$ 15,947
Cash and investments with fiscal agents	4,609	—	—	161,512	89,561	255,682
Investments	393,574	—	16,240	30,932	175,673	616,419
Property taxes receivable	8,588	—	—	—	1,348	9,936
Accounts receivable, less allowance of \$1,918	36,617	—	129	—	8,120	44,866
Due from other funds	7,424	—	—	—	—	7,424
Due from federal and state governments	81	14,322	—	280	—	14,683
Long-term receivables, less allowance of \$24,143	100	5,576	—	—	33,810	39,486
Total assets	<u>\$ 462,057</u>	<u>\$ 19,898</u>	<u>\$ 16,923</u>	<u>\$ 193,779</u>	<u>\$ 311,786</u>	<u>\$ 1,004,443</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Matured bonds and notes payable	\$ —	\$ —	\$ —	\$ 5,250	\$ 10,360	\$ 15,610
Matured interest payable	—	—	—	498	2,367	2,865
Accounts payable and other accrued liabilities	37,276	5,603	16,528	—	23,503	82,910
Accrued payroll and payroll taxes	12,041	218	—	—	20	12,279
Due to other funds	—	6,992	—	—	432	7,424
Unearned revenue	235	781	—	—	—	1,016
Total liabilities	<u>49,552</u>	<u>13,594</u>	<u>16,528</u>	<u>5,748</u>	<u>36,682</u>	<u>122,104</u>
Deferred inflows of resources	<u>16,543</u>	<u>5,335</u>	<u>—</u>	<u>280</u>	<u>9,072</u>	<u>31,230</u>
Fund balances:						
Nonspendable	—	—	—	—	372	372
Restricted	85,604	969	395	187,751	265,660	540,379
Committed	30,518	—	—	—	—	30,518
Assigned	111,348	—	—	—	—	111,348
Unassigned	168,492	—	—	—	—	168,492
Total fund balances	<u>395,962</u>	<u>969</u>	<u>395</u>	<u>187,751</u>	<u>266,032</u>	<u>851,109</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 462,057</u>	<u>\$ 19,898</u>	<u>\$ 16,923</u>	<u>\$ 193,779</u>	<u>\$ 311,786</u>	<u>\$ 1,004,443</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, 2020
(In thousands)

Fund balances – total governmental funds		
Amounts reported for governmental activities in the statement of net position are different because:	\$	851,109
Capital assets not reported in the fund statements		1,641,712
Net position of internal service funds not recorded in the fund statements		9,839
Deferred outflows of resources - OPEB not recorded in the fund statements		36,018
Deferred outflows of resources - pensions not recorded in the fund statements		91,604
Deferred outflows of resources - loss on refundings not recorded in the fund statements		27,385
Deferred inflows of resources - parking meter concession agreement not recorded in the fund statements		(16,000)
Deferred inflows of resources - OPEB not recorded in the fund statements		(33,770)
Deferred inflows of resources - pensions not recorded in the fund statements		(44,670)
Long-term liabilities not in the fund statements (excludes matured bonds payable of \$15,610)		(2,571,996)
Other liabilities not in the fund statements		(4,113)
Deferred inflows of resources in the fund statements not in the statement of net position		31,230
Unearned revenue in the statement of net position not in the fund statements		(17,863)
Accrued interest payable not in the fund statements (excludes matured interest payable)		(8,254)
Net deficit of governmental activities	\$	<u><u>(7,769)</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, 2020
(In thousands)

	<u>General</u>	<u>Federal Grants</u>	<u>Coronavirus Relief Fund</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 468,546	\$ —	\$ —	\$ 108,786	\$ 117,078	\$ 694,410
Licenses and permits	15,594	—	—	—	—	15,594
Charges for services	78,979	—	—	—	1,572	80,551
Other intergovernmental revenues:						
Federal revenues	9,346	31,279	168,312	272	—	209,209
State revenues	126,642	—	—	—	500	127,142
Other revenues	4,476	—	—	—	5,087	9,563
Intragovernmental revenues	7,077	—	—	—	444	7,521
Traffic violations and court fees	1,938	3,241	—	—	1,510	6,689
Interest and other operating revenues	20,398	86	710	2,539	35,564	59,297
Total revenues	<u>732,996</u>	<u>34,606</u>	<u>169,022</u>	<u>111,597</u>	<u>161,755</u>	<u>1,209,976</u>
Expenditures:						
Current:						
General government	26,960	992	12,614	146	488	41,200
Public safety	451,218	16,061	61,731	—	834	529,844
Public works	127,221	310	1,834	—	1,451	130,816
Health and welfare	839	6,622	32,621	—	—	40,082
Cultural and recreation	24,940	805	—	—	—	25,745
Urban redevelopment and housing	8,482	11,584	36,755	—	—	56,821
Economic development and assistance	1,409	4	22,961	8,000	20,220	52,594
Debt service:						
Redemption of bonds and notes	1,507	6	—	48,143	37,888	87,544
Interest on bonds and notes	455	2	—	43,086	33,371	76,914
Bond and note issuance costs	—	—	—	—	2,401	2,401
Lease payments and other	14	—	—	524	25,424	25,962
Capital outlays	52,472	3,164	111	—	154,769	210,516
Total expenditures	<u>695,517</u>	<u>39,550</u>	<u>168,627</u>	<u>99,899</u>	<u>276,846</u>	<u>1,280,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,479</u>	<u>(4,944)</u>	<u>395</u>	<u>11,698</u>	<u>(115,091)</u>	<u>(70,463)</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, 2020
(In thousands)

	<u>General</u>	<u>Federal Grants</u>	<u>Coronavirus Relief Fund</u>	<u>Revenue Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):						
Issuance of capital lease	\$ 8,596	\$ —	\$ —	\$ —	\$ —	\$ 8,596
Sales of capital assets	2,768	—	—	—	—	2,768
Bonds and notes issued	—	1,250	—	—	141,103	142,353
Premium on bonds and notes issued	—	—	—	—	12,479	12,479
Refunding bonds issued	—	—	—	—	148,513	148,513
Payment to refunding bond escrow agent	—	—	—	(104,360)	(13,600)	(117,960)
Transfers in	80,014	175	—	152,302	55,996	288,487
Transfers out	(21,889)	(1,830)	—	(40,040)	(224,728)	(288,487)
Total other financing sources (uses)	<u>69,489</u>	<u>(405)</u>	<u>—</u>	<u>7,902</u>	<u>119,763</u>	<u>196,749</u>
Net change in fund balances	106,968	(5,349)	395	19,600	4,672	126,286
Fund balances at beginning of year	<u>288,994</u>	<u>6,318</u>	<u>—</u>	<u>168,151</u>	<u>261,360</u>	<u>724,823</u>
Fund balances at end of year	<u>\$ 395,962</u>	<u>\$ 969</u>	<u>\$ 395</u>	<u>\$ 187,751</u>	<u>\$ 266,032</u>	<u>\$ 851,109</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, 2020
(In thousands)

Net change in fund balances – total governmental funds

Amounts reported for governmental activities in the statement of activities are different because:	\$ 126,286
Depreciation expense reported in the statement of activities but not in the fund statements	(122,969)
Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of net position	196,150
Donations of capital assets not recorded in the fund statements	41,569
Loss on disposals of capital assets not recorded in the fund statements	(219)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the fund statements	24,075
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	(22,103)
Remediation settlement expenditures recorded as expense in the fund statements but reported as a reduction in a liability in the statement of net position	3,676
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	(303,345)
Bond and note principal payments reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities	205,504
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	5,732
Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements	38,813
Increase in early retirement obligation that is not reported in the fund statements	(4,634)
Increase in compensated absences that is not reported in the fund statements	(3,851)
Capital appreciation bond interest expense that is reported in the statement of activities but not the fund statements, as there is no cash outflow	(10,701)
Accrued interest on bonds and notes payable through December 31, 2020 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable	(8,254)
Capital lease payments reported as expenditures in the fund statements but as reduction of long-term liabilities in the statement of activities	27,275
Inception of capital leases recorded as other financing sources in the fund statements but as an increase in long-term liabilities in the statement of activities	(8,596)
Accrued interest at December 31, 2020 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year	9,147
Net increase in the other postemployment benefit liability that is not reported in the fund statements	(12,433)
Pension contributions recognized as expenditures in the fund statements in excess of pension expense recognized in the statement of activities	<u>57,812</u>
 Change in net position of governmental activities	 \$ <u><u>239,334</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, 2020
(In thousands)

		<u>Governmental activities – Internal Service Funds</u>
ASSETS		
Current assets:		
Equity in pooled cash	\$	1,086
Cash with fiscal agents		714
Investments		31,854
Accounts receivable		2,242
Total current assets		<u>35,896</u>
LIABILITIES		
Accounts payable and other current accrued liabilities		<u>26,057</u>
Total current liabilities		<u>26,057</u>
NET POSITION		
Unrestricted net position		<u>9,839</u>
Total net position	\$	<u><u>9,839</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, 2020
(In thousands)

		Governmental activities – Internal Service Funds
Operating revenues:		
Charges to other funds	\$	104,514
Operating expenses:		
Claims		98,853
Administration		229
Total operating expenses		99,082
Operating income		5,432
Nonoperating expense:		
Investment income		300
Changes in net position		5,732
Net position, beginning of year		4,107
Net position, end of year	\$	9,839

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, 2020
(In thousands)

		Governmental activities – Internal Service Funds
		<u> </u>
Cash flows from operating activities:		
Receipts from users	\$	104,375
Payments for administration		(229)
Payments for claims		(95,024)
Net cash provided by operating activities		<u>9,122</u>
Cash flows from investing activities:		
Investment purchases		(8,626)
Investment income		300
Net cash used in investing activities		<u>(8,326)</u>
Net increase in cash		796
Cash, beginning of year		<u>1,004</u>
Cash, end of year	\$	<u><u>1,800</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	5,432
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Increase in accounts receivable		(139)
Increase in accounts payable and other liabilities		3,829
Net cash provided by operating activities	\$	<u><u>9,122</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, 2020

(In thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Equity in pooled cash	\$ 4	\$ 269
Investments		
Pooled investments	108	7,903
Accounts receivable	—	969
Total assets	112	9,141
LIABILITIES		
Accounts payable and other accrued liabilities	—	1,446
Total liabilities	—	1,446
NET POSITION		
Restricted for:		
Pensions	112	—
Individuals, organization, and other governments	—	7,695
Total restricted net position	\$ 112	\$ 7,695

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, 2020
(In thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Employer contributions	\$ 53,865	\$ 2,669
Police confiscations	—	4,856
Fees collected for other governments	—	7,871
Total additions	53,865	15,396
DEDUCTIONS		
Benefits paid to participants or beneficiaries	54,476	2,669
Payments of fees collected to other governments	—	7,871
Court released confiscations	—	1,449
Total deductions	54,476	11,989
Net increase (decrease) in net position	(611)	3,407
Net position – beginning of year	723	—
Net position – beginning of year (restated)	—	4,288
Net position – end of year	\$ 112	\$ 7,695

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, 2020
(Dollars in Thousands)

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Component Units

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

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

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

Related Organization

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

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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.

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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 (with an exception for custodial funds that are compelled to disburse resources), and the discretely presented component unit financial statements are accounted for using the same measurement focus and basis of accounting as the government-wide financial statements. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, except as to the accounting for certain pension and other postemployment benefit costs. 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 *Revenue Bond Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on debt of the Tax Increment Districts and on debt issued for certain other public works projects.

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

The *Coronavirus Relief Fund* accounts for the resources received and payments made related to the Coronavirus pandemic and federal funding provided from the CARES Act-Assistance for State and Local Governments.

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 Employee 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, for confiscated items related to public safety activities and certain balances going to union trust funds. Pension and Other Employee Benefit Trust Funds are those funds held in trust for disbursement to covered employees. The City's Pre-77 Police and Fire Pension Plans are fiduciary component units as provided for in GASB 84 because each meets the criteria set forth in GASB 14, as amended. The City records deductions for pension 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.

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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.

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

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

H. Unearned Revenue

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

I. Compensated Absences

City civilian employees earn benefit leave days (in lieu of all vacation, sick, and other accrued leave time), which accumulate to a maximum of 37 days per year, depending on length of service. A total of 176 hours earned benefit leave can be carried forward to subsequent years. 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, 2020.

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.

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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.

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

- 1) *Nonspendable* – This consists of resources that are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- 2) *Restricted* – This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation. Within the restricted fund balance for the Other Aggregate Funds are encumbrances of \$117,128, which are restricted to fund future capital acquisitions.
- 3) *Committed* – This consists of resources that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. The City’s highest level of decision-making authority rests with the Council. Resources are reported as committed by the Council through passage of an ordinance. The Council can modify or rescind a commitment of resources through passage of a new ordinance.
- 4) *Assigned* – This consists of resources constrained by the government’s intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of \$34,081, 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, 2020, the unassigned fund balance of the Fiscal Stability Fund is \$82,824. Such amount has been set aside by the City-County Council to be maintained as a general reserve until such time the Council takes action to appropriate all or a portion of the balance. The ordinance that created the Fiscal Stability Fund does not dictate the circumstance under which such monies may be spent or provide requirements for any further additions to the fund.

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

P. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

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

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

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 .

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Q. Adoption of GASB 83 and 90

During 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The City determined that neither of these standards have a material impact on the financial statements and notes and as such no changes were made as part of implementation in 2020.

R. Adoption of GASB 84

During 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The principle objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the prescribed criteria should be reported as a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four types of fiduciary funds that could be reported, if applicable: pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement. The City reports on pension and other postemployment trust funds and custodial funds which are reported in the basic financial statements in the statement of fiduciary net position and a statement of changes in fiduciary net position. There were no changes made to the number or type of fiduciary funds reported due the implementation of this statement. However, the adoption of GASB 84 did result in a restatement of beginning fiduciary net position as certain liabilities previously reported, are now presented as net position.

S. Adoption of GASB 97

During 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement further clarified guidance as stated in Statement No. 84, *Fiduciary Activities*.

T. Future Adoption of Accounting Standards

GASB has issued GASB No. 87, *Leases*; GASB 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*; and GASB No. 96, *Subscription-Based Information Technology Arrangements*, all of which will be adopted in subsequent reporting periods based on each standards respective effective date.

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2. Cash Deposits and Investments

As of December 31, 2020, the City had the following cash deposits and investments:

Cash and investments	\$	665,306
Cash and investments with fiscal agents		256,396
Cash and investments – Fiduciary Funds		<u>8,284</u>
Total cash and investments	\$	<u><u>929,986</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, 2020 was \$144,468. 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, 2020.

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.

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Below is a segmented time distribution for the City’s debt investments at December 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years) <u>Less</u> than 1
United States Treasury Notes	121,282	121,282
Money market mutual funds	159,163	159,163
State external investment pool – TrustINDiana	535,073	535,073
	\$ 815,518	\$ 815,518

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, 2020, 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	121,282	Aaa/AAA
Money Market Mutual Funds	159,163	Aaa/AAA
State External Investment Pool – TrustINDiana	535,073	Not Rated
	\$ 815,518	

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, 2020, 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 \$47,174 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, 2020, as their existence is not evidenced by securities that exist in physical book entry form.

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Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer. At December 31, 2020, 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, 2020:

	<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	\$ 121,282	\$ 121,282	\$ —	\$ —
Money Market Mutual Funds	154,555	154,555	—	—
Total investments measured at fair value	<u>275,837</u>	<u>\$ 275,837</u>	<u>\$ —</u>	<u>\$ —</u>
Investments measured at the net asset value (NAV) (a)				
State external investment pool - TrustIndiana	535,002			
Total	<u>\$ 810,839</u>			

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

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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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 2020 property taxes were levied based on assessed valuations determined by the Auditor as of the 2019 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2020 property taxes was January 1, 2019 (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 2020, the first half of the year 2020 taxes were due and payable to the Treasurer in May 2020. The second half of the year 2020 taxes were due and payable to the Treasurer in November 2020. Property taxes outstanding at December 31, 2020, 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.

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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 2020 taxes) were reduced as a result of the aforementioned abatement programs follows:

Real Property Tax Abatement	\$	2,076
Personal Property Tax Abatement		2,717
Total	\$	4,793

While the City has calculated the potential impact of existing tax abatements on total property tax revenues for 2020, 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.

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6. Receivables Disaggregation

Accounts receivable as of December 31, 2020, 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	\$ 21,428	\$ 17,107	\$ 38,535
Coronavirus Relief Fund	129	—	129
Other Nonmajor Governmental Funds	7,518	602	8,120
Internal Service Fund	2,242	—	2,242
Total receivables	<u>31,317</u>	<u>17,709</u>	<u>49,026</u>
Allowance for uncollectible accounts	<u>(1,918)</u>	<u>—</u>	<u>(1,918)</u>
Total governmental activities	<u>\$ 29,399</u>	<u>\$ 17,709</u>	<u>\$ 47,108</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, 2020 for specific programs and capital projects include:

	Governmental Activities			
	<u>General</u>	<u>Federal Grants</u>	<u>Revenue Bond Debt Service</u>	<u>Total</u>
Reimbursements under federal grants:				
Department of Housing and Urban Development (HUD)	\$ —	\$ 5,363	\$ 280	\$ 5,643
Department of Justice (DOJ)	—	1,477	—	1,477
Executive Office of the President	—	100	—	100
Department of Transportation (DOT)	—	738	—	738
Department of Education (DOE)	—	25	—	25
Department of Homeland Security (DHS)	—	6,478	—	6,478
U.S. Department of Agriculture	—	141	—	141
Reimbursements under State of Indiana/local grants	<u>81</u>	<u>—</u>	<u>—</u>	<u>81</u>
	<u>\$ 81</u>	<u>\$ 14,322</u>	<u>\$ 280</u>	<u>\$ 14,683</u>

At December 31, 2020, the City had available lines of credit or grant authorizations from HUD totaling \$69,422.

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8. Long-term Receivables

The City has receivables for U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2020 of \$22,593 including accrued interest of \$9,871. The City has provided a reserve of \$22,593 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 26 years. Generally, principal and interest payments are based upon defined net cash flows and are deferred until sufficient cash flow is available. All deferred principal and interest amounts are due at maturity. Loan repayments to the City are restricted for community and economic development purposes that would otherwise be eligible for reimbursement by HUD under Title I of the Housing and Community Development Act of 1974.

The City has loaned Comlux Realty, LLC (“Comlux”) \$6,500 under a Project and Loan Agreement dated August 1, 2011. The loan proceeds were used to finance the construction, acquisition, design, renovation, and equipping of an existing airport hangar building. Over the term of this agreement, which expires in 2021, the City will forgive up to \$500 of the loan if Comlux maintains at least 112 full-time employees at the facilities. During 2020, \$165 of the loan was repaid and \$50 was forgiven. At December 31, 2020, the City has recorded a \$50 reserve against the long-term receivable and the outstanding balance is \$133.

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, 2020, the City has recorded a \$1,500 reserve against the long-term receivable to fully reserve the loan.

The City has loaned Hotel Alpha Tango, LLC (“Hotel Tango”) \$585 under a Revolving Loan Agreement dated August 26, 2016. The loan proceeds were being used to support and facilitate the redevelopment of a brownfield property. Brownfields are real properties that may have been abandoned, inactive, or not operated at their appropriate use and the expansion, redevelopment, or reuse may be complicated because of the presence or potential presence of hazardous substances, pollutants, and contaminants that pose a risk to human health and the environment. On October 1, 2019, an amendment was signed for the principal sum to be paid in full no later than February 1, 2023, while bearing simple interest at a rate of 4.75% per annum. The balance was paid off in full by December 31, 2020.

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, 2020, 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, 2020, the long-term receivable and the outstanding balance is \$926. 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, 2020, 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, 2020, the long-term receivable is \$15,452.

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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, 2020, the long-term receivable is \$4,500.

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, 2020, 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, 2020, the long-term receivable is \$1,500.

The minimum future payments to be received as of December 31, 2020 on long-term receivables are as follows:

	<u>Governmental Activities</u>
2021	\$ 1,259
2022	2,715
2023	1,251
2024	1,571
2025	1,672
2026-2030	21,203
2031-2035	9,444
2036-2040	9,787
2041-2045	5,638
2046-2050	8,814
2051-2055	250
2056-2060	25
	<u>63,629</u>
Less: allowance	<u>(24,143)</u>
Total	<u>\$ 39,486</u>

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9. Capital Assets

Following is a summary of changes in capital assets for the City’s governmental activities for the year ended December 31, 2020:

	<u>Balance, January 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2020</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 75,085	\$ 8,303	\$ —	\$ 83,388
Construction in progress	<u>325,314</u>	<u>155,041</u>	<u>122,997</u>	<u>357,358</u>
Total capital assets not being depreciated	<u>400,399</u>	<u>163,344</u>	<u>122,997</u>	<u>440,746</u>
Capital assets being depreciated:				
Buildings	406,618	23,319	865	429,072
Improvements	232,615	11,891	—	244,506
Equipment	261,282	17,637	3,836	275,083
Infrastructure	<u>3,148,709</u>	<u>143,621</u>	<u>16,597</u>	<u>3,275,733</u>
Total capital assets being depreciated	<u>4,049,224</u>	<u>196,468</u>	<u>21,298</u>	<u>4,224,394</u>
Less accumulated depreciation:				
Buildings	216,834	10,071	212	226,693
Improvements	119,910	7,780	—	127,690
Equipment	169,085	16,901	3,763	182,223
Infrastructure	<u>2,415,178</u>	<u>88,217</u>	<u>16,573</u>	<u>2,486,822</u>
Total accumulated depreciation	<u>2,921,007</u>	<u>122,969</u>	<u>20,548</u>	<u>3,023,428</u>
Total capital assets being depreciated, net	<u>1,128,217</u>	<u>73,499</u>	<u>750</u>	<u>1,200,966</u>
Governmental activities capital assets, net	<u>\$ 1,528,616</u>	<u>\$ 236,843</u>	<u>\$ 123,747</u>	<u>\$ 1,641,712</u>

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Following is a summary of the changes in capital assets for the City’s discretely presented component unit, the Housing Agency, for the year ended December 31, 2020:

	<u>Balance, January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2019</u>
Housing Agency				
Capital assets not being depreciated:				
Land	\$ 21,005	\$ —	\$ —	\$ 21,005
Construction in progress	1,629	1,357	1,431	1,555
Total capital assets not being depreciated	<u>22,634</u>	<u>1,357</u>	<u>1,431</u>	<u>22,560</u>
Capital assets being depreciated:				
Buildings and improvements	223,357	1,919	—	225,276
Equipment	10,554	1,543	—	12,097
Total capital assets being depreciated	<u>233,911</u>	<u>3,462</u>	<u>—</u>	<u>237,373</u>
Less accumulated depreciation:				
Buildings and improvements	73,653	6,289	—	79,942
Equipment	6,714	1,766	—	8,480
Total accumulated depreciation	<u>80,367</u>	<u>8,055</u>	<u>—</u>	<u>88,422</u>
Total capital assets being depreciated, net	<u>153,544</u>	<u>(4,593)</u>	<u>—</u>	<u>148,951</u>
Total Housing Agency	<u>\$ 176,178</u>	<u>\$ (3,236)</u>	<u>\$ 1,431</u>	<u>\$ 171,511</u>

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2020 as follows:

Governmental Activities:

General government	\$ 5,504
Public safety	12,198
Public works	94,818
Cultural and recreation	5,941
Urban redevelopment and housing	4,302
Economic development and assistance	206
	<u>\$ 122,969</u>

Depreciation expense of \$8,055 was charged to the City’s discretely presented component unit, the Housing Agency, during 2020.

Construction in progress at December 31, 2020 consists of several ongoing projects. These types of projects include but are not limited to security upgrades, recreational facility improvements, and infrastructure improvements.

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At December 31, 2020, the City’s commitments relating to construction in progress include the following:

	Accrued Expenditures		
	<u>Authorized</u>	<u>Through December 31, 2020</u>	<u>Committed</u>
Indianapolis Metropolitan Police Department	\$ 18,297	\$ 18,297	\$ —
Department of Metropolitan Development	8,175	7,916	259
Department of Public Works	416,378	323,902	92,476
Indianapolis Fire Department	177	161	16
Department of Parks and Recreation	3,764	3,764	—
Office of Public Health & Safety	3,781	3,318	463
Total governmental activities	<u>\$ 450,572</u>	<u>\$ 357,358</u>	<u>\$ 93,214</u>

10. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2020 for the City are as follows:

	Due to					Total
	<u>Vendors</u>	<u>Third-party Contracts</u>	<u>Other Governments</u>	<u>Claims and Settlements</u>	<u>Accrued Payroll and Taxes</u>	<u>Payables and Other Current Liabilities</u>
Governmental Activities:						
General Fund	\$ 34,900	\$ 892	\$ 1,484	\$ —	\$ 12,041	\$ 49,317
Federal Grants	794	3,870	939	—	218	5,821
Coronavirus Relief Fund	4,028	1,286	11,214	—	—	16,528
Other Nonmajor Governmental	22,511	566	426	—	20	23,523
Internal Service Fund	3,494	—	—	22,563	—	26,057
Adjustment to government-wide	—	—	—	4,113	—	4,113
Total governmental activities	<u>\$ 65,727</u>	<u>\$ 6,614</u>	<u>\$ 14,063</u>	<u>\$ 26,676</u>	<u>\$ 12,279</u>	<u>\$ 125,359</u>

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11. Operating Leases and Management Contracts

A. Lessee Arrangements

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

The City and the County lease the office building and parking lot facilities they share, among other properties, from the Building Authority. The Building Authority is a separate municipal corporation, acting as a joint building authority, whose purpose is to finance, acquire, construct, improve, renovate, equip, operate, maintain, and manage land, governmental buildings, and communication systems for governmental entities within Marion County. Such facilities are sometimes financed by the Building Authority through the issuance of bonded debt. The lease agreements provide for sufficient rent to offset budgeted operating costs (“Additional Rentals”) of the leased facilities. All of the leases provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. The governing Indiana statute with respect to each of the Building Authority’s leases provides that the lessee governments shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. The City currently has no debt related obligations to the Building Authority. During 2020, the City paid \$2,935 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 2020, the City paid the Building Authority \$2,383 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 \$2,315 for governmental activities in 2020. The leases expire at various dates through 2044. Minimum future payments on all noncancelable operating leases as of December 31, 2020 are as follows:

	<u>Governmental</u> <u>Activities</u>
2021	\$ 2,229
2022	1,516
2023	209
2024	192
2025	129
2026-2030	168
Thereafter	<u>22</u>
Total future payments	<u>\$ 4,465</u>

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B. Lessor Arrangements

City Market

The City has a long-term operating lease with the Indianapolis City Market Corporation (“Market”), a not-for-profit organization formed for the purpose of operating the Indianapolis City Market. The lease extends through October 15, 2020 and provides for three five-year renewal options. The Market is to pay an annual rental fee of one dollar, plus 100% of the net cash flow, if any, remaining after the payment of normal costs of operations and maintenance. In 2020, the City contributed additional subsidies to the Market of \$361.

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, 2020, the leased property had a carrying amount of \$578 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 \$426 in 2020.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2020 are as follows:

		Governmental Activities
2021	\$	314
2022		315
2023		270
2024		270
2025		261
2026-2030		1,040
2031-2035		684
2036-2040		625
2041-2045		469
Total future receipts	\$	4,248

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12. Long-Term Liabilities

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the City’s governmental activities and for its discretely presented component unit, the Housing Agency, for the year ended December 31, 2020:

	<u>Balance, January 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2020</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds payable	\$ 101,060	\$ 222,795	\$ 30,170	\$ 293,685	\$ 16,295
General obligation bonds from direct borrowing and direct placements	15,000	—	965	14,035	1,230
Tax increment bonds payable	538,544	10,701	40,744	508,501	44,225
Tax increment bonds from direct borrowing and direct placements	57,705	46,506	5,011	99,200	10,709
Revenue bonds payable	380,195	—	115,075	265,120	720
Revenue bonds from direct borrowing and direct placements	16,740	—	2,185	14,555	1,795
Unamortized amounts:					
Premiums	80,854	12,479	23,751	69,582	—
Total bonds payable	1,190,098	292,481	217,901	1,264,678	74,974
Notes payables from direct borrowings and direct placements	104,601	21,565	6,394	119,772	7,655
Capital leases payable	39,997	15,751	27,275	28,473	4,543
Net pension liabilities	870,035	51,945	54,865	867,115	—
Other postemployment benefit liability	231,185	36,643	8,162	259,666	—
Early retirement obligation	—	4,634	—	4,634	3,012
Compensated absences	39,417	34,167	30,316	43,268	21,944
Total governmental activities	<u>\$ 2,475,333</u>	<u>\$ 457,186</u>	<u>\$ 344,913</u>	<u>\$ 2,587,606</u>	<u>\$ 112,128</u>
Discretely Presented Component Unit - Housing Agency:					
Notes payable	\$ 35,401	\$ 7,562	\$ 19,468	\$ 23,495	\$ 4,791
Due to other governmental units	1,394	1,863	65	3,192	65
FSS escrow	528	—	81	447	62
Net pension liability	3,657	—	857	2,800	—
Compensated absences	243	—	8	235	24
Total discretely presented component unit	<u>\$ 41,223</u>	<u>\$ 9,425</u>	<u>\$ 20,479</u>	<u>\$ 30,169</u>	<u>\$ 4,942</u>

Included in additions to bonds payable is \$10,701 representing accretion on capital appreciation bonds, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount, plus \$290,866 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance, amount to the \$301,567 of related additions reflected in the roll forward above.

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B. General Obligation Bonds

The City's general obligation bonds provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations, and pledge the full faith and credit, of the City. General obligation bonds outstanding as of December 31, 2020 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%	\$ 13,550
Consolidated City, Series 2017A	02/01/2017	01/15/2038	3.125 – 5.000	18,490
<u>Direct borrowings and direct placements:</u>				
Fire Training Facility, Series 2019A*	11/26/2019	01/15/2033	2.010	<u>14,035</u>
Total Civil City Bonds				<u>46,075</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	8,070
Public Safety Communication District Bonds, Series 2020A	01/22/2020	01/01/2029	1.881	<u>34,790</u>
Total Public Safety Communication System Bonds				<u>50,695</u>
Metropolitan Thoroughfare District Bonds:				
Metropolitan Thoroughfare District, Series 2017A	02/01/2017	01/11/2032	3.125 – 5.000	21,975
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>134,855</u>
Total Metropolitan Thoroughfare District Bonds				<u>206,830</u>
Park District Bonds:				
Park District Bonds, Series 2017A	02/01/2017	01/01/2028	4.000 – 5.000	<u>4,120</u>
Total general obligation bonds recorded in governmental activities				307,720
Less: matured bonds payable recorded in the debt service funds				<u>(9,545)</u>
				<u>\$ 298,175</u>

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

All principal and interest payments for the City's general obligation bonds are due on January 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, 2021 have been recorded as matured bonds payable and matured interest payable at December 31, 2020 within the fund statements. All general obligation bonds except for the Computer Facilities District Bonds have pledges of all proceeds of the Trust Estate. Following an event of default on the Computer Facilities District Bonds, the trustee may declare the principal and accrued interest on all bonds to be due and payable immediately.

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On January 21, 2020, the City issued its Public Safety Communications District Bonds, Series 2020 A in the amount of \$37,940. The proceeds of the bonds will be used to currently refund the Public Safety Communication District Bonds, 2008B in the amount of \$13,600 and prepay the outstanding purchase price of \$23,929, owed under an equipment lease obligation. The bonds mature on January 1, 2029 and have an interest rate of 1.881%. The refunding resulted in an accounting loss of \$27, 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 \$983, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$941.

On October 13, 2020, the City issued IndyRoads Metropolitan Thoroughfare District Bonds, Series 2020A in the amount of \$50,000. The proceeds will be used to finance road and street construction and reconstruction and the repair of street, road, bridge, curb and sidewalk improvements within the City. The bonds mature on January 1, 2041 and have interest rates of 4.00-5.00%.

On October 13, 2020, the City issued IndyRoads Metropolitan Thoroughfare District Refunding Bonds, Series 2020B in the amount of \$134,855. These proceeds from these bonds, together with other available funds on hand, were used to advance refund portions of the City’s outstanding IndyRoads Revenue Bonds for an aggregate outstanding principal balance of \$104,360, broken down by the following series; Series 2015A, in the principal amount of \$24,925, Series 2015B, in the principal amount of \$21,050, Series 2018A, in the principal amount of \$28,775 and Series 2019A, in the principal amount of \$29,610. The refunding resulted in an accounting loss of \$16,309, 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 \$8,052, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$4,550. The bonds mature on January 1, 2040 and have interest rates of 0.383 – 2.473%.

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
	2021	\$ 10,270	\$ 1,388	\$ 1,230	\$ 275	\$ 1,395
2022	6,050	841	1,005	252	3,385	5,575
2023	1,490	646	1,025	232	4,005	5,490
2024	1,235	578	1,045	211	4,090	5,397
2025	1,300	515	1,065	190	5,735	5,257
2026-2030	5,565	1,607	5,645	620	51,300	22,712
2031-2035	3,645	745	3,020	91	60,025	15,232
2036-2040	2,485	132	—	—	63,175	7,297
2041-2045	—	—	—	—	13,720	274
	<u>\$ 32,040</u>	<u>\$ 6,452</u>	<u>\$ 14,035</u>	<u>\$ 1,871</u>	<u>\$ 206,830</u>	<u>\$ 71,560</u>

Years Ending December 31	Park		Public Safety Communications System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 430	\$ 195	\$ 4,200	\$ 914	\$ 17,525
2022	455	173	6,545	1,129	17,440	7,970
2023	475	150	6,675	989	13,670	7,507
2024	500	126	7,775	825	14,645	7,137
2025	525	100	6,005	648	14,630	6,710
2026-2030	1,735	133	19,495	873	83,740	25,945
2031-2035	—	—	—	—	66,690	16,068
2036-2040	—	—	—	—	65,660	7,429
2041-2045	—	—	—	—	13,720	274
	<u>\$ 4,120</u>	<u>\$ 877</u>	<u>\$ 50,695</u>	<u>\$ 5,378</u>	<u>\$ 307,720</u>	<u>\$ 86,138</u>

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C. Tax Increment Revenue Bonds

These bonds are issued to provide funds for the construction and maintenance of the City’s infrastructure, such as streets and sidewalks and certain economic development projects. These bonds will be repaid from amounts levied against the property owners that will benefit by this construction. Tax increment revenue bonds outstanding as of December 31, 2020 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%	\$ 236,365
Less: discount				<u>(43,609)</u>
				<u>192,756</u>
Redevelopment District Bonds, Series 2007A	12/13/07	02/01/21	4.000 – 4.125	455
Redevelopment District Bonds, Series, 2007 (Glendale)	05/10/07	02/01/27	5.450 – 6.210	2,650
Redevelopment District Bonds, Series 2010 (Dow AgroSciences)	06/22/10	02/01/25	3.000 – 5.125	9,660
Redevelopment District Bonds, Series 2011A	03/10/11	08/01/24	0.500 – 5.000	14,070
Redevelopment District Bonds, Series 2011C	05/19/11	02/01/36	4.000 – 5.750	20,850
Redevelopment District Refunding Bonds, Series 2013A	05/16/13	02/01/29	2.000 – 5.000	21,930
Redevelopment District Bonds, Series 2013A	05/16/13	02/01/30	5.000	3,915
Redevelopment District Refunding Bonds, Series 2014 (Fall Creek Project)	06/26/14	02/01/29	0.450 – 4.500	7,110
Redevelopment District Refunding Bonds 2016A (Marriott)	10/19/16	02/01/38	3.000 – 5.000	50,325
Redevelopment District Refunding Bonds, Series 2018 (Taxable)(Market District Garage)	01/11/18	01/15/33	4.150	10,800
Economic Development Revenue Bonds, Series 2011A (North of South)	04/07/11	02/01/36	5.000 – 5.750	81,640
Economic Development Revenue Bonds, Series 2011B Taxable (North of South)	04/07/11	02/01/21	2.913 – 4.813	670
Economic Development Revenue Bonds, Series 2013A	05/16/13	02/01/30	5.000	14,270
Economic Development Revenue Bonds, Series 2013B	05/16/13	02/01/30	5.000	1,865
Economic Development Revenue Bonds, Series 2014A (Mass. Ave. Project)	09/03/14	02/01/31	5.000	27,320
Economic Development Revenue Bonds, Series 2014B Taxable (Mass. Ave. Project)	09/03/14	02/01/24	2.300 – 3.430	2,445
Economic Development Revenue Bonds, Series 2014C (MSA Project)	09/03/14	02/01/29	2.000 – 5.000	11,935
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	<u>30,515</u>
Total Tax Increment Revenue Bonds				508,501
Direct Borrowings and Direct Placement Bonds:				
<i>These bonds are issued directly to a small number of investors rather than as a public offering.</i>				
Redevelopment District Bonds, Series 2007 (Ameriplex)	12/28/07	02/01/23	6.200	1,455
Redevelopment District Bonds, Series 2010A	06/03/10	02/01/25	5.000	2,742
Redevelopment District Bonds, Series 2010 (AIT Laboratories)	11/04/10	02/01/35	2.600 – 5.150	4,060
Redevelopment District Bonds, Series 2015A (Tarkington Park Project)	05/20/15	02/01/20	1.980	1,060
Redevelopment District Refunding Bonds, Series 2015A (Brokenburr Project)	8/6/2015	02/01/30	3.250	1,083
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	19,600
Economic Development Revenue Bonds, Series 2015A (Broad Ripple Project)	05/20/15	02/01/20	1.980	6,040
Economic Development Revenue Bonds, Series 2016 A (Mass Ave. Project)	10/13/16	02/01/21	2.390	320
Economic Development Revenue Bonds, Series 2016 B (Pulliam Square Project)	10/13/16	02/01/21	2.390	275

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	<u>Issue Dates</u>	<u>Final Maturity Dates</u>	<u>Interest Rates (All Maturities)</u>	<u>Outstanding</u>
Developer Backed Bonds				
Economic Development Tax Increment Revenue Bonds, Series 2017 (Bethel AME Project)	09/19/17	02/01/42	5.500	8,020
Economic Development Revenue Bonds, Series 2018 (Phoenix Theatre Project)	05/15/18	02/01/40	3.610 – 4.500	4,500
Economic Development Tax Increment Revenue Bonds, Series 2018 (Goodwill Riverview Project)	05/25/18	01/15/43	5.000	4,200
Economic Development Tax Increment Revenue Bonds, Series 2018 (River House Broad Ripple Project)	06/07/18	01/15/40	5.000	2,630
Economic Development Tax Increment Revenue Bonds, Series 2018 (Ford Assembly Plant Project)	12/11/18	01/15/43	4.300	3,800
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 2020 (421 N Penn Project-Draw Bonds)	08/31/20	01/15/45	6.500	—
Total direct borrowings and direct placement				<u>99,200</u>
Total tax increment revenue bonds (direct and public offerings)				607,701
Less: Matured bonds payable recorded in the debt service funds				<u>(660)</u>
				<u>\$ 607,041</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), and Economic Development Tax Increment Revenue Bonds, Series 2020 (421 N Penn 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.

On March 1, 2020, the City issued via direct placement its Redevelopment District Project and Refunding Bonds, Series 2020B (Infosys Project) in the amount of \$22,200. The proceeds will be used for site-acquisition and public infrastructure costs related to the development of a 125-acre campus for Infosys’s U.S. Education Center, which is located at the site of the former Indianapolis Airport. In addition, the proceeds can be used, if desired to defease a portion of the currently refundable Redevelopment District Bonds, Series 2007(Ameriplex). As of December 31, 2020, the City had not defeased the 2007 series. The overall economic development investment is expected to create 3,000 jobs by 2023. The bonds mature on January 15, 2025 and have an interest rate of 0.93%.

On March 1, 2020, the City issued its Redevelopment District, Series 2020C Taxable (Infosys Project) in the amount of \$22,800. The proceeds were used to purchase an existing parking located at the former Indianapolis Airport from the Indianapolis Airport Authority. The garage and parking rights will exclusively be granted to Infosys for an annual nominal sum. The bonds mature on January 15, 2023 and have an interest rate of 1.58%.

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Developer Backed Bonds

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

On August 31, 2020, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2020 (421 N Penn Project) in the amount of \$9,852. The proceeds will be used to finance or reimburse the Developer for the costs of all or a portion of the acquisition, construction, and equipping of a thirteen-story mixed-use development building consisting of approximately 213 residential units, approximately 27,400 square feet of combined retail and office space, and approximately 214 parking spots, located at 421 N. Pennsylvania Street. The bonds are draw bonds, and as of December 31, 2020 no draws have been made. The interest rate for these bonds is 6.50%.

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

Years Ending December 31	Publicly Issued		Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 44,225	\$ 14,784	\$ 10,709	\$ 2,892	\$ 54,934	\$ 17,676
2022	45,155	14,037	18,124	2,795	63,279	16,832
2023	46,245	13,237	12,008	2,506	58,253	15,743
2024	45,925	12,381	11,669	2,307	57,594	14,688
2025	43,525	11,615	6,527	2,126	50,052	13,741
2026-2030	215,045	45,624	19,752	7,084	234,797	52,708
2031-2035	82,995	14,567	8,746	3,990	91,741	18,557
2036-2040	28,995	1,535	8,030	1,926	37,025	3,461
2041-2045	—	—	3,635	259	3,635	259
	552,110	127,780	99,200	25,885	651,310	153,665
Less: deferred interest on capital appreciation bonds	(43,609)	—	—	—	(43,609)	—
Total	\$ 508,501	\$ 127,780	\$ 99,200	\$ 25,885	\$ 607,701	\$ 153,665

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D. Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. At December 31, 2020, 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	\$ 4,815
Economic Development Refunding Bonds, Series 2012B	12/20/12	04/01/39	2.000 – 5.000	14,720
Stormwater District Revenue Refunding Bonds, Series 2013	10/16/13	01/01/26	2.000 – 5.000	21,240
Indy Roads Revenue Bond, Series 2015A	03/25/15	01/01/35	3.000 – 5.000	7,020
Indy Roads Revenue Bonds, Series 2015B	09/16/15	01/01/35	3.000 – 5.000	8,270
PILOT Refunding Bonds, Series 2017C	12/28/17	01/01/40	4.000 – 5.000	148,010
Indy Roads Revenue Bond, Series 2018A	12/18/18	01/01/39	4.000 – 5.000	1,105
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>9,940</u>
Total revenue bonds				265,120
Direct Borrowings and direct placements:				
Stormwater District Revenue Bonds, Series 2011	08/10/11	01/01/41	3.580	12,760
Facilities Revenue Refunding, Series 2015	12/16/15	07/15/21	1.760	<u>1,795</u>
Total direct revenue bonds				<u>14,555</u>
Total revenue bonds recorded in governmental activities (direct and public)				279,675
Less matured bonds payable recorded in debt service funds				<u>—</u>
				<u>\$ 279,675</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, 2021 and January 15, 2021 have been recorded as matured bonds payable and matured interest payable at December 31, 2020.

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

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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>
2021	\$ 720	\$ 6,800	\$ 1,795	\$ 292	\$ 2,515	\$ 7,092
2022	13,750	12,393	430	528	14,180	12,921
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
2026-2030	59,875	41,801	2,705	2,058	62,580	43,859
2031-2035	62,875	27,311	3,300	1,460	66,175	28,771
2036-2040	77,935	10,363	4,020	714	81,955	11,077
2041-2045	4,510	90	920	23	5,430	113
Total	\$ <u>265,120</u>	\$ <u>131,683</u>	\$ <u>14,555</u>	\$ <u>6,553</u>	\$ <u>279,675</u>	\$ <u>138,236</u>

At December 31, 2020, \$343,720 of defeased revenue bonds remain outstanding and have been removed from the basic financial statements.

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E. Pledged Revenues

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

Revenue Bond Issue	General Purpose for Debt	Term of Commitment	Pledged Revenue	Principal and Interest for Fiscal Year Ended December 31, 2020	Pledged Revenues for Fiscal Year Ended December 31, 2020	Total Principal and Interest Remaining on Debt
Tax increment revenue	Infrastructure improvements and certain economic development projects	Through 2044	Property tax increment	\$ 72,976	\$ 118,105	\$ 679,250
Transportation revenue	Construction, reconstruction, and repair of roads, streets, and sidewalks	Through 2040	Wheel tax and gasoline tax	8,204	78,012	31,098
Facilities revenue	Improvements and repairs to various city and county–owned buildings	Through 2021	Rent charged back to City and County agencies	1,814	1,820	1,819
Stormwater	Improvements of stormwater handling capabilities	Through 2041	Net revenues of the stormwater system	9,103	11,379	153,190
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	1,586	1,586	29,557
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	10,142	18,908	229,697

(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 Payables

- The City has outstanding notes payable related to HUD Section 108 loan proceeds. The notes payable, with an original amount of \$5,700, were issued in 2000 and 2001. Under the terms of the agreement, the City makes principal and interest payments on each February 1 and August 1, with the last payment being due on August 1, 2020. The notes were fully paid off as of December 31, 2020.
- 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, 2020 is \$10,463.

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3. On May 14, 2014, the City entered into a note agreement with BMO Harris Bank to service the outstanding obligations related to capital improvements to the Eagle Creek Golf Course. The note is payable over a 7-year period beginning July 15, 2014. Under terms of the agreement, the City makes principal and interest payments on each January 15 and July 15, with the last payment being due on July 15, 2021. At December 31, 2020, \$2,192 was still outstanding.
4. On December 30, 2015, the MDC and CAC entered into an agreement with a developer to construct phase II of the project known as CityWay. CAC entered into a loan agreement for \$18,250 in order to make the loan to the developer. Under the terms of the agreement, the interest payments are due each January 15 and July 15 and the stated interest rate is 3.89%. At December 31, 2020 the CAC has recorded \$746 of cash in escrow and long-term debt of \$15,840. Included in the cash balance is \$746 in a continuing reserve. These amounts will be used to make the debt service payments until the balance in the continuing reserve reaches \$745, after which the developer will make the balance of the payment for the debt service. The City will grant amounts to CAC to repay the loan from existing Certified Technology Park revenues, tax increment financing revenues on the project property and payments from the developer. If such amounts are insufficient to repay the debt the City will pay the difference from excess tax increment financing revenues.
5. In 2013, the City was awarded a \$39,000 Section 108 Loan to create the Community & Economic Development Loan Program (CEDLP). The City will loan these funds to entities with eligible projects for economic development and housing development activities to benefit low to moderate income individuals. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects or to aid in the prevention of slums.
6. On March 31, 2016, the City loaned the Meadows Community Foundation \$1,600, the loan will mature on March 31, 2036. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Meadows Community Foundation to repay the loan to HUD. The outstanding balance of the note at December 31, 2020 is \$926.
7. On October 20, 2017, the City loaned Ford TWG, LLC (Ford) \$4,650, the loan will mature on August 1, 2037. Principal payments are due annually and interest payments are due quarterly. The City will use the payments received from Ford to repay the loan to HUD. At December 31, 2020, the long-term receivable and the outstanding balance of the note is \$4,650.
8. On August 15, 2018, the City borrowed funds for the Monon16 Project for \$5,000, the loan scheduled to mature on August 1, 2038. However, a partial prepayment was made on February 26, 2019 as part of a refinancing agreement, and now the loan is not scheduled to mature until August 1, 2029. Under the new amortization schedule, principal payments are due annually and interest payments are due semiannually. At December 31, 2020, the outstanding balance of the note is \$2,454. The funds will be used to develop the “Monon16” area, which is the immediate area surrounding the intersection of the Monon Trail and 16th Street. This includes housing, security, and transportation improvements.
9. On September 14, 2018, the City borrowed funds for the Central State Complex Project for \$4,575, the loan will mature on August 1, 2038. Principal payments are due annually and interest payments are due quarterly. At December 31, 2020, the outstanding balance of the note is \$4,575. The funds will be used to develop the Central State Complex, which is a growing neighborhood on the near Westside of Indianapolis. This includes infrastructure, housing, and education improvements.
10. On August 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, 2020, 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.
11. 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, 2020 is \$17,895.
12. 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.

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13. 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, 2020 is \$26,475, as this is a draw note.
14. 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, 2020 is \$17,197. 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.

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

<u>Years Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 7,655	\$ 3,305
2022	49,974	3,066
2023	21,636	1,584
2024	5,933	1,050
2025	6,448	851
2026-2030	16,169	2,278
2031-2035	9,465	878
2036-2040	2,492	26
	<u>\$ 119,772</u>	<u>\$ 13,038</u>

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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, 2020, the total net book value of capital assets under such leases was \$38,235 and the related capital lease obligations amounted to \$28,473.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December 31, 2020:

	Governmental Activities
2021	\$ 5,646
2022	5,649
2023	5,407
2024	5,120
2025	2,886
2026-2030	5,695
2031-2035	3,800
2036-2040	1,520
	35,723
Amount representing interest	(7,250)
Present value of net minimum lease payments	\$ 28,473

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, 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 \$43,268 at December 31, 2020 is recorded in the government-wide statements.

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

13. Conduit Debt

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

The outstanding City conduit debt issued prior to 2001 cannot be determined. However, as of December 31, 2020, there were 26 series of Economic Development Revenue Bonds approved by the Council issued on or after 2001 outstanding for a total not-to-exceed amount of \$280,799. The aggregate principal amount outstanding at December 31, 2020 since 2001 is \$196,531.

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14. Fund Balances

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

	<u>General Fund</u>	<u>Federal Grants Fund</u>	<u>Coronavirus Relief 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	51,180	—	—	—	—	51,180
Stormwater management	34,424	—	—	—	—	34,424
Debt service	—	—	—	187,751	52,133	239,884
Capital projects	—	—	—	—	199,871	199,871
Other purposes by grantors	—	969	395	—	4,185	5,549
Sidewalk, curb and street repair	—	—	—	—	9,471	9,471
	<u>85,604</u>	<u>969</u>	<u>395</u>	<u>187,751</u>	<u>265,660</u>	<u>540,379</u>
Committed to:						
Utility monitoring	300	—	—	—	—	300
CJC	30,218	—	—	—	—	30,218
	<u>30,518</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>30,518</u>
Assigned to:						
Redevelopment	14,010	—	—	—	—	14,010
Solid waste collection	5,630	—	—	—	—	5,630
Parks and recreation	5,896	—	—	—	—	5,896
Stormwater management	5,260	—	—	—	—	5,260
Operating expenditures	72,751	—	—	—	—	72,751
Public safety	7,801	—	—	—	—	7,801
	<u>111,348</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>111,348</u>
Unassigned	<u>168,492</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>168,492</u>
Total fund balance	<u>\$ 395,962</u>	<u>\$ 969</u>	<u>\$ 395</u>	<u>\$ 187,751</u>	<u>\$ 266,032</u>	<u>\$ 851,109</u>

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15. Postemployment Benefits Other Than Pensions

A. Plan Description

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

B. Benefits Provided

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

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

Eligible retirees must meet the following criteria:

Civilian

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

Police

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

Firefighters

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

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

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

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C. Contributions

Contribution requirements are negotiated between the City and union representatives. For fiscal year 2020, the City contributed \$7,514 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 \$259,666 was measured as of December 31, 2020 for the year ended December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. The total OPEB liability was calculated based on the discount rate and actuarial assumptions below and was then rolled forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 74 and 75.

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

Inflation	2.20% for 15 years and 2.50% thereafter
Salary Increases	2.75% average, including inflation
Health Care Cost Trend Rates	5.80% - 3.80% over 56 years
Discount Rate	2.12%

Mortality rates for pre-retirement, post-retirement, and post-disability members were based on the RP-2014 Employee, RP-2014 Healthy Annuitant, and RP-2014 Disabled mortality rates, respectively. All were adjusted backwards to the 2006 base year using MP-2014, with generational improvement from 2006 using Scale MP-2018. Separate rates were used for males and females as appropriate.

The plan has not had a formal actuarial experience study performed for the January 1, 2019 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 2.12% 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, 2020. The assets held in the OPEB trusts are not included in the information presented in Note 2, *Cash Deposits and Investments*, or Note 3, *Disclosures About Fair Value of Assets*.

Asset Class	Target Allocation	Long-Term	Long-Term
		Expected Arithmetic Real Rate of Return	Expected Geometric Real Rate of Return
U.S. Core Fixed Income	82.00%	2.28%	2.18%
U.S. Equity Market	15.00%	4.73%	3.52%
U.S. Cash	3.00%	0.88%	0.87%
	100.00%		

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E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.12% for the year ended December 31, 2020. 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:

	2020		
	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance, beginning of year	\$ 244,359	\$ 13,174	\$ 231,185
Changes for the year:			
Service Cost	13,355	-	13,355
Interest on total OPEB liability	6,965	-	6,965
Effect of assumptions changes or inputs	16,305	-	16,305
Benefit payments	(7,093)	(7,093)	-
Employer contributions	-	7,514	(7,514)
Net investment income	-	648	(648)
Administrative expense	-	(18)	18
	29,532	1,051	28,481
Net Changes	29,532	1,051	28,481
Balance, end of year	\$ 273,891	\$ 14,225	\$ 259,666

Changes of assumptions reflect a change in the discount rate from 2.74% at December 31, 2019 to 2.12% at December 31, 2020.

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 2.12%. 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	\$ 288,933	\$ 259,666	\$ 233,986

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.

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	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
City's net OPEB liability	\$ 221,878	\$ 259,666	\$ 305,690

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$19,947. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 23,998
Changes of assumptions	36,018	9,730
Net difference between projected and actual earnings on OPEB plan investments	-	42
Total	<u>\$ 36,018</u>	<u>\$ 33,770</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020, related to OPEB will be recognized in OPEB expense as follows:

2021	(25)
2022	(25)
2023	(82)
2024	(105)
2025	(49)
Thereafter	<u>2,534</u>
\$	<u><u>2,248</u></u>

I. Payable to the OPEB Plan

At December 31, 2020, the City reported a payable of \$477, for the outstanding amount of contributions to the OPEB Plan required for the year ended December 31, 2020.

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16. Pension Plans

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

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

Description of Plans

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

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

Employees Covered by Benefit Terms

Employees covered by benefit terms of the Police and Firefighters’ Pre-1977 Plans as of December 31, 2020 follows:

	Pre-1977 Police Plan	Pre-1977 Firefighters' Plan
Retirees and beneficiaries currently receiving benefits	710	670
Current employees - vested	9	3
Total	719	673

Funding Policy

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

Retirement Benefits

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

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Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

Beginning in 2009, the State began paying the entire annual cost of pension benefits for the police officers and firefighters who are participants of the Pre-1977 plans, including those of the City. Since the City still must pay the benefits under the plans and be reimbursed by the State, these are still considered to be “pay-as-you-go” plans. The payments from the State are estimated each year and any overage or underage is to be adjusted in the next year. In 2020, the State of Indiana contributed \$53,865 of pension relief to the City’s Police and Firefighters’ Pre-1977 Plans (\$27,377 and \$26,488, respectively), which has been reported as contribution revenue by the City.

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

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

Plan Description

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

Funding Policy

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

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

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Retirement Benefits

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

Disability and Survivor Benefits

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

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

Contributions Required and Contributions Made

Employer contribution rates are adopted annually by the INPRS Board for the 1977 Police and Firefighters' Plan. The contributions are actuarially determined based on the funding policy, actuarial assumptions, and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the City, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The INPRS Board approved an employer contribution rate of 17.5% for 2017 as compared to the actuarially determined contribution rate of 9.15% for this same year. The City's contributions to the plan for the year ended December 31, 2020, exclusive of employer-paid member contributions, was \$36,462, 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, 2020, a total of \$80,200 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 \$5 for 2020, are not included in this report but can be found in the Housing Agency's separately issued financial report.

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There are two tiers to the PERF plan. The first is the Public Employee’s Defined Benefit Plan (“PERF Hybrid Plan”) and the second is the My Choice: Retirement Savings Plan for Public Employees (“My Choice Plan”). Effective on January 1, 2017, new employees hired by the City are enrolled in the My Choice Plan with the exception of the American Federation of State, County, and Municipal Employees (“AFSCME”) union employees, which have the option of enrolling in either the PERF Hybrid or My Choice Plan.

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

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

Funding Policy

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

PERF Hybrid Plan

The employer defined benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2020, 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 2020. In addition, for the My Choice Plan, all participating employers were required to make a 7.0% supplemental contribution toward the fund’s actuarial unfunded liability.

Retirement Benefits – PERF Hybrid Plan

Defined Benefit Account

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

Vested employees leaving a covered position, who wait 30 days after termination, may withdraw their Defined Contribution Account and will not forfeit creditable service or a full retirement benefit. However, if an employee is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the Defined Contribution Account. A nonvested employee who terminates employment prior to retirement may withdraw his/ her Defined Contribution Account after 30 days, but by doing so, forfeits his/her creditable service. An employee who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

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

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

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

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, 2020 was \$1,710.

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 2020 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, 2020, exclusive of employer-paid member contributions, was \$6,361, equal to the approved employer contribution and 11.2% of covered payroll for each year.

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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 \$631 for 2020. 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 2020 was 4.2%. The City elected to contribute an additional 1.2% for 2020, which was \$170 for 2020. 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 \$1,554 in 2020.

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

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

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

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

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B. Assumptions

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

<u>Assumptions</u>	<u>Police Pre-1977 Plan</u>	<u>Firefighters' Pre-1977 Plan</u>	<u>1977 Police and Firefighters' Plan</u>	<u>PERF</u>
Date of valuation	January 1, 2020	January 1, 2020	Assets: June 30, 2020 Liabilities: June 30, 2019 - rolled forward to measurement date	Assets: June 30, 2020 Liabilities: June 30, 2019 - rolled forward to measurement date
Measurement date	December 31, 2020	December 31, 2020	June 30, 2020	June 30, 2020
Actuarial cost method	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll	Entry age normal - Level Percent of Payroll
Long-term expected return on plan assets	N/A	N/A	6.75%	6.75%
Money-weighted rate of return	N/A	N/A	2.60%	2.60%
Inflation rate	2.25%	2.25%	2.25%	2.25%
Cost of living adjustment	2.75%	2.75%	2.10%	*
Salary increase	2.75%	2.75%	2.75%	2.75% - 8.75%
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	7/1/15 to 6/30/2019	7/1/15 to 6/30/2019	7/1/14 to 6/30/2019	7/1/14 to 6/30/2019
Discount rate	Barclay's 20-year Municipal Bond Index:	Barclay's 20-year Municipal Bond Index:		
2020	1.49%	1.49%	6.75%	6.75%
2019	2.13%	2.13%	6.75%	6.75%
Asset valuation method	N/A - pay-as-you-go-basis	N/A - pay-as-you-go-basis	5-year smoothing of gains/losses on market value with a 20% corridor	5-year smoothing of gains/losses on market value with a 20% corridor
Amortization method	N/A	N/A	Level dollar	Level dollar
Amortization period	N/A	N/A	Closed – 20 years	Closed – 20 years

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	22%	4.4%
Private equity	14%	7.6%
Fixed income - ex inflation linked	20%	1.9%
Fixed income - inflation linked	7%	0.5%
Commodities	8%	1.6%
Real estate	7%	5.8%
Absolute return	10%	2.9%
Risk parity	12%	5.5%
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, 2020.

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

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

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

<u>Plan</u>	<u>Net Pension Liability (Asset)</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Pre-1977 Police Plan (current rate: 1.49%)	\$ 445,526	\$ 402,667	\$ 366,341
Pre-1977 Firefighters’ Plan (current rate: 1.49%)	403,642	366,078	333,904
1977 Police and Firefighters’ Plan (current rate: 6.75%) - proportionate share (22.23%)	287,514	53,985	(135,224)
PERF (current rate: 6.75%) - proportionate share (1.47%)	<u>72,363</u>	<u>44,385</u>	<u>20,952</u>
Total	<u>\$ 1,209,045</u>	<u>\$ 867,115</u>	<u>\$ 585,973</u>

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

The net pension liabilities for the Police and Firefighters’ Pre-1977 Plans were measured as of December 31, 2020 and the total pension liability used to calculate the net liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to the measurement date. Member census data as of December 31, 2019, was used in the valuation and adjusted, where appropriate, to reflect changes between December 31, 2019 and December 31, 2020. For December 31, 2020 valuations, there were numerous assumption changes. See below:

1. Discount Rate: The discount rate used for the December 31, 2019 valuation was 1.49%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2020. This is an increase from the 2.13% used for the December 31, 2019 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 2.1%. Beginning July 1, 2021 the assumption reverts to the assumed annual rate, which increased to 2.1% from the 2.0% used in the December 31, 2019 valuation. For non-converted members, the COLA assumption was updated from 2.50% to 2.75% in alignment with the salary increase assumption.
3. Salary increases: The salary increase assumption used for the December 31, 2020 valuation was 2.75%, an increase from the 2.50% used for the December 31, 2019 valuation.
4. Mortality: The mortality assumption was updated to the Pub-2010 family of mortality tables.
5. Retirement rates: The retirement rates for the converted members were adjusted to align more closely with recent experience. There was no change in the retirement rates for nonconverted members.
6. Disability rates: The disability rates were adjusted to align more closely with recent experience.
7. Pre-retirement death: Of active member deaths, 20% are assumed to occur in the line of duty, an increase from 10% as of December 31, 2019.
8. Marriage assumption: The percentage of female members assumed to be married was updated from 50% to 60%. There was no change to the percentage of male members assumed to be married.
9. Spouse age: The number of years female members are assumed to be younger than their spouses was updated from 0 years to 2 years. There was no change to the assumed age difference between male members and their spouse.

The net pension liability for the 1977 Police and Firefighters’ Plan was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to the measurement date. Member census data as of June 30, 2019, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 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

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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, 2020, the City's proportion for its police officers was 12.17909%, which is an increase of 0.32393% from its proportion measured as of June 30, 2019. At June 30, 2020, the City's proportion for its firefighters was 10.05426%, which was a decrease of 0.22364% from its proportion measured as of June 30, 2019.

The net pension liability for PERF was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to the measurement date. Member census data as of June 30, 2019, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 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, 2020, the City's proportion was 1.46952%, which was an increase of 0.07452% from its proportion measured as of June 30, 2019.

As a result of the 2014-2019 Experience Study completed in February 2020, the following changes were made to the 1977 and PERF plans:

1. The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to a service-based table ranging from 2.75% to 8.75%.
2. The mortality assumption changed from the RP-2014 Total Data Set Mortality Table to the Pub-2010 public Retirement Plans Mortality Plans.
3. The retirement assumption was updated to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement, 30% are assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility (previously 33% and 67%, respectively).
4. The termination assumption tables for state members were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table, while members in political subdivisions earning less than \$20,000 maintained their sex-distinct age-based table and the rates were updated based on experience.
5. The disability assumption was updated based on recent experience.
6. The marital assumption was updated to assume 80% of male members and 65% of female members are married or have a dependent beneficiary respectively) (previously 75% and 60%).
7. The load placed on the final average earnings to account for additional wages received upon termination, such as severance or unused sick leave, decreased from \$400 to \$200.

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At December 31, 2020, 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 Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Police Pre-1977 Plan	\$ 402,667	\$ —	\$ —	\$ (1,312)
Firefighters' Pre-1977 Plan	366,078	—	—	1,353
1977 Police and Firefighters' Plan	53,985	81,186	33,909	35,340
PERF	44,385	10,418	10,761	4,228
Total	\$ 867,115	\$ 91,604	\$ 44,670	\$ 39,609

The components of the net pension liability of the City for the Police and Firefighters' Pre-1977 Plans as of December 31, 2020 were as follows:

	<u>Pre-1977 Police Plan</u>	<u>Pre-1977 Firefighters' Plan</u>
Total pension liability	\$ 402,671	\$ 366,186
Plan's fiduciary net position	(4)	(108)
City's net pension liability	<u>\$ 402,667</u>	<u>\$ 366,078</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>0.03%</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, 2020	\$ 431,351	\$ 460	\$ 430,891	\$ 391,261	\$ 263	\$ 390,998
Changes for the year:						
Service cost	147	—	147	50	—	50
Interest on total pension liability	8,748	—	8,748	7,966	—	7,966
Difference between expected and actual experience	(7,115)	—	(7,115)	(4,097)	—	(4,097)
Effect of assumptions changes	(3,099)	—	(3,099)	(2,574)	—	(2,574)
Employer contributions	—	27,377	(27,377)	—	26,488	(26,488)
Projected benefit payments	(27,361)	—	(27,361)	(26,420)	—	(26,420)
Benefit payments	—	(27,833)	27,833	—	(26,643)	26,643
Total net changes	<u>(28,680)</u>	<u>(456)</u>	<u>(28,224)</u>	<u>(25,075)</u>	<u>(155)</u>	<u>(24,920)</u>
Balances as of December 31, 2020	<u>\$ 402,671</u>	<u>\$ 4</u>	<u>\$ 402,667</u>	<u>\$ 366,186</u>	<u>\$ 108</u>	<u>\$ 366,078</u>

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

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The Police and Firefighters’ Pre-1977 Plans have no deferred outflows of resources or deferred inflows of resources as of December 31, 2020. Deferred outflows of resources and deferred inflows of resources related to the 1977 Police and Firefighters’ Plan and PERF as of December 31, 2020 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	\$ 33,701	\$ 5,516	\$ 786	\$ 596	\$ 34,487	\$ 6,112
Net difference between projected and actual earnings on pension plan investments	27,439	—	3,799	—	31,238	—
Changes of assumptions	444	27,334	-	9,248	444	36,582
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,463	1,059	2,651	917	4,114	1,976
City's contributions subsequent to the measurement date	18,139	—	3,182	—	21,321	—
Total	\$ 81,186	\$ 33,909	\$ 10,418	\$ 10,761	\$ 91,604	\$ 44,670

At December 31, 2020, the City reported \$18,139 and \$3,182 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, \$18,139 will be recognized as a decrease in the net pension liability for the 1977 Police and Firefighters’ Plan and \$3,182 will be recognized as a decrease in the net pension liability for PERF in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020, related to pensions will be recognized in pension expense as follows:

	1977 Police and Firefighters' Plan	PERF	Total
2021	\$ (2,197)	\$ (3,776)	\$ (5,973)
2022	572	(1,081)	(509)
2023	7,019	(282)	6,737
2024	14,759	1,614	16,373
2025	4,599	—	4,599
Thereafter	4,386	—	4,386
Total	\$ 29,138	\$ (3,525)	\$ 25,613

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D. Pension Trust Fund Financial Statements

Separately issued financial statements are not available for the Police and Firefighters' Pre-1977 Plans. The combining statement of pension trust funds net position at December 31, 2020 follows:

	Police	Firefighters'	Total
ASSETS	Pension	Pension	Total
Equity in pooled cash	\$ —	\$ 4	\$ 4
Investments	4	104	108
Total assets	<u>4</u>	<u>108</u>	<u>112</u>
LIABILITIES			
Accounts payable and other accrued liabilities	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 4</u>	<u>\$ 108</u>	<u>\$ 112</u>

The combining statement of changes in fiduciary net position for the year ended December 31, 2020 follows:

	Police	Firefighters'	Total
ADDITIONS	Pension	Pension	Total
Employer contributions	\$ 27,377	\$ 26,488	\$ 53,865
DEDUCTIONS			
Benefits	27,833	26,643	54,476
Net increase in net position	(456)	(155)	(611)
Net position (deficit) restricted for pensions – beginning of year	460	263	723
Net position restricted for pensions – end of year	<u>\$ 4</u>	<u>\$ 108</u>	<u>\$ 112</u>

E. Discretely Presented Component Unit

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

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17. Deferred Compensation Plan

Employees of the City of Indianapolis are eligible to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (“IRC”) Section 457. The deferred compensation plan is available to all employees of the 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. No employer contributions are made to the 457(b) plan for civilians. The City made contributions to the 457(b) plan for police and fire employees of \$881 and \$937, respectively, for the year ended December 31, 2020. Police and fire employees receive twenty-five cents from the City for each dollar that the employee contributes up to a max of thirty-seven dollars and fifty cents per pay for police and forty-five dollars per pay for fire.

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 \$876 at December 31, 2020. 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 \$3,767 – \$56,025, 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 2020 and 2019, 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, 2018	\$ 10,822	\$ 3,633	\$ 8,285	\$ 22,740
Incurred claims and changes in estimates	6,980	1,281	90,040	98,301
Claims paid	<u>(7,724)</u>	<u>(3,909)</u>	<u>(87,180)</u>	<u>(98,813)</u>
Unpaid claims, December 31, 2019	\$ 10,078	\$ 1,005	\$ 11,145	\$ 22,228
Incurred 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	<u>\$ 9,433</u>	<u>\$ 876</u>	<u>\$ 15,748</u>	<u>\$ 26,057</u>

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

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

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

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

20. Parking Meter Concession Agreement

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

The City receives a share of all revenues generated from the parking meter system. During 2020, the City's monthly share of the revenue was 30% for parking meter revenues collected between \$0 and \$666 and 60% for all such amounts above \$666 (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, 2020, \$16,000 is recorded as a deferred inflow of resources in the government-wide statement of net position for the unamortized portion of upfront payments by the operator to the City. The deferred inflow of resources is being amortized using the straight-line method over the 50-year term of the agreement and, in 2020, \$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 2020, the City incurred approximately \$17,499 in information systems costs and \$913 in telephone costs. The City also paid the County \$7,656 of 911 dispatch fees. During 2020, the County paid the City \$529 for fuel charges. As of December 31, 2020, the County owed the City \$1,563 for court costs. In addition, the City and County both act in capacities as pass through and subrecipient agents for federal and state grants.

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

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

In connection with a Public Safety Support Agreement dated March 1, 2013, between the City and the CIB, the CIB is to pay a portion of the Marion County Admissions Taxes and Marion County Supplemental Auto Rental Excise Taxes it receives on an annual basis to the City to be used for public safety purposes. The CIB is to pay to the City 25% of the revenue received from the most recently enacted increase in the admissions tax, which in 2020 amounted to \$1,507; however, per the agreement, such amount shall never exceed \$3,000 annually. The term of the Public Safety Agreement extends to February 28, 2021 and automatically renews for additional four-year periods until terminated by either party. Under this same agreement, the City agreed to fund up to \$5,000 in repairs to be made to an underground parking facility below Hudnut Commons, an open, landscaped public area in downtown Indianapolis. The City has funded the full \$5,000 in repairs as of December 31, 2020.

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, 2020, the City recorded \$561 in accounts payable to Marion County, and the County recorded \$839 in accounts payable to the City of Indianapolis, \$704 of which is in County custodial fund liabilities.

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, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Federal Grants Fund	\$ 6,992
General Fund	Nonmajor Governmental Funds	432
Total		<u>\$ 7,424</u>

The interfund payable in the federal grants fund will be recovered when the City receives federal grant reimbursement for eligible federal expenditures.

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Interfund transfers for the year ended December 31, 2020 consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>				
	<u>Governmental Activities</u>				
	<u>General Fund</u>	<u>Federal Grants Fund</u>	<u>Revenue Bond Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General Fund	\$ —	\$ 85	\$ 8,858	\$ 12,946	\$ 21,889
Federal Grants Fund	—	—	609	1,221	1,830
Revenue Bond Debt Service Fund	—	90	—	39,950	40,040
Nonmajor Governmental Funds	80,014	—	142,835	1,879	224,728
Total transfers	<u>\$ 80,014</u>	<u>\$ 175</u>	<u>\$ 152,302</u>	<u>\$ 55,996</u>	<u>\$ 288,487</u>

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

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

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

Details of the adjustment for these reconciling items between the *fund balances – total governmental funds* and *net deficit of governmental activities*, as reported in the government-wide statement of net position at December 31, 2020, follow:

Bonds and notes payable	\$ 1,314,868
Unamortized premiums, net of discounts	69,582
Amounts recorded as matured bonds and notes payable at December 31, 2020	(15,610)
Capital leases payable	28,473
Net pension liabilities	867,115
Postemployment benefit liability	259,666
Early retirement obligation	4,634
Compensated absences	43,268
Combined adjustment	<u>\$ 2,571,996</u>

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(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, 2020, follow:

Debt issued:	
General obligation bonds	\$ (222,795)
Tax increment bonds, excluding accretion on capital appreciation bonds of \$10,701	(46,506)
Notes payable	(21,565)
Unamortized premiums	<u>(12,479)</u>
Combined adjustment	<u><u>\$ (303,345)</u></u>
Repayments:	
Bond principal, plus increase in matured bonds payable of \$4,960	\$ 199,110
Notes payable	<u>6,394</u>
Combined adjustment	<u><u>\$ 205,504</u></u>

24. Deficit Fund Balances and Net Position

Negative fund balances by fund are as follows:

Deficit Fund Balances	2020
Internal Service Fund	
Risk Management	\$ <u><u>(3,900)</u></u>

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

25. Subsequent Events

On January 19, 2021, the City received a direct allocation from the United States Department of Treasury for the Emergency Rental Assistance Program (ERA1), in the amount of \$28,881. The program was established by section 501 of the Consolidated Appropriations Act, 2021, Pub. L. No 116-260. ERA1 payments were made directly to states and local governments with more than 200,000 residents. At least 90 percent of awarded funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Remaining funds are available for housing stability services, including case management and other services intended to keep households stably housed. ERA1 funds are set to expire on September 30, 2022.

On April 22, 2021, the City issued its Economic Development Revenue Refunding Bonds, Series 2021 A (CityWay 1 Project) and Economic Development Revenue Refunding Bonds, Series 2021 B (Taxable) in the aggregate amount of \$73,065. The proceeds of the bonds will be used to currently refund the Economic Development Revenue Bonds, Series 2011 A in the amount of \$80,965. The bonds mature on February 1, 2036 and have an interest rate of 5%.

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December 31, 2020
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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 proceed 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%.

In May 2021, the City received a direct allocation from the United States Department of Treasury for the Emergency Rental Assistance Program (ERA2), in the amount of \$13,369, which represents 40% of the City's entire allocation. The City's full allocation is \$33,422, which includes \$10,570 for High Needs Areas. ERA2 payments were made directly to states and local governments with more than 200,000 residents. This funding was provided under the American Rescue Plan Act of 2021, Pub. L. No. 117-2, which was enacted on March 11, 2021. The act required 40% of the allocation to be distributed within 60 days of enactment. The remaining distribution will follow once the grantee has obligated at least 75% of funds previously provided under the ERA1 program. At least 90 percent of awarded funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Remaining funds are available for housing stability services, including case management and other services intended to keep households stably housed. ERA2 funds are set to expire on September 30, 2025.

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 will receive funds in two tranches, with 50% provided in May 2021 and the balance distributed approximately 12 months later, in May 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.

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, 2020
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Taxes	\$ 446,918	\$ 462,021	\$ 467,779	\$ 5,758
Licenses and permits	15,603	15,603	15,394	(209)
Charges for services	80,795	80,796	74,666	(6,130)
Intergovernmental revenues	75,366	100,366	79,653	(20,713)
Traffic violations and court fees	3,038	3,038	1,874	(1,164)
Intragovernmental revenues	12,758	12,759	5,093	(7,666)
Interest and other operating revenues	18,502	18,503	19,490	987
Total revenues	<u>652,980</u>	<u>693,086</u>	<u>663,949</u>	<u>(29,137)</u>
Expenditures:				
Current:				
General government	29,645	56,966	55,896	1,070
Public safety	452,077	453,487	406,844	46,643
Public works	118,733	119,827	118,036	1,791
Health and welfare	1,028	3,104	458	2,646
Cultural and recreation	29,881	27,346	25,821	1,525
Urban redevelopment and housing	9,140	9,073	8,127	946
Economic development and assistance	1,073	1,065	1,139	(74)
Capital outlays	47,219	51,938	50,924	1,014
Total expenditures	<u>688,796</u>	<u>722,806</u>	<u>667,245</u>	<u>55,561</u>
Deficiency of revenues under expenditures	<u>(35,816)</u>	<u>(29,720)</u>	<u>(3,296)</u>	<u>26,424</u>
Other financing sources:				
Sale and lease of property	1,363	1,363	2,263	900
Transfers in	46,061	46,061	57,638	11,577
Total other financing sources	<u>47,424</u>	<u>47,424</u>	<u>59,901</u>	<u>12,477</u>
Revenues under expenditures and other financing sources	11,608	17,704	56,605	38,901
Fund balance at beginning of year	220,992	218,946	249,333	30,387
Cancellation of purchase orders and other	(2,047)	49,363	15,386	(33,977)
Fund balance at end of year	<u>\$ 230,553</u>	<u>\$ 286,013</u>	<u>\$ 321,324</u>	<u>\$ 35,311</u>

See notes to required budgetary supplementary information.

CITY OF INDIANAPOLIS
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Coronavirus Relief Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2020
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Taxes	\$ —	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Intergovernmental revenues	—	168,312	168,312	—
Traffic violations and court fees	—	—	—	—
Intragovernmental revenues	—	—	—	—
Interest and other operating revenues	—	710	710	—
Total revenues	<u>—</u>	<u>169,022</u>	<u>169,022</u>	<u>—</u>
Expenditures:				
Current:				
General government	—	12,928	12,928	—
Public safety	—	62,040	62,040	—
Public works	—	1,834	1,834	—
Health and welfare	—	32,329	32,329	—
Cultural and recreation	—	—	—	—
Urban redevelopment and housing	—	36,776	36,776	—
Economic development and assistance	—	22,962	22,962	—
Capital outlays	—	153	153	—
Total expenditures	<u>—</u>	<u>169,022</u>	<u>169,022</u>	<u>—</u>
Deficiency of revenues under expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other financing sources:				
Sale and lease of property	—	—	—	—
Transfers in	—	—	—	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Revenues under expenditures and other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at beginning of year	—	—	—	—
Cancellation of purchase orders and other	—	—	—	—
Fund balance at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See notes to required budgetary supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Federal Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2020
(In thousands)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Taxes	\$ —	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Intergovernmental revenues	75,344	75,344	19,765	(55,579)
Traffic violations and court fees	975	975	3,241	2,266
Intragovernmental revenues	—	—	—	—
Interest and other operating revenues	—	—	84	84
Total revenues	<u>76,319</u>	<u>76,319</u>	<u>23,090</u>	<u>(53,229)</u>
Expenditures:				
Current:				
General government	1,600	1,173	582	591
Public safety	15,548	17,509	17,739	(230)
Public works	600	600	320	280
Health and welfare	8,900	31,701	20,276	11,425
Cultural and recreation	1,933	1,933	1,168	765
Urban redevelopment and housing	22,446	30,017	22,093	7,924
Economic development and assistance	20,129	3,714	5	3,709
Capital outlays	4,788	9,625	4,272	5,353
Total expenditures	<u>75,944</u>	<u>96,272</u>	<u>66,455</u>	<u>29,817</u>
Deficiency of revenues under expenditures	<u>375</u>	<u>(19,953)</u>	<u>(43,365)</u>	<u>(23,412)</u>
Other financing sources (uses):				
Sale and lease of property	—	—	—	—
Transfers in (out)	(500)	(525)	(1,464)	(939)
Total other financing sources	<u>(500)</u>	<u>(525)</u>	<u>(1,464)</u>	<u>(939)</u>
Revenues under expenditures and other financing sources	<u>(125)</u>	<u>(20,478)</u>	<u>(44,829)</u>	<u>(24,351)</u>
Fund balance at beginning of year	—	—	—	—
Cancellation of purchase orders and other	125	20,478	44,829	24,351
Fund balance at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See notes to required budgetary supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis – Marion County)
Notes to Required Supplementary Information – Budgetary Comparison Schedule
December 31, 2020
(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	\$	688,796
Revisions		34,010
Revised appropriations	\$	<hr/> <hr/> 722,806

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, 2020
(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 2020 operations from a budgetary basis to a GAAP basis are as follows:

	<u>General Fund</u>	<u>Federal Grants Fund</u>	<u>Coronavirus Relief Fund</u>
Revenues over (under) expenditures and other financing sources (uses) (budgetary basis)	\$ 56,605	(44,829)	-
Adjustments:			
Accrued revenues	78,152	12,918	-
Accrued expenditures	(53,277)	(2,398)	(29,455)
Transfers, net	483	(343)	-
Encumbrances	73,330	42,002	29,850
Expenditures from prior year encumbrances	(48,325)	(12,699)	-
Net change in fund balances (GAAP basis)	<u>\$ 106,968</u>	<u>(5,349)</u>	<u>395</u>

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

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

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)

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2019 valuation

- *Discount Rate* : The discount rate used for the December 31, 2019 valuation was 1.49%, as directed by INPRS based on the Barclay's 20-year Municipal Bond Index as of December 31, 2020. This is an increase from the 2.13% used for the December 31, 2019 valuation.
- *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 2.1%. Beginning July 1, 2021 the assumption reverts to the assumed annual rate, which increased to 2.1% from the 2.0% used in the December 31, 2019 valuation. For non-converted members, the COLA assumption was updated from 2.50% to 2.75% in alignment with the salary increase assumption.
- *Salary increases* : The salary increase assumption used for the December 31, 2020 valuation was 2.75%, an increase from the 2.50% used for the December 31, 2019 valuation.
- *Mortality* : The mortality assumption was updated to the Pub-2010 family of mortality tables
- *Retirement rates* : The retirement rates for the converted members were adjusted to align more closely with recent experience. There was no change in the retirement rates for nonconverted members.
- *Disability rates* : The disability rates were adjusted to align more closely with recent experience
- *Pre-retirement death* : Of active member deaths, 20% are assumed to occur in the line of duty, an increase from 10% as of December 31, 2019.
- *Marriage assumption* : The percentage of female members assumed to be married was updated from 50% to 60%. There was no change to the percentage of male members assumed to be married.
- *Spouse age* : The number of years female members are assumed to be younger than their spouses was updated from 0 years to 2 years. There was no change to the assumed age difference between male members and their spouse.

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

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)

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: The following changes in assumptions were made from the December 31, 2019 valuation.

- *Discount Rate* : The discount rate used for the December 31, 2020 valuation was 1.49%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2020. This is an increase from the 2.13% used for the December 31, 2019 valuation.
- *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 2.1%. Beginning July 1, 2021 the assumption reverts to the assumed annual rate, which increased to 2.1% from the 2.0% used in the December 31, 2019 valuation. For non-converted members, the COLA assumption was updated from 2.50% to 2.75% in alignment with the salary increase assumption.
- *Salary increases* : The salary increase assumption used for the December 31, 2020 valuation was 2.75%, an increase from the 2.50% used for the December 31, 2019 valuation.
- *Mortality* : The mortality assumption was updated to the Pub-2010 family of mortality tables.
- *Retirement rates* : The retirement rates for the converted members were adjusted to align more closely with recent experience. There was no change in the retirement rates for nonconverted members.
- *Disability rates* : The disability rates were adjusted to align more closely with recent experience.
- *Pre-retirement death* : Of active member deaths, 20% are assumed to occur in the line of duty, an increase from 10% as of December 31, 2019.
- *Marriage assumption* : The percentage of female members assumed to be married was updated from 50% to 60%. There was no change to the percentage of male members assumed to be married.
- *Spouse age* : The number of years female members are assumed to be younger than their spouses was updated from 0 years to 2 years. There was no change to the assumed age difference between male members and their spouse.

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

Actuarial valuation date	Total pension liability (a)	Plan fiduciary net position (b)	City's net pension liability (a-b)	Fiduciary net position as a % of total pension liability (b/a)	City's covered payroll*	City's net pension liability as a percentage of covered payroll ((a-b)/c)
Police Pre-1977 Plan						
12/31/2020	\$ 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						
12/31/2020	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 the preceding two years.

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

	<u>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)	22.23 %	22.13 %	22.59 %	22.89 %	22.60 %	22.75 %	22.01 %
City's proportionate share of the net pension liability (asset)	\$ 53,985	\$ 2,040	\$ (19,856)	\$ (3,532)	\$ 20,079	\$ (33,609)	\$ (11,223)
City's covered payroll	\$ 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	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)	98.30	98.60 %	101.96 %	100.29 %	98.24 %	103.16 %	101.08 %
PERF							
City's proportion of the net pension liability	1.470 %	1.395 %	1.366 %	1.360 %	1.387 %	1.393 %	1.375 %
City's proportionate share of the net pension liability	\$ 44,385	\$ 46,106	\$ 46,405	\$ 60,665	\$ 62,935	\$ 56,743	\$ 36,131
City's covered payroll	\$ 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	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	83.29	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 2014-2019 Experience Study completed in February 2020, the following changes were made to the 1977 and PERF plans:

- 1) The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to a service-based table ranging from 2.75% to 8.75%.
- 2) The mortality assumption changed from the RP-2014 Total Data Set Mortality Table to the Pub-2010 public Retirement Plans Mortality Plans.
- 3) The retirement assumption was updated to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement, 30% are assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility (previously 33% and 67%, respectively).
- 4) The termination assumption tables for state members were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table, while members in political subdivisions earning less than \$20,000 maintained their sex-distinct age-based table and the rates were updated based on experience.
- 5) The disability assumption was updated based on recent experience.
- 6) The marital assumption was updated to assume 80% of male members and 65% of female members are married or have a dependent beneficiary respectively) (previously 75% and 60%).
- 7) The load placed on the final average earnings to account for additional wages received upon termination, such as severance or unused sick leave, decreased from \$400 to \$200.

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

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

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

	<u>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	\$ 30,248	\$ 25,903	\$ 20,017	\$ 16,540	\$ 25,353	\$ 26,503	\$ 26,211
Contributions in relation to the actuarially determined contribution	\$ 36,462	\$ 35,627	\$ 33,241	\$ 32,274	\$ 35,650	\$ 33,947	\$ 31,256
Contribution deficiency (excess)	\$ (6,214)	\$ (9,724)	\$ (13,224)	\$ (15,734)	\$ (10,297)	\$ (7,444)	\$ (5,045)
City's covered payroll	\$ 206,261	\$ 201,559	\$ 187,126	\$ 183,122	\$ 179,821	\$ 169,213	\$ 159,052
Contributions as a percentage of covered payroll	17.68	17.68	17.76	17.62 %	19.83 %	20.06 %	19.65 %
PERF							
Actuarially determined contribution	\$ 4,930	\$ 5,307	\$ 5,463	\$ 6,761	\$ 6,666	\$ 7,682	\$ 7,065
Contributions in relation to the actuarially determined contribution	\$ 6,361	\$ 6,653	\$ 6,831	\$ 7,188	\$ 7,496	\$ 7,682	\$ 7,065
Contribution deficiency (excess)	\$ (1,431)	\$ (1,346)	\$ (1,368)	\$ (427)	\$ (830)	\$ —	\$ —
City's covered payroll	\$ 73,398	\$ 70,551	\$ 67,735	\$ 66,251	\$ 66,984	\$ 68,622	\$ 67,406
Contributions as a percentage of covered payroll	8.67	9.43	10.08	10.85 %	11.19 %	11.19 %	10.48 %
Police Pre-1977 Plan							
Statutorily required contribution	\$ 27,377	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762
Contributions in relation to the statutorily required contribution	\$ 27,377	\$ 28,138	\$ 28,183	\$ 28,303	\$ 28,887	\$ 29,116	\$ 28,762
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll*	\$ 718	\$ 1,022	\$ 1,469	\$ 1,498	\$ 1,824	\$ 1,645	\$ 1,805
Contributions as a percentage of covered payroll	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	\$ 26,488	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,164
Contributions in relation to the statutorily required contribution	\$ 26,488	\$ 27,946	\$ 27,707	\$ 27,486	\$ 27,974	\$ 28,150	\$ 29,164
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll*	\$ 149	\$ 250	\$ 709	\$ 1,115	\$ 1,436	\$ 1,175	\$ 1,370
Contributions as a percentage of covered payroll	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 2014-2019 Experience Study completed in February 2020, the following changes were made to the 1977 and PERF plans:

- 1) The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to a service-based table ranging from 2.75% to 8.75%.
- 2) The mortality assumption changed from the RP-2014 Total Data Set Mortality Table to the Pub-2010 public Retirement Plans Mortality Plans.
- 3) The retirement assumption was updated to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement, 30% are assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility (previously 33% and 67%, respectively).
- 4) The termination assumption tables for state members were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table, while members in political subdivisions earning less than \$20,000 maintained their sex-distinct age-based table and the rates were updated based on experience.
- 5) The disability assumption was updated based on recent experience.
- 6) The marital assumption was updated to assume 80% of male members and 65% of female members are married or have a dependent beneficiary respectively) (previously 75% and 60%).
- 7) The load placed on the final average earnings to account for additional wages received upon termination, such as severance or unused sick leave, decreased from \$400 to \$200.

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 13,355	10,001	12,338
Interest	6,965	9,849	8,374
Economic/demographic gains/losses	-	(31,867)	-
Changes in assumptions	16,305	29,142	(15,568)
Benefit payments	(7,093)	(5,893)	(6,154)
Net change in total OPEB liability	29,532	11,232	(1,010)
Total OPEB liability - beginning	244,359	233,127	234,137
Total OPEB liability - ending	\$ <u>273,891</u>	<u>244,359</u>	<u>233,127</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 7,514	6,720	7,190
Net investment income	648	393	103
Benefit payments	(7,093)	(5,893)	(6,154)
Administrative expense	(18)	(20)	(36)
Net change in fiduciary net position	1,051	1,200	1,103
Plan fiduciary net position - beginning	13,174	11,974	10,871
Plan fiduciary net position - ending	\$ <u>14,225</u>	<u>13,174</u>	<u>11,974</u>
Net OPEB liability	\$ 259,666	231,185	221,153
Plan fiduciary net position as a percentage of the total OPEB liability	5%	5%	5%
Covered-employee payroll	352,958	322,297	311,988
Net OPEB liability as a percentage of covered-employee payroll	78%	76%	75%

Notes to Schedule

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

Benefit changes: None

Changes in assumptions: Discount rate decreased from 2.74% at December 31, 2019 to 2.12% at December 31, 2020.

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

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

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

Notes to Schedule

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

Additional
Supplementary Information

Additional
Supplementary Information

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Governmental Funds by Fund Type
December 31, 2020
(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	\$ 509	\$ 866	\$ 1,899	\$ —	\$ 3,274
Cash and investments with fiscal agents	—	24,369	64,820	372	89,561
Investments	14,933	25,398	135,342	—	175,673
Property taxes receivable	—	708	640	—	1,348
Accounts receivable, less allowance	30	678	7,412	—	8,120
Long-term receivables, less allowance	—	15,452	18,358	—	33,810
	<u>15,472</u>	<u>67,471</u>	<u>228,471</u>	<u>372</u>	<u>311,786</u>
Total assets	\$ 15,472	\$ 67,471	\$ 228,471	\$ 372	\$ 311,786
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Matured bonds payable	\$ —	\$ 10,360	\$ —	\$ —	\$ 10,360
Matured interest payable	—	2,367	—	—	2,367
Accounts payable and other accrued liabilities	1,796	1,591	20,116	—	23,503
Accrued payroll and payroll taxes	20	—	—	—	20
Due to other funds	—	—	432	—	432
	<u>1,816</u>	<u>14,318</u>	<u>20,548</u>	<u>—</u>	<u>36,682</u>
Total liabilities	1,816	14,318	20,548	—	36,682
Deferred inflows of resources	<u>—</u>	<u>1,020</u>	<u>8,052</u>	<u>—</u>	<u>9,072</u>
Fund balances:					
Nonspendable	—	—	—	372	372
Restricted	13,656	52,133	199,871	—	265,660
	<u>13,656</u>	<u>52,133</u>	<u>199,871</u>	<u>372</u>	<u>266,032</u>
Total fund balances	13,656	52,133	199,871	372	266,032
Total liabilities, deferred inflows of resources and fund balances	\$ 15,472	\$ 67,471	\$ 228,471	\$ 372	\$ 311,786

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, 2020
(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	\$ 70,475	\$ 31,762	\$ 14,841	\$ —	\$ 117,078
Charges for services	1,572	—	—	—	1,572
Intergovernmental revenues	287	500	4,800	—	5,587
Intragovernmental revenues	—	444	—	—	444
Traffic violations and court fees	1,510	—	—	—	1,510
Interest and other operating revenues	413	28,974	6,175	2	35,564
Total revenues	<u>74,257</u>	<u>61,680</u>	<u>25,816</u>	<u>2</u>	<u>161,755</u>
Expenditures:					
Current:					
General government	488	—	—	—	488
Public safety	834	—	—	—	834
Public works	1,451	—	—	—	1,451
Economic development and assistance	—	—	20,220	—	20,220
Debt service:					
Redemption of bonds and notes	—	37,888	—	—	37,888
Interest on bonds and notes	—	33,371	—	—	33,371
Bond and note issuance costs	—	1,328	1,073	—	2,401
Lease payments and other	—	25,424	—	—	25,424
Capital outlays	1,681	—	153,088	—	154,769
Total expenditures	<u>4,454</u>	<u>98,011</u>	<u>174,381</u>	<u>—</u>	<u>276,846</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>69,803</u>	<u>(36,331)</u>	<u>(148,565)</u>	<u>2</u>	<u>(115,091)</u>
Other financing sources (uses):					
Issuance of capital lease	—	—	—	—	—
Bonds and notes issued	—	24,282	116,821	—	141,103
Premium on bonds and notes issued	—	—	12,479	—	12,479
Refunding bonds issued	—	148,513	—	—	148,513
Payment to refunded bond escrow agent	—	(13,600)	—	—	(13,600)
Transfers in	—	30,257	25,739	—	55,996
Transfers out	(71,196)	(151,735)	(1,797)	—	(224,728)
Total other financing sources (uses)	<u>(71,196)</u>	<u>37,717</u>	<u>153,242</u>	<u>—</u>	<u>119,763</u>
Net change in fund balances	<u>(1,393)</u>	<u>1,386</u>	<u>4,677</u>	<u>2</u>	<u>4,672</u>
Fund balances at beginning of year	15,049	50,747	195,194	370	261,360
Fund balances at end of year	<u>\$ 13,656</u>	<u>\$ 52,133</u>	<u>\$ 199,871</u>	<u>\$ 372</u>	<u>\$ 266,032</u>

General Fund

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Assets, Liabilities, and Fund Balance – General Fund
December 31, 2020
(In thousands)

	General Fund Total	Intrafund Eliminations	Consolidated County	Redevelop- ment	Solid Waste		Public Safety Communications
					Collection	Disposal	
ASSETS							
Equity in pooled cash	\$ 11,064	\$ —	\$ 6,776	\$ 465	\$ 307	\$ —	\$ 118
Cash and investments with fiscal agents	4,609	—	—	—	4,609	—	—
Investments	393,574	—	267,836	13,624	8,989	—	3,463
Property taxes receivable	8,588	—	1,096	21	1,253	—	—
Accounts receivable	38,535	—	7,337	343	614	949	—
Allowance for estimated uncollectibles – accounts receivable	(1,918)	—	—	—	—	—	—
Due from other funds	7,424	(345)	7,769	—	—	—	—
Due from federal and state governments	81	—	—	—	—	—	—
Long-term receivables	100	—	—	100	—	—	—
Total assets	<u>\$ 462,057</u>	<u>(345)</u>	<u>\$ 290,814</u>	<u>\$ 14,553</u>	<u>\$ 15,772</u>	<u>\$ 949</u>	<u>\$ 3,581</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	\$ 37,276	\$ —	\$ 11,710	\$ 484	\$ 8,115	\$ 2,038	\$ 222
Accrued payroll and payroll taxes	12,041	—	3,321	29	168	—	79
Due to other funds	—	(345)	—	—	—	345	—
Unearned revenue	235	—	—	—	—	—	—
Total liabilities	<u>49,552</u>	<u>(345)</u>	<u>15,031</u>	<u>513</u>	<u>8,283</u>	<u>2,383</u>	<u>301</u>
Deferred inflows of resources	<u>16,543</u>	<u>—</u>	<u>1,664</u>	<u>30</u>	<u>1,859</u>	<u>924</u>	<u>—</u>
Fund balances:							
Nonspendable	—	—	—	—	—	—	—
Restricted	85,604	—	—	—	—	—	—
Committed	30,518	—	30,518	—	—	—	—
Assigned	111,348	—	72,751	14,010	5,630	—	3,280
Unassigned	168,492	—	170,850	—	—	(2,358)	—
Total fund balances	<u>395,962</u>	<u>—</u>	<u>274,119</u>	<u>14,010</u>	<u>5,630</u>	<u>(2,358)</u>	<u>3,280</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 462,057</u>	<u>\$ (345)</u>	<u>\$ 290,814</u>	<u>\$ 14,553</u>	<u>\$ 15,772</u>	<u>\$ 949</u>	<u>\$ 3,581</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, 2020
(In thousands)

	Transportation	Fire	Park	Metropolitan Police	Storm Water Management
ASSETS					
Equity in pooled cash	\$ 1,395	\$ 96	\$ 259	\$ 223	\$ 1,425
Cash and investments with fiscal agents	—	—	—	—	—
Investments	40,895	2,832	7,595	6,549	41,791
Property taxes receivable	—	3,868	753	1,597	—
Accounts receivable	16,796	3,600	576	3,542	4,778
Allowance for estimated uncollectibles – accounts receivable	—	—	—	—	(1,918)
Due from other funds	—	—	—	—	—
Due from federal and state governments	—	—	—	81	—
Long-term receivables	—	—	—	—	—
	<u>\$ 59,086</u>	<u>\$ 10,396</u>	<u>\$ 9,183</u>	<u>\$ 11,992</u>	<u>\$ 46,076</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 7,256	\$ 390	\$ 1,563	\$ 2,081	\$ 3,417
Accrued payroll and payroll taxes	379	4,249	380	3,308	128
Due to other funds	—	—	—	—	—
Unearned revenue	—	—	235	—	—
	<u>7,635</u>	<u>4,639</u>	<u>2,178</u>	<u>5,389</u>	<u>3,545</u>
Deferred inflows of resources	<u>271</u>	<u>5,357</u>	<u>1,109</u>	<u>2,482</u>	<u>2,847</u>
Fund balance:					
Nonspendable	—	—	—	—	—
Restricted	51,180	—	—	—	34,424
Committed	—	—	—	—	—
Assigned	—	400	5,896	4,121	5,260
Unassigned	—	—	—	—	—
	<u>51,180</u>	<u>400</u>	<u>5,896</u>	<u>4,121</u>	<u>39,684</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,086</u>	<u>\$ 10,396</u>	<u>\$ 9,183</u>	<u>\$ 11,992</u>	<u>\$ 46,076</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year ended December 31, 2020
(In thousands)

	General Fund	Intrafund	Consolidated	Redevelop-	Solid Waste		Public Safety
	Total	eliminations	County	ment	Collection	Disposal	Communications
Revenues:							
Taxes	\$ 468,546	\$ —	\$ 232,013	\$ 1,221	\$ 37,552	\$ —	\$ 10,318
Licenses and permits	15,594	—	14,828	107	—	—	—
Charges for services	78,979	—	15,234	1,184	2,543	8,993	185
Other intergovernmental revenues:							
Federal revenues	9,346	—	108	—	25	—	—
State revenues	126,642	—	2,922	750	—	—	—
Other revenues	4,476	—	2,795	—	—	—	324
Intragovernmental revenue	7,077	—	4,919	—	—	—	68
Traffic violations and court fees	1,938	—	1,376	—	—	—	—
Interest and other operating revenues	20,398	—	8,707	178	(603)	(42)	34
Total revenues	<u>732,996</u>	<u>—</u>	<u>282,902</u>	<u>3,440</u>	<u>39,517</u>	<u>8,951</u>	<u>10,929</u>
Expenditures:							
Current:							
General government	26,960	—	26,960	—	—	—	—
Public safety	451,218	—	29,124	—	—	—	10,220
Public works	127,221	—	162	—	38,550	8,437	—
Health and welfare	839	—	103	732	—	—	—
Cultural and recreation	24,940	—	1,100	—	—	—	—
Urban redevelopment and housing	8,482	—	5,588	1,554	—	—	—
Economic development and assistance	1,409	—	111	1,298	—	—	—
Debt service:							
Redemption of bonds and notes	1,507	—	923	4	—	—	—
Interest on bonds and notes	455	—	259	1	—	—	—
Lease payments and other	14	—	—	—	—	—	—
Capital outlays	52,472	—	922	61	6,172	—	218
Total expenditures	<u>695,517</u>	<u>—</u>	<u>65,252</u>	<u>3,650</u>	<u>44,722</u>	<u>8,437</u>	<u>10,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,479</u>	<u>—</u>	<u>217,650</u>	<u>(210)</u>	<u>(5,205)</u>	<u>514</u>	<u>491</u>
Other financing sources (uses):							
Issuance of capital lease	8,596	—	—	—	7,233	—	—
Sales of capital assets	2,768	—	427	1,691	—	—	—
Transfers in	80,014	(128,581)	9,028	5	—	—	—
Transfers out	(21,889)	128,581	(128,577)	(1,279)	—	—	—
Total other financing sources (uses)	<u>69,489</u>	<u>—</u>	<u>(119,122)</u>	<u>417</u>	<u>7,233</u>	<u>—</u>	<u>—</u>
Net change in fund balance	106,968	—	98,528	207	2,028	514	491
Fund balances at beginning of year	288,994	—	175,591	13,803	3,602	(2,872)	2,789
Fund balances (deficits) at end of year	<u>\$ 395,962</u>	<u>\$ —</u>	<u>\$ 274,119</u>	<u>\$ 14,010</u>	<u>\$ 5,630</u>	<u>\$ (2,358)</u>	<u>\$ 3,280</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, 2020
(In thousands)

	<u>Transportation</u>	<u>Fire</u>	<u>Park</u>	<u>Metropolitan Police</u>	<u>Storm Water Management</u>
Revenues:					
Taxes	\$ 16,000	\$ 96,834	\$ 25,248	\$ 49,360	\$ —
Licenses and permits	4	19	—	636	—
Charges for services	1,732	473	2,715	3,108	42,812
Other intergovernmental revenues:					
Federal revenues	5,045	2,000	88	2,080	—
State revenues	67,160	27,031	—	28,779	—
Other revenues	319	519	—	519	—
Intragovernmental revenue	1,530	—	—	—	560
Traffic violations and court fees	—	—	—	562	—
Interest and other operating revenues	1,616	3,457	68	6,588	395
Total revenues	<u>93,406</u>	<u>130,333</u>	<u>28,119</u>	<u>91,632</u>	<u>43,767</u>
Expenditures:					
Current:					
General government	—	—	—	—	—
Public safety	—	172,009	1,530	238,335	—
Public works	56,639	—	44	—	23,389
Health and welfare	4	—	—	—	—
Cultural and recreation	—	—	23,840	—	—
Urban redevelopment and housing	1,340	—	—	—	—
Economic development and assistance	—	—	—	—	—
Debt service:					
Redemption of bonds and notes	—	122	324	134	—
Interest on bonds and notes	—	34	123	38	—
Lease payments and other	9	1	3	—	1
Capital outlays	31,360	366	2,344	5,135	5,894
Total expenditures	<u>89,352</u>	<u>172,532</u>	<u>28,208</u>	<u>243,642</u>	<u>29,284</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,054</u>	<u>(42,199)</u>	<u>(89)</u>	<u>(152,010)</u>	<u>14,483</u>
Other financing sources (uses):					
Issuance of capital lease	—	172	—	1,191	—
Sales of capital assets	—	158	—	492	—
Transfers in	—	45,330	—	153,798	434
Transfers out	(11,429)	—	—	—	(9,185)
Total other financing sources (uses)	<u>(11,429)</u>	<u>45,660</u>	<u>—</u>	<u>155,481</u>	<u>(8,751)</u>
Net change in fund balance	(7,375)	3,461	(89)	3,471	5,732
Fund balances at beginning of year	58,555	(3,061)	5,985	650	33,952
Fund balances at end of year	<u>\$ 51,180</u>	<u>\$ 400</u>	<u>\$ 5,896</u>	<u>\$ 4,121</u>	<u>\$ 39,684</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Subfund Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis
Year ended December 31, 2020
(In thousands)

	<u>Total General Fund</u>		<u>Consolidated County</u>		<u>Redevelopment</u>		<u>Solid Waste Collection</u>	
	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>	<u>Final budget</u>	<u>Actual</u>
Revenues:								
Taxes	\$ 462,021	\$ 467,779	\$ 230,997	\$ 232,013	\$ 1,207	\$ 1,221	\$ 36,428	\$ 37,552
Licenses and permits	15,603	15,394	15,140	14,633	120	105	—	—
Charges for services	80,796	74,666	15,061	12,988	1,434	1,099	2,459	1,901
Other intergovernmental revenues:								
Federal revenues	25,435	3,409	25,160	108	—	—	—	25
State revenues	69,353	71,464	2,641	1,883	750	—	—	—
Other revenues	5,578	4,780	2,430	2,631	—	—	—	—
Traffic violations and court fees	3,038	1,874	2,238	1,357	—	—	—	—
Intragovernmental revenues	12,759	5,093	3,114	4,435	—	—	—	—
Interest and other operating revenues	18,503	19,490	6,595	7,734	200	177	243	30
Total revenues	<u>693,086</u>	<u>663,949</u>	<u>303,376</u>	<u>277,782</u>	<u>3,711</u>	<u>2,602</u>	<u>39,130</u>	<u>39,508</u>
Expenditures:								
Current:								
General government	56,966	55,896	56,966	55,896	—	—	—	—
Public safety	453,487	406,844	31,481	29,767	—	—	—	—
Public works	119,827	118,036	282	265	—	—	37,136	35,517
Health and welfare	3,104	458	2,312	1	753	457	—	—
Cultural and recreation	27,346	25,821	1,100	1,100	—	—	—	—
Urban redevelopment and housing	9,073	8,127	6,010	5,273	1,792	1,642	—	—
Economic development and assistance	1,065	1,139	—	111	1,065	1,028	—	—
Capital outlays	51,938	50,924	1,482	896	295	250	3,515	3,514
Total expenditures	<u>722,806</u>	<u>667,245</u>	<u>99,633</u>	<u>93,309</u>	<u>3,905</u>	<u>3,377</u>	<u>40,651</u>	<u>39,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,720)</u>	<u>(3,296)</u>	<u>203,743</u>	<u>184,473</u>	<u>(194)</u>	<u>(775)</u>	<u>(1,521)</u>	<u>477</u>
Other financing sources (uses):								
Sales of capital assets	1,363	2,263	522	113	800	1,898	—	—
Transfers in (out)	46,061	57,638	(184,493)	(119,552)	(476)	(1,273)	—	—
Total other financing sources (uses)	<u>47,424</u>	<u>59,901</u>	<u>(183,971)</u>	<u>(119,439)</u>	<u>324</u>	<u>625</u>	<u>—</u>	<u>—</u>
Revenues over (under) expenditures and other financing sources (uses)	17,704	56,605	19,772	65,034	130	(150)	(1,521)	477
Fund balances at beginning of year	218,946	249,333	151,869	168,776	11,143	10,776	7,586	7,379
Cancellation of purchase orders and other	49,363	15,386	33,810	6,689	1,411	1,923	101	820
Fund balances at end of year	<u>\$ 286,013</u>	<u>\$ 321,324</u>	<u>\$ 205,451</u>	<u>\$ 240,499</u>	<u>\$ 12,684</u>	<u>\$ 12,549</u>	<u>\$ 6,166</u>	<u>\$ 8,676</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, 2020
(In thousands)

	Solid Waste Disposal		Public Safety Communications		Transportation		Metropolitan Police	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ —	\$ —	\$ 10,320	\$ 10,318	\$ 16,163	\$ 15,234	\$ 47,802	\$ 49,360
Licenses and permits	—	—	—	—	—	4	323	633
Charges for services	9,389	8,968	210	185	1,811	807	2,597	2,838
Other intergovernmental revenues:								
Federal revenues	—	—	—	—	—	3,165	175	23
State revenues	—	—	—	—	63,532	67,151	1,887	1,887
Other revenues	—	—	320	324	528	319	1,150	753
Traffic violations and court fees	—	—	—	—	—	—	800	517
Intragovernmental revenues	—	—	144	68	8,754	30	—	—
Interest and other operating revenues	—	(42)	—	34	2,110	1,097	5,730	6,573
Total revenues	9,389	8,926	10,994	10,929	92,898	87,807	60,464	62,584
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	10,953	10,074	—	—	241,074	214,950
Public works	9,358	9,355	—	—	50,346	50,236	—	—
Health and welfare	—	—	—	—	—	—	16	—
Cultural and recreation	—	—	—	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	1,271	1,212	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Capital outlays	—	—	417	416	31,974	31,905	65	17
Total expenditures	9,358	9,355	11,370	10,490	83,591	83,353	241,155	214,967
Excess (deficiency) of revenues over (under) expenditures	31	(429)	(376)	439	9,307	4,454	(180,691)	(152,383)
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	41	109
Transfers in (out)	—	—	—	—	(11,178)	(11,429)	183,358	153,313
Total other financing sources (uses)	—	—	—	—	(11,178)	(11,429)	183,399	153,422
Revenues over (under) expenditures and other financing sources (uses)	31	(429)	(376)	439	(1,871)	(6,975)	2,708	1,039
Fund balances at beginning of year	73	(136)	417	1,047	13,639	20,035	1,405	2,776
Cancellation of purchase orders and other	(222)	61	1,066	157	7,414	4,608	710	7
Fund balances at end of year	\$ (118)	\$ (504)	\$ 1,107	\$ 1,643	\$ 19,182	\$ 17,668	\$ 4,823	\$ 3,822

(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, 2020
(In thousands)

	Fire		Park		Storm Water Management	
	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:						
Taxes	\$ 94,145	\$ 96,833	\$ 24,959	\$ 25,248	\$ —	\$ —
Licenses and permits	20	19	—	—	—	—
Charges for services	919	377	4,692	2,704	42,224	42,799
Other intergovernmental revenues:						
Federal revenues	—	—	100	88	—	—
State revenues	543	543	—	—	—	—
Other revenues	1,150	753	—	—	—	—
Traffic violations and court fees	—	—	—	—	—	—
Intragovernmental revenues	—	—	—	—	747	560
Interest and other operating revenues	3,610	3,449	15	44	—	394
Total revenues	<u>100,387</u>	<u>101,974</u>	<u>29,766</u>	<u>28,084</u>	<u>42,971</u>	<u>43,753</u>
Expenditures:						
Current:						
General government	—	—	—	—	—	—
Public safety	169,778	150,505	201	1,548	—	—
Public works	—	—	—	—	22,705	22,663
Health and welfare	—	—	23	—	—	—
Cultural and recreation	—	—	26,246	24,721	—	—
Urban redevelopment and housing	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Capital outlays	—	—	2,838	2,838	11,352	11,088
Total expenditures	<u>169,778</u>	<u>150,505</u>	<u>29,308</u>	<u>29,107</u>	<u>34,057</u>	<u>33,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,391)</u>	<u>(48,531)</u>	<u>458</u>	<u>(1,023)</u>	<u>8,914</u>	<u>10,002</u>
Other financing sources (uses):						
Sale of capital assets	—	143	—	—	—	—
Transfers in (out)	67,661	45,330	—	—	(8,811)	(8,751)
Total other financing sources (uses)	<u>67,661</u>	<u>45,473</u>	<u>—</u>	<u>—</u>	<u>(8,811)</u>	<u>(8,751)</u>
Revenues over (under) expenditures and other financing sources (uses)	(1,730)	(3,058)	458	(1,023)	103	1,251
Fund balances at beginning of year	2,890	5,130	4,320	4,973	25,604	28,577
Cancellation of purchase orders and other	2,236	80	(1,514)	298	4,351	743
Fund balances at end of year	<u>\$ 3,396</u>	<u>\$ 2,152</u>	<u>\$ 3,264</u>	<u>\$ 4,248</u>	<u>\$ 30,058</u>	<u>\$ 30,571</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
General Fund
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2020
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Executive and Legislative				
Office of the Mayor				
	Consolidated County			
Personal services		\$ 3,518	\$ 3,012	\$ 506
Supplies		6	2	4
Other services and charges		3,270	3,091	179
Capital outlay		1	—	1
Internal charges		(743)	(743)	—
Total		<u>6,052</u>	<u>5,362</u>	<u>690</u>
Office of Audit and Performance				
	Consolidated County			
Personal services		873	840	33
Supplies		2	2	—
Other services and charges		2,003	1,901	102
Capital outlay		3	1	2
Internal charges		24	24	—
Total		<u>2,905</u>	<u>2,768</u>	<u>137</u>
City-County Council				
	Consolidated County			
Personal services		1,674	1,642	32
Supplies		6	2	4
Other services and charges		648	431	217
Capital outlay		3	—	3
Internal charges		4	4	—
Total		<u>2,335</u>	<u>2,079</u>	<u>256</u>
Cable Franchise Board				
	Consolidated County			
Personal services		363	363	—
Supplies		3	1	2
Other services and charges		197	188	9
Capital outlay		134	131	3
Internal charges		5	5	—
Total		<u>702</u>	<u>688</u>	<u>14</u>
Office of the Corporation Counsel				
	Consolidated County			
Personal services		3,594	3,319	275
Supplies		7	2	5
Other services and charges		2,386	2,340	46
Capital outlay		1	—	1
Internal charges		(4,258)	(4,136)	(122)
Total		<u>1,730</u>	<u>1,525</u>	<u>205</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, 2020
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Office of Finance and Management	Consolidated County			
Personal services		\$ 4,922	\$ 4,737	\$ 185
Supplies		42	11	31
Other services and charges		3,540	3,497	43
Capital outlay		21	20	1
Internal charges		310	308	2
Total		<u>8,835</u>	<u>8,573</u>	<u>262</u>
Minority and Women Owned Business	Consolidated County			
Personal services		614	562	52
Supplies		2	—	2
Other services and charges		149	127	22
Capital outlay		1	—	1
Internal charges		46	46	—
Total		<u>812</u>	<u>735</u>	<u>77</u>
Non-Departmental	Consolidated County			
Personal services		175	—	175
Supplies		463	11	452
Other services and charges		25,800	25,154	646
Capital outlay		50	—	50
Internal charges		—	—	—
Total		<u>26,488</u>	<u>25,165</u>	<u>1,323</u>
Total – Executive and Legislative		<u>\$ 49,859</u>	<u>\$ 46,895</u>	<u>\$ 1,641</u>
Department of Metropolitan Development	Consolidated County			
Personal services		\$ 2,894	\$ 2,626	\$ 268
Supplies		12	5	7
Other services and charges		3,917	3,127	790
Capital outlay		13	—	13
Internal charges		2	160	(158)
Total		<u>6,838</u>	<u>5,918</u>	<u>920</u>
Department of Metropolitan Development	Transportation			
Personal services		158	112	46
Supplies		1	—	1
Other services and charges		1,084	1,084	—
Capital outlay		1	—	1
Internal charges		27	15	12
Total		<u>1,271</u>	<u>1,211</u>	<u>60</u>
Department of Metropolitan Development	Redevelopment			
Personal services		1,078	964	114
Supplies		3	1	2
Other services and charges		2,367	2,000	367
Capital outlay		295	250	45
Internal charges		162	162	—
Total		<u>3,905</u>	<u>3,377</u>	<u>528</u>
Total – Department of Metropolitan Development		<u>\$ 12,014</u>	<u>\$ 10,506</u>	<u>\$ 1,508</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, 2020
(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	\$ 14,727	\$ 1,108
Supplies		540	519	21
Other services and charges		8,332	6,471	1,861
Capital outlay		638	535	103
Internal charges		1,963	1,835	128
Total – Department of Business and Neighborhood Services		<u>\$ 27,308</u>	<u>\$ 24,087</u>	<u>\$ 3,221</u>
Department of Public Works	Consolidated County			
Personal services		\$ 10,803	\$ 10,728	\$ 75
Supplies		14,884	14,213	671
Other services and charges		11,058	10,737	321
Capital outlay		469	208	261
Internal charges		(33,159)	(29,606)	(3,553)
Total		<u>4,055</u>	<u>6,280</u>	<u>(2,225)</u>
Department of Public Works	Transportation			
Personal services		22,603	22,603	—
Supplies		5,398	5,390	8
Other services and charges		14,475	14,418	57
Capital outlay		31,974	31,906	68
Internal charges		7,870	7,825	45
Total		<u>82,320</u>	<u>82,142</u>	<u>178</u>
Department of Public Works	Park			
Personal services		7,219	7,219	—
Supplies		227	227	—
Other services and charges		2,687	2,684	3
Capital outlay		2,375	2,375	—
Internal charges		(12,508)	(12,505)	(3)
Total		<u>—</u>	<u>—</u>	<u>—</u>
Department of Public Works	Solid Waste Collector			
Personal services		9,018	9,018	—
Supplies		81	81	—
Other services and charges		20,439	20,429	10
Capital outlay		3,515	3,514	1
Internal charges		7,598	5,989	1,609
Total		<u>40,651</u>	<u>39,031</u>	<u>1,620</u>
Department of Public Works	Solid Waste Disposal			
Other services and charges		9,293	9,291	\$ 2
Internal charges		65	64	1
Total		<u>9,358</u>	<u>9,355</u>	<u>3</u>
Department of Public Works	Storm Water Management			
Personal services		6,491	6,491	—
Supplies		39	36	3
Other services and charges		13,885	13,885	—
Capital outlay		11,351	11,089	262
Internal charges		2,291	2,250	41
Total		<u>34,057</u>	<u>33,751</u>	<u>306</u>
Total – Department of Public Works		<u>\$ 170,441</u>	<u>\$ 170,559</u>	<u>\$ (118)</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, 2020
(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		\$ 1,382	\$ 1,243	\$ 139
Supplies		460	11	449
Other services and charges		8,480	7,775	705
Capital outlay		151	—	151
Total		<u>10,473</u>	<u>9,029</u>	<u>1,444</u>
Office of Public Health and Safety	Public Safety			
Personal services	Communications	1,892	1,442	450
Supplies		50	50	—
Other services and charges		5,956	5,944	12
Capital outlay		380	380	—
Internal charges		38	33	5
Total		<u>8,316</u>	<u>7,849</u>	<u>467</u>
Total – Office of Public Health and Safety		<u>\$ 18,789</u>	<u>\$ 16,878</u>	<u>\$ 1,911</u>
Indianapolis Fire Department	Public Safety			
Personal services	Communications	\$ 2,931	\$ 2,528	\$ 403
Supplies		24	15	9
Other services and charges		62	62	—
Capital outlay		37	36	1
Total		<u>3,054</u>	<u>2,641</u>	<u>413</u>
Indianapolis Fire Department	Fire			
Personal services		154,550	135,797	18,753
Supplies		2,085	1,766	319
Other services and charges		8,139	7,938	201
Internal charges		5,004	5,004	—
Total		<u>169,778</u>	<u>150,505</u>	<u>19,273</u>
Total – Indianapolis Fire Department		<u>\$ 172,832</u>	<u>\$ 153,146</u>	<u>\$ 19,686</u>
Indianapolis Metropolitan Police Department	Metropolitan Police			
Personal services		\$ 207,735	\$ 183,405	\$ 24,330
Supplies		1,641	1,602	39
Other services and charges		20,727	20,625	102
Capital outlay		65	17	48
Internal charges		10,987	9,318	1,669
Total – Indianapolis Metropolitan Police Department		<u>\$ 241,155</u>	<u>\$ 214,967</u>	<u>\$ 26,188</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		8,987	8,982	5
Supplies		483	373	110
Other services and charges		5,540	5,482	58
Capital outlay		463	463	—
Internal charges		13,835	13,807	28
Total		<u>29,308</u>	<u>29,107</u>	<u>201</u>
Total – Department of Parks and Recreation		<u>\$ 30,408</u>	<u>\$ 30,207</u>	<u>\$ 201</u>
Total – General Fund – by Department and Division		<u>\$ 722,806</u>	<u>\$ 667,245</u>	<u>\$ 54,238</u>

Nonmajor Special Revenue Funds

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

Parking -	to account for revenue from the concession agreement for parking meters; these receipts are used for the repair of sidewalks, curbs, and streets
Cable Franchise PEG Grants -	to account for contributions from the two cable franchise agreements to provide for public purpose grants for the capital costs of Public, Educational, or Governmental (PEG) Access Facilities
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, 2020
(In thousands)

	<u>Parking</u>	<u>Cable Franchise PEG 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	\$ 359	\$ —	\$ 141	\$ —	\$ 9	\$ 509
Investments	10,545	—	4,137	—	251	14,933
Accounts receivable	—	—	30	—	—	30
Due from federal and state governments	—	—	—	—	—	—
Long-term receivables, less allowance of \$22,601	—	—	—	—	—	—
Total assets	<u>\$ 10,904</u>	<u>\$ —</u>	<u>\$ 4,308</u>	<u>\$ —</u>	<u>\$ 260</u>	<u>\$ 15,472</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 1,413	\$ —	\$ 301	\$ —	\$ 82	\$ 1,796
Accrued payroll and payroll taxes	20	—	—	—	—	20
Due to other funds	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—
Total liabilities	<u>1,433</u>	<u>—</u>	<u>301</u>	<u>—</u>	<u>82</u>	<u>1,816</u>
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:						
Restricted	<u>9,471</u>	<u>—</u>	<u>4,007</u>	<u>—</u>	<u>178</u>	<u>13,656</u>
Total fund balances	<u>9,471</u>	<u>—</u>	<u>4,007</u>	<u>—</u>	<u>178</u>	<u>13,656</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,904</u>	<u>\$ —</u>	<u>\$ 4,308</u>	<u>\$ —</u>	<u>\$ 260</u>	<u>\$ 15,472</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
Year ended December 31, 2020
(In thousands)

	<u>Parking</u>	<u>Cable Franchise PEG 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	\$ —	\$ —	\$ —	\$ 70,475	\$ —	\$ 70,475
Charges for services	1,572	—	—	—	—	1,572
Other intergovernmental revenues:						
Federal revenues	—	—	—	—	—	—
Other revenues	—	—	—	—	287	287
Traffic violations and court fees	540	—	970	—	—	1,510
Interest and other operating revenues	155	1	51	204	2	413
Total revenues	<u>2,267</u>	<u>1</u>	<u>1,021</u>	<u>70,679</u>	<u>289</u>	<u>74,257</u>
Expenditures:						
Current:						
General government	—	—	275	—	213	488
Public safety	—	—	834	—	—	834
Public works	1,451	—	—	—	—	1,451
Health and welfare	—	—	—	—	—	—
Cultural and recreation	—	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Debt service:						
Redemption of bonds and notes	—	—	—	—	—	—
Interest on bonds and notes	—	—	—	—	—	—
Capital outlay	1,681	—	—	—	—	1,681
Total expenditures	<u>3,132</u>	<u>—</u>	<u>1,109</u>	<u>—</u>	<u>213</u>	<u>4,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(865)</u>	<u>1</u>	<u>(88)</u>	<u>70,679</u>	<u>76</u>	<u>69,803</u>
Other financing sources (uses):						
Bonds and notes issued	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Transfers out	(400)	(64)	—	(70,732)	—	(71,196)
Total other financing sources (uses)	<u>(400)</u>	<u>(64)</u>	<u>—</u>	<u>(70,732)</u>	<u>—</u>	<u>(71,196)</u>
Net change in fund balances	<u>(1,265)</u>	<u>(63)</u>	<u>(88)</u>	<u>(53)</u>	<u>76</u>	<u>(1,393)</u>
Fund balances at beginning of year	10,736	63	4,095	53	102	15,049
Fund balances at end of year	<u>\$ 9,471</u>	<u>\$ —</u>	<u>\$ 4,007</u>	<u>\$ —</u>	<u>\$ 178</u>	<u>\$ 13,656</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Budgetary Basis
Year ended December 31, 2020
(In thousands)

	Parking		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
Revenues:										
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 70,475	\$ 70,475	\$ —	\$ —	\$ 70,475	\$ 70,475
Charges for services	3,525	1,572	—	—	—	—	—	—	3,525	1,572
Other intergovernmental revenues:										
Federal revenues	—	—	—	—	—	—	—	—	—	—
State revenues	—	—	—	—	—	—	—	—	—	—
Other revenues	15	—	—	—	—	—	—	—	15	—
Traffic violations and court fees	1,200	540	1,553	931	—	—	—	—	2,753	1,471
Interest and other operating revenues	—	155	—	51	—	204	—	2	—	412
Total revenues	<u>4,740</u>	<u>2,267</u>	<u>1,553</u>	<u>982</u>	<u>70,475</u>	<u>70,679</u>	<u>—</u>	<u>2</u>	<u>76,768</u>	<u>73,930</u>
Expenditures:										
Current:										
General government	41	—	—	—	—	—	315	315	356	315
Public safety	—	—	606	535	—	—	—	—	606	535
Public works	2,570	1,703	—	—	—	—	—	—	2,570	1,703
Health and welfare	—	—	—	—	—	—	—	—	—	—
Cultural and recreation	—	—	—	—	—	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—	—	—	—
Capital outlays	1,242	1,144	—	—	—	—	—	—	1,242	1,144
Total expenditures	<u>3,853</u>	<u>2,847</u>	<u>606</u>	<u>535</u>	<u>—</u>	<u>—</u>	<u>315</u>	<u>315</u>	<u>4,774</u>	<u>3,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>887</u>	<u>(580)</u>	<u>947</u>	<u>447</u>	<u>70,475</u>	<u>70,679</u>	<u>(315)</u>	<u>(313)</u>	<u>71,994</u>	<u>70,233</u>
Other financing sources (uses), net:										
Sale of capital assets	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	(800)	(400)	(625)	(233)	(66,226)	(70,732)	315	287	(67,336)	(71,078)
Total other financing sources (uses)	<u>(800)</u>	<u>(400)</u>	<u>(625)</u>	<u>(233)</u>	<u>(66,226)</u>	<u>(70,732)</u>	<u>315</u>	<u>287</u>	<u>(67,336)</u>	<u>(71,078)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>87</u>	<u>(980)</u>	<u>322</u>	<u>214</u>	<u>4,249</u>	<u>(53)</u>	<u>—</u>	<u>(26)</u>	<u>4,658</u>	<u>(845)</u>
Fund balances (deficits) at beginning of year	9,669	9,269	—	—	—	53	10	38	9,679	9,360
Cancellation of purchase orders and other	(1,281)	980	(322)	(214)	(4,249)	—	29	—	(5,823)	766
Fund balances at end of year	<u>\$ 8,475</u>	<u>\$ 9,269</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 39</u>	<u>\$ 12</u>	<u>\$ 8,514</u>	<u>\$ 9,281</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Special Revenue Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2020
(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		\$ 50	\$ 37	\$ 13
Total		<u>50</u>	<u>37</u>	<u>13</u>
Office of Finance and Management	Parking			
Personal services		41	—	41
Total		<u>41</u>	<u>—</u>	<u>41</u>
Office of Finance and Management	Federal Grants			
Other services and charges		1,123	545	578
Total		<u>1,123</u>	<u>545</u>	<u>578</u>
Office of Finance and Management	Drug Free Community			
Other services and charges		315	315	—
Total		<u>315</u>	<u>315</u>	<u>—</u>
Non-Departmental	Federal Grants			
Personal services		1,023	1,023	—
Supplies		789	789	—
Other services and charges		3,919	3,909	10
Capital outlay		157	157	—
Total		<u>5,888</u>	<u>5,878</u>	<u>10</u>
Non-Departmental	Coronavirus Relief Fund			
Personal services		54,202	54,202	—
Supplies		4,585	4,585	—
Other services and charges		110,095	110,095	—
Capital outlay		140	140	—
Total		<u>169,022</u>	<u>169,022</u>	<u>—</u>
Total - Executive and Legislative		\$ <u>176,439</u>	\$ <u>175,797</u>	\$ <u>642</u>
Department of Metropolitan Development	Federal Grants			
Personal services		\$ 1,677	\$ 1,476	\$ 201
Supplies		13	2	11
Other services and charges		56,014	40,769	15,245
Capital outlay		2,254	410	1,844
Internal charges		397	125	272
Total – Department of Metropolitan Development		<u>\$ 60,355</u>	<u>\$ 42,782</u>	<u>\$ 17,573</u>
Department of Public Works	Parking			
Personal services		\$ 1,570	\$ 913	\$ 657
Other services and charges		1,000	790	210
Capital outlay		1,242	1,144	98
Total		<u>3,812</u>	<u>2,847</u>	<u>965</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, 2020
(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	\$ 320	\$ 280
Capital outlay		2,500	174	2,326
Total		<u>3,100</u>	<u>494</u>	<u>2,606</u>
Total – Department of Public Works		\$ <u>6,912</u>	\$ <u>3,341</u>	\$ <u>3,571</u>
Office of Public Health and Safety	Federal Grants			
Personal services		\$ 50	\$ —	\$ 50
Supplies		96	—	96
Other services and charges		266	246	20
Capital outlay		96	—	96
Total – Office of Public Health and Safety		\$ <u>508</u>	\$ <u>246</u>	\$ <u>262</u>
Indianapolis Fire Department	Federal Grants			
Personal services		\$ 7,560	\$ 6,110	\$ 1,450
Supplies		1,705	1,340	365
Other services and charges		2,667	1,238	1,429
Capital outlay		3,735	3,073	662
Internal charges		40	14	26
Total – Indianapolis Fire Department		\$ <u>15,707</u>	\$ <u>11,775</u>	\$ <u>3,932</u>
Indianapolis Metropolitan Police Department	Federal Grants			
Personal services		\$ 3,437	\$ 2,109	\$ 1,328
Supplies		1,154	133	1,021
Other services and charges		2,134	829	1,305
Capital outlay		883	458	425
Total		<u>7,608</u>	<u>3,529</u>	<u>4,079</u>
Indianapolis Metropolitan Police Department	State of Indiana Grants			
Supplies		426	408	18
Other services and charges		180	127	53
Total		<u>606</u>	<u>535</u>	<u>71</u>
Total - Indianapolis Metropolitan Police Department		\$ <u>8,214</u>	\$ <u>4,064</u>	\$ <u>4,150</u>
Department of Parks and Recreation	Federal Grants			
Personal services		\$ 310	\$ 186	\$ 124
Supplies		3	1	2
Other services and charges		1,620	982	638
Total – Department of Parks and Recreation		\$ <u>1,933</u>	\$ <u>1,169</u>	\$ <u>764</u>
Total – Special Revenue Funds – by Department and Division		\$ <u>270,068</u>	\$ <u>239,174</u>	\$ <u>30,894</u>

Nonmajor Debt Service Funds

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Debt Service Funds
December 31, 2020
(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	\$ 277	\$ 125	\$ —	\$ 76	\$ 21	\$ 367	\$ —	\$ 866
Cash and investments with fiscal agents	—	57	8	492	—	23,802	10	24,369
Investments	8,101	3,665	—	2,228	623	10,781	—	25,398
Property taxes receivable	389	228	—	73	18	—	—	708
Accounts receivable	175	92	—	37	11	363	—	678
Long-term receivables	—	—	—	—	—	15,452	—	15,452
Total assets	<u>\$ 8,942</u>	<u>\$ 4,167</u>	<u>\$ 8</u>	<u>\$ 2,906</u>	<u>\$ 673</u>	<u>\$ 50,765</u>	<u>\$ 10</u>	<u>\$ 67,471</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Matured bonds and notes payable	\$ 6,490	\$ 1,965	\$ —	\$ 1,395	\$ 430	\$ 80	\$ —	\$ 10,360
Matured interest payable	910	305	—	983	103	66	—	2,367
Accounts payable and other accrued liabilities	—	—	1	—	—	1,590	—	1,591
Total liabilities	<u>7,400</u>	<u>2,270</u>	<u>1</u>	<u>2,378</u>	<u>533</u>	<u>1,736</u>	<u>—</u>	<u>14,318</u>
Deferred inflows of resources	<u>561</u>	<u>321</u>	<u>—</u>	<u>110</u>	<u>28</u>	<u>—</u>	<u>—</u>	<u>1,020</u>
Fund balances:								
Restricted	<u>981</u>	<u>1,576</u>	<u>7</u>	<u>418</u>	<u>112</u>	<u>49,029</u>	<u>10</u>	<u>52,133</u>
Total fund balances	<u>981</u>	<u>1,576</u>	<u>7</u>	<u>418</u>	<u>112</u>	<u>49,029</u>	<u>10</u>	<u>52,133</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,942</u>	<u>\$ 4,167</u>	<u>\$ 8</u>	<u>\$ 2,906</u>	<u>\$ 673</u>	<u>\$ 50,765</u>	<u>\$ 10</u>	<u>\$ 67,471</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
Year ended December 31, 2020
(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	\$ 11,857	\$ 5,772	\$ —	\$ 2,464	\$ 658	\$ 9,270	\$ —	\$ 30,021
Other taxes	981	493	—	211	56	—	—	1,741
Other intergovernmental revenues:								
State revenues	—	—	—	—	—	500	—	500
Intragovernmental revenue	—	444	—	—	—	—	—	444
Interest on investments	24	52	12	5	2	1,156	47	1,298
Other revenues	—	—	—	—	—	8,768	18,908	27,676
	<u>12,862</u>	<u>6,761</u>	<u>12</u>	<u>2,680</u>	<u>716</u>	<u>19,694</u>	<u>18,955</u>	<u>61,680</u>
Expenditures:								
Debt service:								
Redemption of bonds and notes	11,740	5,115	4,095	1,395	430	12,323	2,790	37,888
Interest on bonds and notes	1,982	1,325	5,008	1,489	206	16,009	7,352	33,371
Bond issuance costs	—	334	—	994	—	—	—	1,328
Lease payments and other	56	23,948	95	22	4	1,298	1	25,424
Total expenditures	<u>13,778</u>	<u>30,722</u>	<u>9,198</u>	<u>3,900</u>	<u>640</u>	<u>29,630</u>	<u>10,143</u>	<u>98,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(916)</u>	<u>(23,961)</u>	<u>(9,186)</u>	<u>(1,220)</u>	<u>76</u>	<u>(9,936)</u>	<u>8,812</u>	<u>(36,331)</u>
Other financing sources (uses):								
Bonds and notes issued	—	24,282	—	—	—	—	—	24,282
Refunding bonds issued	—	13,658	—	134,855	—	—	—	148,513
Payment to refunded bond escrow agent	—	(13,600)	—	—	—	—	—	(13,600)
Transfers in	979	—	9,185	3,088	—	17,005	—	30,257
Transfers out	—	—	—	(136,453)	—	(6,467)	(8,815)	(151,735)
Total other financing sources (uses)	<u>979</u>	<u>24,340</u>	<u>9,185</u>	<u>1,490</u>	<u>—</u>	<u>10,538</u>	<u>(8,815)</u>	<u>37,717</u>
Net change in fund balances	63	379	(1)	270	76	602	(3)	1,386
Fund balances (deficit) at beginning of year	918	1,197	8	148	36	48,427	13	50,747
Fund balances at end of year	<u>\$ 981</u>	<u>\$ 1,576</u>	<u>\$ 7</u>	<u>\$ 418</u>	<u>\$ 112</u>	<u>\$ 49,029</u>	<u>\$ 10</u>	<u>\$ 52,133</u>

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, 2020
(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	\$ 12,482	\$ 12,838	\$ 6,100	\$ 6,265	\$ —	\$ —	\$ 2,575	\$ 2,674	\$ 118,920	\$ 108,786
Charges for services	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	272
Intragovernmental	—	—	—	444	—	—	—	—	—	—
Other operating revenues	—	24	—	52	—	12	—	5	2,074	3,181
Total revenues	12,482	12,862	6,100	6,761	—	12	2,575	2,679	120,994	112,239
Expenditures:										
Economic development and assistance	—	—	—	—	—	—	—	—	8,000	8,000
Debt service	13,828	13,779	44,404	44,322	9,311	9,198	3,903	3,900	198,693	198,086
Total expenditures	13,828	13,779	44,404	44,322	9,311	9,198	3,903	3,900	206,693	206,086
Deficiency of revenues under expenditures	(1,346)	(917)	(38,304)	(37,561)	(9,311)	(9,186)	(1,328)	(1,221)	(85,699)	(93,847)
Other financing sources (uses), net:										
Bond proceeds	—	—	—	37,940	—	—	—	134,855	—	—
Transfers in (out)	979	979	—	—	9,311	9,185	—	(133,366)	11,654	111,243
Total other financing sources (uses)	979	979	—	37,940	9,311	9,185	—	1,489	11,654	111,243
Revenues over (under) expenditures and other financing sources (uses)	(367)	62	(38,304)	379	—	(1)	(1,328)	268	(74,045)	17,396
Fund balances at beginning of year	720	916	637	1,072	11	—	85	127	913	1,026
Cancellation of purchase orders and other	345	—	38,531	126	(11)	9	1,568	—	73,494	(17,833)
Fund balances at end of year	\$ 698	\$ 978	\$ 864	\$ 1,577	\$ —	\$ 8	\$ 325	\$ 395	\$ 362	\$ 589

(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, 2020
(In thousands)

	Park District		Economic Development District		PILOT		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	\$ 683	\$ 715	\$ 9,674	\$ 9,270	\$ —	\$ —	\$ 150,434	\$ 140,548
Charges for services	—	—	1,589	2,009	—	—	1,589	2,009
Intergovernmental	—	—	—	—	—	—	—	272
Intragovernmental	—	—	—	—	—	—	—	444
Other operating revenues	—	2	—	5,248	18,908	18,954	20,982	27,478
Total revenues	<u>683</u>	<u>717</u>	<u>11,263</u>	<u>16,527</u>	<u>18,908</u>	<u>18,954</u>	<u>173,005</u>	<u>170,751</u>
Expenditures:								
Economic development and assistance	—	—	—	—	—	—	8,000	8,000
Debt service	646	640	28,504	28,004	10,146	10,143	309,435	308,072
Total expenditures	<u>646</u>	<u>640</u>	<u>28,504</u>	<u>28,004</u>	<u>10,146</u>	<u>10,143</u>	<u>317,435</u>	<u>316,072</u>
Deficiency of revenues under expenditures	<u>37</u>	<u>77</u>	<u>(17,241)</u>	<u>(11,477)</u>	<u>8,762</u>	<u>8,811</u>	<u>(144,430)</u>	<u>(145,321)</u>
Other financing sources (uses), net:								
Bond proceeds	—	—	—	—	—	—	—	172,795
Transfers in (out)	—	—	—	11,038	—	(8,815)	21,944	(9,736)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,038</u>	<u>—</u>	<u>(8,815)</u>	<u>21,944</u>	<u>163,059</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>37</u>	<u>77</u>	<u>(17,241)</u>	<u>(439)</u>	<u>8,762</u>	<u>(4)</u>	<u>(122,486)</u>	<u>17,738</u>
Fund balances at beginning of year	24	35	821	603	73	3	3,284	3,782
Cancellation of purchase orders and other	33	(1)	17,025	413	(8,835)	11	122,150	(17,275)
Fund balances at end of year	<u>\$ 94</u>	<u>\$ 111</u>	<u>\$ 605</u>	<u>\$ 577</u>	<u>\$ —</u>	<u>\$ 10</u>	<u>\$ 2,948</u>	<u>\$ 4,245</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Debt Service Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2020
(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		\$ 1,705	\$ 1,464	\$ 241
Total		<u>1,705</u>	<u>1,464</u>	<u>241</u>
Non Departmental	Stormwater District			
Other services and charges		9,311	9,198	113
Total		<u>9,311</u>	<u>9,198</u>	<u>113</u>
Non Departmental	Metropolitan Thoroughfare District			
Other services and charges		3,903	3,900	3
Total		<u>3,903</u>	<u>3,900</u>	<u>3</u>
Non Departmental	Park District			
Other services and charges		646	640	6
Total		<u>646</u>	<u>640</u>	<u>6</u>
Non Departmental	Public Safety Communications			
Other services and charges		44,404	44,322	82
Total		<u>44,404</u>	<u>44,322</u>	<u>82</u>
Non Departmental	Civil City			
Other services and charges		13,828	13,779	49
Total		<u>13,828</u>	<u>13,779</u>	<u>49</u>
Non Departmental	Revenue			
Other services and charges		204,988	204,622	366
Total		<u>204,988</u>	<u>204,622</u>	<u>366</u>
Non Departmental	Economic Development			
Other services and charges		28,504	28,004	500
Total		<u>28,504</u>	<u>28,004</u>	<u>500</u>
Non Departmental	PILOT			
Other services and charges		10,146	10,143	3
Total		<u>10,146</u>	<u>10,143</u>	<u>3</u>
Total – Debt Service Funds – by Department		\$ <u>317,435</u>	\$ <u>316,072</u>	\$ <u>1,363</u>

Nonmajor Capital Project Funds

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

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2020
(In thousands)

	<u>Redevelopment District Tax Increment</u>	<u>Economic Development</u>	<u>PILOT Revenue Bonds</u>	<u>Metropolitan Thoroughfare District</u>	<u>Park District</u>	<u>City Cumulative Capital Improvement</u>
ASSETS						
Equity in pooled cash	\$ 1,155	\$ 26	\$ 9	\$ —	\$ 1	\$ 245
Cash and investments with fiscal agents	14,615	8,133	—	31,439	—	—
Investments	33,854	781	270	61,979	438	7,178
Property taxes receivable	—	—	—	—	—	450
Accounts receivable	—	—	—	—	—	191
Long-term receivables, less allowance \$1,550	18,358	—	—	—	—	—
Total assets	<u>\$ 67,982</u>	<u>\$ 8,940</u>	<u>\$ 279</u>	<u>\$ 93,418</u>	<u>\$ 439</u>	<u>\$ 8,064</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	\$ 6,718	\$ —	\$ —	\$ 7,380	\$ 35	\$ 847
Due to other funds	—	—	—	—	—	—
Total liabilities	<u>6,718</u>	<u>—</u>	<u>—</u>	<u>7,380</u>	<u>35</u>	<u>847</u>
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>641</u>
Fund balances:						
Restricted	61,264	8,940	279	86,038	404	6,576
Total fund balances	<u>61,264</u>	<u>8,940</u>	<u>279</u>	<u>86,038</u>	<u>404</u>	<u>6,576</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 67,982</u>	<u>\$ 8,940</u>	<u>\$ 279</u>	<u>\$ 93,418</u>	<u>\$ 439</u>	<u>\$ 8,064</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, 2020
(In thousands)

		County Cumulative Capital Improvement		Tax Revenue Note		Public Safety Communications		Landmark Building Preservation		Fire Cumulative		Storm Water
ASSETS												
Equity in pooled cash	\$	178	\$	2	\$	4	\$	—	\$	130	\$	—
Cash and investments with fiscal agents		—		—		—		—		—		10,633
Investments		5,216		66		2,155		23		3,814		—
Property taxes receivable		—		—		—		—		190		—
Accounts receivable		—		—		—		—		7,221		—
Long-term receivables, less allowance \$1,550		—		—		—		—		—		—
Total assets	\$	<u>5,394</u>	\$	<u>68</u>	\$	<u>2,159</u>	\$	<u>23</u>	\$	<u>11,355</u>	\$	<u>10,633</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
Liabilities:												
Accounts payable and other accrued liabilities	\$	262	\$	—	\$	—	\$	—	\$	117	\$	4,737
Due to other funds		—		—		—		—		—		432
Total liabilities		<u>262</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>117</u>		<u>5,169</u>
Deferred inflows of resources		<u>—</u>		<u>—</u>		<u>—</u>		<u>—</u>		<u>7,411</u>		<u>—</u>
Fund balances:												
Restricted		<u>5,132</u>		<u>68</u>		<u>2,159</u>		<u>23</u>		<u>3,827</u>		<u>5,464</u>
Total fund balances		<u>5,132</u>		<u>68</u>		<u>2,159</u>		<u>23</u>		<u>3,827</u>		<u>5,464</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>5,394</u>	\$	<u>68</u>	\$	<u>2,159</u>	\$	<u>23</u>	\$	<u>11,355</u>	\$	<u>10,633</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, 2020
(In thousands)

		Capital Asset Development		Consolidated City District		Section 108 HUD Loan		Total Nonmajor Capital Projects Funds
ASSETS								
Equity in pooled cash	\$	—	\$	1	\$	148	\$	1,899
Cash and investments with fiscal agents		—		—		—		64,820
Investments		—		15,235		4,333		135,342
Property taxes receivable		—		—		—		640
Accounts receivable		—		—		—		7,412
Long-term receivables, less allowance \$1,550		—		—		—		18,358
		<u>—</u>		<u>15,236</u>		<u>4,481</u>		<u>228,471</u>
Total assets	\$	<u>—</u>	\$	<u>15,236</u>	\$	<u>4,481</u>	\$	<u>228,471</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and other accrued liabilities	\$	—	\$	17	\$	3	\$	20,116
Due to other funds		—		—		—		432
		<u>—</u>		<u>17</u>		<u>3</u>		<u>20,548</u>
Total liabilities		<u>—</u>		<u>17</u>		<u>3</u>		<u>20,548</u>
Deferred inflows of resources		<u>—</u>		<u>—</u>		<u>—</u>		<u>8,052</u>
Fund balances:								
Restricted		<u>—</u>		<u>15,219</u>		<u>4,478</u>		<u>199,871</u>
Total fund balances		<u>—</u>		<u>15,219</u>		<u>4,478</u>		<u>199,871</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>—</u>	\$	<u>15,236</u>	\$	<u>4,481</u>	\$	<u>228,471</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds
Year ended December 31, 2020
(In thousands)

	Redevelopment District Tax Increment	Economic Development	PILOT Revenue Bonds	Metropolitan Thoroughfare District	Park District	City Cumulative Capital Improvement
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,559
Other intergovernmental revenues:						
Other revenues	—	—	—	—	—	—
Interest and other operating revenues	5,435	64	3	313	5	75
Total revenues	<u>5,435</u>	<u>64</u>	<u>3</u>	<u>313</u>	<u>5</u>	<u>10,634</u>
Expenditures:						
Economic development and assistance	11,907	8,038	—	—	—	—
Debt service:						
Bond and note issuance costs	471	—	—	448	—	—
Capital outlays	55,885	—	—	50,806	774	12,492
Total expenditures	<u>68,263</u>	<u>8,038</u>	<u>—</u>	<u>51,254</u>	<u>774</u>	<u>12,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,828)</u>	<u>(7,974)</u>	<u>3</u>	<u>(50,941)</u>	<u>(769)</u>	<u>(1,858)</u>
Other financing sources (uses):						
Issuance of capital lease	—	—	—	—	—	—
Bonds and notes issued	46,506	—	—	50,000	—	—
Premium on bonds issued	—	—	—	12,479	—	—
Transfers in	24,517	—	—	—	—	—
Transfers out	(818)	—	—	—	—	—
Total other financing sources	<u>70,205</u>	<u>—</u>	<u>—</u>	<u>62,479</u>	<u>—</u>	<u>—</u>
Net change in fund balances	7,377	(7,974)	3	11,538	(769)	(1,858)
Fund balances (deficits) at beginning of year	53,887	16,914	276	74,500	1,173	8,434
Fund balances at end of year	<u>\$ 61,264</u>	<u>\$ 8,940</u>	<u>\$ 279</u>	<u>\$ 86,038</u>	<u>\$ 404</u>	<u>\$ 6,576</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, 2020
(In thousands)

	County Cumulative Capital Improvement	Tax Revenue Note	Public Safety Communications	Landmark Building Preservation	Fire Cumulative	Storm Water
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 4,282	\$ —
Other intergovernmental revenues:						
Other revenues	4,800	—	—	—	—	—
Interest and other operating revenues	38	—	11	—	42	54
Total revenues	<u>4,838</u>	<u>—</u>	<u>11</u>	<u>—</u>	<u>4,324</u>	<u>54</u>
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service:						
Bonds and notes issuance costs	—	—	—	—	—	114
Capital outlays	4,808	—	90	—	3,187	23,968
Total expenditures	<u>4,808</u>	<u>—</u>	<u>90</u>	<u>—</u>	<u>3,187</u>	<u>24,082</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30</u>	<u>—</u>	<u>(79)</u>	<u>—</u>	<u>1,137</u>	<u>(24,028)</u>
Other financing sources (uses):						
Issuance of capital lease	—	—	—	—	—	—
Bonds and notes issued	—	—	—	—	—	20,315
Premium on bonds issued	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	(979)	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(979)</u>	<u>20,315</u>
Net change in fund balances	30	—	(79)	—	158	(3,713)
Fund balances at beginning of year	5,102	68	2,238	23	3,669	9,177
Fund balances at end of year	<u>\$ 5,132</u>	<u>\$ 68</u>	<u>\$ 2,159</u>	<u>\$ 23</u>	<u>\$ 3,827</u>	<u>\$ 5,464</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, 2020
(In thousands)

	Capital Asset Development	Consolidated City District	Section 108 HUD Loan	Total Nonmajor Capital Projects Funds
Revenues:				
Taxes	\$ —	\$ —	\$ —	\$ 14,841
Other intergovernmental revenues:				
Other revenues	—	—	—	4,800
Interest and other operating revenues	—	81	54	6,175
Total revenues	—	81	54	25,816
Expenditures:				
Economic development and assistance	—	—	275	20,220
Debt service:				
Bonds and notes issuance costs	—	40	—	1,073
Capital outlays	23	158	897	153,088
Total expenditures	23	198	1,172	174,381
Excess (deficiency) of revenues over (under) expenditures	(23)	(117)	(1,118)	(148,565)
Other financing sources (uses):				
Issuance of capital lease	—	—	—	—
Bonds and notes issued	—	—	—	116,821
Premium on bonds issued	—	—	—	12,479
Transfers in	—	—	1,222	25,739
Transfers out	—	—	—	(1,797)
Total other financing sources	—	—	1,222	153,242
Net change in fund balances	(23)	(117)	104	4,677
Fund balances at beginning of year	23	15,336	4,374	195,194
Fund balances at end of year	\$ —	\$ 15,219	\$ 4,478	\$ 199,871

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, 2020
(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	\$ 10,296	\$ 10,559	\$ —	\$ —	\$ 4,150	\$ 4,281	\$ 14,446	\$ 14,840
Intragovernmental revenues	150	—	—	—	—	—	150	—
Interest and other operating revenues	—	83	—	38	—	42	—	163
Total revenues	<u>10,446</u>	<u>10,642</u>	<u>—</u>	<u>38</u>	<u>4,150</u>	<u>4,323</u>	<u>14,596</u>	<u>15,003</u>
Expenditures:								
Current:								
General government	500	500	—	—	—	—	500	500
Public safety	621	584	—	—	875	742	1,496	1,326
Cultural and recreation	550	490	—	—	—	—	550	490
Economic development and assistance	600	600	—	—	—	—	600	600
Capital outlays	9,183	9,070	4,800	4,172	2,660	2,541	16,643	15,783
Total expenditures	<u>11,454</u>	<u>11,244</u>	<u>4,800</u>	<u>4,172</u>	<u>3,535</u>	<u>3,283</u>	<u>19,789</u>	<u>18,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,008)</u>	<u>(602)</u>	<u>(4,800)</u>	<u>(4,134)</u>	<u>615</u>	<u>1,040</u>	<u>(5,193)</u>	<u>(3,696)</u>
Other financing sources, net:								
Transfers in (out)	—	—	4,800	4,800	(979)	(979)	3,821	3,821
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>4,800</u>	<u>4,800</u>	<u>(979)</u>	<u>(979)</u>	<u>3,821</u>	<u>3,821</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(1,008)</u>	<u>(602)</u>	<u>—</u>	<u>666</u>	<u>(364)</u>	<u>61</u>	<u>(1,372)</u>	<u>125</u>
Fund balances at beginning of year	2,277	2,919	2,330	3,499	2,857	3,454	7,464	9,872
Cancellation of purchase orders and other	618	141	1,256	61	861	31	2,735	233
Fund balances at end of year	<u>\$ 1,887</u>	<u>\$ 2,458</u>	<u>\$ 3,586</u>	<u>\$ 4,226</u>	<u>\$ 3,354</u>	<u>\$ 3,546</u>	<u>\$ 8,827</u>	<u>\$ 10,230</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Annually Budgeted Capital Projects Funds
Schedule of Expenditures by Character – Budget and Actual – Budgetary Basis
Year ended December 31, 2020
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Executive and Legislative				
Office of Finance and Management	City Cumulative Capital Improvement			
Other services and charges		\$ 500	\$ 500	\$ —
Total – Executive and Legislative		<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ —</u>
Department of Metropolitan Development	City Cumulative Capital Improvement			
Other services and charges		\$ 600	\$ 600	\$ —
Total – Department of Metropolitan Development		<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ —</u>
Department of Business and Neighborhood Services	City Cumulative Capital Improvement			
Capital outlay		\$ 274	\$ 273	\$ 1
Total – Department of Business and Neighborhood Services		<u>\$ 274</u>	<u>\$ 273</u>	<u>\$ 1</u>
Department of Public Works	County Cumulative Capital Improvement			
Capital outlay		\$ 4,800	\$ 4,172	\$ 628
Total		<u>4,800</u>	<u>4,172</u>	<u>628</u>
Department of Public Works	City Cumulative Capital Improvement			
Supplies		50	50	—
Other services and charges		500	440	60
Capital outlay		4,610	4,610	—
Internal charges		(4,600)	(4,600)	—
Total		<u>560</u>	<u>500</u>	<u>60</u>
Total – Department of Public Works		<u>\$ 5,360</u>	<u>\$ 4,672</u>	<u>\$ 688</u>
Department of Parks and Recreation	City Cumulative Capital Improvement			
Internal charges		\$ 4,600	\$ 4,600	\$ —
Total - Department of Parks and Recreation		<u>\$ 4,600</u>	<u>\$ 4,600</u>	<u>\$ —</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, 2020
(In thousands)

<u>Department and Division</u>	<u>Fund</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Indianapolis Metropolitan Police Department	City Cumulative Capital Improvement			
Supplies		\$ 11	\$ 11	\$ —
Other services and charges		609	573	36
Capital Outlay		4,300	4,187	113
Total - Indianapolis Metropolitan Police Department		<u>\$ 4,920</u>	<u>\$ 4,771</u>	<u>\$ 149</u>
Indianapolis Fire Department	Fire Cumulative			
Supplies		\$ 875	\$ 742	\$ 133
Other services and charges		2,660	2,541	119
Total – Indianapolis Fire Department		<u>\$ 3,535</u>	<u>\$ 3,283</u>	<u>\$ 252</u>
Total – Capital Projects Funds – by Department and Division		<u>\$ 19,789</u>	<u>\$ 18,699</u>	<u>\$ 1,090</u>

Internal Service Funds

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

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Net Position
December 31, 2020
(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	\$ 159	\$ 251	\$ 676	\$ 1,086
Cash and investments with fiscal agents	714	—	—	714
Investments	4,660	7,373	19,821	31,854
Accounts receivable	—	—	2,242	2,242
	<u>5,533</u>	<u>7,624</u>	<u>22,739</u>	<u>35,896</u>
Total current assets	<u>\$ 5,533</u>	<u>\$ 7,624</u>	<u>\$ 22,739</u>	<u>\$ 35,896</u>
 LIABILITIES				
Accounts payable and other current accrued liabilities	<u>9,433</u>	<u>876</u>	<u>15,748</u>	<u>26,057</u>
Total current liabilities	<u>9,433</u>	<u>876</u>	<u>15,748</u>	<u>26,057</u>
 NET POSITION (DEFICIT)				
Unrestricted (deficit)	<u>(3,900)</u>	<u>6,748</u>	<u>6,991</u>	<u>9,839</u>
Total liabilities and equity	<u>\$ 5,533</u>	<u>\$ 7,624</u>	<u>\$ 22,739</u>	<u>\$ 35,896</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended December 31, 2020
(In thousands)

	<u>Risk Management</u>	<u>Public Liability Self Insurance</u>	<u>Employee Health Insurance</u>	<u>Total</u>
Operating revenues:				
Charges to other funds	\$ 11,853	\$ 3,066	\$ 89,595	\$ 104,514
Operating expenses:				
Claims	5,742	2,507	90,604	98,853
Administration	229	—	—	229
Total operating expenses	<u>5,971</u>	<u>2,507</u>	<u>90,604</u>	<u>99,082</u>
Operating income (loss)	5,882	559	(1,009)	5,432
Nonoperating revenue (expense):				
Interest on investments	7	85	208	300
Income (loss)	<u>5,889</u>	<u>644</u>	<u>(801)</u>	<u>5,732</u>
Change in net position	5,889	644	(801)	5,732
Total net position (deficit) – beginning of year	<u>(9,789)</u>	<u>6,104</u>	<u>7,792</u>	<u>4,107</u>
Total net position (deficit) – end of year	<u>\$ (3,900)</u>	<u>\$ 6,748</u>	<u>\$ 6,991</u>	<u>\$ 9,839</u>

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, 2020
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Cash flows from operating activities:				
Receipts from users	\$ 11,859	\$ 3,066	\$ 89,450	\$ 104,375
Payments for administration	(229)	—	—	(229)
Payments for claims	(6,387)	(2,636)	(86,001)	(95,024)
	5,243	430	3,449	9,122
Cash flows from investing activities:				
Investment purchases	(4,462)	(537)	(3,627)	(8,626)
Investment sales	—	—	—	—
Investment income (expense)	7	85	208	300
	(4,455)	(452)	(3,419)	(8,326)
Net increase (decrease) in cash	788	(22)	30	796
Cash, beginning of year	85	273	646	1,004
Cash, end of year	\$ 873	\$ 251	\$ 676	\$ 1,800
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 5,882	\$ 559	\$ (1,009)	\$ 5,432
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivable	6	—	(145)	(139)
Increase (decrease) in accounts payable	(645)	(129)	4,603	3,829
	5,243	430	3,449	9,122
Net cash provided by (used in) operating activities	\$ 5,243	\$ 430	\$ 3,449	\$ 9,122

Fiduciary Funds

The Fiduciary Funds are classified into two subgroupings – Custodial Funds and Pension and Other Employee Benefit 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 AND OTHER EMPLOYEE BENEFIT 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

CUSTODIAL 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 Employee Benefit Trust Funds
Year ended December 31, 2020
(In thousands)

	Police Pension	Firefighters' Pension	Total
ASSETS			
Equity in pooled cash	\$ —	\$ 4	\$ 4
Investments			
Pooled investments	4	104	108
Total assets	4	108	112
 NET POSITION (DEFICIT) RESTRICTED FOR PENSIONS			
Net position restricted for pensions	\$ 4	\$ 108	\$ 112

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 Employee Benefit Trust Funds
Year ended December 31, 2020
(In thousands)

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Employer contributions	\$ 27,377	\$ 26,488	\$ 53,865
DEDUCTIONS			
Benefits	27,833	26,643	54,476
Total deductions	27,833	26,643	54,476
Net increase (decrease) in net position	(456)	(155)	(611)
Net position restricted for pensions – beginning of year	460	263	723
Net position restricted for pensions – end of year	\$ 4	\$ 108	\$ 112

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, 2020
(In thousands)

	Police Pension			Firefighters' Pension		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Intergovernmental	\$ 29,634	\$ 26,892	\$ (2,742)	\$ 28,846	\$ 26,488	\$ (2,358)
Other	<u>—</u>	<u>485</u>	<u>485</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>29,634</u>	<u>27,377</u>	<u>(2,257)</u>	<u>28,846</u>	<u>26,488</u>	<u>(2,358)</u>
Expenditures:						
Personal services	<u>29,634</u>	<u>27,833</u>	<u>1,801</u>	<u>28,846</u>	<u>26,643</u>	<u>2,203</u>
Total expenditures	<u>29,634</u>	<u>27,833</u>	<u>1,801</u>	<u>28,846</u>	<u>26,643</u>	<u>2,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ —</u>	<u>\$ (456)</u>	<u>\$ (456)</u>	<u>\$ —</u>	<u>\$ (155)</u>	<u>\$ (155)</u>
Revenues over (under) expenditures						
Revenues over (under) expenditures and other financing sources	<u>\$ —</u>	<u>\$ (456)</u>	<u>\$ (456)</u>	<u>\$ —</u>	<u>\$ (155)</u>	<u>\$ (155)</u>

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, 2020
(In thousands)

	<u>Sanitation 15 Year Law</u>	<u>E-911 Allocation</u>	<u>Police and Fire Retiree Health Insurance</u>	<u>IMPD Confiscated Cash</u>	<u>Other</u>	<u>Total</u>
ASSETS						
Equity in pooled cash	\$ 10	\$ —	\$ 15	\$ 219	\$ 25	\$ 269
Investments						
Pooled investments	293	—	462	6,405	743	7,903
Accounts receivable	—	969	—	—	—	969
Total assets	<u>303</u>	<u>969</u>	<u>477</u>	<u>6,624</u>	<u>768</u>	<u>9,141</u>
LIABILITIES						
Accounts payable and other accrued liabilities	—	969	477	—	—	1,446
Total liabilities	<u>—</u>	<u>969</u>	<u>477</u>	<u>—</u>	<u>—</u>	<u>1,446</u>
NET POSITION (DEFICIT)						
Restricted for individuals, organizations, and other governments	<u>\$ 303</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,624</u>	<u>\$ 768</u>	<u>\$ 7,695</u>

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year ended December 31, 2020
(In thousands)

	<u>Sanitation 15 Year Law</u>	<u>E-911 Allocation</u>	<u>Police and Fire Retiree Health Insurance</u>	<u>IMPD Confiscated Cash</u>	<u>Other</u>	<u>Total</u>
ADDITIONS						
Employer contributions	\$ —	\$ —	\$ 2,669	\$ —	\$ —	\$ 2,669
Police confiscations	—	—	—	4,856	—	4,856
Fees collected for other governments	—	7,871	—	—	—	7,871
Total Additions	<u>—</u>	<u>7,871</u>	<u>2,669</u>	<u>4,856</u>	<u>—</u>	<u>15,396</u>
DEDUCTIONS						
Benefits	—	—	2,669	—	—	2,669
Court released confiscations	—	—	—	1,449	—	1,449
Payments of fees collected to other governments	—	7,871	—	—	—	7,871
Total deductions	<u>—</u>	<u>7,871</u>	<u>2,669</u>	<u>1,449</u>	<u>—</u>	<u>11,989</u>
Net increase (decrease) in net position	—	—	—	3,407	—	3,407
Net position – beginning of year (restated)	303	—	—	3,217	768	4,288
Net position – end of year	<u>\$ 303</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,624</u>	<u>\$ 768</u>	<u>\$ 7,695</u>

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Statistical Section

Statistical Section

CITY OF INDIANAPOLIS

Statistical Section

Table of Contents

This section of the Annual Comprehensive 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 605,824	\$ 621,413	\$ 682,291	\$ 604,736	\$ 618,860	\$ 658,793	\$ 682,445	\$ 706,470	\$ 676,215	\$ 653,339
Restricted	188,976	124,511	122,379	171,863	177,408	180,615	176,332	164,849	166,495	238,525
Unrestricted (deficit)	<u>(274,303)</u>	<u>(337,574)</u>	<u>(441,977)</u>	<u>(505,392)</u>	<u>(1,141,617)</u>	<u>(980,497)</u>	<u>(1,016,080)</u>	<u>(998,291)</u>	<u>(1,089,813)</u>	<u>(899,633)</u>
Total governmental activities net position (deficit)	<u>\$ 520,497</u>	<u>\$ 408,350</u>	<u>\$ 362,693</u>	<u>\$ 271,207</u>	<u>\$ (345,349)</u>	<u>\$ (141,089)</u>	<u>\$ (157,303)</u>	<u>\$ (126,972)</u>	<u>\$ (247,103)</u>	<u>\$ (7,769)</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 60,880	\$ 45,395	\$ 36,467	\$ 43,599	\$ 48,124	\$ 44,689	\$ 44,321	\$ 36,351	\$ 105,277	\$ 73,012
Public safety	442,327	448,007	447,016	461,873	412,157	389,302	511,305	436,687	604,609	481,302
Public works	252,332	196,687	204,217	230,470	214,740	163,710	208,581	222,011	281,251	235,308
Health and welfare	4,496	3,890	6,015	6,320	7,555	7,926	7,730	11,594	7,120	39,791
Cultural and recreation	30,705	22,413	18,465	10,130	14,714	15,313	26,059	30,423	24,984	21,974
Urban redevelopment and housing	47,262	31,493	28,124	24,114	18,354	18,899	18,752	23,302	24,120	60,425
Economic development and assistance	79,164	97,983	41,862	33,181	75,451	27,512	30,412	52,671	78,181	55,529
Interest	69,382	55,920	55,480	51,571	51,584	53,919	45,664	49,159	49,415	50,310
Total governmental activities expenses	<u>986,548</u>	<u>901,788</u>	<u>837,646</u>	<u>861,258</u>	<u>842,679</u>	<u>721,270</u>	<u>892,824</u>	<u>862,198</u>	<u>1,174,957</u>	<u>1,017,651</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	18,551	20,982	22,245	21,785	25,881	17,468	14,703	18,857	18,277	14,701
Public safety	22,818	27,576	19,698	23,679	29,080	29,549	30,475	32,110	32,049	30,902
Public works	135,233	35,520	37,427	38,896	43,184	52,597	52,641	57,340	59,977	59,412
Health and welfare	31	74	675	808	149	264	1,214	94	177	37
Cultural and recreation	4,374	3,426	3,129	3,638	3,714	4,036	3,396	3,583	3,358	2,557
Urban redevelopment and housing	3,565	1,357	1,330	1,835	2,050	2,008	2,451	2,224	2,045	1,999
Economic development and assistance	692	791	1,051	1,530	1,259	7,222	1,148	961	1,399	1,915
Operating grants and contributions	161,033	143,556	138,311	137,828	139,251	134,890	133,040	151,026	209,824	343,609
Capital grants and contributions	51,681	30,217	77,797	4,845	37,351	34,023	20,072	12,215	15,262	42,026
Total governmental activities program revenues	<u>397,978</u>	<u>263,499</u>	<u>301,663</u>	<u>234,844</u>	<u>281,919</u>	<u>282,057</u>	<u>259,140</u>	<u>278,410</u>	<u>342,368</u>	<u>497,158</u>
Net (Expense) Revenue	<u>(588,570)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	256,517	277,122	280,883	297,487	285,649	300,101	294,886	315,230	333,060	349,786
Wheel tax	12,193	12,433	12,983	13,250	14,645	13,644	14,843	15,354	15,527	16,000
County option income tax	170,092	174,342	154,273	164,582	206,838	266,834	230,417	237,319	272,699	303,772
Other taxes	20,753	21,998	19,949	21,460	20,472	21,967	23,085	23,159	23,641	25,075
Grants and contributions not restricted by function	8,483	12,745	12,978	13,165	9,465	10,017	12,224	12,439	12,808	13,317
Investment earnings not restricted by function	4,054	3,481	3,416	7,984	6,373	9,977	14,249	16,302	20,131	16,353
Miscellaneous	15,110	24,021	20,133	17,000	28,675	20,933	27,766	29,269	34,592	35,524
Transfers	(18,777)	—	—	—	—	—	—	—	—	—
Special item - gain on sale of water and wastewater utilities	4,186	—	—	—	—	—	—	—	—	—
Total governmental activities general revenues and other changes in net position	<u>472,611</u>	<u>526,142</u>	<u>504,615</u>	<u>534,928</u>	<u>572,117</u>	<u>643,473</u>	<u>617,470</u>	<u>649,072</u>	<u>712,458</u>	<u>759,827</u>
Change in Net Position										
Governmental activities	<u>\$ (115,959)</u>	<u>\$ (112,147)</u>	<u>\$ (31,368)</u>	<u>\$ (91,486)</u>	<u>\$ 11,357</u>	<u>\$ 204,260</u>	<u>\$ (16,214)</u>	<u>\$ 65,284</u>	<u>\$ (120,131)</u>	<u>\$ 239,334</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program										
Governmental activities:										
General government	\$ 31,250	\$ 25,197	\$ 28,022	\$ 28,433	\$ 29,935	\$ 20,722	\$ 29,328	\$ 26,080	\$ 82,343	\$ 188,876
Public safety	104,691	113,605	91,203	89,255	91,716	93,854	96,521	93,984	98,554	100,429
Public works	211,232	85,696	139,321	88,035	118,727	125,176	103,100	128,741	131,296	170,651
Health and welfare	3,678	4,611	7,118	6,807	7,302	6,547	7,411	7,357	7,216	7,082
Cultural and recreation	4,380	4,935	11,527	4,865	8,845	7,290	5,905	5,793	5,865	7,422
Urban redevelopment and housing	38,588	21,638	15,832	13,373	22,314	17,152	14,888	14,657	14,945	19,851
Economic development and assistance	4,159	7,817	8,640	4,076	3,080	11,316	1,987	1,798	2,149	2,847
Total governmental activities program revenues	<u>\$ 397,978</u>	<u>\$ 263,499</u>	<u>\$ 301,663</u>	<u>\$ 234,844</u>	<u>\$ 281,919</u>	<u>\$ 282,057</u>	<u>\$ 259,140</u>	<u>\$ 278,410</u>	<u>\$ 342,368</u>	<u>\$ 497,158</u>

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

	Fiscal Year									
	2011 (a)	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$ 20,930	\$ 34,950	\$ 42,256	\$ 32,069	\$ 35,306	\$ 89,454	\$ 105,276	\$ 85,591	\$ 87,641	\$ 85,604
Committed	215,273	134,151	70,457	37,992	9,207	2,749	659	5,040	10,861	30,518
Assigned	51,434	96,691	76,815	83,902	79,775	77,923	77,726	76,505	85,825	111,348
Unassigned	84,750	82,931	91,191	70,784	79,192	94,093	99,761	107,099	104,667	168,492
Total General Fund	<u>\$ 372,387</u>	<u>\$ 348,723</u>	<u>\$ 280,719</u>	<u>\$ 224,747</u>	<u>\$ 203,480</u>	<u>\$ 264,219</u>	<u>\$ 283,422</u>	<u>\$ 274,235</u>	<u>\$ 288,994</u>	<u>\$ 395,962</u>
All other governmental funds:										
Nonspendable	\$ 6,631	\$ 1,872	\$ 3,138	\$ 2,275	\$ 1,959	\$ 1,180	\$ 357	\$ 362	\$ 370	\$ 372
Restricted	403,782	259,101	221,517	271,375	317,629	308,953	361,601	374,569	435,459	454,775
Committed	1,000	—	—	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—	—	—	—
Unassigned	(10,020)	(5,586)	(2,155)	(364)	(322)	(68)	—	—	—	—
Total all other governmental funds	<u>\$ 401,393</u>	<u>\$ 255,387</u>	<u>\$ 222,500</u>	<u>\$ 273,286</u>	<u>\$ 319,266</u>	<u>\$ 310,065</u>	<u>\$ 361,958</u>	<u>\$ 374,931</u>	<u>\$ 435,829</u>	<u>\$ 455,147</u>

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 458,035	\$ 487,666	\$ 467,820	\$ 497,061	\$ 529,231	\$ 601,328	\$ 563,213	\$ 590,330	\$ 642,666	\$ 694,410
Licenses and permits	14,573	14,632	13,457	12,010	14,249	13,952	14,362	15,974	17,834	15,594
Charges for services	155,277	61,207	58,826	63,949	65,744	76,844	75,395	80,594	83,320	80,551
Intergovernmental revenues	172,171	171,362	164,365	151,369	154,789	146,074	149,804	157,487	160,836	345,914
Intragovernmental revenues	2,929	1,650	4,880	3,286	2,342	1,909	2,974	11,327	7,420	7,521
Traffic violations and court fees	9,514	6,707	5,429	5,112	5,822	6,771	5,861	7,025	5,590	6,689
Interest and other operating revenues	27,394	37,630	31,816	46,174	57,835	53,004	55,987	51,818	116,588	59,297
Total revenues	839,893	780,854	746,593	778,961	830,012	899,882	867,596	914,555	1,034,254	1,209,976
Expenditures:										
Current:										
General government	35,980	25,015	21,721	25,957	24,888	24,720	26,591	29,174	41,093	41,200
Public safety	407,409	414,456	416,774	429,520	442,491	452,435	469,029	484,947	496,092	529,844
Public works	174,235	100,806	101,172	114,061	107,819	107,520	101,343	114,599	124,049	130,816
Health and welfare	4,471	3,865	5,973	6,241	7,550	7,832	7,694	7,778	7,211	40,082
Cultural and recreation	23,933	14,579	13,864	13,031	13,267	14,910	24,606	23,816	24,682	25,745
Urban redevelopment and housing	40,733	27,374	24,033	17,760	22,731	17,641	14,023	18,476	18,567	56,821
Economic development and assistance	73,758	95,236	37,981	28,411	61,202	20,163	27,326	23,327	44,627	52,594
Capital outlays	246,409	151,228	105,394	84,975	122,022	78,901	134,973	205,552	203,925	210,516
Debt service:										
Redemption of bonds and notes	80,162	68,114	61,598	76,953	69,066	72,787	83,575	94,026	188,013	87,544
Interest on bonds and notes	57,971	50,892	51,981	47,877	45,915	49,835	53,807	42,353	42,237	76,914
Swap termination payment	—	—	—	—	—	—	—	—	—	—
Bond and note issuance costs	4,130	614	5,705	1,099	2,445	1,358	3,288	2,670	2,129	2,401
Advance funding escrow	3,318	—	36,705	10,525	11,655	—	—	—	—	—
Operating lease payments and administration	15,781	16,339	16,047	16,184	18,448	16,662	2,337	4,808	3,123	25,962
Total expenditures	1,168,290	968,518	898,948	872,594	949,499	864,764	948,592	1,051,526	1,195,748	1,280,439
Excess (deficiency) of revenues under expenditures	(328,397)	(187,664)	(152,355)	(93,633)	(119,487)	35,118	(80,996)	(136,971)	(161,494)	(70,463)
Other financing sources (uses):										
Proceeds of financing from capital lease	8,175	—	—	605	3,248	—	—	4,972	29,566	8,596
Proceeds from execution of parking meter contract	—	—	—	—	—	—	—	—	—	—
Proceeds from restructuring of debt	—	—	85	212	749	—	—	—	—	—
Sales of capital assets	1,574	1,608	795	625	472	1,264	1,153	739	2,077	2,768
Bonds and notes issued	146,495	17,915	5,780	69,370	116,600	10,707	128,132	118,627	180,490	142,353
Premium on bonds and notes issued	6,810	2,509	11,744	6,215	12,146	6,609	31,522	4,217	25,018	12,479
Refunding bonds issued	39,000	24,415	86,605	11,420	10,985	50,325	150,800	12,202	—	148,513
Payment to refunded bond escrow agent	(25,979)	(28,453)	(53,545)	—	—	(52,485)	(159,515)	—	—	(117,960)
Transfers in	141,489	65,313	102,216	53,138	128,974	98,909	102,286	184,829	188,575	288,487
Transfers out	(160,266)	(65,313)	(102,216)	(53,138)	(128,974)	(98,909)	(102,286)	(184,829)	(188,575)	(288,487)
Total other financing sources (uses)	157,298	17,994	51,464	88,447	144,200	16,420	152,092	140,757	237,151	196,749
Special item—sale of wastewater collection and treatment facilities:										
Assumption of bond anticipation note by CEG	51,137	—	—	—	—	—	—	—	—	—
Proceeds from sale of wastewater collection and treatment facilities	262,600	—	—	—	—	—	—	—	—	—
Assumption of additional liabilities by CEG	1,134	—	—	—	—	—	—	—	—	—
Transfer of debt service reserve and unspent bond proceeds to CEG	(1,759)	—	—	—	—	—	—	—	—	—
Total special item	313,112	—	—	—	—	—	—	—	—	—
Net change in fund balances (deficits)	\$ 142,013	\$ (169,670)	\$ (100,891)	\$ (5,186)	\$ 24,713	\$ 51,538	\$ 71,096	\$ 3,786	\$ 75,657	\$ 126,286
Debt service as a percentage of noncapital expenditures	15%	15%	15%	17%	15%	15%	16%	16%	23%	15%
Debt service expenditures	\$ 138,133	\$ 119,006	\$ 113,579	\$ 124,830	\$ 114,981	\$ 122,622	\$ 137,382	\$ 136,379	\$ 230,250	\$ 164,458
Noncapital expenditures	932,309	803,222	781,499	721,252	768,280	793,994	846,477	878,890	1,023,315	1,084,289

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
2011	\$ 255,230	\$ 170,092	\$ 12,193	\$ 20,520	\$ 458,035
2012	279,254	174,342	12,433	21,637	487,666
2013	280,596	154,273	12,978	19,973	467,820
2014	297,905	164,582	13,250	21,324	497,061
2015	287,170	206,838	14,645	20,579	529,232
2016	299,225	266,834	13,644	21,625	601,328
2017	295,484	230,417	14,843	22,469	563,213
2018	316,100	237,319	15,354	22,574	591,347
2019	331,187	272,699	15,527	23,253	642,666
2020	349,786	303,772	16,000	25,075	694,633

(a) Includes financial institution and other local taxes.

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

<u>Fiscal year</u>	<u>Residential property (c)</u>	<u>Commercial property (c)</u>	<u>Industrial property (c)</u>	<u>Personal property (c)</u>	<u>Other (c)</u>	<u>Total taxable assessed value (a) (b)</u>	<u>Total direct tax rate</u>	<u>Estimated actual taxable value</u>	<u>Taxable assessed value as a % of actual taxable value (a)</u>
2011	\$ 16,287,697	\$ 13,923,228	\$ 3,221,540	\$ 5,449,472	\$ 895,749	\$ 39,777,686	0.9525 %	\$ 39,777,686	100 %
2012	15,978,644	13,498,295	3,298,832	5,467,373	868,354	39,111,498	1.0034	39,111,498	100
2013	16,191,259	13,110,440	3,189,252	5,841,671	888,684	39,221,306	0.9802	39,221,306	100
2014	18,171,183	13,464,533	3,103,892	5,972,597	842,391	41,554,596	0.7667	41,554,596	100
2015	18,103,687	13,437,532	3,096,297	6,160,989	977,912	41,776,417	0.7069	41,776,417	100
2016	18,531,258	13,631,932	3,139,384	6,325,056	903,782	42,531,412	0.7136	42,531,412	100
2017	19,125,058	13,538,083	3,066,967	6,659,770	885,892	43,275,770	0.7313	43,275,770	100
2018	19,839,568	14,114,626	3,150,699	6,700,531	894,001	44,699,425	0.7243	44,699,425	100
2019	21,199,690	14,886,845	3,244,769	6,837,711	910,314	47,079,329	0.7092	47,079,329	100
2020	23,259,818	15,085,633	3,378,670	6,906,428	956,093	49,586,642	0.7040	49,586,642	100

Note: Tax-exempt property for 2020 of \$4,538,106 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 2020, total taxable assessed value includes \$5,207,025 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	
2011	\$ 0.8807	\$ 0.0718	\$ 0.9525	\$ 0.3665	\$ 0.3685	\$ 1.6875	\$ 1.4065	\$ 0.0615	\$ 3.1555
2012	0.9116	0.0918	1.0034	0.4007	0.3958	1.7999	1.2711	0.0670	3.1380
2013	0.9069	0.0733	0.9802	0.3932	0.4314	1.8048	1.4829	0.0607	3.3484
2014	0.6795	0.0872	0.7667	0.4034	0.4340	1.6041	1.2889	0.0620	2.9550
2015	0.6431	0.0638	0.7069	0.3825	0.4205	1.5099	1.3504	0.0607	2.9210
2016	0.6554	0.0582	0.7136	0.3883	0.4454	1.5473	1.4170	0.0630	3.0273
2017	0.6742	0.0571	0.7313	0.3943	0.4517	1.5773	0.9735	0.0619	2.6127
2018	0.6716	0.0527	0.7243	0.3893	0.4488	1.5624	1.1336	0.0587	2.7547
2019	0.6636	0.0456	0.7092	0.3906	0.4496	1.5494	1.5032	0.0563	3.1089
2020	0.6540	0.0500	0.7040	0.3869	0.4383	1.5292	1.4284	0.0568	3.0144

- (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	2020			Principal taxpayers	2011		
	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	\$ 1,337,469	1	2.697 %	Eli Lilly and Company	\$ 1,347,543	1	3.388 %
Citizens Energy Group	493,150	2	0.995	Indianapolis Power & Light Co.	392,297	2	0.986
Federal Express Corporation	250,550	3	0.505	Allison Transmission Inc.	180,737	3	0.454
White Legacy Properties, LLC	200,797	4	0.405	Federal Express Corporation	161,539	4	0.406
Allison Transmission Inc.	168,109	5	0.339	Macquarie Office Monument Center I, LLC	138,940	5	0.349
Hertz Indianapolis 111 Monument, LLC	158,025	6	0.319	Convention Hotels Headquarters, LLC	105,185	6	0.264
Indianapolis Power and Light Company	153,026	7	0.309	Indiana Bell Telephone Co. Inc.	92,458	7	0.232
MSA North Developer, LLC	117,337	8	0.237	Circle Centre Development Co.	84,936	8	0.214
American United Life Insurance Company	108,995	9	0.220	Rolls Royce	78,551	9	0.197
Rolls-Royce Corporation	97,252	10	0.196	American United Life	72,512	10	0.182
DOW Agrosciences, LLC	92,924	11	0.187	Hub Properties GA, LLC	71,190	11	0.179
SVC Manufacturing Inc.	88,934	12	0.179	National Starch, LLC	70,685	12	0.178
G&I IX MJW Keystone Crossing, LLC	84,192	13	0.170	BNP Paribas Leasing Corp	68,270	13	0.172
Castleton Square, LLC	83,217	14	0.168	MT Acquisitions, LLC	64,404	14	0.162
IMD2 LLC	78,217	15	0.158	Crossroads Indiana, LLC	60,589	15	0.152
Cellco Partnership	75,424	16	0.152	SVC Manufacturing Inc.	52,878	16	0.133
Southwest Airlines Co.	72,414	17	0.146	Castleton Square Mall, LLC	51,622	17	0.130
Westin Indianapolis LLC	70,718	18	0.143	LHO Indianapolis Hotel One, LLC	50,685	18	0.127
Axis FC LLC	69,182	19	0.140	Automotive Components Holdings, LLC	50,453	19	0.127
IN-IUPUI Holdings, LLC	65,330	20	0.132	Keystone Investors, LLC	50,111	20	0.126
	<u>\$ 3,865,262</u>		<u>7.797</u>		<u>\$ 3,245,585</u>		<u>8.159</u>

- (a) Represents the January 1, 2019 valuations for taxes due and payable in 2020 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, 2010 valuations for taxes due and payable in 2011 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 2011 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
2011	\$ 184,301	\$ 175,077	95.0 %	\$ 6,740	\$ 181,817	98.7 %
2012	195,321	185,950	95.2	7,044	192,994	98.8
2013	186,122	177,333	95.3	6,772	184,105	98.9
2014	214,798	207,089	96.4	6,286	213,375	99.3 (b)
2015	195,944	189,917	96.9	4,913	194,830	99.4
2016	194,983	187,224	96.0	6,638	193,862	99.4
2017	217,161	210,628	97.0	5,663	216,291	99.6
2018	214,321	207,816	97.0	6,076	213,892	99.8
2019	224,783	212,813	94.7	7,045	219,858	97.8
2020	223,480	214,454	96.0	—	214,454	96.0

(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		
2011	\$ 218,188	\$ 650,409	\$ 271,313	(b) 37,300	\$ 8,175	\$ 1,185,385	2.91%	\$ 1,432
2012	210,616	632,594	264,850	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	2.69%	1,612

(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				
2011	\$ 218,188	\$ 7,935	\$	210,253	0.529 %	\$ 256.27
2012	210,616	29,816		180,800	0.462	216.57
2013	180,800	20,275		160,525	0.409	190.33
2014	157,574	21,255		136,319	0.328	160.60
2015	129,860	24,850		105,010	0.251	121.71
2016	85,898	8,727		77,171	0.181	90.24
2017	135,822	9,055		126,767	0.293	146.81
2018	124,440	15,395		109,045	0.244	125.20
2019	121,652	15,930		105,722	0.225	120.63
2020	324,760	17,525		307,235	0.620	350.57

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, 2020
(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	\$ 41,534,162	0.67%	\$ 278,279	\$ 46,075
Park District	1	44,379,618	0.67%	297,343	4,120
Redevelopment District	2	41,534,162	(f)	—	—
Flood Control District	1	44,379,618	0.67%	297,343	—
Metropolitan Thoroughfare District	1	44,379,618	1.33%	590,249	206,830
Solid Waste Special Service District	7	41,590,584	2.00%	831,812	—
Public Safety Communications and Computer Facilities District	1	41,534,162	0.67%	278,279	50,695
Premium on General Obligation Debt				—	17,040
Total City General Obligation Debt				<u>\$ 2,573,305</u>	<u>324,760</u>
Other Direct Debt (i)					
Tax increment bonds					623,875
Revenue bonds					316,043
Note payable and certificate of participations					119,772
Capital leases					28,473
Total City Direct Debt					<u>\$ 1,412,923</u>
Overlapping:					
Marion County	1	\$ 44,379,618	0.67%	<u>\$ 297,343</u>	<u>\$ —</u>
Municipal Corporations:					
Indianapolis Airport Authority		\$ 44,379,618	0.67%	\$ 297,343	\$ —
Health and Hospital Corporation	1	44,379,618	0.67%	297,343	170,635
Capital Improvement Board of Managers	1	44,379,618	0.67%	297,343	—
Indianapolis-Marion County Building Authority	1	44,379,618	(b)	—	—
Indianapolis-Marion County Public Library	4	43,730,684	0.67%	292,996	58,535
Indianapolis Public Transportation Corporation	2	42,030,394	0.67%	281,604	—
Total Municipal Corporations				<u>\$ 1,466,629</u>	<u>\$ 229,170</u>
School Districts:					
Beech Grove	8	\$ 469,537	(g)	\$ 3,146	2,392
Decatur	8	1,688,684	(g)	11,314	1,280
Franklin	8	2,744,895	(g)	18,391	5,160
Indianapolis Public Schools	8	12,282,287	(g)	82,291	37,665
Lawrence	8	5,417,949	(g)	36,300	25,930
Perry	8	3,805,213	(g)	25,495	19,840
Pike	8	5,022,214	(g)	33,649	29,278
Speedway	8	648,934	(g)	4,348	1,490

(Continued) 164

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2020
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit		Bonds outstanding (h)
			%	Dollar amount	
School Districts (continued):					
Warren	8	\$ 2,817,911	(g)	\$ 18,880	8,230
Washington	8	6,457,806	(g)	43,267	33,160
Wayne	8	3,024,188	(g)	20,262	12,415
Total School Districts		<u>\$ 44,379,618</u>		<u>\$ 297,343</u>	<u>\$ 176,840</u>
Other Cities and Towns:					
Beech Grove	2	\$ 496,231	0.67%	\$ 3,325	\$ 575
Lawrence	2	1,643,869	0.67%	11,014	2,671
Southport	2	56,422	0.67%	378	161
Speedway	2	648,934	0.67%	4,348	3,195
Total Other Cities and Towns		<u>\$ 2,845,456</u>		<u>\$ 19,065</u>	<u>\$ 6,602</u>
Townships:					
Center	3	\$ 7,082,611	0.67%	\$ 47,453	\$ —
Decatur	3	1,690,570	0.67%	11,327	—
Franklin	3	2,886,703	0.67%	19,341	—
Lawrence	3	5,820,173	0.67%	38,995	1,205
Perry	3	4,148,157	0.67%	27,793	—
Pike	3	4,862,787	0.67%	32,581	—
Warren	3	3,820,275	0.67%	25,596	—
Washington	3	9,230,633	0.67%	61,845	—
Wayne	3	4,577,962	0.67%	30,672	768
Total Townships		<u>\$ 44,119,871</u>		<u>\$ 295,603</u>	<u>\$ 1,973</u>
Excluded Library Districts:					
Speedway	4	\$ 648,934	0.67%	\$ 4,348	\$ 105
Total Excluded Library Districts		<u>\$ 648,934</u>		<u>\$ 4,348</u>	<u>\$ 105</u>
Ben Davis Conservancy District		<u>\$ 381,048</u>	(c)	<u>\$ —</u>	<u>\$ —</u>
Total overlapping debt					<u>\$ 414,690</u>
Total direct and overlapping debt					<u>\$ 1,827,613</u>

(Continued)

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

Schedule 13
December 31, 2020
(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, 2019 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2020.
- (e) See Introductory Section.
- (f) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (g) A statutory .67% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit and does not include the outstanding building corporation debt.
- (h) Governmental activities debt of the overlapping governments is not readily available; only general obligation debt is reported in this column.
- (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, 2020
(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	\$ 41,534,162	0.67%	\$ 278,279	\$ 46,075	\$ 232,204	16.56%
Park District	44,379,618	0.67%	297,343	4,120	293,223	1.39%
Redevelopment District	41,534,162	(b)	—	—	—	—
Flood Control District	44,379,618	0.67%	297,343	—	297,343	0.00%
Metropolitan Thoroughfare District	44,379,618	1.33%	590,249	206,830	383,419	35.04%
Solid Waste Special Service District	41,590,584	2.00%	831,812	—	831,812	—
Public Safety Communications and Computer Facilities District	41,534,162	0.67%	278,279	50,695	227,584	18.22%

(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			
2011	\$ 12,193	\$ 1,355	\$ 592		6.26	
2012	12,433	1,415	532		6.39	
2013	46,323	1,525	543		22.40	
2014	51,703	1,520	319		28.11	
2015	52,909	1,580	2,076		14.47	
2016	53,013	2,565	3,624		8.57	
2017	62,060	2,660	3,530		10.03	
2018	69,823	2,770	3,419		11.28	
2019	70,197	2,875	4,855		9.08	
2020	78,012	3,545	4,659		9.51 (l)	

PILOT revenue bonds					
Payments in lieu of taxes (b)	Debt service			Coverage	
	Principal	Interest (h)			
\$ 14,214	—	\$ 7,910		1.80	
5,264	—	7,910		0.67	
5,875	—	7,910		0.74	
3,771	—	7,910		0.48	
8,168	—	7,910		1.03	
8,168	—	7,910		1.03	
10,520	—	3,955		2.66 (j)	
13,729	—	7,413		1.85	
16,647	—	7,352		2.26	
18,908	2,790	7,352		1.86	

Property tax increment bonds				
Tax increment revenues (c)	Debt service			Coverage
	Principal (d)	Interest		
\$ 60,980	\$ 54,036	\$ 10,997		0.94
74,183	30,402	9,132		1.88
82,754	29,701	17,729		1.74
82,319	39,223	18,383		1.43
83,953	34,815	18,673		1.57
90,418	34,266	21,846		1.61 (i)
81,848	33,538	15,002		1.69
94,215	44,424	20,414		1.45
109,540	51,484	20,098		1.53
118,105	52,364	20,612		1.62

Facilities revenue bonds					
Fiscal year	Charge back (e)	Debt service			Coverage
		Principal	Interest		
2011	\$ 1,947	\$ 1,240	\$ 691		1.01
2012	1,853	1,300	632		0.96
2013	1,535	1,365	575		0.79
2014	1,956	1,420	515		1.01
2015	1,952	1,450	249		1.15
2016	1,963	1,650	173		1.08
2017	1,855	1,680	131		1.02
2018	1,858	1,725	101		1.02
2019	1,840	1,750	70		1.01
2020	1,820	1,775	39		1.00

Economic development bonds				
Parking fees (f)	Debt service			Coverage
	Principal	Interest		
\$ 1,365	\$ 104	\$ 1,096		1.14
1,669	—	1,548		1.08
1,004	255	749		1.00
1,575	620	955		1.00
3,062	1,183	1,981		0.97
3,182	1,227	1,955		1.00
2,364	957	1,407		1.00
1,584	670	914		1.00
1,584	685	899		1.00
1,586	705	881		1.00

Stormwater revenue bonds (m)				
Net revenues of the stormwater system (g)	Debt service			Coverage
	Principal	Interest		
\$ 3,220	\$ 1,190	\$ 2,030		1.00
3,975	1,435	2,540		1.00
2,673	780	1,893		1.00
3,985	1,665	2,320		1.00
4,458	2,235	2,223		1.00
5,280	1,990	2,234		1.25
5,637	2,075	2,434		1.25
7,539	3,730	2,301		1.25
8,471	3,900	2,877		1.25 (k)
11,379	4,095	5,008		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.

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>
2011	827,664	\$ 40,689,554	\$ 44,654	33.00	12	143,053	9.50 %
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	876,384 (f)	52,478,123	54,405 (e)	34.20 (f)	12	131,830	5.70

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Indiana Department of Education

(d) Bureau of Labor Statistics, December 2020 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, 2020

Employer	2020 (b)			Employer	2011 (c)		
	Employees	Rank	Percentage of total city employment (a)		Employees	Rank	Percentage of total city employment (a)
Indiana University Health	23,187	1	5.08%	Clarian Health Partners, Inc	12,763	1	3.04%
Ascension St. Vincent	17,398	2	3.81%	Eli Lilly and Company	11,550	2	2.75%
Community Health Network	11,328	3	2.48%	St. Vincent Hospitals & Health Services	10,640	3	2.53%
Eli Lilly and Company	10,764	4	2.36%	IUPUI	7,066	4	1.68%
Walmart	8,926	5	1.96%	FedEx	6,311	5	1.50%
Kroger Co	7,675	6	1.68%	Community Health Network	5,341	6	1.27%
Federal Express Corporation	5,000	7	1.10%	Rolls-Royce	4,300	7	1.02%
Anthem	4,866	8	1.07%	St. Francis Hospital & Health Centers	4,152	8	0.99%
Eskenazi Health	4,620	9	1.01%	WellPoint Inc.	3,950	9	0.94%
Meijer	4,594	10	1.01%	Allison Transmission/Div of GMC	3,800	10	0.90%

- (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 2011 Comprehensive Annual Financial Report.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	206	230	211	200	192	190	195	194	199	190
Protection of People										
Police Department	1,624	1,542	1,527	1,549	1,654	1,647	1,654	1,653	1,660	1,628
Fire Department	1,268	1,221	1,155	1,173	1,180	1,184	1,184	1,179	1,189	1,192
Other (Civilian)	270	262	348	336	337	331	340	342	392	379
Public Works	661	683	620	626	632	648	649	684	694	713
Parks and Recreation	131	114	99	103	103	104	117	119	123	119
Redevelopment	<u>226</u>	<u>206</u>	<u>204</u>	<u>226</u>	<u>237</u>	<u>239</u>	<u>254</u>	<u>247</u>	<u>251</u>	<u>231</u>
Total full-time City employees	<u><u>4,386</u></u>	<u><u>4,258</u></u>	<u><u>4,164</u></u>	<u><u>4,213</u></u>	<u><u>4,335</u></u>	<u><u>4,343</u></u>	<u><u>4,393</u></u>	<u><u>4,418</u></u>	<u><u>4,508</u></u>	<u><u>4,452</u></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

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Building permits issued	34,966	38,803	38,384	39,708	37,967	38,117	42,140	43,962	47,513	40,146
Building inspections conducted	32,034	35,509	29,891	31,026	40,088	37,681	37,645	35,875	37,400	29,241
Households assisted with entitlement grants	3,090	1,789	2,233	2,100	4,219	6,812	6,436	2,193	1,496	2,099
Police										
Physical arrests	60,883	55,965	52,337	42,293	39,417	61,059	41,310	32,578	NA	N/A
Parking violations	7,277	3,778	2,362	3,440	6,512	7,501	7,599	6,827	6,971	6,838
Traffic violations	34,434	30,328	36,953	31,684	40,642	49,921	35,915	35,062	39,016	28,781
Fire										
Emergency responses	137,476	151,950	150,535	97,140	106,118	164,030	178,522	167,217	161,339	155,449
Dispatched fire runs	17,714	18,682	18,744	18,543	18,809	15,145	15,526	16,793	19,628	19,534
Inspections	12,524	8,231	10,960	15,228	17,678	14,049	13,687	14,398	11,436	11,297
Refuse collection										
Refuse collected (tons per day)	997	924	960	975	991	1,044	1,127	765	787	873
Leaves collected (tons per year)	7,603	4,907	6,359	5,785	5,397	3,789	3,842	4,894	4,880	5,458
Other public works										
Street resurfacing (miles)	389	139	178	254	138	157	72	114	237	147
Pothole work orders completed (a)	23,821	13,410	14,512	21,722	24,106	21,954	24,202	43,731	45,454	32,060
Parks and recreation										
Number of shelter rental reservations	2,007	2,279	2,176	2,097	2,467	2,208	2,263	2,865	3,039	1,403 (b)
Number of day camp registrations	3,428	3,143	3,107	3,213	3,226	3,077	3,010	3,079	3,492	428 (b)
Community park and facility attendance	6,954,806	7,321,222	7,844,919	5,172,493	7,460,471	8,648,601	8,456,535	8,393,228	8,936,017	7,499,379 (b)

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

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

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police stations	6	6	6	6	6	6	6	6	6	6
Police and emergency management vehicles and other rolling stock	2,068	2,049	1,925	1,838	1,916	2,009	2,029	2,069	2,128	2,131
Fire stations	45	44	44	44	44	43	43	43	43	43
Fire vehicles and other rolling stock	297	282	276	276	291	296	305	315	328	316
Animal control vehicles and other rolling stock	31	27	34	30	33	33	33	32	41	36
Other Public Works										
Streets (miles)	3,244	3,299	3,307	3,323	3,337	3,339	3,339	3,342	3,401	3,402
Sidewalks (miles)	2,706	2,815	3,097	3,199	3,224	3,247	3,251	3,252	3,151	3,152
Bridges	512	527	541	541	540	538	539	539	539	538
Traffic signal installations	1,128	1,130	1,132	1,136	1,141	1,147	1,147	1,151	1,156	1,163
Miles of storm sewers and drainage	1,517	1,525	1,536	1,540	1,544	1,545	1,550	1,552	1,561	1,564
Public works vehicle and other rolling stock	673	672	652	644	605	590	593	682	721	665
Cultural and Recreation										
Parks	207	207	207	208	208	207	210	210	218	218
Park properties – acreage	11,168	11,161	11,161	11,186	11,186	11,254	11,254	11,254	11,386	11,386
Playgrounds	127	126	126	126	126	125	125	126	126	130
Golf courses	13	13	13	13	13	13	13	13	13	12
Swimming pools – outdoors	16	16	16	16	16	16	18	18	18	18
Swimming pools – indoors	5	5	5	5	5	5	4	4	4	4
Recreational centers	25	24	24	24	24	23	23	23	23	23

Sources: Various City departments

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