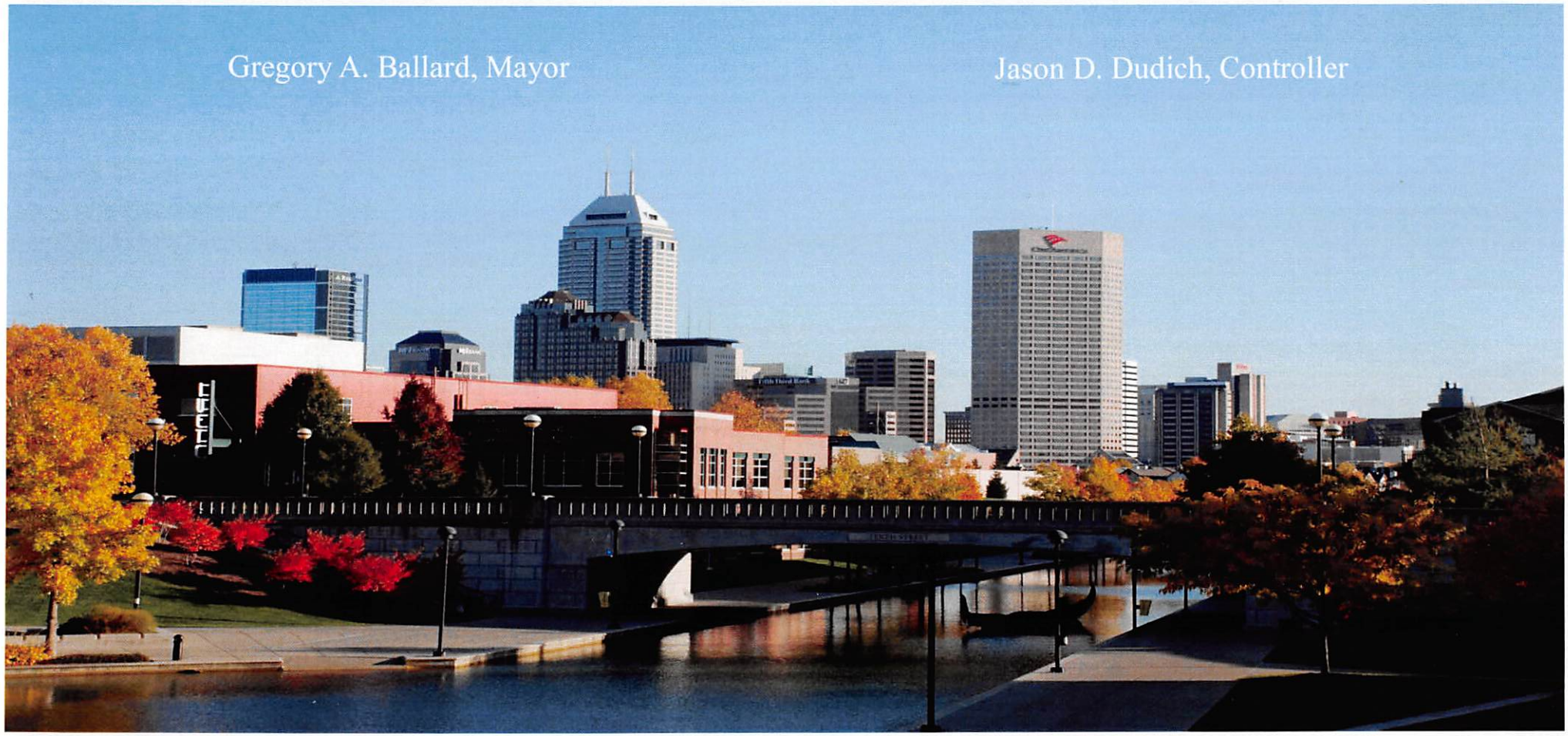
Comprehensive Annual Financial Report
Year Ended December 31, 2013

Gregory A. Ballard, Mayor

Jason D. Dudich, Controller



City of Indianapolis, Indiana

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

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

City of Indianapolis, Indiana

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

Year Ended December 31, 2013

Office of Finance and Management

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Introductory Section

Indianapolis
Gregory A. Ballard, Mayor

June 30, 2014

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

I submit to you the Comprehensive Annual Financial Report ("CAFR") of the City of Indianapolis ("City") for the fiscal year ended December 31, 2013. The City is a component unit of the Consolidated City of Indianapolis – Marion County Reporting Entity. This report was prepared by the Office of Finance and Management ("OFM"). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Controller of the City of Indianapolis. The data, as presented, is accurate in all material respects. It is presented in a manner designed to set forth the financial position and results of operations of the City. Disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs are included.

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

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on internal control and compliance with applicable laws and regulations, is included in a separate report.

This report contains all funds of the City. The City operates under an elected Mayor and City-County Council (29 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

In 2013, the primary economic development goals for the City of Indianapolis were to assist our existing businesses and attract new businesses within our targeted cluster industries which would bring high-wage jobs to Indianapolis. This resulted in 6,553 job commitments (4,107 new jobs / 2,446 current and retained jobs) and over $600 million in capital investment from 48 companies. These results were realized due to the partnership between the Mayor's Office and the Indy Chamber.

Targeted industry clusters for the City of Indianapolis complement the natural progression of industry in Indianapolis: life sciences, advanced manufacturing, digital technology, motorsports, logistics, and clean energy. Companies in these industries accounted for nearly 40 percent of the new and retained job announcements in 2013. An emerging opportunity in the support services industry developed as Indianapolis saw 28 percent of new and retained job commitments from that sector in 2013. The life sciences industry brought the greatest number with over 1,000 new and retained job commitments. Advanced manufacturing was the next highest growth industry with more than 750 new and retained job commitments, followed by logistics with more than 450 commitments. The average hourly wage for all new and retained job commitments was $25.31 in 2013.

The City managed to secure job commitments from local Indianapolis-based companies with plans for expansion, totaling 2,446 jobs. The average wage for these retained jobs was $21.40 per hour.

The commitment from companies to add and retain more than 6,500 jobs and invest more than $600 million in Indianapolis is a testament to the fact that the City continues to be a great place to live and do business. Companies benefit from the City's stable, affordable and pro-growth economic environment; overall low cost of doing business; skilled workforce; and central location.

Ascension Health, Knowledge Services, and Eli Lilly and Company were amongst the largest announcements in Indianapolis for 2013.

St. Louis-based **Ascension Health**, the nation's largest Catholic and largest nonprofit healthcare system, will expand the Ascension Health Ministry Service Center ("MSC") located on the northwest side of Indianapolis, creating up to 549 new jobs by 2016. The MSC, which opened in June 2011, provides 24 shared services across human resources, supply chain and finance such as payroll, purchase order management and accounts payable.

By the end of 2014, the MSC will expand its services to support Ascension's 150,000 associates serving in more than 1,900 sites of care in 24 states and the District of Columbia. Ascension is anticipating additional growth in shared services over the next few years. The MSC currently employs more than 500 Indianapolis-based associates with plans to add an additional 500 employees over the next 3 years.

Knowledge Services, a professional services and information technology consulting firm, plans to create up to 400 new jobs by 2018. The homegrown-Hoosier company will invest $.84 million to lease and equip 5,500 square feet of additional office space at its existing 18,000 square-foot corporate headquarters on the City's northeast side. The expanded space, which will be operational by November 2014, will house Knowledge Services' software development and client support services.

Eli Lilly and Company announced plans to create up to 100 new jobs. Lilly's investment in the project is estimated at $320 million. In addition, it is planning a new inspection facility that will add another 30,000 square feet to the project, plus renovations to existing

buildings on the Lilly Technology Center campus and to the Lilly Corporate Center. In total, Lilly's investment is expected to reach $400 million.

Since 2008, the City has secured commitments to create and retain 66,615 jobs with investments totaling more than $3.25 billion.

LONG-TERM FINANCIAL PLANNING

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

The City is expecting to experience a loss in property tax revenues due to property tax caps of approximately $48.6 million in 2014, approximately 13.5% of the certified property tax levies. This impact is up slightly from a $46.7 million loss in 2013. Some of the increased circuit breaker impact is due to increased levies in school debt service funds for 2014. In addition, taxable assessed value ("AV") has essentially been flat in recent years. The expectation is that taxable AV growth will continue in 2014 and beyond, meaning revenue loss from property caps as a percentage of total levies should remain relatively stable in future years.

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

Maximum liability equals 1% of parcel AV – homesteads;

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

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

One of Mayor Ballard's top priorities, since first taking office in 2008, has been reducing the City's outstanding general obligation debt. He believes that maintaining the City's AAA credit rating is integral to our on-going economic development and business attraction efforts. The drive to lower our general obligation debt position is, in part, motivated by this economic goal. Furthermore, the Mayor views this as generally good public finance policy. As these bonds are retired, property tax rates are reduced which both: 1) eases the tax burden on local property owners; and 2) mitigates the adverse effects of the property tax caps.

From the year-end 2008 level of $305 million in outstanding principal debt on property-tax funded general obligation bonds, the City will have paid down this balance to $145 million at the end of 2013 (excluding general obligation debt to be repaid by Citizens Energy Group ("CEG") as discussed in the notes to the financial statements).

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, in collaboration with the State Department of Revenue, administers these annual distributions. These annual distributions are shared by the county governments and all townships and municipalities located within each given county. For Marion County, OFM is responsible for determining the proper allocation of county

income tax revenues to all eligible entities. OFM works very closely with the State Budget Agency to track and forecast income tax collections from Marion County residents.

For 2013, total income tax revenue distributed to the City was $154 million which includes the three components of the incomes taxes: County Option Income Tax ("COIT"), Public Safety Income Tax ("PSIT") and the Local Option Income Tax Levy Freeze ("LOIT Levy Freeze"). In 2012, total City income taxes distributed were $174 million; however with the corrections made in 2012, the 2013 figure represents a normal distribution of City income tax revenue from the State. Certified 2014 City income taxes will be $164 million, an increase of $10 million from the prior year.

The effects of economic events on income tax collections are not revealed in annual distributions to counties until two years later. With this said, it is anticipated that the climb out of the great recession will begin to produce an organic rebound in income tax revenue in 2014 and beyond.

During 2013, the City Controller worked with the County Auditor and County Treasurer to validate property owners who were receiving a homestead deduction on single family homes, which also caps the property tax liability at 1%. In Indiana, state law allows for one homestead deduction per property owner, even if the property owner has several single family properties. Those property owners with multiple homestead deductions were notified by the County to validate the homestead deduction. For those property owners that did not timely verify their homestead deduction status, during 2014 the County Treasurer will remove the homestead deduction on the 2013 pay 2014 property tax bills. The impact of this change will result in those unverified single family properties to be capped at 2% for their property tax liability and increases the assessed value on those properties. Overall, the efforts taken in 2013 should provide for additional property tax revenue in 2014 and beyond by increasing the assessed value of properties and lowering the impact of the circuit breaker.

As part of the long-term financial planning for the City, the City Controller is developing a five-year financial plan focusing on available funds over the next five years. The five-year financial plan will provide projections of major revenue sources such as property taxes, income taxes, other major miscellaneous revenues sources and the impact of the circuit breaker. In addition, the plan makes various assumptions for major expenditures such as personnel costs, contractual obligations and capital needs. The five-year financial plan will be updated annually starting in 2014 in order to project major swings in fund balances, revenues or expenditures. In addition, the City will be reviewing and updating its investment policies to ensure they align with state requirements and provide flexibility in investments to maximize returns while limiting risk exposure.

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 U.S. generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

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

MAJOR INITIATIVES

During 2009, the City began the implementation of a new financial accounting system that would create a modern approach to conducting financial operations. While the City went live with the new financial accounting system in 2012, staff worked in 2013 to make adjustments to the system to ensure reporting requirements were met and financial information was accurately reflected. The City continues to modify and update the financial accounting system based on feedback from those individuals working in the system.

In 2013, the Indiana General Assembly passed Senate Enrolled Act 621-2013. Senate Enrolled Act 621 provided that City budgets must be allocated on a semiannual basis, starting in 2014, as designated by the City Controller. In addition, if revenues in 2014 are less than budgeted expenditures in 2014, the City Controller can reduce City agency budgets to create a balanced budget. While the law does not take effect until 2014, the City prepared for this change during 2013 by creating a quarterly allotment system within the City's financial accounting system.

The sale of the City's water utility and the wastewater collection and treatment facilities to CEG in August of 2011 provided the opportunity to fully utilize the proceeds from the sale to engage in many RebuildIndy projects throughout the City. During 2013, the City spent $65 million on infrastructure projects such as rebuilding bridges, repaving roads, upgrading sidewalks and curbs and other projects. This ongoing investment has helped the City reduce the deferred maintenance of our vast infrastructure while spending one-time funding directly associated with infrastructure improvements. As 2012 saw the bulk of the RebuildIndy projects funded with sale proceeds, project construction continued through 2013 and will continue in 2014 but with a smaller balance in the RebuildIndy fund.

CEG , as required by the sale, continued to reimburse the City for the annual debt service associated with past wastewater system investments, until the remaining principal balance is paid off in 2018. Also, CEG continued to provide a payment-in-lieu-of-taxes ("PILOT") to the City on wastewater treatment assets which were acquired during the sale.

Focusing on fiscal stability, the City continues to maintain a AAA credit rating by showing solid cash reserves, including the Fiscal Stability Fund which has a balance of approximately $80 million at the end of 2013. The Fiscal Stability Fund was established by law and has the sole purpose of supporting a solid credit rating for the City. In 2013, the City maintained the balance in the Fiscal Stability Fund; however $7 million may be drawn down in 2014 to fund police operations based on the 2014 adopted budget.

Finally, the City continues to identify ways to create efficiencies and improve the delivery of services with limited resources. The Office of Audit and Performance ("OAP") works closely with City agencies and the City administration to create opportunities to reduce expenditures and identify new revenue opportunities. Along with OAP's work, the City has found ways to reduce liabilities such as workers' compensation claims and unemployment claims and still provide appropriate coverage where applicable. In addition, the City is working to do more with less by taking on current operations with a smaller workforce. The City continues to examine cost savings options such as, but not limited to: shifting away from paper checks for employees, creating a defined contribution retirement program, purchasing plug-in electric/plug-in hybrid vehicles to reduce dependency on foreign oil, and modifying benefit leave for employees, health benefits, etc.

OTHER INFORMATION

Audit Committee

The City'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, 2013, the Audit Committee members were:

Mr. William Sheldrake, Chairperson	President, Policy Analytics, LLC
Mr. David Rosenberg	Director of Enterprise Development, City of Indianapolis – Marion County
Mr. David Reynolds	Indiana General Assembly
Ms. Lisa Dandridge	Midwest ISO
Ms. Pamela Hickman	City-County Councillor, City of Indianapolis – Marion County
Mr. Jack Sandlin	City-County Councillor, City of Indianapolis – Marion County
Ms. Patricia Polis McCrory	Frost Brown Todd, LLC

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, 2012. 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.

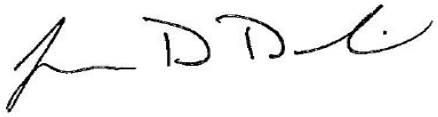
A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Jason D. Dudich

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, 2012

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 12th largest city in the nation with a population of 843,393 and a metropolitan area population of approximately 1.8 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 29–member legislative council. The City-County Council consists of 25 councillors elected from single-member districts and four councillors elected at large. 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 as well as for the councillors at large.

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 XI and XII 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:

	Map		Map
Civil City	2	Flood Control District	1
Consolidated County	1	Metropolitan Thoroughfare District	1
Redevelopment District	2	Police Special Service District	5
Solid Waste Collection Special Service District	7	Fire Special Service District	6
Solid Waste Disposal Special Service District	2	Park District	1
Sanitary District	8	Public Safety Communications & Computer Facilities 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:

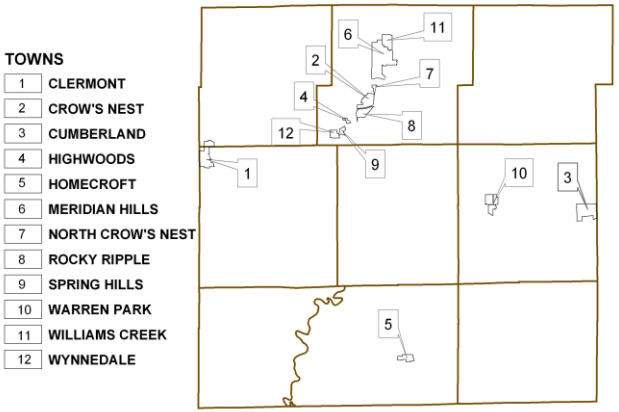
- **Marion County** as a governmental unit provides services such as courts, sheriff, tax assessment, collection, etc., not otherwise provided by other governmental units.
- The **Capital Improvement Board of Managers of Marion County** ("CIB") is a separate and distinct municipal corporation with territory 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 outstanding bonds payable from lease rentals (which are paid from taxes levied) from the County for the Marion County Jail, Juvenile Justice Complex and 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 City of Beech Grove and 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 XIII for the Unigov Organizational Chart and page XIV for the City of Indianapolis Organizational Chart.

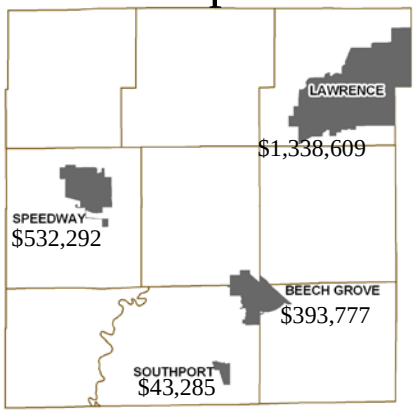
Map 1



MARION COUNTY AND OTHER INCLUDED TOWNS

Marion County $35,693,267

Map 2

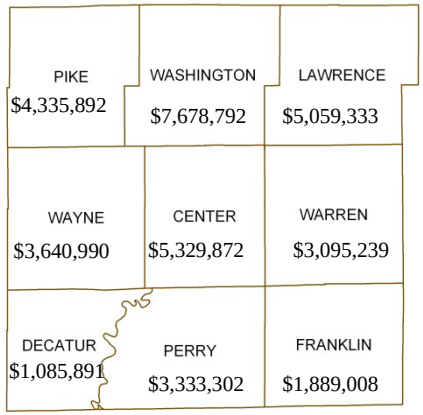


CONSOLIDATED CITY OF INDIANAPOLIS

City of Indianapolis $33,385,304

Excluded Cities and Towns $2,307,963

Map 3



TOWNSHIPS

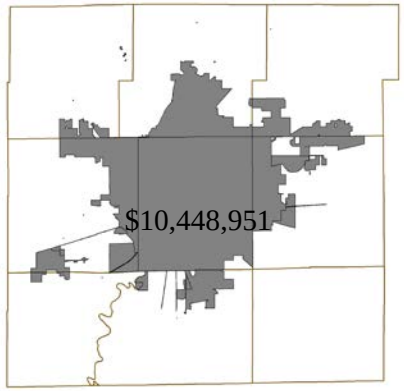
NOTE: See Statistical Schedule 13 on pages 132, 133, and 134 of Part III of this annual report. The assessed valuation figures are for March 1, 2012 valuations for taxes collectible in 2013.

Map 4

LIBRARIES

Beech Grove	$371,520
Speedway	$532,292
Marion County Libraries	$34,789,454

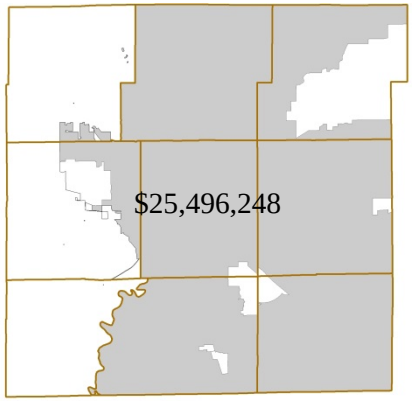
Map 5



INDIANAPOLIS

POLICE SERVICE DISTRICT

Map 6

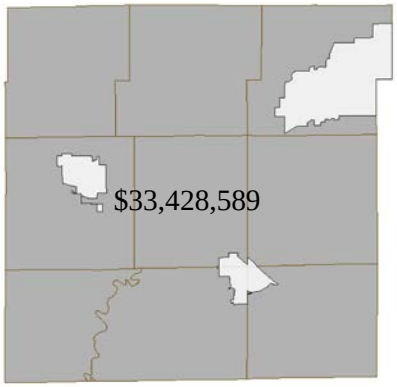


INDIANAPOLIS

FIRE SERVICE DISTRICT

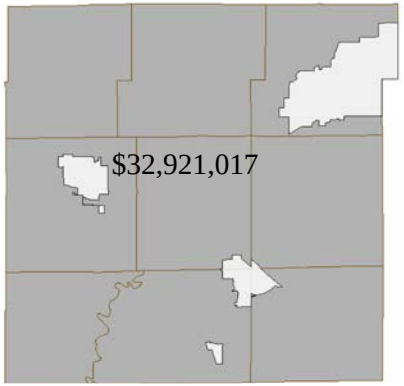
(Outside of this district, townships and excluded cities and towns provide the fire service)

Map 7



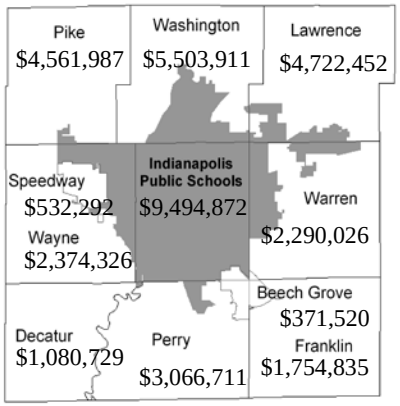
INDIANAPOLIS SOLID WASTE SPECIAL SERVICE DISTRICT

Map 8



INDIANAPOLIS SANITARY DISTRICT

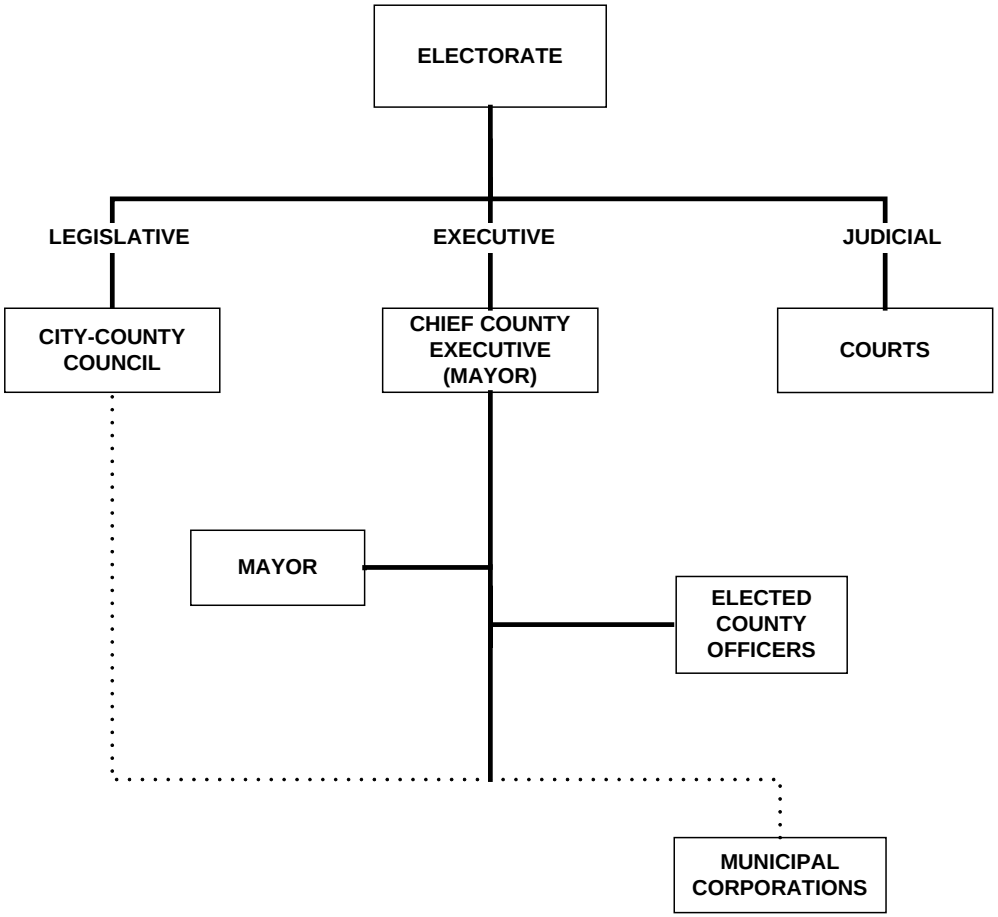
Map 9



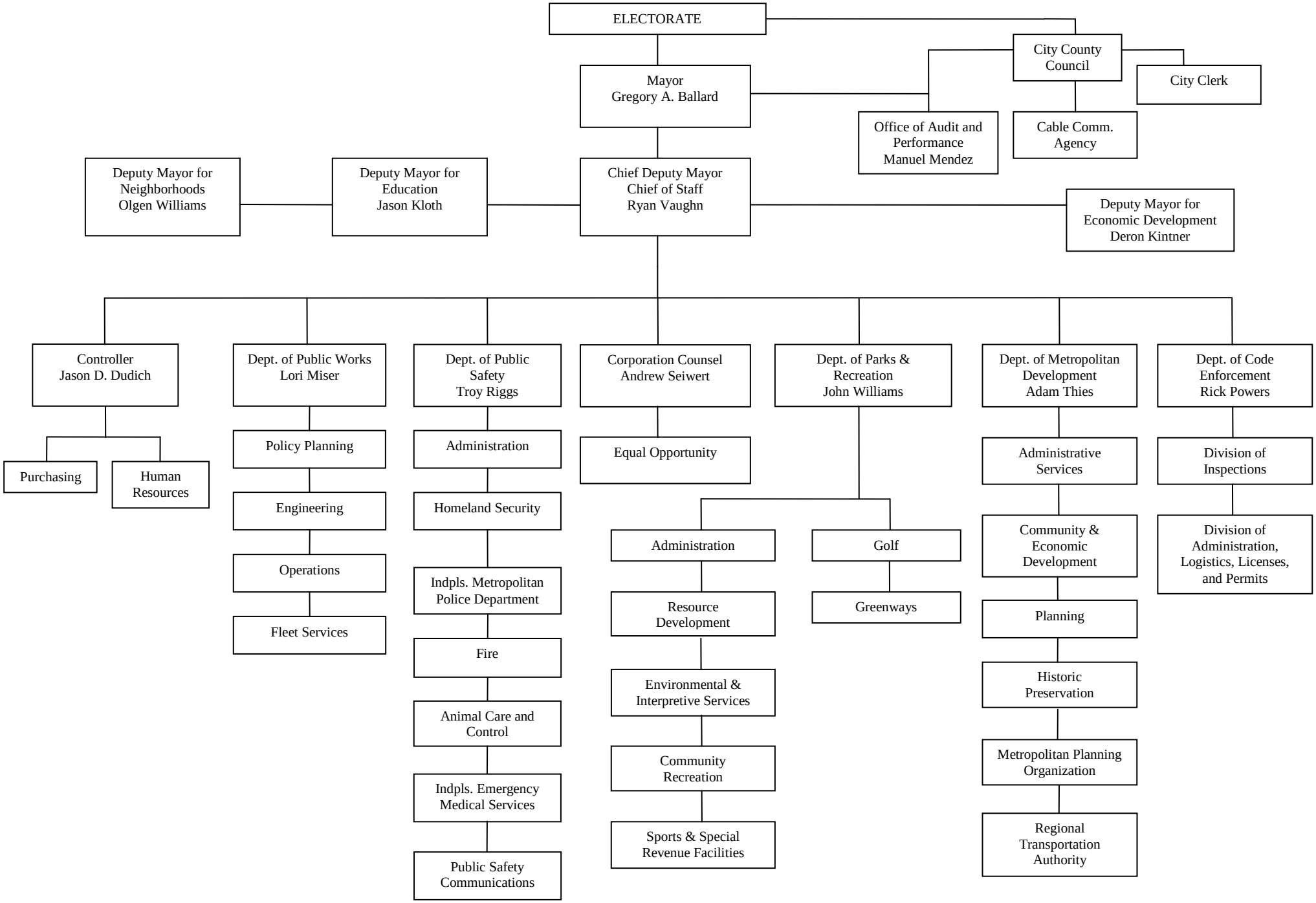
SCHOOL DISTRICTS

NOTE: See Statistical Schedule 13 on pages 132, 133, and 134 of Part III of this annual report. The assessed valuation figures are for March 1, 2012 valuations for taxes collectible in 2013.

UNIGOV ORGANIZATIONAL CHART
CONSOLIDATED GOVERNMENT FOR INDIANAPOLIS – MARION COUNTY



City of Indianapolis Organization Chart
December 31, 2013



CITY OF INDIANAPOLIS

SCHEDULE OF ELECTED AND APPOINTED OFFICIALS

December 31, 2013

ELECTED OFFICIALS*

Name	Title	Service	Occupation
Gregory A. Ballard	Mayor	6	Mayor and Chief County Executive
Maggie Lewis	City-County Council President	6	Executive Director, Dove Recovery House for Women
John Barth	City-County Council Vice President	2	Vice President of Compliance and Regulatory Affairs
Zach Adamson	City-County Councillor	2	Owner, Just Hair
Vernon Brown	City-County Councillor	10	Indianapolis Fire Department Battalion Chief
Virginia J. Cain	City-County Councillor	10	Homemaker and Community Organizer
Jose Evans	City-County Councillor	6	CEO, Evans & Associates
Aaron Freeman	City-County Councillor	4	Self-Employed Attorney at Law
William Gooden	City-County Councillor	2	Attorney
Monroe Gray, Jr.	City-County Councillor	22	Retired
Pamela Hickman	City-County Councillor	2	Retired, Co-owner, Patora Fine Jewelers
Jason Holliday	City-County Councillor	2	Account Executive, Ray's Trash Service
Ben Hunter	City-County Councillor	6	Public Safety Director, Butler University
Robert Lutz	City-County Councillor	7	Self-Employed Attorney at Law
Brian Mahern	City-County Councillor	6	Policy Analyst, Indiana Utility Regulatory Commission
Angela Mansfield	City-County Councillor	10	Attorney and Certified Public Accountant
Frank Mascari	City-County Councillor	2	Jeweler, Spalding Jewelry
Janice McHenry	City-County Councillor	6	Retired
Michael McQuillen	City-County Councillor	6	Owner, PoliticalParade.com
Jeff Miller	City-County Councillor	2	Capgemini Consulting
Mary Bridget Moriarty Adams	City-County Councillor	26	Human Resources Manager, Marion County Assessor's Office
William C. Oliver	City-County Councillor	10	Retired
Vop Osili	City-County Councillor	2	Architect/Principal, A+X Design and Development
Marilyn Pfisterer	City-County Councillor	10	Retired
Leroy Robinson	City-County Councillor	2	Administrator – Dean of Students, MSD Pike Township
Jack Sandlin	City-County Councillor	4	Consultant, Jack Sandlin & Associates
Christine Scales	City-County Councillor	6	Retired
Jefferson Shreve	City-County Councillor	1	Business Owner

CITY OF INDIANAPOLIS

SCHEDULE OF ELECTED AND APPOINTED OFFICIALS (Cont.)

December 31, 2013

Name	Title	Service	Occupation
Joseph Simpson	City-County Councillor	2	Director of Administration, Indiana Legal Services
Steve Talley	City-County Councillor	2	Financial Analyst, Department of Public Safety
Claudia O. Fuentes	Ex-Officio City Treasurer	2	Marion County Treasurer

* The term of office for all elected officials expires December 31, 2015 except for the Marion County Treasurer, whose term expires December 31, 2016.

APPOINTED OFFICIALS

Name	Position	Number of Years in This Position	Number of Years Associated with City of Indianapolis – Marion County
Ryan Vaughn	Chief Deputy Mayor/Chief of Staff	2	7
Olgen Williams	Deputy Mayor for Neighborhoods	6	6
Jason Kloth	Deputy Mayor for Education	2	2
Deron Kintner	Deputy Mayor for Economic Development	2	5
Jason D. Dudich	Controller-Office of Finance and Management	1	3
Andrew Seiwert	Corporation Counsel	1	15
Adam Thies	Director of Metropolitan Development	2	2
Lori Miser	Director of Public Works	2	20
Troy Riggs	Director of Public Safety	2	2
John Williams	Director of Parks and Recreation	2	13
Rick Powers	Director of Code Enforcement	4	13
NaTrina Debow	Clerk of the City-County Council	2	9
Manuel Mendez	Director of Office of Audit and Performance	4	5

CERTIFIED PUBLIC ACCOUNTANTS BKD, LLP

CONSOLIDATED CITY OPERATIONS

EXECUTIVE & LEGISLATIVE

The Mayor is the chief executive officer of the consolidated City. The Mayor may serve unlimited four-year terms and enjoys wide appointive powers, including the right to name deputy mayors, department heads, and many board and commission members (the deputy mayor and department director appointments are subject to approval by a majority of the City-County Council). The Mayor also appoints the Controller and the Corporation Counsel for the consolidated City.

The Mayor controls the major administrative functions of the consolidated City through five departments as follows: Metropolitan Development, Public Works, Public Safety, Code Enforcement, and Parks and Recreation, each headed by a director, and through special taxing and service districts. Transactions for the Mayor's office are accounted for in the Consolidated County Subfund of the General Fund. The Mayor heads a cabinet of appointed Deputy Mayors, Corporation Counsel, Controller, and Department Directors. The Office of Audit and Performance is independent of any City department, as is the Office of the Corporation Counsel and the Office of Finance and Management. These divisions report directly to the Mayor.

City-County Council

The Council staff provides efficient and economical administrative support to the local legislative branch of government. The Council is responsible for adoption of appropriations and tax rates supporting the City and County annual budgets, and reviews and recommends the five Municipal Corporations' annual budgets. The Council also confirms appointments of individuals to the positions of Deputy Mayor and Directors of Unigov Departments. They also enact legislation and appoint individuals to various boards and commissions of local government. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

Cable Communications Agency

The Cable Communications Agency oversees cable franchise compliance and contractual obligations, as well as prepares and supervises renewal of franchise agreements. Through WCTY/Channel 16 and Government TV2, the Cable Communications Agency provides City-County government information to Marion County citizens and supplements public safety education. Agency staff makes recommendations for the best usage of communications equipment through research of new communication models and technologies. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

Office of the Corporation Counsel

The Office of the Corporation Counsel provides legal counseling and representation for all agencies of City and County government and is headed by Corporation Counsel who is appointed by the Mayor. The Office of the Corporation Counsel is divided into four sections: Counseling, City Prosecutor, Equal Opportunity, and Litigation. Transactions for this Office are accounted for in the Consolidated County Subfund of the General Fund. The responsibilities of the Office are governed by Indiana statute, which vests the Office with the authority to represent and defend the City and County and its officers in causes of action in which they are parties by virtue of their official capacity and to compromise litigation and effect settlement of pending litigation. In addition, the Office furnishes legal advice and formal opinions and conducts legal proceedings. The City Prosecutor's Office, also a part of the Office of the Corporation Counsel, initiates legal action for the purpose of enforcing City ordinances. The preparation of nonfiscal ordinances for introduction before the City-County Council and the drafting of legislative proposals in the Indiana General Assembly are also functions of the Office of the Corporation Counsel.

Office of Finance and Management

The Office of Finance and Management is charged with the fiscal management of City and County government. Appointed by the Mayor, the City Controller ensures that financial assets of the government are protected. The office is responsible for the annual City and County budgets, financial reporting, accounting policy for the City and County, cash management, disposal of surplus assets, and federal audit relationships with transactions accounted for in the Consolidated County Subfund of the General Fund.

The Division of Purchasing, which reports to the City Controller, acts as the central purchasing agent for all City and County government offices with transactions accounted for in the Consolidated County Subfund of the General Fund. The division has responsibility for obtaining all necessary materials, equipment, and services.

The Human Resources division reports to the City Controller. This division is responsible for all personnel-related functions for the City, the County, the police department, and the fire department. The Human Resources division provides analysis of personnel changes, recommendations for pay grades, performance reviews of employees, and upkeep of employee information, benefits, and job status.

DEPARTMENT OF METROPOLITAN DEVELOPMENT ("DMD")

DMD's primary objectives are to provide improved service delivery through effective communications, collaboration, and developmental assistance to promote partnership between the public and City government to facilitate quality housing and economic growth throughout the County. The department follows policy established by the Metropolitan Development Commission and coordinates the activities of its operating divisions: Administrative Services, Community Economic Development, Planning, Metropolitan Planning Organization, Neighborhood Services, Historic Preservation Commission, and Regional Transportation Authority. The Metropolitan Development Commission is the policy-making body of DMD and receives staff support from the department. The Commission is composed of nine members, four of whom are appointed by the Mayor, three by the City-County Council, and two by the Board of County Commissioners.

Division of Administrative Services

The Division of Administrative Services provides managerial and financial support to other divisions in DMD. Financial staff also offers financial management support, in the form of budgeting, financial reporting, payroll, and accounts payable/receivable management to the other department divisions consistent with established policies by federal, state, and local regulations. Transactions for this division are accounted for in the Redevelopment Subfund of the General Fund.

Division of Community Economic Development

The Community Economic Development division has the responsibility of administering all U.S. Department of Housing and Urban Development grants, with transactions accounted for in the Federal and State Grants Special Revenue Funds and the Consolidated County and Redevelopment Subfunds of the General Fund. The division supports activities of community development, affordable housing, neighborhood capacity building, human services, neighborhood strategic programming, and capital improvements projects. The division also administers the Unsafe Building Program in conjunction with the Health and Hospital Corporation of Marion County. Additionally, the division promotes economic development by leveraging private and public resources in support of developing affordable housing and new employment opportunities in neighborhoods, as well as managing department-owned properties throughout the City.

Division of Planning

The Division of Planning has wide-ranging responsibilities in areas of social, physical, and economic planning. It analyzes present community conditions and makes projections of future development, recommending various plans for private and public action. The division processes all land use petitions for public hearing and reviews, revises, and updates zoning ordinances to reflect the needs of the community. Transactions are accounted for in the Federal Grants Special Revenue Fund and the Consolidated County Subfund of the General Fund.

Metropolitan Planning Organization

The division is responsible for transportation planning activities as the Metropolitan Planning Organization for the Indianapolis Urbanized Area. Transactions are accounted for in the Federal Grants Special Revenue Fund and the Consolidated County and Transportation Subfunds of the General Fund.

Indianapolis Historic Preservation Commission

The Indianapolis Historic Preservation Commission is a semi-autonomous agency of City-County government, charged with the responsibility of designating and administering local historic areas, both districts and individual structures; promoting the preservation and re-use of historic structures; and offering technical assistance to Marion County residents and property owners. Indianapolis Historic Preservation Commission transactions are accounted for in the Federal Grants Special Revenue Fund and the Consolidated County Subfund of the General Fund.

DEPARTMENT OF CODE ENFORCEMENT ("DCE")

DCE efficiently enforces land use requirements, business licensing, and environmental laws and facilitates responsible development, through permits, licenses, inspections, and enforcement efforts. This comprehensive strategy results in a safer environment as well as an improvement in the quality of life for the citizens of the Consolidated City of Indianapolis-Marion County.

Department Structure

DCE comprises two divisions, each with its own operational goals and activities while being unified by a common vision.

Administration, Logistics, Licenses, and Permits Division

This division provides service through the following bureaus: the Bureau of Administration and Financial Services provides administrative support for DCE and is responsible for providing financial and operational support; the Bureau of Logistical Services is responsible for DCE facilities management, technology management, document management, and information systems management; and the Bureau of Licenses and Permit Services is responsible for issuance of licenses, registrations, and permits. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

Inspections Division

This division provides service through the following bureaus: the Bureau of Construction Services performs inspections in construction areas for the purpose of securing safe construction in addition to ensuring proper safety and maintenance of existing structures and infrastructure; the Bureau of Environmental Services is responsible for conducting inspections and enforcing applicable provisions of statutes and/or ordinances relating to the protection of the environment; and the Bureau of Property Safety and Maintenance Services performs inspections and enforces provisions relating to the development, condition, maintenance, and/or use of real estate. Transactions for this division are accounted for in the Consolidated County Subfund of the General Fund.

DEPARTMENT OF PUBLIC WORKS ("DPW")

DPW is responsible for the following: street and traffic signal maintenance, trash collection and disposal, flood control maintenance, snow removal, and environmental remediation. DPW also has responsibility for the acquisition and maintenance of vehicles and heavy equipment used by City and County agencies. Park maintenance and forestry are also included in DPW's set of responsibilities and duties. The department has four major divisions: Policy and Planning, Engineering, Operations, and Fleet Services. During 2011, the responsibility for the City's sanitary sewer collection system and water treatment facilities were transferred to Citizen's Energy Group. Portions of the monetary proceeds, resulting from this transaction were approved, by City-County Council, to establish the Rebuild Indy Fund. This fund is being used to fund capital improvements. In 2010, management of the Parking Meter operations was placed with Park Indy, LLC. The private group is now responsible for management of the system, including installation and repair of parking meter equipment, collection of revenue, and coordination with public business community. DPW is responsible for management of this contractual relationship. Portions of the monetary proceeds, resulting from this transaction were approved, by City-County Council, to be used to fund capital improvements.

The Board of Public Works is the supervisory and policy-making body of DPW. The board consists of seven members and meets twice per month. The Director of DPW serves as the chair of the board; three members are appointed by the Mayor and three by the City-County Council. Appointees serve one-year terms at the pleasure of the appointing authority. The board reviews the department budget, holds any hearings required by law, and approves the award of all contracts.

Policy and Planning Division

The Administrative Services section manages the administration for the entire department. This includes financial and budget planning, asset management, and contractual agreements. The section also monitors the financial aspects of the Indianapolis Resource Recovery Facility. Administrative transactions are accounted for in the Consolidated County Subfund of the General Fund, the Stormwater Subfund of the General Fund, and the Federal Grants Special Revenue Fund. The section's services include the general services for budget preparation, contract administration, general accounting services, goods procurement, payroll management, data management and entry, property management, and personnel coordination and management.

The Administrative Services Section has three main areas of responsibility:

1. *Financial Services*. This section provides purchasing, accounting, and financial reporting services to all areas within the department.
2. *Business Services*. This section provides the necessary administrative functions for the department in the areas of data management, payroll, revenue collection and accounting, and other administrative services and processes.
3. *Contract Services*. This section provides administrative support and review for service contracts with the department. This section manages the processes involved with procurement and contract execution, including the Board of Public Works. The day-to-day management of the contracts remains with the operational areas responsible for solid waste removal, mowing, and street sweeping.

The Strategic Planning section assists DPW and the City by arranging and executing public meetings, media services, public speaking, departmental presentations, and neighborhood coordination. Jointly, they provide public access to the many programs administered by the Engineering and Operations Divisions and throughout DPW. This section disseminates information through the media, written publications, correspondence, and by telephone on engineering projects. This section also provides neighborhood services and citizens' relations services.

As an outgrowth of the Strategic Planning section, the Office of Sustainability was established. This office and the SustainIndy initiative, which has strong ties to the City's environmental agenda, is housed and budgeted in DPW. The charge of SustainIndy includes public-private coordination of environmentally responsible actions that impact community awareness, economic development, and quality of life in Indianapolis for today and in the future. More information regarding this initiative can be found at http://www.sustainindy.org.

The management of air quality, water and land pollution abatement, and environmental remediation projects are the responsibility of the State of Indiana's Department of Environmental Management ("IDEM") and the recently created City Department of Code Enforcement, while the City's Office of Environmental Services is primarily involved with managing hazardous household waste and other land pollution abatement programs. The transactions of this division are accounted for in the Solid Waste Collection, Park, and Consolidated County Subfunds of the General Fund.

Engineering Division

The Engineering division plans, designs, constructs, reconstructs, and maintains all streets, storm sewers, roads, bridges, and thoroughfares. The department is also responsible for access control, traffic control, and street lights on the same. Excluded from the Department's control are:

1. Interstate, U.S., and State routes under the jurisdiction of the Indiana Department of Transportation; and
2. Local streets within the other incorporated cities and towns within the County.

This section's general services include development of programs and projects, inventories, transportation studies, design contract administration, service contract negotiation, construction contract management, pavement management, review and approval of private development projects, and providing technical expertise to other divisions and agencies. Transactions for this section are recorded in the City and County Cumulative Capital Projects Funds and the Transportation, Storm Water Management, and Rebuild Indy Subfunds of the General Fund. In 2014, the Engineering Division was transferred responsibility for Parks and Recreation Cumulative Capital Funds.

The Engineering Administration Section provides the necessary administrative support for implementation of the department's programs to expand and protect the City's transportation, sanitation, and storm water networks.

The Construction Services Section provides the necessary project scope and design criteria and determines the project schedule. Consultant selection is also a primary task for this group. This section also provides the technical expertise to accomplish all design and construction contract management for the transportation and flood control projects. This section is responsible for supervising and administering all construction contracts for transportation and storm water network improvements.

The Environmental Engineering Section provides services including the development of programs and projects, inventories, studies, design contract administration, and service contract negotiation related to the drainage programs of the City. This also includes the review and approval of private development projects and providing technical expertise to other divisions and agencies.

The Transportation Engineering Section provides services including the development of programs and projects, inventories, transportation studies, design contract administration, and service contract negotiation related to the transportation programs of the City. This also includes construction contract management, pavement management, review and approval of private development projects, and providing technical expertise to other divisions and agencies.

Operations Division

The Solid Waste Services section is responsible for collecting trash from five of the 12 solid waste districts. The section also monitors the financial and technical aspects of the resource recovery waste districts. Approximately 150,000 tons of trash is collected annually. Household refuse is disposed of at the Indianapolis Resource Recovery Facility where the waste is burned and steam is generated. The steam is sold to a local power company. The Solid Waste Management section also monitors the financial and technical aspects of the resource recovery facility's operations. Other waste, such as construction debris, is taken to the Southside Landfill. Other services of the Solid Waste Management include the removal of dead animal carcasses from the public right of way and operation of drop-off recycling programs. Section transactions are accounted for in the Solid Waste Collection and the Solid Waste Disposal Subfunds of the General Fund.

The Maintenance Services Section has six main areas of responsibility:

1. *Traffic Operations*. Responsible for the implementation and operation of all traffic control features of the transportation network. Ensures traffic safety and guides motorists throughout the City through signals, signs, and pavement markers.
2. *Street Maintenance*. Responsible for the maintenance of all roads, bridges, and other transportation facilities under the City's jurisdiction. Also responsible for preventative maintenance and snow and ice removal on City streets.
3. *Grass and Weeds*. Responsible for mowing of levees and parkways.
4. *Building and Grounds.* Responsible for maintaining DPW facilities and the Monon Trail.
5. *Customer Services.* Responds within three days to citizen complaints that are called into the Mayor's Action Center such as sanitary sewer back-ups, sewer odors, cave-ins, flooding and drainage problems, street and sidewalk problems, illegal dumping, graffiti, and sewer locates. Service requests are directed to the Township Coordinators who complete over 20,000 inspections per year. Customer Services also works closely with the utility companies and other City and County departments.
6. *Park Maintenance and Forestry.* Maintains the grounds and facilities of the City's park system. Also manages the urban canopy, through the Forestry Section.

The section's general services include road and bridge maintenance and reconstruction, resurfacing, curb and sidewalk replacement and repair, street repair, weed control, mowing, road side drainage, shoulder maintenance, pavement joint maintenance, guard rail installation and repair, emergency maintenance functions (barricading and temporary repairs), snow and ice removal, litter pick-up in the downtown area, traffic signal installation, modernization and maintenance, pavement markings, and traffic sign manufacturing and installation. Transactions for this section are recorded in the Transportation, Solid Waste Collection, Storm Water Management, Consolidated County and Park General Subfunds of the General Fund, and the Parking Special Revenue Fund.

Fleet Services Division

The Indianapolis Fleet Services ("IFS") is responsible for the maintenance, fueling, monitoring, and repair of all vehicles and other equipment owned by the City and has all powers and duties necessary for operation of a municipal garage. IFS also maintains and supplies fuel for vehicles and equipment owned by a number of other governmental agencies on a contractual basis. Transactions for this Division are accounted for in the Consolidated County Subfund of the General Fund. The costs associated with maintaining and fueling city-owned vehicles and equipment are charged back to the departments that own the equipment.

DEPARTMENT OF PUBLIC SAFETY ("DPS")

DPS maintains order and protects the rights and property of the citizens of Indianapolis. The director retains responsibility for major policy decisions, budgeting, long-range planning, and the day-to-day coordination of six departmental divisions: Fire, Metropolitan Police, Homeland Security, Animal Care and Control, Public Safety Communications, and Indianapolis Emergency Medical Services. The director of DPS serves as the Mayor's appointee on many commissions and councils at the national, state, and local levels in order to coordinate the activities of Public Safety Department divisions with various other state and local criminal justice agencies.

The director appoints the Metropolitan Police, Fire, Public Safety Communications and Emergency Medical Services Chiefs for the consolidated City. The director also supervises the hiring, promotion, affirmative action, and discipline of all department divisions with the advice and assistance of two statutory boards and several non-statutory citizen boards and committees. The statutory boards include a five-member Board of Public Safety and a six-member Fire Merit Board. Transactions for this division are recorded in the Consolidated County Subfund of the General Fund.

The Board of Public Safety is comprised of the Director of Public Safety and four other members, two of whom are appointed by the Mayor and two others by the City-County Council. Board members serve one-year terms at the pleasure of the Mayor or the Council.

The board studies issues related to DPS, which the director brings before the members; it also indicates areas requiring further study to the director. The board approves the award and amendment of contracts by the department for purchase or lease of capital equipment or other property where the contract is required to be bid under Indiana Code 36-1-12. The board also approves the employment of persons engaged by the department to render professional or consulting services.

In addition, the Citizens Police Complaint Office functions out of the Director's Office and staffs three civilian employees and is governed by the Citizens Police Complaint Review Board.

Indianapolis Metropolitan Police Department ("IMPD")

This division is primarily responsible for enforcement of laws to protect life and property while creating and maintaining active police/community partnerships and assisting citizens in identifying and solving problems to improve the quality of life in their neighborhoods. The IMPD was established January 1, 2007 through the consolidation of the Indianapolis Police Department and the law enforcement force of the Marion County Sheriff. On January 1, 2007, IMPD assumed all law enforcement functions for the consolidated City. Transactions are accounted for in the Metropolitan Police Subfund of the General Fund, which is funded from the consolidated City district that includes the entire County except for the excluded cities and towns. A portion of police operations are funded through Special Revenue Funds, the Federal Grants Special Revenue Fund, and the City Cumulative Capital Projects Fund. The Police Special Service District exists only for the purpose of the police pensions.

Indianapolis Fire Department ("IFD")

This division's services include fire prevention, firefighting, and emergency rescue. IFD also administers immediate first aid services, inspects buildings, investigates suspected cases of arson, gives fire and safety instructions, and provides fire and rescue training for other fire departments. The division is funded from a special service district of the consolidated City and coordinates fire protection with the Township and Volunteer Fire Departments of the District. Transactions are accounted for in the Fire Subfund of the General Fund, the Federal Grants Special Revenue Fund, and the City Cumulative Capital Projects Fund.

Division of Homeland Security

This division functions as the local Homeland Security agency. It coordinates all government and non-government organizations that deal with emergency situations, and provides unique civil preparedness skills and capabilities not available under other organizations. Transactions are accounted for in the Consolidated County, Metropolitan Police, and Fire Subfunds of the General Fund, the Federal Grants Special Revenue Fund, and the City Cumulative Capital Projects Fund.

Animal Care and Control Division

This division is responsible for protecting the public from injuries, property damage, and disease caused by stray animals. Transactions are accounted for in the Consolidated County Subfund of the General Fund. The division has the authority to capture, impound, and destroy stray animals, including wildlife.

Public Safety Communications ("PSC")

This division is responsible for providing, operating, and maintaining the critical communications, data systems, and infrastructure used by emergency first responders in Marion County. PSC also is responsible for the operation of the Computer Aided Dispatch system, Records Management Systems, a paging system, and a firehouse alerting System. In support of our customers, and the systems that they use, PSC provides a 24-7 Customer Service Desk with personnel that are trained to mitigate problems at the customer level. Transactions are accounted for in the Public Safety Communications Subfund of the General Fund.

Indianapolis Emergency Medical Services ("IEMS")

This division was formed to continue and advance high-quality emergency medical services care and create efficiencies for these services in Marion County. IEMS is the primary provider of ambulance and emergency medical services in Marion County. The division was formed through a collaborative effort between the Department of Public Safety and the Health and Hospital Corporation of Marion County.

DEPARTMENT OF PARKS AND RECREATION ("DPR")

DPR (Indy Parks and Recreation) provides clear leadership and well-defined direction for enhancing the quality of life for Indianapolis and Marion County residents by offering park and recreation resources that 1) provide and/or facilitate quality recreation and leisure opportunities; 2) encourage and support natural and cultural resource stewardship and environmental education; 3) include safe, clean and well-maintained park facilities for the community's use and enjoyment; and 4) promote and facilitate mutually beneficial countywide partnerships. Indy Parks and Recreation offers recreational opportunities at regional, community, neighborhood, and nature parks, as well as at schools and other facilities. The parks system includes eight greenways, 25 recreation centers, 20 aquatic centers, 13 golf courses, 440 sports fields and courts, and 126 playgrounds. City ordinances and state statutes are enforced by Indy Parks and Recreation to protect public parklands and facility use. DPR's organization consists of seven divisions including Administration, Community Recreation, Sports and Special Revenue Facilities, Golf, Environmental and Interpretive Services, Resource Development, and Greenways. Transactions for this department are recorded in the Parks Fund, Consolidated County Fund, Parks Special Recreation Non-Reverting Fund, City Cumulative Capital Fund and the Federal and State of Indiana Grants Special Revenue Funds.

Administration Division

Administration provides departmental level leadership, management, and oversight of the business operating elements. The Administration Division includes a variety of functions essential to the organization including finance, marketing and public relations, grants, alliances and partnerships, and a variety of other special projects. This division facilitates and coordinates the implementation of cross-divisional activities.

Community Recreation Division

The Community Recreation Division provides recreational services and opportunities to Marion County residents. Community Recreation's core areas include community centers, neighborhood parks, arts services, day camps, and after-school, therapeutic and senior programs.

Sports and Special Revenue Facilities Division

The Sports and Special Revenue Facilities Division provides sports programs and special facilities combined with educational opportunities for volunteers, coaches, and staff. The facilities include indoor and outdoor aquatic centers, sports courts and fields, ice rink, Velodrome, skate park, and BMX track.

Golf Division

The Golf Division offers golf opportunities for people of all ages and physical abilities throughout the Indianapolis community. This division manages municipal courses as well as plans and oversees capital improvements at each course. It manages course operating contracts, service contracts, and course management contracts.

Environmental and Interpretive Services Division

The Environmental and Interpretive Services Division provides quality environmental education and interpretive programs to the community through nature centers and the hub naturalist program.

Resource Development Division

Resource Development steers the direction of the department through resource planning, capital asset development, and sustainable strategic tactics. In addition to the planning tasks, this division is also responsible for land acquisition and real estate management.

Greenways Division

The Greenways Division manages, improves, and maintains the greenways system within Marion County to provide recreational and fitness opportunities, promote open space conservation, link neighborhoods with parks and other community assets, and provide environmental education for the public concerning the greenways system.

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Financial Section

BKD LLP
CPAs & Advisors

201 N. Illinois Street, Suite 700 // P.O. Box 44998 // Indianapolis, IN 46244-0998
317.383.4000 // fax 317.383.4200 // bkd.com

Independent Auditor's Report

Mr. Jason. D. Dudich, Controller and the Audit Committee
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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 sole discretely presented component unit of the City. Those financial statements were audited by other auditors whose report thereon 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.

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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.

Opinion

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, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1 to the financial statements, in 2013, the City changed its method of accounting for debt issuance costs and the classification of certain deferred balances to deferred inflows of resources and deferred outflows of resources. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. 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. Such information has 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 have also issued our report dated June 27, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
June 27, 2014

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, 2013

This Comprehensive Annual Financial Report presents an analysis of the financial activities of the City of Indianapolis ("City") for the year ended December 31, 2013 based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report, along with the City's financial statements, including the footnotes that follow the basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City's assets exceeded its liabilities at December 31, 2013 by $362.7 million, which represents the total net position of the City's governmental activities. Included in this net position amount is a $442.0 million unrestricted deficit due mainly to an unfunded net pension obligation of $398.2 million and an unfunded post employment benefit obligation of $108.8 million. Without these unfunded obligations, the net position amount would be an unrestricted surplus of $65 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, the pension benefits will be covered by the State of Indiana. In regards to the unfunded post employment benefit obligation, there is no intent by the City or legal requirement to fund this long term liability beyond the annual payments required by existing labor agreements. See footnote 14 to the financial statements for further discussion of the City's pension plans. See footnote 13 to the financial statements in regards to other post-employment benefits.
- On a government-wide basis, for 2013, the City's total expenses were $837.6 million or $31.3 million more than the $806.3 million generated in charges for services, grants, taxes, and other revenues.
- As of December 31, 2013, the City's governmental funds reported combined ending fund balances of $503.2 million. Of this amount, $3.1 million was nonspendable, $263.8 million was restricted, $70.5 million was committed, $76.8 million was assigned, and $89.0 million was unassigned.
- The unassigned fund balance for the general fund was $91.2 million or 14.7% of total general fund expenditures. The City's goal is to maintain an unassigned general fund balance of at least 10% of total general fund expenditures.
- The general fund revenues were $6.6 million higher than original budget estimates and $5.3 million higher than the final budget estimate.
- In 2013, the City issued $92.4 million in governmental activities debt which included $86.6 million for the refunding of bonds, and $5.8 million for economic development.

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.

Government-wide Financial Statements

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

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

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

Fund Financial Statements

The second set of financial statements is 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, Revenue Debt Service Fund, Federal Grants Fund, and Economic Development Capital Projects 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:

   - *Internal Service Funds* are used to report activities that provide services for certain City programs and activities. The City uses internal service funds to provide for the financing of workers' compensation, auto liability, employee health insurance, and public liability self-insurance for all City departments, as well as for the centralization of certain payments of awards, refunds, and indemnities.

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Additional Supplementary Information

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The City's governmental activities net position at December 31, 2013 and 2012 were $362.7 million and $408.4 million, respectively.

		Governmental activities 2013		Governmental activities 2012
Assets:				
Current and other assets	$	661,970	$	800,517
Capital assets, net of accumulated depreciation		1,497,183		1,446,382
Total assets		2,159,153		2,246,899
Deferred outflows of resources		10,347		7,185
Total assets and deferred outflows of resources	$	2,169,500	$	2,254,084
Liabilities:				
Long-term liabilities		1,666,098		1,718,808
Other liabilities		121,909		107,726
Total liabilities		1,788,007		1,826,534
Deferred inflows of resources		18,800		19,200
Total liabilities and deferred inflows of resources		1,806,807		1,845,734
Net position:				
Net investment in capital assets		682,291		621,413
Restricted		122,379		124,511
Unrestricted (deficit)		(441,977)		(337,574)
Total net position	$	362,693	$	408,350

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 $682.3 million in capital assets (e.g., net book value of land, buildings, equipment, and infrastructure), less related outstanding debt used to acquire those assets. The 2012 balance was $621.4 million. The increase is primarily due to capital asset additions exceeding disposals and depreciation during 2013. 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 $122.4 million, versus $124.5 million in 2012, which represents resources that are subject to external restrictions on how they may be used.

All net position generated by governmental activities are either externally restricted, restricted by enabling legislation, or invested in capital assets. Consequently, unrestricted governmental net position showed a $442.0 million deficit at the end of the year as compared to a $337.6 million deficit for the prior year. This deficit does not mean the City does not have resources available to pay its bills. Rather, it is the result of having long-term commitments that are greater than currently available resources, mainly net pension obligations of $398.2 million for police and firefighters hired before May 1, 1977 and postemployment obligation of $108.8 million. See the earlier discussion in regards to these two long-term liabilities.

Change in net position. The City's total revenue (including transfers) on a government-wide basis for 2013 was $806.3 million and $789.6 million for 2012. Taxes represent 58% of the City's revenue (62% for 2012). Another 11% of revenue (11% in 2012) came from fees charged for services, and the remainder came from grants and contributions, interest earnings, and miscellaneous revenues (see chart 2, revenues by source, on the following page). The decrease in taxes is primarily due to a one-time special income tax distribution in 2012. The increase of $47.6 million in capital grants and contributions can be attributed to the increase of capital contributions from the State of Indiana for public work projects built on the City's behalf. In addition, the decrease of $5.2 million in operating grants and contributions can be attributed to reduction in state and federal grants.

The total cost of all programs and services was $837.6 million for 2013 ($901.8 million for 2012). The City's expenses cover a range of typical City services.

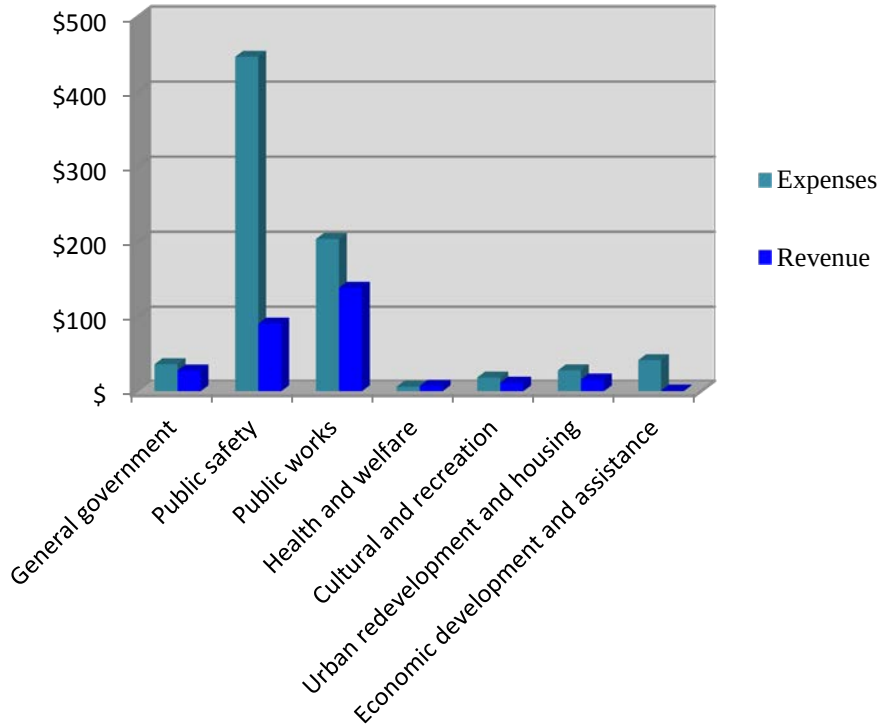
Schedule of Changes in Net Position
For the Year Ended December 31, 2013 and 2012
(dollars in thousands)

	Governmental activities 2013	Governmental activities 2012
Revenues:		
Program revenues		
Charges for services	$ 85,555	$ 89,726
Operating grants and contributions	138,311	143,556
Capital grants and contributions	77,797	30,217
General revenues:		
Property tax	280,883	277,122
Other taxes	187,205	208,773
Other general revenues	36,527	40,247
Total revenues	806,278	789,641
Expenses:		
General government	36,467	45,395
Public safety	447,016	448,007
Public works	204,217	196,687
Health and welfare	6,015	3,890
Cultural and recreation	18,465	22,413
Urban redevelopment and housing	28,124	31,493
Economic development and assistance	41,862	97,983
Interest	55,480	55,920
Total expenses	837,646	901,788
Change in net position	(31,368)	(112,147)
Net position, beginning of year, before restatement	408,350	520,497
Adjustment for Implementation of GASB 65	(14,289)	—
Net position, beginning of year, after restatement	394,061	520,497
Net position, ending	$ 362,693	$ 408,350

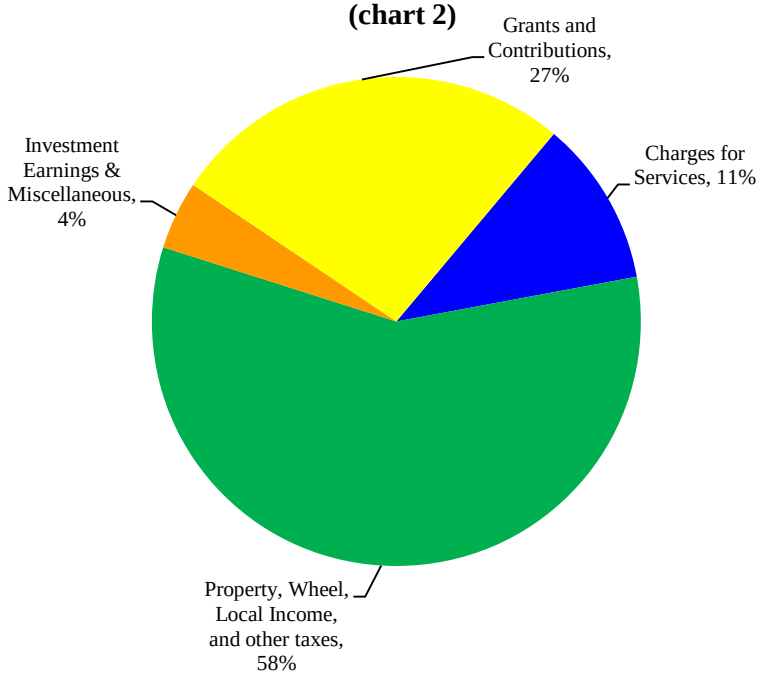
Governmental activities. The City's governmental activities net position decreased by $31.4 million compared to a decrease of $112.1 million in the prior year. Total expenses for governmental activities for 2013 were $837.6 million, a decrease of $64.1 million from the prior year mainly due to the spend down of bond proceeds used for economic development projects. Total revenues for governmental activities for 2013 were $806.3 million, an increase of $16.6 million from the prior year. Capital grants and contributions increased $47.6 million primarily due to public works projects paid for by the State and donated to the City. Overall, the City's taxes declined by $17.8 million due primarily to a one-time special income tax distribution in 2012.

The following charts provide the City's governmental program revenues and expenses by function and revenues by source for 2013. As shown in chart 1, expenses and program revenues, public safety is the largest function of expense. General revenues such as property and income tax are not shown by program, but are included in chart 2, revenues by source, to show their significance. Taxes are used to support program activities city-wide.

Expenses and Program Revenues - Governmental Activities
(In millions) (chart 1)



Revenues by Source - Governmental Activities
(chart 2)



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, 2013, the unassigned fund balance of the General Fund was $91.2 million while the total General Fund balance was $280.7 million (as compared to $348.7 million in 2012). 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 15% of total General Fund expenditures and transfers out (as compared to 14% for 2012), while total fund balance represents 45% (58% for 2012) of total General Fund expenditures and transfers out. The fund balance in the City's General Fund decreased by $68.0 million or 20% from the prior year fund balance. This was due primarily to the spend down of $67.2 million in 2013 from the proceeds of the 2011 sale of the City's water and wastewater facilities.

The Revenue Debt Service Fund ended the year with a $147.6 million fund balance (as compared to $154.7 million in 2012) which was restricted for debt service. The fund balance for the Revenue Debt Service Fund decreased by $7.1 million due mainly to transfers made for capital projects. The Federal Grants Fund balance increased by $6.2 million which can be attributable to reimbursements from the federal government being received during the revenue measurement period in 2013 versus 2012. The Economic Development Capital Projects Fund ended the year with a restricted fund balance of $3.7 million and a total fund balance of $3.7 million, a decrease of $21.6 million over the prior year. The reduction is due to spending down the bond proceeds received by this fund for the North of South project.

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 2013, the net position of these pension funds amounted to $1.9 million, which represents an increase of $0.7 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 City is the custodian of certain agency funds, and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there are no net assets. At the end of 2013, the combined gross assets of the agency funds totaled $20.5 million ($15.7 million in 2012). This amount is composed of activity from the following agency funds: Sanitation 15 Year Law, UAL Personal Property, E-911 Allocation, DPS Retiree Health Insurance, IMPD Confiscated Cash, and Other.

General Fund Budgetary Highlights

The final budget for the City's general fund represents the original budget plus any adjustments to appropriations during the year. It does not include encumbrances carried over from the prior year. In 2013, there was a $2.3 million increase in appropriations to the original General Fund budget or less than .4%.

Excluding prior year encumbrances, the original general fund expenditures budget for 2013 was $578.8 million. The final General Fund expenditures budget was $581.1 million. Actual expenditures were $552.6 million. Of the total $28.5 million underspent from the final budget, $8.8 million was in public safety, $4.9 million was in public works, $10.1 million was in capital outlay expenditures, and $2.3 million was in general government. These underspent amounts were due to planned reductions in the budget to fund future budget years. General revenues were originally estimated at $434.7 million, final estimated at $436.0 million, and the actual was $441.3 million, which was $5.3 million greater than budgeted. Out of the total $5.3 million, $2.7 million was in taxes and $3.1 million was in licenses and permits. The increase in taxes is primarily attributable to higher property tax collection rates than originally estimated, and the increase in licenses and permits is primarily attributable to the improving economy. Further spending reductions would have had to take place had the revenue picture not improved. Actual expenditures were greater than revenues by $111.3 million. This was primarily due to the spending down of $55.1 million of proceeds that were recognized in 2011 from the sale of the water and wastewater facilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had a net investment of $1.5 billion in capital assets at December 31, 2013 (net of accumulated depreciation of $2.4 billion) in a broad range of capital assets. This amount represents a net increase for the current year (including additions and deductions) of $50.8 million.

	Governmental activities 2013	Governmental activities 2012
Land	$ 54,390	$ 50,289
Construction in progress	214,237	236,585
Buildings	229,189	239,889
Improvements	78,843	66,722
Equipment	55,058	70,800
Infrastructure	865,466	782,097
Total	$ 1,497,183	$ 1,446,382

Major capital asset additions in 2013 for governmental activities included:

- $89.0 million of additions to construction in progress, principally infrastructure, and equipment. Reductions to construction in progress were $111.4 million which was transferred into infrastructure.
- $4.7 million of additions to buildings and $11.6 million of additions to improvements, principally at parks and recreation facilities.
- $7.9 million of additions to equipment, principally for public safety and public works vehicles.

- $176.1 million of additions to infrastructure, principally $19.9 million for storm sewers, $131.4 million for streets, curbs and sidewalks, and $15.4 million for bridges.

Donated capital assets for governmental activities were $75.3 million, mainly attributable to the increase of capital contributions from the State of Indiana for public work projects built on the City's behalf. Depreciation expense for 2013 for governmental activities was $119.1 million. At December 31, 2013, the City had commitments related to ongoing capital asset construction projects of $46.9 million.

See footnote 6 to the basic financial statements for more information regarding capital assets.

Long-Term Obligations

At the end of 2013, the City had outstanding long-term debt and other long-term obligations for governmental activities of $1.68 billion, compared to $1.71 billion at December 31, 2012 as shown below:

Schedule of Long-term Debt Obligations
(dollars in thousands)

	December 31, 2013	December 31, 2012
Governmental activities:		
Serial bonds payable	$ 180,800	$ 210,616
Tax increment bonds payable	626,551	632,594
Revenue bonds payable	260,150	264,850
Deferred discounts	—	(100)
Deferred premiums	39,393	33,947
Long-term notes payable and certificates of participation	28,732	46,150
Capital lease payable	8,038	8,175
Net pension obligation	398,211	401,116
Postemployment benefit obligation	108,753	87,645
Compensated absences	34,270	33,815
Total	$ 1,684,898	$ 1,718,808

The decrease in serial bonds payable is representative of the current administration commitment to reduce the cost of property tax supported debt to the taxpayers. The increase in the post employment pension obligation demonstrates the fact that this liability continues to grow with no intent by the City to actually fund this liability on other than a current contractually required basis.

Bonds

On May 16, 2013, the City issued its Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2013 in the amount of $25.0 million. The proceeds along with funds on hand were used to currently refund the Redevelopment Bonds of 2002 Series B, which had an outstanding principal amount of $27.4 million.

On May 16, 2013, the City issued its Redevelopment District Subordinate Tax Increment Bonds of 2013, Series A in the amount of $3.9 million, the proceeds are being used to pay for the costs of certain projects, additions or improvements within the City, including all or any portion of the acquisition of property and the design, construction, renovation, improvement and equipping of certain public infrastructure and other local public improvements, including without limitation, streets, bridges, sidewalks, pedestrian connectors, streetscapes, landscaping, lighting and trailway improvements in an area of the City generally located along a portion of Indiana Avenue and 16th Street and commonly referred to as the 16 Tech. The 16 Tech Project is anticipated to provide basic public infrastructure in the portion of the City in and along Indiana Avenue and 16th Street, in order to allow for and encourage future development of the certified technology park.

On May 16, 2013, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2013 A in the amount of $14.3 million. The proceeds from these bonds were used to currently refund all of the City's outstanding 2012 Bond Anticipation Notes which had an outstanding principal amount of $15.0 million.

On May 16, 2013, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2013 B in the amount of $1.9 million. The proceeds are being used for the purpose of paying all or a portion of the costs of completing the construction and equipping of a new fire station facility; which is replacing an existing fire station that is being relocated as part of a site development project being undertaken to allow for future economic development projects. The fire station completion project will be located at or near 700 West 16th Street in the City, and will be located within, or physically connected to, the allocation area.

On September 25, 2013, the City issued its IndyRoads Refunding Bonds, Series 2013 A, in the amount of $9.0 million to the Bond Bank, which issued its related Series 2013 H in the amount of $9.0 million. The proceeds from these bonds, together with other available funds on hand, were used to currently refund all of the City's outstanding IndyRoads Revenue Bonds, Series 2003, which had an outstanding principal amount of $9.3 million.

On October 16, 2013, the City issued its Stormwater District Revenue Refunding Bonds, Series 2013 A, in the amount of $38.4 million to the Bond Bank, which issued its related Series 2013 D Bonds in the amount of $38.4 million. The proceeds from these bonds were used to advance refund all of the City's outstanding Stormwater District Series 2006 A Bonds, which had outstanding principal amounts of $38.3 million.

Bond ratings. The City's general obligation bonds are rated AA by Standards & Poor's, AAA by Fitch, and Aaa by Moody's. 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 percents 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 9 to the basic financial statements for more information regarding long-term debt.

ECONOMIC FACTORS AND THE 2014 BUDGET

The 2014 original budget for all annually budgeted funds was $706.3 million. Revisions of $48.8 million have been made through June 2014, which were primarily due to increases in the federal grants fund appropriation.

The 2014 general fund original budget was $540.1 million, a decrease of 5.8% from the 2013 original General Fund budget of $571.8 million. Revisions (additions) of $.4 million have been made through June 2014.

Unemployment rates were as follows:

	May 2014	May 2013
City of Indianapolis	5.3%	7.4%
State of Indiana	5.7%	8.3%
United States	6.1%	7.3%

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

REQUESTS FOR INFORMATION

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

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Basic Financial Statements

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2013
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Equity in pooled cash	$ 162,503	$ 13,755
Cash and investments with fiscal agents	173,531	12,467
Investments	258,011	—
Property taxes receivable	9,458	—
Accounts receivable, less allowance for uncollectibles	16,849	574
Due from federal and state governments	10,001	582
Due from other governments	142	—
Other assets	—	3,403
Long-term receivables, less allowance for uncollectibles	31,475	6,165
Restricted assets	—	2,968
Capital assets:		
Land	54,390	18,124
Infrastructure, net of accumulated depreciation	865,466	—
Other capital assets, net of accumulated depreciation	363,090	152,079
Construction in progress	214,237	643
Total assets	2,159,153	210,760
Deferred outflows of resources - deferred losses on refundings	10,347	—
Total assets and deferred outflows of resources	$ 2,169,500	$ 210,760

(Continued)

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
December 31, 2013
(In thousands)

	Primary Government	Component Unit
	Governmental activities	Indianapolis Housing Agency
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and other current liabilities	$ 58,885	$ 3,491
Accrued interest payable	20,247	2
Unearned revenue	6,652	—
Customer deposits	—	142
Bond anticipation notes	17,325	—
Other liabilities	—	594
Long-term liabilities:		
Due within one year	88,304	11,089
Due in more than one year	1,596,594	19,935
Total liabilities	1,788,007	35,253
Deferred inflows of resources - parking meter concession agreement	18,800	—
Total liabilities and deferred inflows of resources	1,806,807	35,253
NET POSITION		
Net investment in capital assets	682,291	145,787
Restricted for:		
Capital projects	37,874	—
Debt service	20,631	—
Section 8 vouchers and VASH	—	1,741
Other purposes by grantors	11,272	—
Other purposes by contributor – nonexpendable	363	—
Statutory restrictions	52,239	—
Unrestricted (deficit)	(441,977)	27,979
Total net position	$ 362,693	$ 175,507

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, 2013
(In thousands)

		Program revenues			Net (expense) revenue and changes in net position	
					Primary Government	Component Unit
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Indianapolis Housing Agency
Functions/Programs						
Governmental activities:						
General government	$ 36,467	$ 22,245	$ 5,777	$ —	$ (8,445)	$ —
Public safety	447,016	19,698	65,320	6,185	(355,813)	—
Public works	204,217	37,427	38,149	63,745	(64,896)	—
Health and welfare	6,015	675	6,443	—	1,103	—
Cultural and recreation	18,465	3,129	531	7,867	(6,938)	—
Urban redevelopment and housing	28,124	1,330	14,502	—	(12,292)	—
Economic development and assistance	41,862	1,051	7,589	—	(33,222)	—
Interest	55,480	—	—	—	(55,480)	—
Total governmental activities	$ 837,646	$ 85,555	$ 138,311	$ 77,797	(535,983)	—
Component Unit						
Indianapolis Housing Agency	$ 68,236	$ 6,916	$ 52,486	$ 52,608		43,774
Total component units	$ 68,236	$ 6,916	$ 52,486	$ 52,608		43,774
General revenues:						
Taxes:						
Property taxes					280,883	—
Wheel taxes					12,983	—
Local income taxes					154,273	—
Other taxes					19,949	—
Grants and contributions not restricted by function					12,978	—
Investment earnings not restricted by function					3,416	—
Miscellaneous					20,133	1,965
Total general revenues					504,615	1,965
Change in net position					(31,368)	45,739
Net position, beginning of year, before restatement					408,350	129,768
Adjustment for implementation of GASB 65 (see note 1.Q)					(14,289)	—
Net position, beginning of year, after restatement					394,061	129,768
Net position – ending					$ 362,693	$ 175,507

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, 2013
(In thousands)

	General	Revenue Debt Service	Federal Grants	Economic Development Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash	$ 119,215	$ 7,544	$ 633	$ —	$ 31,266	$ 158,658
Cash and investments with fiscal agents	—	130,293	—	21,062	22,014	173,369
Investments	189,951	11,311	1,005	—	49,641	251,908
Property taxes receivable	7,775	—	—	—	1,683	9,458
Accounts receivable, less allowance of $849	15,663	168	2	—	1,000	16,833
Due from other funds	4,708	—	—	—	—	4,708
Due from federal and state governments	21	215	9,675	—	90	10,001
Long-term receivables, less allowance of $25,870	—	—	272	—	2,503	2,775
Total assets	$ 337,333	$ 149,531	$ 11,587	$ 21,062	$ 108,197	$ 627,710
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Matured bonds payable	$ —	$ 1,490	$ —	$ —	$ 21,055	$ 22,545
Matured interest payable	—	401	—	—	9,167	9,568
Accounts payable and other accrued liabilities	23,035	—	3,286	—	3,991	30,312
Accrued payroll and payroll taxes	19,995	—	211	—	4	20,210
Due to other funds	—	—	—	—	490	490
Unearned revenue	24	—	2,536	—	5	2,565
Bond anticipation notes	—	—	—	17,325	—	17,325
Total liabilities	43,054	1,891	6,033	17,325	34,712	103,015
Deferred inflows of resources	13,560	—	4,899	—	3,017	21,476
Fund balances:						
Nonspendable	—	—	272	—	2,866	3,138
Restricted	42,256	147,640	383	3,737	69,757	263,773
Committed	70,457	—	—	—	—	70,457
Assigned	76,815	—	—	—	—	76,815
Unassigned	91,191	—	—	—	(2,155)	89,036
Total fund balances	280,719	147,640	655	3,737	70,468	503,219
Total liabilities, deferred inflows of resources and fund balances	$ 337,333	$ 149,531	$ 11,587	$ 21,062	$ 108,197	$ 627,710

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, 2013
(In thousands)

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances – total governmental funds	$	503,219
Capital assets not reported in the fund statements		1,497,183
Net assets of internal service funds		(2,313)
Long-term receivable from sale of wastewater collection and treatment facilities assets for future general obligation debt service		28,700
Deferred outflow of resources - loss on refundings		10,347
Deferred inflow of resources - parking meter concession agreeement		(18,800)
Long-term liabilities not in the fund statements (excludes matured bonds payable)		(1,662,353)
Deferred inflow of resources in the fund statements not in the statement of net position		21,476
Unearned revenues in the statement of net position not in the fund statements		(4,087)
Accrued interest payable not in the fund statements (excludes matured interest payable)		(10,679)
Net position of governmental activities	$	362,693

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, 2013
(In thousands)

	General	Revenue Debt Service	Federal Grants	Economic Development Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 304,495	$ 84,013	$ —	$ —	$ 79,312	$ 467,820
Licenses and permits	13,457	—	—	—	—	13,457
Charges for services	56,178	—	—	—	2,648	58,826
Intergovernmental revenues	111,205	215	49,362	—	3,583	164,365
Intragovernmental revenues	4,880	—	—	—	—	4,880
Traffic violations and court fees	3,473	—	355	—	1,601	5,429
Interest and other operating revenues	14,277	2,061	7	25	15,446	31,816
Total revenues	507,965	86,289	49,724	25	102,590	746,593
Expenditures:						
Current:						
General government	21,107	—	156	—	458	21,721
Public safety	408,657	—	7,631	—	486	416,774
Public works	98,653	—	2,492	—	27	101,172
Health and welfare	142	—	5,831	—	—	5,973
Cultural and recreation	12,978	—	886	—	—	13,864
Urban redevelopment and housing	3,482	—	20,551	—	—	24,033
Economic development and assistance	1,574	11,504	210	23,813	880	37,981
Debt service:						
Redemption of bonds and notes	513	34,101	2	—	26,982	61,598
Interest on bonds and notes	1,113	18,832	39	137	31,860	51,981
Bond and note issuance costs	—	245	—	4,913	547	5,705
Payment to refunded bond escrow agent	—	36,705	—	—	—	36,705
Operating lease payments and administration	40	688	—	—	15,319	16,047
Capital outlays	73,387	—	5,786	—	26,221	105,394
Total expenditures	621,646	102,075	43,584	28,863	102,780	898,948
Excess (deficiency) of revenues over (under) expenditures	(113,681)	(15,786)	6,140	(28,838)	(190)	(152,355)

(Continued)

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, 2013
(In thousands)

	General	Revenue Debt Service	Federal Grants	Economic Development Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses):						
Sales of capital assets	$ 539	$ 91	$ —	$ —	$ 165	$ 795
Bonds and notes issued	—	—	—	5,780	—	5,780
Premium on bonds and notes issued	—	740	—	6,177	4,827	11,744
Refunding bonds issued	—	9,010	—	39,240	38,355	86,605
Payment to refunded bond escrow agent	—	—	—	(15,200)	(38,345)	(53,545)
Proceeds from restructuring of debt	—	—	—	—	85	85
Transfers in	51,038	24,445	67	—	26,666	102,216
Transfers out	(5,900)	(25,551)	—	(28,723)	(42,042)	(102,216)
Total other financing sources (uses)	45,677	8,735	67	7,274	(10,289)	51,464
Net change in fund balances	(68,004)	(7,051)	6,207	(21,564)	(10,479)	(100,891)
Fund balances (deficits) at beginning of year	348,723	154,691	(5,552)	25,301	80,947	604,110
Fund balances at end of year	$ 280,719	$ 147,640	$ 655	$ 3,737	$ 70,468	$ 503,219

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, 2013

(In thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	$	(100,891)
Depreciation expense reported in the statement of activities but not in the fund statements		(119,064)
Capital outlay expenditures, exceeding capitalization threshold, reported in the fund statements but reported as additions to capital assets in the statement of activities		117,449
Donations of capital assets not recorded in the fund statements		68,466
Disposals of capital assets not recorded in the fund statements		(16,050)
Donations of construction in progress, recorded as unearned revenue on the statement of net position		(4,087)
Revenues in the statement of activities that do not provide current financial resources and are deferred inflows in the fund statements		21,476
Revenues in the statement of activities that do not provide current financial resources, representing a long-term receivable from sale of wastewater collection and treatment facilities		(6,725)
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		(24,814)
Bond and notes issued, including deferred premiums, reported as financing sources in the fund statements but as additions to long-term liabilities in the statement of activities		(104,129)
Bond and note principal payments, and principal refunded reported as expenditures in the fund statements but as reductions of long-term liabilities in the statement of activities		151,848
Amortization of deferred inflow of resources related to the parking meter agreement reported as expenses in the statement of activities but not in the fund statements		400
Change in net position of internal service funds reported with governmental activities		1,068
Amortization of bond premium, discount, and loss on refunding reported in the statement of activities but not in the fund statements		9,449
Increase in compensated absences that is not reported in the fund statements		(455)
Capital appreciation bond interest expense that is reported as interest accretes for the statement of activities but not the fund statements, as there is no cash outflow		(7,387)
Accrued interest on bonds and notes payable through December 31, 2013 reported as expenses in the statement of activities but not the fund statements, net of matured interest payable		(10,680)
Capital lease payments reported as expenditures in the fund statements but as reduction of debt in the statement of activities		137
Accrued interest at December 31, 2013 not reported in the current year statement of activities but reported in the fund statements, as amounts were paid in the current year		10,823
Net increase in the postemployment benefit obligation and early retirement obligation that are not reported in the fund statements		(21,108)
Decrease in the net pension obligation that is not reported in the fund statements		2,906
Change in net position of governmental activities	$	(31,368)

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, 2013
(In thousands)

		Governmental activities – Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash	$	3,845
Cash with fiscal agents		162
Investments		6,103
Accounts receivable		16
Total assets		10,126
LIABILITIES		
Accounts payable and other accrued liabilities		8,363
Due to other funds		4,076
Total liabilities		12,439
NET POSITION		
Unrestricted (deficit)		(2,313)
Total net position (deficit)	$	(2,313)

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, 2013
(In thousands)

		Governmental activities – Internal Service Funds
Operating revenues:		
Charges to other funds	$	21,581
Operating expenses:		
Claims		20,291
Administration		224
Total operating expenses		20,515
Operating income		1,066
Nonoperating revenues:		
Interest income		2
Changes in net position		1,068
Net position (deficit), beginning of year		(3,381)
Total net position (deficit), end of year	$	(2,313)

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, 2013
(In thousands)

		Governmental activities – Internal Service Funds
Cash flows from operating activities:		
Receipts from users	$	23,270
Payments for administration		(224)
Payments for claims		(23,595)
Net cash used in operating activities		(549)
Cash flows from investing activities:		
Sales and maturities of investments		561
Investment purchases		(2,572)
Interest on investments		2
Net cash used in investing activities		(2,009)
Net decrease in cash		(2,558)
Cash, beginning of year		6,565
Cash, end of year	$	4,007

Reconciliation of operating income to net cash used in operating activities:		
Operating income	$	1,066
Adjustments to reconcile operating income to net cash used in operating activities:		
Change in assets and liabilities:		
Decrease in accounts receivable		1,689
Decrease in accounts payable		(3,304)
Net cash used in operating activities	$	(549)

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, 2013
(In thousands)

	Police and Firefighters' Pre-1977 Pension Trust Funds	Agency Funds
ASSETS		
Equity in pooled cash	$ 774	$ 7,533
Investments	1,229	11,959
Accounts receivable	—	993
Total assets	2,003	$ 20,485
LIABILITIES		
Accounts payable and other accrued liabilities	—	$ 20,485
Due to other funds	142	—
Total liabilities	142	$ 20,485
NET POSITION		
Held in trust for pension benefits	$ 1,861	

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year ended December 31, 2013
(In thousands)

		Police and Firefighters Pre-1977 Pension Trust Funds
ADDITIONS		
State of Indiana pension subsidy received from the General Fund	$	58,714
Total additions		58,714
DEDUCTIONS		
Benefits		58,038
Total deductions		58,038
Change in plan net position		676
Net position – beginning of year		1,185
Net position – end of year	$	1,861

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

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 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 (29 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, the Mayor and the City-County Council ("Council"), serve as the executive and legislative body, respectively, 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 defining the reporting entity and identifying entities to be included in its basic financial statements. The Indianapolis Housing Agency ("Housing Agency") is responsible for the management, operation, maintenance, and administration of public housing and public housing projects. The Housing Agency has a separate Board of Commissioners, which comprises nine members. The Mayor appoints five members while the Council appoints two members. The remaining two members are appointed from the family housing community and one from the senior community. 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 six members, two of which are Housing Agency board members. Accordingly, Insight is considered to be a component unit of the Housing Agency and its financial information is included in the discretely presented financial information herein reported for the Housing Agency. The Housing Agency and Insight issue separate financial statements, which can be obtained by writing to Indianapolis Housing Agency, 1919 North Meridian Street, Indianapolis, Indiana 46202.

The City's financial reporting entity also includes the Circle Area Community Development Corporation ("CAC"), which was incorporated on July 22, 1997. CAC is reported as a blended component unit. The purpose of CAC is to benefit, perform, and carry out the charitable, educational, and other public purposes of the City. Specific purposes include encouraging, supporting, and assisting in activities, projects, and programs that promote the social welfare, beautify the public areas, and improve the effectiveness of infrastructure and foster, develop, and maintain economic development and rehabilitation in and around downtown Indianapolis.

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 the appointments.

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 as revenues in the year the levy and tax rates are certified. 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. Bond 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.

GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions* ("GASB Statement No. 33"), groups nonexchange transactions 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 assets are received, whichever occurs first. Local income tax held by the State of Indiana ("State") is not recorded as revenue until amounts are approved for distribution by the State since the amounts are not estimable until that time. 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. 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 assets 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. Imposed nonexchange revenues also include taxes such as wheel, auto excise, and financial institutions.

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units, and government-mandated nonexchange transactions are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, 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 and, therefore not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

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

The City reports the following major governmental funds:

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

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

The *Federal Grants Special Revenue 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 *Economic Development Capital Projects Fund* accounts for all financial resources relating to projects funded through economic development bonds of the City.

Additionally, the City reports the following fund types:

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

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

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 tax, are reported as grants and contributions not restricted to specific functions, unless they are restricted to specific functions, such as gasoline tax, 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.

D. Cash and Investments

Investments are stated at fair value. Fair values for investments are determined by closing market prices at year-end as reported by the investment custodian. At December 31, 2013, the City has $51,196 invested in TrustINdiana, an external investment pool administered by the State of Indiana. Consistent with the provisions of a 2a-7 like pool as defined by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, the portfolio securities are valued at amortized cost, which approximates fair value. The amortized cost valuation methods involve initially valuing a security at its cost on the date of purchase and thereafter accreting to maturity and discount or amortizing to maturity any premium. The City records its investment in the external pool at its share value. The Indiana Treasurer of State has been designated by State statute as the administrator of the pool and has general oversight over the daily operation of the pool.

When funds pool cash for investments, 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.

E. Receivables

All trade and property tax receivables are shown net of an allowance, if any, for uncollectible balances.

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

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 nonspendable fund balance accounts since they are not considered available spendable resources.

F. Inventory

Inventories of the governmental funds are recorded as expenditures when purchased; and are 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, land 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 estimated fair value at the date of donation. 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.

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. Property Taxes

Property taxes levied for all governmental entities located within the County are collected by the Treasurer of Marion County, Indiana ("Treasurer"). These taxes are then distributed by the Auditor of Marion County, Indiana ("Auditor") to the City and the other governmental entities at June 30 and December 31 of each year. The City and the other governmental entities can request advances of their portion of the collected taxes from the Treasurer once the levy and tax rates are certified by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment.

The City's 2013 property taxes were levied based on assessed valuations determined by the Auditor as of the 2012 assessed valuations, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2013 property taxes was March 1, 2012 (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 2013, the first half of the year 2013 taxes were due and payable to the Treasurer in May 2013. The second half of the year 2013 taxes was due and payable to the Treasurer in November 2013. Property taxes outstanding at December 31, 2013, 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 recorded as deferred inflows of resources.

I. Unearned Revenue

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

J. 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 2013 and 2012, including an estimate of incurred but not reported claims, is as follows:

	Risk Management	Public Liability Self-Insurance	Employee Health Insurance	Total
Unpaid claims, December 31, 2011	$ 2,786	$ 4,571	$ 1,202	$ 8,559
Incurred claims and changes in estimates	4,569	5,592	12,016	22,177
Claims paid	(4,864)	(2,609)	(11,582)	(19,055)
Unpaid claims, December 31, 2012	2,491	7,554	1,636	11,681
Incurred claims and changes in estimates	6,006	1,092	13,193	20,291
Claims paid	(5,220)	(4,840)	(13,549)	(23,609)
Unpaid claims, December 31, 2013	$ 3,277	$ 3,806	$ 1,280	$ 8,363

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.

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 and 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 $175 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.

K. Compensated Absences

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

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, 2013.

L. 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, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported changes in amounts of revenues, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

M. 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.

N. 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.

O. Deferred Outflows and Inflows of Resources

The City defers recognition of losses incurred on bond refundings and reports such losses as deferred outflows of resources in the government-wide 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 not considered available at year-end or for which eligibility requirements have not been met.

P. 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.

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

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

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

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

4) *Assigned* – This consists of resources constrained by the government's intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments are generally temporary and require no additional action to effect removal of the assignment. Within the assigned fund balance for the General Fund are encumbrances of $26,566, which have been 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.

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, 2013, the unassigned fund balance of the Fiscal Stability Fund is $80,048. Such monies have 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 this amount. 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.

Q. Implementation of GASB Statements No. 61 and 65

During 2013, the City adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. This statement had no impact on the City's net position, changes in net position or financial reporting disclosures.

Also during 2013, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities to deferred outflows of resources and deferred inflows of resources and recognizes as expenses and revenues certain items that were previously reported as assets and liabilities. In addition, this statement changes the method of accounting for debt issuance costs. Prior to 2013, the City reported debt issuance costs as deferred charges, which were capitalized and amortized over the life of the related debt. Under GASB Statement No. 65, debt issuance costs are to be expensed in the period incurred. Implementation of GASB Statement No. 65 resulted in the reduction of previously reported net position by $14,289 for the retrospective removal of these debt issuance costs. Additionally, deferred losses on refundings of $10,347 were reclassified from liabilities to deferred outflows of resources in the statement of net position and $21,476 of deferred revenues were reclassified to deferred inflows of resources in the governmental funds balance sheet.

R. Future Adoption of Accounting Pronouncements

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No 27*; Statement No. 69, *Government Combinations and Disposal of Government Operations;* Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68*. The City intends to implement these GASB Statements, as applicable, on their respective effective dates.

S. Subsequent Events

The City evaluated subsequent events through the date the financial statements were issued. The City is not aware of any significant events, that occurred subsequent to December 31, 2013, but prior to the issuance of this report that would have a material impact on the financial statements, or that required recognition or disclosure in the financial statements.

2. Cash Deposits and Investments

As of December 31, 2013, the City had the following cash deposits and investments:

Cash and investments	$	420,514
Cash and investments with fiscal agents		173,531
Cash and investments – Fiduciary Funds		21,495
Total cash and investments	$	615,540

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 City's total cash deposits at December 31, 2013 were $85,890. 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, Indiana municipal securities, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, certificates of deposit and open-end money market mutual funds.

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 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 market 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. All City investments must mature within two years from date of investment unless managed by a bank's trust department and then the maturity length can be longer.

Below is a segmented time distribution for the City's debt investments at December 31, 2013:

		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1–5**	**Greater than 10**
Government Sponsored-Enterprises:				
Federal Farm Credit Bank	$ 14,996	$ —	$ 14,996	$ —
Federal Home Loan Bank	40,000	—	40,000	—
Federal Home Loan Mortgage Corporation	24,994	9,994	15,000	—
Federal National Mortgage Association Discount Note	10,000	10,000	—	—
Total U.S. Government-sponsored enterprise securities	89,990	19,994	69,996	—
United States Treasury Notes	139,936	44,974	94,962	
United States Government Backed:				
Guaranteed Investment Contracts	1,064	—	—	1,064
Money Market Mutual Funds	114,977	114,977	—	—
Repurchase Agreements	123,940	123,940	—	—
Mutual Funds	362	362	—	—
Money Market Mutual Funds	8,185	8,185	—	—
State External Investment Pool – TrustINdiana	51,196	51,196	—	—
	$ 529,650	$ 363,628	$ 164,958	$ 1,064

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, 2013, the City's investments were rated by Moody's and Standard & Poor's as follows:

Investment Type		Fair Value	Ratings Moody's / S&P
U.S. Government-Sponsored Enterprises Securities:			
Federal Farm Credit Bank	$	14,996	Aaa /AA +
Federal Home Loan Bank		40,000	Aaa /AA +
Federal Home Loan Mortgage Corporation		24,994	Aaa /AA +
Federal National Mortgage Association Discount Note		10,000	P-1/A-1
Total U.S. Government-Sponsored Enterprise Securities		89,990	
United States Treasury Notes		139,936	Aaa/AA+
United States Government Backed:			
Guaranteed Investment Contracts		1,064	Not Rated
Money Market Mutual Funds		114,977	Aaa /AAA
Repurchase Agreements		123,940	P-1/A-1
Mutual Funds		362	AAA
Money Market Mutual Funds		8,185	Aaa/AAA
State External Investment Pool – TrustINdiana		51,196	Not Rated
	$	529,650	

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, 2013, 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 $46,327, 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, 2013, as their existence is not evidenced by securities that exist in physical book entry form.

Concentration of Credit Risk

The City policy provides that the City may invest up to 30% of their investment pool 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, 2013.

At December 31, 2013, the following investments represent more than 5% of total investments:

U.S. Government-Sponsored Enterprise Securities:	
Federal Home Loan Bank	8%
Federal Home Loan Mortgage Company	5%
Repurchase agreements held by JPMorgan Chase	23%

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. City's investment policy prohibits investments in foreign investments.

3. Receivables Disaggregation

Accounts receivable as of December 31, 2013, for the City, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts	Due from Other Governments	Total Accounts Receivable
Governmental Activities:			
General Fund	$ 5,547	$ 10,965	$ 16,512
Revenue Debt Service Fund	—	168	168
Federal Grants	2	—	2
Other Nonmajor Governmental Funds	588	412	1,000
Internal Service Fund	—	16	16
Total receivables	6,137	11,561	17,698
Allowance for uncollectible accounts	(849)	—	(849)
Total governmental activities	$ 5,288	$ 11,561	$ 16,849
Amounts not scheduled for collection during the subsequent year	$ —	$ —	$ —

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

4. Due from Federal and State Governments

Amounts due under federal and state grants at December 31, 2013 were as follows:

	Governmental Activities			
	General	**Federal Grants**	**Revenue Debt Service**	**Other Nonmajor Governmental**
Reimbursements under federal grants:				
Department of Housing and Urban Development (HUD)	$ —	$ 4,663	$ 215	$ —
Department of Justice (DOJ)	21	1,086	—	—
Environmental Protection Agency (EPA)	—	12	—	—
Department of Transportation (DOT)	—	1,802	—	—
U.S. Department of Interior (DOI)	—	6	—	—
U.S. Department of Commerce (DOC)	—	89	—	—
Department of Education (DOE)	—	465	—	—
Department of Homeland Security (DHS)	—	1,552	—	—
				—
Reimbursements under State of Indiana grants	—	—	—	90
	$ 21	$ 9,675	$ 215	$ 90

At December 31, 2013, the City had available lines of credit or grant authorizations from HUD totaling $54,543.

5. Long-term Receivables

Long-term receivables as of December 31, 2013 consist of the following:

The City has U.S. Department of Housing and Urban Development (“HUD”) loans outstanding at December 31, 2013 of $25,742 including accrued interest of $7,228. The City has provided a reserve of $25,470 for these receivables given the uncertainty of collection. Many of these loans bear interest at rates ranging from 0% to 10% and mature over the next 30 years. Generally, principal and interest payments are based upon defined net cash flows and are deferred until sufficient cash flow is available. All deferred principal and interest 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 2013, $0 of the loan was repaid and $50 was forgiven. At December 31, 2013, the City has recorded a $400 reserve against the long-term receivable and the outstanding balance is $1,900.

On August 11, 2010, the City entered into two Asset Purchase Agreements with Citizens Energy Group ("CEG") to sell the City's water utility and the wastewater collection and treatment facilities. The primary assets sold included the waterworks production and distribution systems, and the wastewater collection and treatment system, including the advanced wastewater treatment facilities. On July 13, 2011, the Indiana Utility Regulatory Commission approved the sale of the City's water utility and the wastewater collection and treatment facilities to CEG. The sale of the City's water utility and wastewater collection and treatment facilities to CEG was closed on August 26, 2011.

In connection with the sale, CEG received $783,085 of net wastewater collection and treatment facilities capital assets with a carrying value of $783,085 and $924,537 of net water utility assets with a capital asset carrying value of $605,439. In return, CEG assumed $485,483 of wastewater collection and treatment facilities debt ($434,346 of bonded debt and $51,137 of bond anticipation notes) and $951,926 of water utility debt in addition to other water utility and wastewater collection and treatment facilities liabilities. CEG also agreed to fund the future principal and interest payments on general obligation bonds relating to the wastewater collection and treatment facilities (i.e., the sanitary district). At December 31 2013, the outstanding balance of this general obligation debt and the associated long-term receivable is $35,425 and $28,700, respectively. The sanitary district general obligations have maturities that extend through January 1, 2018.

During 2013, the City recorded a receivable of $1,003 in relation to a bond refinancing transaction undertaken by the Bond Bank. The City issues bonds that are then purchased in their entirety by the Bond Bank using proceeds from bonds it concurrently issues to the public market. In this instance, the refinancing transaction only affected one series of bonds that had been previously issued by the Bond Bank. The receivable represents the savings in debt service that are to be passed on to the City by the Bond Bank and realized over the remaining life of the debt. The final principal payment is due January 1, 2018.

The minimum future payments as of December 31, 2013 on long-term receivables are as follows:

	Governmental Activities Nonmajor Governmental Funds
2014	$ 585
2015	7,458
2016	8,038
2017	7,497
2018	7,875
2019-2023	25,892
	57,345
Less: allowance	(25,870)
Total	$ 31,475

As of December 31, 2013, the City had a long-term pledge receivable amount outstanding of $1,290 in relation to Canal Square. This amount is not recorded in the financial statements. The pledge states that these funds shall be returned to the City only if a sale or refinancing occurs. If either event occurs, the City is entitles to full repayment; however, the City is subordinate to the mortgage and also to the investors (to the extent of their capital contributions).

6. Capital Assets

Following is a summary of changes in capital assets for the City's governmental activities for the year ended December 31, 2013:

	January 1, 2013	Additions	Reductions	December 31, 2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 50,289	$ 4,404	$ 303	$ 54,390
Construction in progress	236,585	89,027	111,375	214,237
Total capital assets not being depreciated	286,874	93,431	111,678	268,627
Capital assets being depreciated:				
Buildings	384,459	4,704	4,515	384,648
Improvements	152,542	11,613	1,823	162,332
Equipment	174,750	7,899	5,590	177,059
Infrastructure	2,695,973	176,111	16,191	2,855,893
Total capital assets being depreciated	3,407,724	200,327	28,119	3,579,932
Less accumulated depreciation:				
Buildings	144,570	11,072	183	155,459
Improvements	85,820	6,536	8,867	83,489
Equipment	103,950	24,614	6,563	122,001
Infrastructure	1,913,876	76,842	291	1,990,427
Total accumulated depreciation	2,248,216	119,064	15,904	2,351,376
Total capital assets being depreciated, net	1,159,508	81,263	12,215	1,228,556
Governmental activities capital assets, net	$ 1,446,382	$ 174,694	$ 123,893	$ 1,497,183

During 2013, the City recognized $61,207 in capital asset contributions from the Indiana Department of Transportation for various infrastructure assets that have been improved or newly constructed on behalf of the City. $4,087 of these contributions are included in unearned revenue in the government-wide statement of net position due to the fact that all eligibility requirements have not been met for revenue recognition.

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, 2013:

	January 1, 2013	Additions	Reductions	December 31, 2013
Housing Agency				
Capital assets not being depreciated:				
Land	$ 17,232	$ 896	$ 4	$ 18,124
Construction in progress	3,641	643	3,641	643
Total capital assets not being depreciated	20,873	1,539	3,645	18,767
Capital assets being depreciated:				
Buildings and improvements	182,578	16,184	3,731	195,031
Equipment	5,993	853	305	6,541
Total capital assets being depreciated	188,571	17,037	4,036	201,572
Less accumulated depreciation:				
Buildings and improvements	44,424	5,163	3,686	45,901
Equipment	3,360	535	303	3,592
Total accumulated depreciation	47,784	5,698	3,989	49,493
Total capital assets being depreciated, net	140,787	11,339	47	152,079
Total Housing Agency	$ 161,660	$ 12,878	$ 3,692	$ 170,846

Within the statement of activities, depreciation expense was charged to functions/programs of the City during 2013 as follows:

Governmental Activities:	
General government	$ 2,433
Public safety	14,307
Public works	88,296
Health and welfare	46
Cultural and recreation	7,210
Urban redevelopment and housing	3,678
Economic development and assistance	3,094
	$ 119,064

Depreciation expense of $5,698 was charged to the City's discretely presented component unit, the Housing Agency during 2013.

Construction in progress at December 31, 2013 consists of several ongoing projects. These types of projects include but are not limited to security upgrades, recreational facility improvements, and infrastructure improvements.

At December 31, 2013, the City's commitments relating to construction in progress include the following:

	Authorized	Accrued Expenditures Through December 31, 2013	Committed
Department of Code Enforcement	$ 138	$ 138	$ —
Department of Parks and Recreation	4,659	4,090	569
Department of Public Safety	13,270	13,270	—
Department of Public Works	233,916	188,509	45,407
Department of Metropolitan Development	9,132	8,230	902
Total governmental activities	$ 261,115	$ 214,237	$ 46,878

7. Accounts Payable and Other Accrued Liabilities Disaggregation

Accounts payable and other current liabilities as of December 31, 2013 for the City are as follows:

	Vendors	Third-party Contracts	Due to Other Governments	Claims and Settlements	Accrued Payroll and Taxes	Total Payables and Other Current Liabilities
Governmental Activities:						
General Fund	$ 22,954	$ —	$ 81	$ —	$ 19,995	$ 43,030
Federal Grants Fund	827	2,354	105	—	211	3,497
Other Nonmajor Governmental	3,516	—	475	—	4	3,995
Internal Service Fund	—	—	—	8,363	—	8,363
Total governmental activities	$ 27,297	$ 2,354	$ 661	$ 8,363	$ 20,210	$ 58,885

8. Operating Leases and Management Contracts

A. Lessee Arrangements

Marion County Convention and Recreational Facilities Authority ("MCCRFA")

In 1991, the City entered into a 25-year lease agreement with MCCRFA in relation to the development of a major aircraft maintenance and overhaul center ("Indianapolis Maintenance Center") on land owned by the Indianapolis Airport Authority ("Airport Authority"). Concurrently, the City leased its interest in the associated site and facilities to the Airport Authority.

The Indianapolis Maintenance Center was operated by United Air Lines, Inc. ("United") until May 2003, when United vacated the facilities and, through bankruptcy, rejected its lease with the Airport Authority for the site and facilities. Since 2004, a number of companies have entered into leases with the Airport Authority to use a portion of the Indianapolis Maintenance Center facilities for both aviation and non-aviation related businesses. United's rejection of its lease in bankruptcy and the subsequent re-letting of the facilities does not affect the continuing obligation of the City under its lease agreement with MCCRFA.

In connection with the above, the City pledged to make annual fixed lease rental payments to MCCRFA in amounts sufficient to fund the debt service requirements on MCCRFA's Series 1991 Economic Development Lease Rental Revenue Bonds, which were issued to fund MCCRFA's share of the Indianapolis Maintenance Center project. Such fixed lease rental payments are payable from Marion County Option Income Taxes ("COIT") or other legally available monies. The City-County Council has covenanted not to take any action to repeal or rescind the COIT or the City's pledge of fixed lease payments so long as the Commission still owes fixed lease rental payments under its lease with MCCRFA or so long as MCCRFA"s bonds remain outstanding. During 2013, the City paid $14,215 in fixed lease rental payments in relation to its lease with MCCRFA.

Indianapolis-Marion County Building Authority ("Building Authority")

The City and the County lease the office building and parking lot facilities they share, among other properties, from the Building Authority. The Building Authority is a separate municipal corporation, acting as a joint building authority, whose purpose is to finance, acquire, construct, improve, renovate, equip, operate, maintain, and manage land, governmental buildings, and communication systems for governmental entities within Marion County. Such facilities are sometimes financed by the Building Authority through the issuance of bonded debt. The Building Authority enters into long-term lease agreements, primarily with the City and the County, which provide for sufficient rent to service the debt (Fixed Rentals) and offset budgeted operating costs (Additional Rentals) of the leased facilities. All of the leases contain renewal and purchase options and provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. If the purchase options are not exercised, the leases provide for the transfer, upon expiration of the lease, of ownership of the facilities to the lessee governments free and clear of all obligations of the lease. 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 Fixed Rental obligations to the Building Authority. During 2013, the City paid $2,151 in Additional Rentals. The City's lease agreements with the Building Authority expire on various dates through December 31, 2022.

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 2013, the City paid the Building Authority $1,878 in Maintenance Fees. The City's management contracts expire on various dates through June 30, 2018.

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 $2,048 for governmental activities in 2013. The leases expire at various dates through 2035. Minimum future payments on all noncancelable operating leases as of December 31, 2013 are as follows:

	Governmental Activities
2014	$ 16,378
2015	16,221
2016	16,180
2017	1,837
2018	763
2019–2023	2,536
2024–2028	699
2029–2033	330
2034–2038	133
Total future payments	$ 55,077

B. Lessor Arrangements

City Market

In 2007, the City renewed its 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 was extended through February 28, 2011 and provided for a five-year renewal option at that time. As of June 2014, the renewal option has not been exercised. 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 2013, the City contributed additional subsidies to the Market of $400.

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 outside parties. These leases include various properties and portions of property acquired by the City. The cost of the leased property is $2,655. As of December 31, 2013, the leased property had a carrying amount of $2,031 and current year depreciation of $70. These properties are leased for terms generally ranging from 5 to 99 years (some for $0 per year). Total rental income amounted to $493 in 2013.

Minimum future rental amounts to be received on noncancelable operating leases as of December 31, 2013 are as follows:

		Activities
2014	$	425
2015		417
2016		389
2017		328
2018		246
2019 – 2023		655
2024 – 2028		605
2029 – 2033		605
2034 – 2038		605
2039 – 2043		605
Thereafter		2,541
Total future receipts	$	7,421

9. 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, 2013:

	Balance, January 1, 2013	Additions	Reductions	Balance, December 31, 2013	Due within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds payable	$ 210,616	$ —	$ 29,816	$ 180,800	$ 24,645
Tax increment bonds payable	632,594	52,407	58,450	626,551	39,803
Revenue bonds payable	264,850	47,365	52,065	260,150	4,345
Deferred amounts:					
Less: discounts	(100)	—	(100)	—	—
Plus: premiums	33,947	11,744	6,298	39,393	—
Total bonds payable	1,141,907	111,516	146,529	1,106,894	68,793
Notes payable and certificates of participation	46,150	—	17,418	28,732	2,835
Capital leases payable	8,175	—	137	8,038	94
Net pension obligation	401,116	62,735	65,640	398,211	—
Postemployment benefit obligation	87,645	22,715	1,607	108,753	—
Compensated absences	33,815	29,279	28,824	34,270	16,582
Total governmental activities	$ 1,718,808	$ 226,245	$ 260,155	$ 1,684,898	$ 88,304
Discretely Presented Component Unit - Housing Agency:					
Capital leases payable	$ 834	$ —	$ 369	$ 465	$ 285
Notes payable	58,544	13,015	46,967	24,592	9,895
Due to other governmental units	1,756	—	—	1,756	129
Unearned revenue and FSS escrow	3,675	561	246	3,990	756
Compensated absences	221	396	396	221	24
Total discretely presented component unit	$ 65,030	$ 13,972	$ 47,978	$ 31,024	$ 11,089

Included in additions to bonds payable is $7,387 representing accretion of capital appreciation, which is not included in the statement of revenues, expenditures, and changes in fund balance. This amount, plus $92,385 of bonds and notes reported in the statement of revenues, expenditures, and changes in fund balance amount to the $99,772 of related additions reflected in the rollforward above.

B. General Obligation Bonds

The City's general obligation bonds provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations, and pledge the full faith and credit, of the City. General obligation bonds outstanding as of December 31, 2013 are as follows:

	Issue Date	Final Maturity Date	Interest (All Maturities)	Outstanding
Civil City Bonds:				
Pension Bonds, Series 2005 A	02/03/2005	01/15/2022	3.660% – 5.280%	$ 64,885
Total Civil City Bonds				64,885
Redevelopment District Bonds:				
Redevelopment District Refunding Bonds, Series 2009 A	08/04/2009	01/01/2015	2.750 – 4.000	$ 525
Total Redevelopment District Bonds				525
Sanitary District Bonds:				
Sanitary District of 2003 A Refunding	07/09/2003	01/01/2018	3.000 – 5.500	$ 5,840
Sanitary District of 2007 C Refunding	11/08/2007	01/01/2018	5.000	28,570
Sanitary District of 2009 A Refunding	08/04/2009	01/01/2015	2.750 – 4.000	1,015
Total Sanitary District Bonds				35,425
Public Safety Communication System Bonds:				
Computer Facilities District Bonds, Series 2008 B	12/18/2008	01/15/2024	2.350 – 5.600	$ 30,660
Total Public Safety Communication System Bonds				30,660

	Issue Date	Final Maturity date	Interest (All Maturities)	Outstanding
Flood Control District Bonds:				
Flood Control District Refunding Bonds, Series 2003 A	07/09/2003	01/01/2018	3.000 – 5.500	$ 1,155
Flood Control District Refunding Bonds, Series 2007 A	11/08/2007	01/01/2018	5.000	5,660
Flood Control District Refunding Bonds, Series 2009 A	08/04/2009	02/01/2015	2.750 – 4.000	355
Total Flood Control District Bonds				7,170
Metropolitan Thoroughfare District Bonds:				
Metropolitan Thoroughfare District Refunding, Series 2003A	07/09/2003	01/01/2018	3.00 – 5.500	$ 4,448
Metropolitan Thoroughfare District, Series 2003 A	07/09/2003	01/01/2018	4.500 – 5.500	1,270
Metropolitan Thoroughfare District, Series 2007 A	11/08/2007	01/01/2018	5.000	21,770
Total Metropolitan Thoroughfare District Bonds				27,488
Park District Bonds:				
Park District of 1993 Refunding, Series 2003 A	07/09/2003	01/01/2018	3.000 – 5.500	$ 2,487
Park District Refunding Bonds, Series 2007 A	11/08/2007	01/01/2018	5.000	12,160
Total Park District Bonds				14,647
Total general obligation bonds recorded in governmental activities				$ 180,800
Less: matured bonds payable recorded in the debt service funds				(20,275)
				$ 160,525

All principal and interest payments for the City's general obligation bonds are due on January 1 and July 1 of the respective year. Accordingly, the City appropriates all payments due on January 1 in the year before payment is due and provides the amount in the Debt Service Funds. All serial bond principal and interest payments due January 1, 2014 have been recorded as matured bonds payable and matured interest payable at December 31, 2013 within the fund statements.

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

Years Ending December 31	Civil City Principal	Civil City Interest	Redevelopment General Principal	Redevelopment General Interest	Sanitary Principal	Sanitary Interest	Flood Control Principal	Flood Control Interest
2014	$ 6,325	$ 3,190	$ 260	$ 15	$ 6,725	$ 1,606	$ 1,407	$ 322
2015	6,625	2,892	265	5	7,046	1,267	1,473	253
2016	6,940	2,573	—	—	6,864	919	1,360	182
2017	7,280	2,230	—	—	7,212	564	1,431	112
2018	7,655	1,863	—	—	7,578	191	1,499	38
2019 - 2023	30,060	3,237	—	—	—	—	—	—
	$ 64,885	$ 15,985	$ 525	$ 20	$ 35,425	$ 4,547	$ 7,170	$ 907

	Metropolitan Thoroughfare Principal	Metropolitan Thoroughfare Interest	Park Principal	Park Interest	Public Safety Communications System Principal	Public Safety Communications System Interest	Total Principal	Total Interest
2014	$ 4,969	$ 1,263	$ 2,649	$ 672	$ 2,310	$ 1,528	$ 24,645	$ 8,595
2015	5,223	1,006	2,778	535	2,420	1,423	25,830	7,380
2016	5,485	735	2,926	391	2,520	1,317	26,095	6,118
2017	5,758	451	3,069	240	2,635	1,204	27,385	4,801
2018	6,053	153	3,225	81	2,765	1,074	28,775	3,401
2019 - 2023	—	—	—	—	16,145	3,045	46,205	6,283
2024 - 2028	—	—	—	—	1,865	51	1,865	51
	$ 27,488	$ 3,608	$ 14,647	$ 1,919	$ 30,660	$ 9,642	$ 180,800	$ 36,629

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. 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, 2013 are as follows:

	Issue Dates	Final Maturity Dates	Interest Rates (All Maturities)	Outstanding
Redevelopment District 1992 Series A	11/01/92	02/01/14	6.750% – 6.800%	$ 15,880
Redevelopment District 1999 Series B:				
Capital appreciation	08/12/99	02/01/29	5.650 – 5.820	241,640
Less: discount				(108,384)
				133,256
Redevelopment District 2004 Series A	07/08/04	02/01/28	3.300 – 5.400	10,740
Redevelopment District 2004 Series A, Junior Subordinate	10/28/04	08/01/14	variable rate	1,353
Redevelopment District 2004 Series B	10/28/04	08/01/14	variable rate	6,825
Redevelopment District 2004 Series C	10/28/04	02/01/16	variable rate	3,000
Redevelopment District 2007 Series A	12/13/07	02/01/21	4.000 – 4.125	5,925
Redevelopment District 2007 Series (Ameriplex)	12/28/07	02/01/23	6.200	3,975
Redevelopment District 2007 Series (Glendale)	05/10/07	02/01/27	5.450 – 6.210	4,550
Redevelopment District 2008 Series B	05/08/08	02/01/38	3.250 – 5.000	56,460
Redevelopment District 2009 Series A	09/02/09	02/01/20	3.000 – 5.000	145,780
Redevelopment District 2009 Series B	09/02/09	02/01/15	1.790 – 3.800	5,445
Redevelopment District 2010 Series A	06/03/10	02/01/25	5.000	5,962
Redevelopment District 2011 Series A	03/10/11	08/01/24	.500 – 5.000	35,140
Redevelopment District 2011 Series C	05/19/11	02/01/36	4.000 – 5.750	25,425
Redevelopment District 2010 Series (Dow AgroSciences)	06/22/10	02/01/25	3.000 – 5.125	17,375
Redevelopment District 2010 Series (AIT Laboratories)	11/04/10	02/01/35	2.600 – 5.150	5,045
Redevelopment District 2012 Series A	09/25/12	08/01/20	3.340	2,445
Redevelopment District 2013 Series A, Refunding	05/16/13	02/01/29	2.000 – 5.000	24,970
Redevelopment District 2013 Series A	05/16/13	02/01/30	5.000	3,915
Economic Development Revenue 2011A Series (North of South)	04/07/11	02/01/36	5.000 – 5.750	81,640
Economic Development Revenue Taxable 2011B Series (North of South)	04/07/11	02/01/21	2.913 – 4.813	15,310
Economic Development Revenue Series 2013 A	05/16/13	02/01/30	5.000	14,270
Economic Development Revenue Series 2013 B	05/16/13	02/01/30	5.000	1,865
Total tax increment revenue bonds				$ 626,551

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

The City has previously issued its Redevelopment District Taxable Junior Subordinate Tax Increment Revenue Refunding Bonds, Series 2004 A and Series 2004 B, in the amount of $14,600 and $13,985, respectively, to the Bond Bank, which issued its related Taxable Refunding Notes of 2004, Series A and Series B, in the amount of $14,600 and $13,985, respectively. Interest is variable and is calculated on an actual/360-day basis. Interest is adjusted at least quarterly each February 1, May 1, August 1, and November 1, based upon the London InterBank Offering Rate Index ("LIBOR") plus 110 basis points. The Bond Bank can select either the 30-day LIBOR, 60-day LIBOR, or 90-day LIBOR prior to each interest period. On December 31, 2013, the interest rate on the Series A Bonds was 1.497% and was based on the 30-day LIBOR. The interest rate on the Series 2004 B Bonds on December 31, 2013 was 1.497% and was based on the 30-day LIBOR.

The City has previously issued its Redevelopment District Bonds, Series 2004 C, in the amount of $17,600 to the Bond Bank, which issued its related Notes of 2004, Series C, in the amount of $17,600. Interest is variable and is calculated on an actual/360-day basis. Interest is adjusted at least quarterly each February 1, May 1, August 1 and November1, based upon LIBOR plus 110 basis points. The Bond bank can select either the 30-day LIBOR, 60-day LIBOR or 90-day LIBOR prior to each interest period. On December 31, 2013, the interest rate on the Series 2004 C Bonds was 1.287% and was based on the 30-day LIBOR.

On May 16, 2013, the City issued its Redevelopment District Subordinate Tax Increment Revenue Refunding Bonds of 2013 in the amount of $24,970. The proceeds, along with funds on hand, were used to currently refund the Redevelopment Bonds of 2002 Series B, which had an outstanding principal amount of $27,445. The refunding resulted in an accounting loss of $622 which has been deferred and is being amortized over the life of the bonds. As a result of the refundings, the City reduced its total debt service requirements by $4,597, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and the new debt) of $3,146.

On May 16, 2013, the City issued its Redevelopment District Subordinate Tax Increment Bonds of 2013, Series A in the amount of $3,915, the proceeds are being used to pay for the costs of certain projects, additions or improvements within the City, including all or any portion of the acquisition of property and the design, construction, renovation, improvement and equipping of certain public infrastructure and other local public improvements, including without limitation, streets, bridges, sidewalks, pedestrian connectors, streetscapes, landscaping, lighting and trailway improvements in an area of the City generally located along a portion of Indiana Avenue and 16th Street and commonly referred to as the 16 Tech. The 16 Tech Project is anticipated to provide basic public infrastructure in the portion of the City in and along Indiana Avenue and 16th Street, in order to allow for and encourage future development of the certified technology park.

On May 16, 2013, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2013 A in the amount of $14,270. The proceeds from these bonds were used to currently refund all of the City's outstanding 2012 Bond Anticipation Notes which had an outstanding principal amount of $15,000. The refunding resulted in an accounting loss of $309, which has been deferred and is being amortized over the life of bonds. As a result of the refundings, the City realized an economic loss (the difference between the present values of the debt service payments on the old and the new debt) of $1,552.

On May 16, 2013, the City issued its Economic Development Tax Increment Revenue Bonds, Series 2013 B in the amount of $1,865. The proceeds are being used for the purpose of paying all or a portion of the costs of completing the construction and equipping of a new fire station facility; which is replacing an existing fire station being relocated as part of a site development project undertaken to allow for future economic development projects. The fire station completion project will be located at or near 700 West 16th Street in the City, and will be located within, or physically connected to, the allocation area.

Included in additions to tax increment bonds payable is $7,387 representing accretion of capital appreciation, which is not included in the statement of revenues, expenditures, and changes in fund balance. That amount, plus the $45,020 of bonds and notes described above, amount to the $52,407 of related additions reflected earlier in the notes.

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

Years Ending December 31	Principal	Interest	Total
2014	$ 39,803	$ 23,336	$ 63,139
2015	33,720	21,483	55,203
2016	35,266	19,991	55,257
2017	36,703	18,422	55,125
2018	38,106	16,722	54,828
2019 - 2023	210,050	61,071	271,121
2024 - 2028	201,412	42,125	243,537
2029 - 2033	96,760	20,767	117,527
2034 - 2038	43,115	4,345	47,460
	734,935	228,262	963,197
Less: deferred interest on capital appreciation bonds	(108,384)	—	(108,384)
Total	$ 626,551	$ 228,262	$ 854,813

D. D. Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at December 31, 2013 are as follows:

	Issue Dates	Final Maturity Dates	Interest Rates (All Maturities)	Outstanding
Governmental activities:				
Indy Roads Revenue Refunding Bonds Series, 2013	09/25/13	01/01/19	3.000 – 5.000	$ 9,010
Facilities Revenue Bonds of 2006	02/16/06	01/15/21	4.000 – 5.000	10,675
Facilities Revenue Bonds of 2007	12/17/07	07/15/21	3.750 – 4.125	2,320
Stormwater District Revenue Bonds, Series 2011	08/10/11	01/01/41	3.580	16,115
Stormwater District Revenue Refunding Bonds Series, 2013	10/16/13	01/01/26	2.000 – 5.000	38,355
PILOT Revenue Bonds — 2010 Series A	08/12/10	01/01/40	5.000	159,515
Economic Development Refunding Bonds Series, 2012A	12/20/12	04/01/30	0.60 – 3.0	7,585
Economic Development Refunding Bonds Series, 2012B	12/20/12	04/01/39	2.000 – 5.000	16,575
Total revenue bonds recorded in governmental activities				260,150
Less matured bonds payable recorded in debt service funds				(2,270)
				$ 257,880

All principal and interest payments for the City's revenue bonds are due on either 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, 2014 and January 15, 2014 have been recorded as matured bonds payable and matured interest payable at December 31, 2013.

On September 25, 2013, the City issued its IndyRoads Refunding Bonds, Series 2013 A, in the amount of $9,010 to the Bond Bank, which issued its related Series 2013 H in the amount of $9,010. The proceeds from these bonds, together with other available funds on hand, were used to currently refund all of the City's outstanding IndyRoads Revenue Bonds, Series 2003, which had an outstanding principal amount of $9,260. The refundings resulted in an accounting loss of $114, which has been deferred and is being amortized over the life of the bond. As a result of the refundings, the City reduced its total debt service requirements by $635, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and the new debt) of $618.

On October 16, 2013, the City issued its Stormwater District Revenue Refunding Bonds, Series 2013 A, in the amount of $38,355 to the Bond Bank, which issued its related Series 2013 D Bonds in the amount of $38,355. The proceeds from these bonds were used to advance refund all of the City's outstanding Stormwater District Series 2006 A Bonds, which had outstanding principal amounts of $38,345. The refundings resulted in an accounting loss of $3,267, which has been deferred and is being amortized over the life of the 2013 A Bonds. As a result of the refundings, the City reduced its total debt service requirements by $1,329, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and the new debt) of $1,325.

Revenue bond debt service requirements to maturity are as follows:

Years Ending	Governmental Activities	
December 31	Principal	Interest
2014	$ 4,345	$ 11,468
2015	5,295	11,926
2016	5,705	11,723
2017	5,910	11,510
2018	6,140	11,282
2019 - 2023	53,595	49,278
2024 - 2028	49,470	37,002
2029 - 2033	45,495	26,409
2034 - 2038	57,665	13,864
2039 - 2043	26,530	1,362
	$ 260,150	$ 185,824

At December 31, 2013, $59,790 of defeased revenue bonds remain outstanding and have been removed from the basic financial statements.

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, 2013	Pledged Revenues for Fiscal Year Ended December 31, 2013	Total Principal and Interest Remaining on Debt
Tax increment revenue	Infrastructure investment in various special taxing districts	Through 2038	Property tax increment	$ 47,430	$ 82,754	$ 798,041
Transportation revenue	Construction, reconstruction, and repair of roads, streets, and sidewalks	Through 2019	Wheel tax and state transportation distributions	2,068	12,977	10,071
Facilities revenue	Improvements and repairs to various city and county–owned buildings	Through 2021	Rent charged back to City and County agencies	1,940	1,535	15,482
Stormwater	Improvements of stormwater handling capabilities	Through 2041	Net revenues of the stormwater system	2,673	2,673	78,172
Economic development	Provide financial incentives and assistance to a private developer for the construction of a downtown hotel	Through 2039	Parking garage fees	1,004	1,004	40,642
PILOT	Construction of certain improvements to the City's public roads, street and sidewalks, and	Through 2040	Payments in lieu of taxes	7,910	5,875	301,607

* Certain PILOT revenue bond proceeds, representing capitalized interest, are currently being used to fund bond interest payments.

F. Notes Payable and Certificates of Participation

1. The City has outstanding notes payable related to HUD Section 108 loan proceeds. The notes payable, with an original amount of $5,700, were issued in 2000 and 2001. Under the terms of the agreement, the City makes principal and interest payments on each February 1 and August 1, with the last payment being made on August 1, 2020. At December 31, 2013, $2,100 was still outstanding.

2. On April 29, 2010, the City entered into a Master Lease-Purchase Agreement with the Capital Asset Financing Corporation ("CAFCO"). CAFCO is an Indiana Leasing Trust who acts as the lessor of the equipment, with the City as lessee. A trustee has been appointed to collect and disburse all amounts due under the lease agreements. CAFCO issued Certificates of Participation Series, 2010 A and B for $6,010 and $1,360, respectively. The proceeds from the Certificates were used to purchase vehicles for the City's Departments of Public Safety and Public Works. The basic rent payments and, consequently, the principal and interest components payable to the owners of the Certificates are payable on June 1 and December 1, with the Certificates fully maturing on June 1, 2018. The outstanding balance of the Certificates at December 31, 2013 is $2,985.

3. On July 30, 2010, the City issued Redevelopment District Notes, Series 2010 C, in the amount of $2,500. The proceeds from the sale of the Series 2010 C Notes, along with $197 of cash on hand, were used to pay off the Redevelopment District Limited Recourse Notes, Series 2005 C, which were outstanding in the amount of $2,500 . Principal and interest amounts are paid from tax increment revenues collected in the Barrington ("HOTIF") allocation area. The notes bear interest at a per annum rate of 3.92%. The outstanding balance at December 31, 2013 is $2,500, which will mature on July 30, 2015.

4. On August 9, 2010, the City issued Redevelopment District Notes, Series 2010 B, in the amount of $3,200. The proceeds from the sale of the Series 2010 B Notes, along with $2,856 of cash on hand, were used to pay off the Series 2005 A and B Redevelopment District Limited Recourse Notes, which were outstanding in the amount of $3,195 and $2,750, respectively. Principal and interest amounts are paid from tax increment revenues collected in the Fall Creek/Citizens Consolidated Housing Tax Increment HOTIF area. Interest and principal on the Series 2010 B Notes are payable annually on February 1 and August 1 and fully mature on August 1, 2030. The notes bear interest at a per annum rate of 3.75%. The outstanding balance at December 31, 2013 is $2,860.

5. 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, 2013 is $18,287.

Annual amounts due on notes payable and certificates of participation to maturity are as follows:

Years Ending	Governmental Activities	
December 31	Principal	Interest
2014	$ 2,835	$ 877
2015	4,891	802
2016	1,933	645
2017	1,991	589
2018	1,866	530
2019 – 2023	8,286	1,876
2024 – 2028	6,490	547
2029 – 2033	440	21
	$ 28,732	$ 5,887

G. Capital Leases Payable:

On May 20, 2011, the City entered into a 25-year capital lease with 401-Public Safety, LLC to lease 76,000 square feet of the old Eastgate Consumer Mall. This facility houses the Indianapolis Regional Operations Center ("ROC"). The ROC is equipped with the newest crime fighting technology, which will allow the City to better track crime trends and more quickly deploy police, firefighters, and other state and federal resources in case of an emergency. At December 31, 2013, the total capitalized cost of the leased property is $8,175, which represents the fair value of the leased property, and the capital lease obligation outstanding is $8,038.

The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments as of December.31, 2013:

		Governmental Activities
2014	$	685
2015		685
2016		685
2017		685
2018		685
2019-2023		3,500
2024-2028		3,800
2029-2033		3,800
2034-2038		3,040
		17,565
Amount representing interest		(9,527)
Present value of net minimum lease payments	$	8,038

H. Other Long-Term Liabilities:

1. Net Pension Obligations: As discussed later in these notes, the Police and Firefighters' Pre-1977 Pension Plans are funded on a "pay-as-you-go" basis.
2. Postemployment Benefit Obligation: As discussed later in these notes, the City provides postemployment healthcare benefits for police and firefighters. Civilian employees may continue healthcare coverage but are required to contribute 100% of their annual premium.
3. Compensated Absences Payable: A long-term liability for benefit and sick leave earned but not paid of $34,270 at December 31, 2013 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.

10. Bond Anticipation Notes

On September 30, 2013, the City issued Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013 A ("Series 2013A Notes") in an amount of $2,325. The proceeds are being used for the relocation, construction, renovation, improvement and equipping of a new headquarters for the Red Cross of Greater Indianapolis to replace the existing headquarters, which will be displaced by the Mass Avenue Development Project. These notes have a maturity date of September 30, 2014 and bear interest at 1.62% per annum.

On November 26, 2013, the City issued Economic Development Tax Increment Revenue Bond Anticipation Notes, Series 2013 B ("Series 2013 B Notes") in an amount not to exceed $24,000. The Series 2013 B Notes are structured as a draw-down loan, which will permit the City to draw down funds as needed to pay project costs. As of December 31, 2013, $15,000 has been drawn down. The proceeds are being used for the construction, renovation, improvement and equipping of a new mixed-use development project, consisting of one or more buildings which will provide approximately 235 apartments and ground-floor retail and will include substantial infrastructure improvements (collectively, the "Mass Ave Development Project"). These notes have a maturity date of September 30, 2014 and bear interest at 1.05% per annum.

Bond anticipation notes	Balance January 1, 2013	Issued	Redeemed	Balance December 31, 2013
Economic Development Tax Increment Bond Anticipation Note, Series 2013 A	$ —	$ 2,325	$ —	$ 2,325
Economic Development Tax Increment Bond Anticipation Note, Series 2013 B	—	15,000	—	15,000
	$ —	$ 17,325	$ —	$ 17,325

11. 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.

As of December 31, 2013, the Council had approved 105 series of Economic Development Revenue Bonds for a total not-to-exceed amount of $1,287,373. During 2013, of the not-to-exceed amount of $17,000 that was approved by the Council, bonds in the amount of $15,355 were issued. The aggregate principal amount outstanding on the City's conduit debt issued prior to 2001 cannot be determined. However, the aggregate principal amount outstanding at December 31, 2013 since 2001 is $218,187.

12. Fund Balance

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

	General Fund	Revenue Debt Service Fund	Federal Grants Fund	Economic Development Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:						
Permanent fund (principal and interest)	$ —	$ —	$ —	$ —	$ 363	$ 363
Long-term receivable	—	—	272	—	2,503	2,775
	—	—	272	—	2,866	3,138
Restricted for:						
Street maintenance and projects	25,870	—	—	—	—	25,870
Sidewalk, curb, and street repair	—	—	—	—	5,849	5,849
Stormwater management	16,386	—	—	—	—	16,386
Debt service	—	147,640	—	—	23,616	171,256
Capital projects	—	—	—	—	36,665	36,665
Operating expenses	—	—	383	—	3,569	3,952
Public safety	—	—	—	—	58	58
Economic development projects	—	—	—	3,737	—	3,737
	42,256	147,640	383	3,737	69,757	263,773
Committed to:						
Rebuild Indy projects	70,198	—	—	—	—	70,198
Utility monitoring	259	—	—	—	—	259
	70,457	—	—	—	—	70,457
Assigned to:						
Redevelopment	14,823	—	—	—	—	14,823
Solid waste collection	9,487	—	—	—	—	9,487
Parks and recreation	3,149	—	—	—	—	3,149
Stormwater management	3,504	—	—	—	—	3,504
Operating expenses	39,961	—	—	—	—	39,961
Public safety	5,891	—	—	—	—	5,891
	76,815	—	—	—	—	76,815
Unassigned	91,191	—	—	—	(2,155)	89,036
Total fund balance	$ 280,719	$ 147,640	$ 655	$ 3,737	$ 70,468	$ 503,219

13. Postemployment Benefits Other Than Pensions

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

A. Plan Description

The City maintains and provides postemployment medical care ("OPEB") for retired employees through a single-employer defined benefit medical plan, which the City administers. The plan provides medical benefits for eligible retirees, their spouses, and dependents though the City's group health insurance plans, which cover both active and retired members.

Eligible retirees must meet the following criteria:

Civilian

1. At age 60 with at least 15 or more years of creditable service, or
2. 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.

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. The plan is not accounted for as a trust fund, because an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report.

B. Funding Policy

Contribution requirements are negotiated between the City and union representatives. For fiscal year 2013, the City contributed $1,607 to the plan and the active officers' contributions were $831. From the contributions paid, 60% of the cost of current year premiums for eligible police and fire retired plan members and their spouses are made. Plan members receiving benefits contribute 40% of their premium costs.

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.

C. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 and, in accordance therewith, the City has elected to perform an actuarial valuation of the OPEB on a biennial basis. The last actuarial valuation performed by the City was as of December 31, 2013. The next valuation will be completed as of December 31, 2015. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The City's annual OPEB cost for the current year and the related information are as follows at December 31, 2013:

Annual required contribution	$	20,975
Interest on net OPEB obligation		3,287
Amortization		(3,383)
Adjustment to annual required contribution		1,836
Annual OPEB cost (expense)		22,715
Contributions made		(1,607)
Increase in net OPEB obligation		21,108
Net OPEB obligation – beginning of year		87,645
Net OPEB obligation – end of year	$	108,753

The adjustment to annual required contribution in the amount of $1,836 represents the required current year adjustment to reflect the fact that the City obtains a biennial actuarial valuation. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2012, and 2011 were as follows:

Fiscal Year Ended		Annual OPEB Cost		Employer Contributions	Percentage of OPEB Cost Contributed		Net OPEB Obligation
2013	$	22,715	$	1,607	7.07 %	$	108,753
2012		17,691		1,647	9.31		87,645
2011		16,507		1,695	10.27		71,601

D. Funded Status and Funding Progress

The funded status of the plan based on the most recent biennial actuarial valuation for the plan, dated as of December 31, 2013, was as follows:

Actuarial accrued liability	$	161,253
Actuarial value of plan assets		—
Unfunded actuarial accrued liability	$	161,253
Funded ratio		0%
Covered payroll	$	266,438
Unfunded actuarial accrued liability as a percentage of covered payroll		60.52%

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

E. Actuarial Methods and Assumptions

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

Actuarial valuation date	December 31, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of expected payroll
Amortization period	30 years open

Actuarial Assumptions:	
Discount rate	3.75% effective annual rate
Projected salary increases	2.75%
General inflation rate	2.50%
Healthcare inflation rate	Starting at 6.50% per year and gradually decreasing to 4.50% over a period of 75-85 years, depending on the medical plan

14. Pension Plans

A. Plan Descriptions, Funding Policies and Contribution Information

1. Police and Firefighters' Plans

Statutory Plan

Certain police and firefighters are covered by a statutory cost-sharing multiple-employer retirement plan administered by the Indiana Public Retirement System ("INPRS"). This plan covers all police and firefighters hired after April 30, 1977, or hired before May 1, 1977, who have elected to convert to this plan ("Police and Firefighters' Statutory Plan").

State statute regulates the operations of the system, including benefits, vesting, and contributions. Employees covered may retire and receive full benefits upon attainment of age 52 and 20 years of service. An employee with 20 years of service may leave, but will not receive benefits until reaching age 50. The plan also provides for certain death and disability benefits.

Covered employees are required to contribute 6.0% of their compensation. The City currently pays half of the employee contribution in accordance with 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 19.7% of each employee's annual compensation. The City's contributions to the plan for the years ended December 31, 2013, 2012, and 2011 were $30,471, $30,583, and $29,639, respectively, equal to the required contributions for the year.

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.

Pre-1977 Plans

The City also maintains two single-employer retirement plans covering police and firefighters hired on or before April 30, 1977 ("Police and Firefighters' Pre-1977 Plans"), which are accounted for by the City in a pension trust fund and are funded on a pay-as-you-go basis. No separately issued financial statements are available and the plans are closed to new participants. There are no remaining participant contribution requirements. Retirement benefits are available after 20 years of service. State statute grants authority for these pension plans and sets the regulations covering benefits. Contractually as current employees' salaries increase, benefits paid to plan participants are adjusted. No significant plan assets are accumulated for the payment of future benefits.

During the 2008 State of Indiana Legislative Session, the State agreed to pay the entire annual cost of future pension payments to the police officers and firefighters who are members of the Police and Firefighters' Pre-1977 Plans, beginning in 2009. Since the City still must pay the benefits under the plans and be reimbursed by the State, this is still considered to be a "pay-as-you-go" plan. The payments from the State are estimated each year and any overage and underage are to be adjusted in the next year. The present value of expected future funding to be received from the State of Indiana for pension relief contributions on the Police and Firefighters' Pre-1977 Plans totaled $775,385 as of January 1, 2013. In 2013, the State of Indiana contributed $58,714 of pension relief to the Police and Firefighters' Pre-1977 Plans.

2. All Other City Employees' Plan

The City also contributes to the Public Employees' Retirement Fund of Indiana ("PERF"), an agent multiple-employer retirement plan administered by INPRS that acts as a common investment and administrative agent for state employees and employees of participating political subdivisions of the State of Indiana in accordance with Indiana Codes 5-10.2 and 5-10.3. Except for police and firefighters, all full-time employees are eligible to participate in this plan ("All Other City Employees' Plan").

Benefits vest after 10 years of service. City employees who retire at or after age 65 with 10 years of creditable service or at age 60 with 15 years of creditable service are entitled to an annual retirement, payable monthly for life. City employees who have reached 50 years of age and have 15 years of credited service will qualify for early retirement with reduced benefits. Employees who are at least 55 years of age at retirement and have 30 years of creditable service receive a full pension benefit. Any combination of age and years of service greater than 85 (for those older than 55) also qualifies the employee for full retirement benefit. PERF also provides for death and disability benefits. These benefit provisions and all other requirements are established by state statute.

A contribution of 3% of each employee's annual compensation is required, which is paid by the City. In addition, the City is required to contribute amounts necessary to fund this plan, using the entry age normal cost method as specified by state statute. The City-financed pension benefits are classified as defined benefits, and the employee-financed pension benefits are classified as defined contributions and depend on the amount contributed by the employee plus accumulated investment earnings.

Indiana's Deferred Retirement Option Plan ("DROP"), which was enacted into law in 2002, is available to all participants of the Police and Firefighters' Statutory and Police and Firefighters' Pre-1977 Plans. Those individuals 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 individual's DROP entry date. Participating individuals remain in the DROP until reaching the applicable mandatory retirement age and may make a DROP election only once in the individual'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.

INPRS issues publicly available financial reports that include financial statements and required supplementary information for the Police and Firefighters' Statutory Plan and the All Other City Employees' Plan. These reports may be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204.

Except for the Police and Firefighters' Pre-1977 Plans, the funding policies of INPRS provide for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

The schedules that follow are derived from the respective actuarial reports and City information for the aforementioned four pension plans as of December 31, 2013 and, with regard to contributions for 2013, based on the January 1, 2013 actuarial report for the Police and Firefighters' Pre-1977 Plans and June 30, 2013 for the Police and Firefighters' Statutory and All Other City Employees' Plans.

Census data for the four plans are as follows:

	Police and Firefighters Statutory	**Police and Firefighters Pre-1977 (2)**	**All Other City Employees**
Retirees and beneficiaries currently receiving benefits	N/A (1)	1,713	N/A (1)
Terminated vested employees not yet receiving benefits	23	—	471
Terminated nonvested employees – refund of contributions	162	—	638
Current employees:			
Vested	838	40	922
Nonvested	1,569	—	711
Subtotal	2,407	40	1,633
Working for a different participating municipality	N/A	N/A	768
Total	2,407	40	2,401

(1) Retirees and beneficiaries currently receiving benefits are not traceable by employer, since INPRS pays those benefits from a separate plan.
(2) Census data is not separately available for the individual police and firefighters' plans.

B. Actuarial Methods and 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:

Assumptions	Police and Firefighters Statutory	Police and Firefighters Pre-1977	All Other City Employees
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Rate of return on present and future assets	6.75%	6.00%	6.75%
Inflation rate	3.00%	3.00%	3.00%
Cost of living increase	2.25%	3.25% (Non-converted) 2.25% (Converted)	1.00%
Salary increase	3.25%	3.25%	3.25% – 4.5%* * Based on PERF experience 2005 – 2010.
Asset valuation method	4-year smoothing of gains/losses on market value with a 20% corridor	N/A	4-year smoothing of gains/losses on market value with a 20% corridor
Amortization method	Level dollar	Level dollar	Level dollar
Amortization period	Open – 30 years	Closed – 30 years	Open – 30 years

C. Annual Pension Cost and Net Pension Obligations

The following is a schedule of the annual pension cost and net pension obligation for the Police and Firefighters' Pre-1977 Plans and the All Other City Employees' Plan:

	Police (Pre-1977)	Firefighters (Pre-1977)	Total	All Other City Employees
Actuarial valuation date	January 1, 2013			June 30, 2013
Annual required contribution	$ 32,832	$ 30,873	$ 63,705	$ 8,154
Interest on net pension obligation	12,747	10,718	23,465	677
Adjustment to annual required contribution	(17,643)	(14,835)	(32,478)	(788)
Annual pension cost	27,936	26,756	54,692	8,043
Contributions made	29,504	29,210	58,714	6,926
Increase (decrease) in net pension obligation	(1,568)	(2,454)	(4,022)	1,117
Net pension obligation – beginning of year	212,447	178,637	391,084	10,032
Net pension obligation – end of year	$ 210,879	$ 176,183	$ 387,062	$ 11,149

D. Historical Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Historical trend information for the Police and Firefighters' Pre-1977 Plans and the All Other City Employees' Plan is presented below:

Fiscal Years Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
Police Pre-1977 Plan:			
2013	$ 27,936	105.6 %	$ 210,879
2012	28,125	97.7	212,447
2011	33,809	92.1	211,814
Firefighters Pre-1977 Plan:			
2013	26,756	109.2	176,183
2012	27,396	102.0	178,637
2011	31,934	93.8	179,182
All Other City Employees Plan:			
2013	8,043	86.1	11,149
2012	7,891	38.1	10,032
2011	7,435	47.2	5,151

E. Pension Trust Fund Financial Statements

As separately issued financial statements are not available for the Police and Firefighters' Pre-1977 Plans, summarized financial statements for those funds follow:

Combining Statement of Pension Trust Funds Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
December 31, 2013

	Police Pension	Firefighters Pension	Total
ASSETS			
Equity in pooled cash	$ 774	$ —	$ 774
Investments	1,229	—	1,229
Total assets	2,003	—	2,003
LIABILITIES			
Due to other funds	—	142	142
Total liabilities	—	142	142
NET POSITION			
Held in trust for pension benefits	$ 2,003	$ (142)	$ 1,861

Combining Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year Ended December 31, 2013

	Pension Trust Funds		
	Police Pension	Firefighters Pension	Total
ADDITIONS			
State of Indiana pension subsidy received from the General Fund	$ 29,504	$ 29,210	$ 58,714
Total additions	29,504	29,210	58,714
DEDUCTIONS			
Benefits	28,470	29,568	58,038
Total deductions	28,470	29,568	58,038
Change in plan net assets	1,034	(358)	676
Net position – beginning of year	969	216	1,185
Net position (deficit) – end of year	$ 2,003	$ (142)	$ 1,861

F. Funded Status

The funded status of the Police and Firefighters' Pre-1977 Plans and the All Other City Employees' Plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	(Unfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Pre-1977 Plan						
1/1/2013	$ —	$ 392,417	$ (392,417)	— %	$ 1,126	34,851 %
Firefighters Pre-1977 Plan						
1/1/2013	—	369,514	(369,514)	—	795	46,480
All Other City Employees Plan						
6/30/2013	70,381	124,394	(54,013)	57	69,556	78

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

15. 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 $3,891 at December 31, 2013. 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 $10,395, as the loss is not both probable and estimable.

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

C. Effective December 1, 2008, the City entered into a service agreement with the owner of a resource recovery facility that is in effect until December 31, 2018 with the option of extending the agreement for two additional five-year periods. The City has agreed to deliver a certain amount of "acceptable waste" each year to the facility. The City paid a tipping fee of $27.00 (not in thousands) per ton for the first three years of the service agreement, which escalates at 2.7% in years four through ten. Beginning in 2013, the tipping fee increased to $29.25 (not in thousands) per ton. The City also will reimburse the owner of the resource recovery facility for any taxes levied by any governmental entity, other than income taxes, and the leased cost of the facility site. The owner of the resource recovery facility will revenue share 12.5% of its steam revenues, with a minimum guarantee of $2,317 and a maximum of $2,474 per year, also adjusting in the remaining years of the contract.

D. The City has entered into operating agreements on a number of City-owned golf courses, which provide for termination payments to be made to the operator if the City cancels the agreements prematurely. These payments are primarily to cover the costs for improvements made to the courses by the operators. The termination payment declines over the term of the agreements. While the City has no intention to do so, if the agreements were terminated at December 31, 2013, the total termination payments due would be $5,396.

16. 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.

The City receives a share of all revenues generated from the parking meter system. During 2013, the City's monthly share of the revenue was 30% for parking meter revenues collected between $0 and $610 and 60% for all such amounts above $610 (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, 2013, $18,800 is recorded as a deferred inflow of resources in the government-wide statement of net position. The deferred inflow of resources is being amortized using the straight-line method over the 50-year term of the agreement, and in 2013, $400 was amortized and recognized as revenue in the government-wide statement of activities.

17. 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 2013, the City incurred approximately $17,630 in information systems costs and $1,271 in telephone costs, of which approximately $1,513 is due to the County at December 31, 2013 for these services. During 2013, the County paid the City $1,127 for fuel charges. As of December 31, 2013 the County owed the City $907 for court costs. In addition, the City and County both act in capacities of 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.

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. For the first 12 months of the agreement, the amount to be received from the CIB amounts to 100% of the recently enacted increases in these taxes. Thereafter, the CIB will pay to the City 25% of the revenue received from these increases, but not to exceed $3,000 annually. The term of the Public Safety Agreement extends to February 28, 2017 and automatically renews for additional four-year periods until terminated by either party. Under this same agreement, the City has agreed to fund up to $5 million in repairs to be made to an underground parking facility below Hudnut Commons, an open, landscaped public area in downtown Indianapolis.

18. 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, 2013 is as follows:

Receivable Fund	Payable Fund		Amount
General Fund	Nonmajor Governmental Funds	$	490
General Fund	Risk Management Internal Service Fund		4,076
General Fund	Firefighters Pension Fiduciary Fund		142
		$	4,708

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

Interfund transfers for the year ended December 31, 2013 consisted of the following:

	Transfers In				
	Governmental Activities				
Transfers Out	General Fund	Revenue Debt Service Fund	Federal Grants Fund	Nonmajor Governmental Funds	Total
General Fund	$ —	$ 100	$ 67	$ 5,733	$ 5,900
Revenue Debt Service Fund	11,837	—	—	13,714	25,551
Economic Development Capital Projects	—	24,345	—	4,378	28,723
Nonmajor Governmental Funds	39,201	—	—	2,841	42,042
Total transfers out	$ 51,038	$ 24,445	$ 67	$ 26,666	$ 102,216

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.

19. 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 balance – total governmental funds* and *net position – governmental activities*, as reported in the government-wide statement of net position at December 31, 2013, follow:

Bonds and notes payable and certificates of participation	$ 1,096,233
Deferred premiums, net of discounts	39,393
Amounts recorded as matured bonds payable at December 31, 2013	(22,545)
Capital leases payable	8,038
Net pension obligation	398,211
Postemployment benefit obligation	108,753
Compensated absences	34,270
Combined adjustment	$ 1,662,353

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 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 at December 31, 2013, follow:

Debt issued:		
Tax increment bonds, excluding capital appreciation accretion of $7,387	$	45,020
Revenue bonds		47,365
Deferred premiums		11,744
Combined adjustment	$	104,129
Repayments:		
Bond principal, less decrease in matured bonds payable of $5,901	$	44,180
Payment to bond escrow agent		90,250
Notes payable and certificates of participation		17,418
Combined adjustment	$	151,848

20. Deficit Fund Balances and Net Position

Negative fund balances by fund are as follows:

Deficit Fund Balances		December 31, 2013
Special Revenue Funds		
Drug Free Community	$	(188)
Debt Service Funds		
Civil City	$	(1,199)
Public Safety Communications		(157)
	$	(1,356)
Internal Service Funds		
Risk Management	$	(7,175)
Fiduciary Funds		
Firefighters Pension	$	(142)

The deficit fund balance for the special revenue funds will be covered by future reimbursements from Marion County. The deficit fund balance for the debt service funds will be covered by a future transfer that will cover the debt service payments. The risk management internal service fund negative fund balance will be covered by future charges to City departments. The pension deficit will be covered by future reimbursements from the State of Indiana.

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, 2013
(In thousands)

	Original budget	Final budget	Actual	Variance with final budget – positive (negative)
Revenues:				
Taxes	$ 304,706	$ 301,422	$ 304,124	$ 2,702
Licenses and permits	10,237	10,238	13,351	3,113
Charges for services	52,961	53,195	52,156	(1,039)
Intergovernmental revenues	44,756	48,715	49,596	881
Traffic violations and court fees	3,674	3,673	3,417	(256)
Intragovernmental revenues	3,729	3,729	4,654	925
Interest and other operating revenues	14,639	15,017	13,980	(1,037)
Total revenues	434,702	435,989	441,278	5,289
Expenditures:				
Current:				
General government	22,412	22,915	20,629	2,286
Public safety	358,257	358,227	349,415	8,812
Public works	100,463	101,432	96,544	4,888
Health and welfare	98	235	140	95
Cultural and recreation	13,830	13,672	13,699	(27)
Urban redevelopment and housing	5,012	4,313	2,702	1,611
Economic development and assistance	2,173	2,771	2,094	677
Capital outlays	76,542	77,491	67,360	10,131
Total expenditures	578,787	581,056	552,583	28,473
Deficiency of revenues under expenditures	(144,085)	(145,067)	(111,305)	33,762
Other financing sources:				
Sale and lease of property	350	350	539	189
Transfers in	44,351	44,110	45,138	1,028
Total other financing sources	44,701	44,460	45,677	1,217
Revenues under expenditures and other financing uses	(99,384)	(100,607)	(65,628)	34,979
Fund balance at beginning of year	294,202	278,636	299,150	20,514
Cancellation of purchase orders and other	(16,432)	63,801	22,065	(41,736)
Fund balance at end of year	$ 178,386	$ 241,830	$ 255,587	$ 13,757

See notes to required supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Budgetary Basis (Required Supplementary Information)
Year ended December 31, 2013
(In thousands)

	Original budget	Final budget	Actual	Variance with final budget – positive (negative)
Revenues:				
Charges for services	$ 349	$ 349	$ —	$ (349)
Intergovernmental revenues	43,391	50,813	30,377	(20,436)
Traffic violations and court fees	1,420	1,420	338	(1,082)
Interest and other operating revenues	6	6	268	262
Other revenues	—	—	146	146
Total revenues	45,166	52,588	31,129	(21,459)
Expenditures:				
Current:				
General government	37	42	33	9
Public safety	11,088	13,778	6,905	6,873
Public works	499	626	254	372
Health and welfare	9,137	10,604	8,457	2,147
Cultural and recreation	957	991	888	103
Urban redevelopment and housing	7,566	16,111	14,907	1,204
Economic development and assistance	7,088	6,036	66	5,970
Capital outlays	5,124	6,645	1,326	5,319
Total expenditures	41,496	54,833	32,836	21,997
Deficiency of revenues under expenditures	3,670	(2,245)	(1,707)	538
Other financing sources:				
Transfers in	—	—	3	3
Total other financing sources	—	—	3	3
Revenues under expenditures and other financing sources	3,670	(2,245)	(1,704)	541
Fund balance at beginning of year	—	—	—	—
Cancellation of purchase orders and other	(3,670)	2,245	1,704	(541)
Fund balance at end of year	$ —	$ —	$ —	$ —

See notes to required supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Pension Supplementary Information
Schedules of Funding Progress
(In thousands)

Asset valuation date	Actuarial value of assets	Actuarial accrued liability (AAL) entry age	Unfunded (overfunded) AAL (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
Police (Pre-1977) Plan						
1/1/2013	$ —	$ 392,417	$ 392,417	— %	$ 1,126	34,851 %
1/1/2012	—	397,406	397,406	—	1,504	26,423
1/1/2011	—	470,430	470,430	—	1,571	29,947
1/1/2010	—	446,400	446,400	—	1,825	24,459
1/1/2009	—	434,034	434,034	—	1,593	27,246
1/1/2008	—	416,860	416,860	—	2,983	13,975
Firefighters (Pre-1977) Plan						
1/1/2013	—	369,514	369,514	—	795	46,480
1/1/2012	—	379,065	379,065	—	1,690	22,430
1/1/2011	—	436,557	436,557	—	2,095	20,838
1/1/2010	—	423,741	423,741	—	2,832	14,962
1/1/2009	—	427,480	427,480	—	2,596	16,467
1/1/2008	—	314,836	314,836	—	2,927	10,756
All Other City Employees Plan*						
7/1/2013	70,381	124,394	54,013	57	69,556	78
7/1/2012	66,005	135,810	69,805	49	77,759	90
7/1/2011	74,320	126,438	52,118	59	77,098	68

* Information required for only most recent actuarial valuation and the two preceding valuations

See notes to required supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Pension Supplementary Information
Schedules of Employer Contributions
(In thousands)

	Police and Firefighters' Statutory Plans			All Other City Employees		
Plan year ended June 30	**Annual required contribution**	**Percentage contributed**		**Annual required contribution**	**Percentage contributed**	
2013	$ 30,471	100	%	$ 8,154	85	%
2012	30,593	100		7,945	38	
2011	29,639	100		7,447	47	
2010	28,660	100		4,669	69	
2009	24,994	100		3,051	100	
2008	24,818	100		2,667	108	

	Police (Pre-1977)			Firefighters (Pre-1977)		
Plan year ended December 31	**Annual required contribution**	**Percentage contributed**		**Annual required contribution**	**Percentage contributed**	
2013	$ 32,832	90	%	$ 30,873	95	%
2012	32,632	84		31,209	90	
2011	37,925	82		35,421	85	
2010	34,328	89		32,887	84	
2009	32,801	88		32,631	84	
2008	31,403	91		23,903	110	

See notes to required supplementary information.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Postemployment Benefit Obligation Supplementary Information
Schedule of Funding Progress
(In thousands)

Actuarial valuation date	Actuarial value of assets (a)	Accrued liability (b)	Unfunded accrued liability (UAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAL as a percentage of covered payroll ((b-a)/c)
12/31/2013	$ —	161,253	$ 161,253	— %	$ 266,438	60.52 %
12/31/2012*	—	143,950	143,950	—	265,921	54.13
12/31/2011	—	143,950	143,950	—	270,491	53.22

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

See notes to required supplementary information.

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 and Federal Grants Fund, the following supplementary appropriations were properly approved:

	General Fund	Federal Grants Special Revenue Fund
Original appropriations	$ 578,787	$ 41,496
Revisions	2,269	13,337
Revised appropriations	$ 581,056	$ 54,833

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.

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 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, the Indiana Department of Local Government Finance 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 the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance is required to certify the budgets, levies, and rates by February 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.

3. Budget/GAAP Reporting Differences

Adjustments necessary to convert the results of 2013 operations from a budgetary basis to a GAAP basis are as follows:

	General Fund	Federal Grants Special Revenue Fund
Revenues over (under) expenditures and other financing sources (uses) (budgetary basis)	$ (65,628)	$ (1,704)
Adjustments:		
Accrued revenues	66,687	18,832
Accrued expenditures	(59,805)	2,974
Transfers, net	—	(24,601)
Encumbrances	40,681	64
Expenditures from prior year encumbrances	(49,939)	10,642
Net change in fund balances (GAAP basis)	$ (68,004)	$ 6,207

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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, 2013
(In thousands)

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Equity in pooled cash	$ 3,427	$ 15,326	$ 12,513	$ —	$ 31,266
Cash and investments with fiscal agents	—	13,538	8,113	363	22,014
Investments	5,437	24,338	19,866	—	49,641
Property taxes receivable	—	1,123	560	—	1,683
Accounts receivable, less allowance	581	272	147	—	1,000
Due from federal and state governments	90	—	—	—	90
Long-term receivables, less allowance	—	1,003	1,500	—	2,503
Total assets	$ 9,535	$ 55,600	$ 42,699	$ 363	$ 108,197
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Matured bonds payable	$ —	$ 21,055	$ —	$ —	$ 21,055
Matured interest payable	—	9,167	—	—	9,167
Accounts payable and other accrued liabilities	120	422	3,449	—	3,991
Accrued payroll and payroll taxes	4	—	—	—	4
Due to other funds	103	—	387	—	490
Unearned revenue	5	—	—	—	5
Total liabilities	232	30,644	3,836	—	34,712
Deferred inflows of resources	15	2,304	698	—	3,017
Fund balances:					
Nonspendable	—	1,003	1,500	363	2,866
Restricted	9,476	23,616	36,665	—	69,757
Unassigned	(188)	(1,967)	—	—	(2,155)
Total fund balances	9,288	22,652	38,165	363	70,468
Total liabilities, deferred inflows of resources and fund balances	$ 9,535	$ 55,600	$ 42,699	$ 363	$ 108,197

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	$ 32,815	$ 33,492	$ 13,005	$ —	$ 79,312
Charges for services	2,648	—	—	—	2,648
Intergovernmental revenues	347	—	3,236	—	3,583
Traffic violations and court fees	1,601	—	—	—	1,601
Interest and other operating revenues	47	15,357	51	(9)	15,446
Total revenues	37,458	48,849	16,292	(9)	102,590
Expenditures:					
Current:					
General government	458	—	—	—	458
Public safety	486	—	—	—	486
Public works	27	—	—	—	27
Economic development and assistance	—	—	880	—	880
Debt service:					
Redemption of bonds and notes	—	25,697	1,285	—	26,982
Interest on bonds and notes	—	30,626	1,234	—	31,860
Bond and note issuance costs	—	547	—	—	547
Operating lease payments and administration	—	15,319	—	—	15,319
Capital outlays	308	—	25,913	—	26,221
Total expenditures	1,279	72,189	29,312	—	102,780
Excess (deficiency) of revenues over (under) expenditures	36,179	(23,340)	(13,020)	(9)	(190)
Other financing sources (uses):					
Sale of capital assets	—	—	165	—	165
Premium on bonds and notes issued	—	4,827	—	—	4,827
Refunding bonds issued	—	38,355	—	—	38,355
Payment to refunded bond escrow agent	—	(38,345)	—	—	(38,345)
Proceeds from restructuring of debt	—	85	—	—	85
Transfers in	—	18,382	8,284	—	26,666
Transfers out	(39,199)	—	(2,843)	—	(42,042)
Total other financing sources (uses)	(39,199)	23,304	5,606	—	(10,289)
Net change in fund balances	(3,020)	(36)	(7,414)	(9)	(10,479)
Fund balances at beginning of year	12,308	22,688	45,579	372	80,947
Fund balances at end of year	$ 9,288	$ 22,652	$ 38,165	$ 363	$ 70,468

See accompanying independent auditor's report.

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 Department of Public 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, 2013
(In thousands)

	General Fund Total	Intrafund Eliminations	Consolidated County	Redevelop-ment	Solid Waste Collection	Solid Waste Disposal	Public Safety Communications
ASSETS							
Equity in pooled cash	$ 119,215	$ —	$ 83,733	$ 5,976	$ 4,454	$ 485	$ 923
Investments	189,951	—	133,614	9,488	7,073	769	1,465
Property taxes receivable	7,775	—	973	15	1,127	—	—
Accounts receivable	16,512	—	4,474	5	423	1,403	—
Allowance for estimated uncollectibles – accounts receivable	(849)	—	—	—	—	—	—
Due from other funds	4,708	—	4,708	—	—	—	—
Due from federal and state governments	21	—	—	—	—	—	—
Total assets	$ 337,333	—	$ 227,502	$ 15,484	$ 13,077	$ 2,657	$ 2,388
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	$ 23,035	$ —	$ 13,010	$ 612	$ 1,872	$ 2,093	$ 170
Accrued payroll and payroll taxes	19,995	—	9,979	29	246	—	94
Unearned revenue	24	—	20	—	—	—	—
Total liabilities	43,054	—	23,009	641	2,118	2,093	264
Deferred inflows of resources	13,560	—	1,302	20	1,472	1,363	—
Fund balances:							
Restricted	42,256	—	—	—	—	—	—
Committed	70,457	—	70,457	—	—	—	—
Assigned	76,815	—	39,961	14,823	9,487	—	2,124
Unassigned	91,191	—	92,773	—	—	(799)	—
Total fund balances (deficits)	280,719	—	203,191	14,823	9,487	(799)	2,124
Total liabilities, deferred inflows of resources and fund balances	$ 337,333	$ —	$ 227,502	$ 15,484	$ 13,077	$ 2,657	$ 2,388

(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, 2013
(In thousands)

	Transportation	Fire	Park	Metropolitan Police	Storm Water Management
ASSETS					
Equity in pooled cash	$ 8,670	$ 1,622	$ 1,588	$ 3,404	$ 8,360
Investments	13,765	2,576	2,521	5,406	13,274
Property taxes receivable	—	3,564	658	1,438	—
Accounts receivable	5,463	823	199	683	3,039
Allowance for estimated uncollectibles – accounts receivable	—	—	—	—	(849)
Due from other funds	—	—	—	—	—
Due from federal and state governments	—	—	—	21	—
Total assets	$ 27,898	$ 8,585	$ 4,966	$ 10,952	$ 23,824
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	$ 1,549	$ 522	$ 518	$ 1,021	$ 1,668
Accrued payroll and payroll taxes	479	4,462	434	4,197	75
Unearned revenue	—	—	—	4	—
Total liabilities	2,028	4,984	952	5,222	1,743
Deferred inflows of resources	—	4,384	865	1,963	2,191
Fund balance:					
Restricted	25,870	—	—	—	16,386
Committed	—	—	—	—	—
Assigned	—	—	3,149	3,767	3,504
Unassigned	—	(783)	—	—	—
Total fund balances (deficits)	25,870	(783)	3,149	3,767	19,890
Total liabilities, deferred inflows of resources and fund balances	$ 27,898	$ 8,585	$ 4,966	$ 10,952	$ 23,824

See accompanying independent auditor's report.

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, 2013
(In thousands)

	General Fund Total	Intrafund eliminations	Consolidated County	Redevelop-ment	Solid Waste Collection	Solid Waste Disposal	Public Safety Communications
Revenues:							
Taxes	$ 304,495	$ —	$ 124,351	$ 1,810	$ 29,461	$ —	$ 7,680
Licenses and permits	13,457	—	12,979	1	—	—	—
Charges for services	56,178	—	15,378	673	522	8,389	147
Other intergovernmental revenues:							
Federal revenues	2,372	—	2,080	—	—	—	—
State revenues	99,766	—	3,463	1,092	—	—	—
Other revenues	9,067	—	1,195	—	—	—	79
Intragovernmental revenue	4,880	—	4,880	—	—	—	—
Traffic violations and court fees	3,473	—	2,177	—	—	—	—
Interest and other operating revenues	14,277	—	3,498	291	497	43	—
Total revenues	507,965	—	170,001	3,867	30,480	8,432	7,906
Expenditures:							
Current:							
General government	21,107	—	21,107	—	—	—	—
Public safety	408,657	—	20,684	—	—	—	6,605
Public works	98,653	—	5,924	—	31,326	9,560	—
Health and welfare	142	—	110	32	—	—	—
Cultural and recreation	12,978	—	1,000	—	—	—	—
Urban redevelopment and housing	3,482	—	2,675	413	—	—	—
Economic development and assistance	1,574	—	215	1,359	—	—	—
Debt service:							
Redemption of bonds and notes	513	—	513	—	—	—	—
Interest on bonds and notes	1,113	—	373	12	—	—	—
Operating lease payments and administration	40	—	1	1	1	—	—
Capital outlays	73,387	—	61,517	2	163	—	120
Total expenditures	621,646	—	114,119	1,819	31,490	9,560	6,725
Excess (deficiency) of revenues over (under) expenditures	(113,681)	—	55,882	2,048	(1,010)	(1,128)	1,181
Other financing sources (uses):							
Sales of capital assets	539	—	465	73	—	—	—
Transfers in	51,038	(141,949)	12,797	775	—	—	—
Transfers out	(5,900)	141,949	(139,313)	(100)	—	—	—
Total other financing sources (uses)	45,677	—	(126,051)	748	—	—	—
Net change in fund balance	(68,004)	—	(70,169)	2,796	(1,010)	(1,128)	1,181
Fund balances at beginning of year	348,723	—	273,360	12,027	10,497	329	943
Fund balances (deficits) at end of year	$ 280,719	$ —	$ 203,191	$ 14,823	$ 9,487	$ (799)	$ 2,124

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Transportation	Fire	Park	Metropolitan Police	Storm Water Management
Revenues:					
Taxes	$ 10,404	$ 75,512	$ 18,222	$ 37,055	$ —
Licenses and permits	—	23	—	454	—
Charges for services	3,957	381	3,940	2,181	20,610
Other intergovernmental revenues:					
Federal revenues	164	4	—	124	—
State revenues	34,068	29,752	—	31,391	—
Other revenues	73	3,610	—	4,110	—
Intragovernmental revenue	—	—	—	—	—
Traffic violations and court fees	—	—	—	1,296	—
Interest and other operating revenues	289	3,576	132	5,782	169
Total revenues	48,955	112,858	22,294	82,393	20,779
Expenditures:					
Current:					
General government	—	—	—	—	—
Public safety	—	165,144	2,025	214,199	—
Public works	33,908	—	7,132	—	10,803
Health and welfare	—	—	—	—	—
Cultural and recreation	86	—	11,892	—	—
Urban redevelopment and housing	394	—	—	—	—
Economic development and assistance	—	—	—	—	—
Debt service:					
Redemption of bonds and notes	—	—	—	—	—
Interest on bonds and notes	—	155	417	156	—
Operating lease payments and administration	4	30	2	—	1
Capital outlays	6,424	441	194	60	4,466
Total expenditures	40,816	165,770	21,662	214,415	15,270
Excess (deficiency) of revenues over (under) expenditures	8,139	(52,912)	632	(132,022)	5,509
Other financing sources (uses):					
Sales of capital assets	—	—	1	—	—
Transfers in	1,828	46,250	—	131,337	—
Transfers out	(2,699)	—	—	(312)	(5,425)
Total other financing sources (uses)	(871)	46,250	1	131,025	(5,425)
Net change in fund balance	7,268	(6,662)	633	(997)	84
Fund balances at beginning of year	18,602	5,879	2,516	4,764	19,806
Fund balances (deficits) at end of year	$ 25,870	$ (783)	$ 3,149	$ 3,767	$ 19,890

See accompanying independent auditor's report.

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, 2013

(In thousands)

	Total General Fund		Consolidated County		Redevelopment		Solid Waste Collection	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	$ 301,422	$ 304,124	$ 124,071	$ 124,351	$ 2,217	$ 1,810	$ 28,984	$ 29,461
Licenses and permits	10,238	13,351	10,147	12,873	—	1	—	—
Charges for services	53,195	52,156	14,822	12,366	570	673	269	517
Other intergovernmental revenues:								
Federal revenues	5,089	1,526	13	1,411	18	—	—	—
State revenues	37,486	39,015	4,288	2,844	700	1,092	—	—
Other revenues	6,140	9,055	2,018	1,183	—	—	—	—
Traffic violations and court fees	3,673	3,417	2,446	2,176	—	—	—	—
Intragovernmental revenues	3,729	4,654	3,729	4,654	—	—	—	—
Interest and other operating revenues	15,017	13,980	3,541	3,014	148	629	230	423
Total revenues	435,989	441,278	165,075	164,872	3,653	4,205	29,483	30,401
Expenditures:								
Current:								
General government	22,915	20,629	22,915	20,629	—	—	—	—
Public safety	358,227	349,415	24,430	21,260	—	—	—	—
Public works	101,432	96,544	5,984	2,729	—	—	31,479	31,288
Health and welfare	235	140	131	105	104	35	—	—
Cultural and recreation	13,672	13,699	1,000	1,000	—	—	—	—
Urban redevelopment and housing	4,313	2,702	3,351	1,880	497	419	—	—
Economic development and assistance	2,771	2,094	188	216	2,583	1,878	—	—
Capital outlays	77,491	67,360	62,020	52,921	358	352	169	166
Total expenditures	581,056	552,583	120,019	100,740	3,542	2,684	31,648	31,454
Excess (deficiency) of revenues over (under) expenditures	(145,067)	(111,305)	45,056	64,132	111	1,521	(2,165)	(1,053)
Other financing sources (uses):								
Sales of capital assets	350	539	350	465	—	73	—	—
Transfers in (out)	44,110	45,138	(128,016)	(126,516)	775	675	—	—
Total other financing sources (uses)	44,460	45,677	(127,666)	(126,051)	775	748	—	—
Revenues over (under) expenditures and other financing sources (uses)	(100,607)	(65,628)	(82,610)	(61,919)	886	2,269	(2,165)	(1,053)
Fund balances (deficits) at beginning of year	278,636	299,150	218,967	223,510	10,039	11,734	11,791	12,207
Cancellation of purchase orders and other	63,801	22,065	29,993	17,219	1,270	(399)	369	4
Fund balances (deficits) at end of year	$ 241,830	$ 255,587	$ 166,350	$ 178,810	$ 12,195	$ 13,604	$ 9,995	$ 11,158

(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, 2013

(In thousands)

	Solid Waste Disposal		Public Safety Communications		Transportation		Metropolitan Police	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	$ —	$ —	$ 7,623	$ 7,680	$ 9,167	$ 10,035	$ 37,017	$ 37,054
Licenses and permits	—	—	—	—	—	—	49	454
Charges for services	8,985	8,389	—	129	3,000	3,120	1,652	2,074
Other intergovernmental revenues:								
Federal revenues	—	—	—	—	5,000	32	—	79
State revenues	—	—	—	—	30,051	32,649	1,900	1,887
Other revenues	—	—	—	79	—	73	2,122	4,110
Traffic violations and court fees	—	—	—	—	—	—	1,227	1,241
Intragovernmental revenues	—	—	—	—	—	—	—	—
Interest and other operating revenues	10	2	344	—	70	289	6,880	5,783
Total revenues	8,995	8,391	7,967	7,888	47,288	46,198	50,847	52,682
Expenditures:								
Current:								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	6,756	6,745	—	—	187,709	184,661
Public works	9,238	9,238	—	—	35,449	34,245	—	—
Health and welfare	—	—	—	—	—	—	—	—
Cultural and recreation	—	—	—	—	—	86	—	—
Urban redevelopment and housing	—	—	—	—	465	403	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Capital outlays	—	—	248	208	8,723	8,048	47	40
Total expenditures	9,238	9,238	7,004	6,953	44,637	42,782	187,756	184,701
Excess (deficiency) of revenues over (under) expenditures	(243)	(847)	963	935	2,651	3,416	(136,909)	(132,019)
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	—	—
Transfers in (out)	—	—	—	—	(323)	(871)	130,849	131,025
Total other financing sources (uses)	—	—	—	—	(323)	(871)	130,849	131,025
Revenues over (under) expenditures and other financing sources (uses)	(243)	(847)	963	935	2,328	2,545	(6,060)	(994)
Fund balances (deficits) at beginning of year	595	(36)	—	826	15,482	14,520	1,929	7,625
Cancellation of purchase orders and other	(1,149)	—	866	63	6,876	2,369	10,294	1,545
Fund balances (deficits) at end of year	$ (797)	$ (883)	$ 1,829	$ 1,824	$ 24,686	$ 19,434	$ 6,163	$ 8,176

(Continued)

CITY OF INDIANAPOLIS

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

General Fund

Schedule of Sub-Fund Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual – Budgetary Basis

Year ended December 31, 2013

(In thousands)

	Fire		Park		Storm Water Management	
	Final budget	**Actual**	**Final budget**	**Actual**	**Final budget**	**Actual**
Revenues:						
Taxes	$ 74,579	$ 75,511	$ 17,764	$ 18,222	$ —	$ —
Licenses and permits	42	23	—	—	—	—
Charges for services	286	378	4,336	3,900	19,275	20,610
Other intergovernmental revenues:						
Federal revenues	—	4	58	—	—	—
State revenues	547	543	—	—	—	—
Other revenues	2,000	3,610	—	—	—	—
Traffic violations and court fees	—	—	—	—	—	—
Intragovernmental revenues	—	—	—	—	—	—
Interest and other operating revenues	3,628	3,576	46	95	120	169
Total revenues	81,082	83,645	22,204	22,217	19,395	20,779
Expenditures:						
Current:						
General government	—	—	—	—	—	—
Public safety	136,734	134,742	2,598	2,007	—	—
Public works	—	—	7,242	7,173	12,040	11,871
Health and welfare	—	—	—	—	—	—
Cultural and recreation	—	—	12,672	12,613	—	—
Urban redevelopment and housing	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Capital outlays	516	484	294	241	5,116	4,900
Total expenditures	137,250	135,226	22,806	22,034	17,156	16,771
Excess (deficiency) of revenues over (under) expenditures	(56,168)	(51,581)	(602)	183	2,239	4,008
Other financing sources (uses):						
Sale of capital assets	—	—	—	1	—	—
Transfers in (out)	46,250	46,250	—	—	(5,425)	(5,425)
Total other financing sources (uses)	46,250	46,250	—	1	(5,425)	(5,425)
Revenues over (under) expenditures and other financing sources (uses)	(9,918)	(5,331)	(602)	184	(3,186)	(1,417)
Fund balances (deficits) at beginning of year	5,012	9,160	2,597	1,963	12,224	17,641
Cancellation of purchase orders and other	6,664	191	(187)	756	8,805	317
Fund balances (deficits) at end of year	$ 1,758	$ 4,020	$ 1,808	$ 2,903	$ 17,843	$ 16,541

See accompanying independent auditor's report.

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, 2013
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Executive and Legislative				
Office of the Mayor	Consolidated County			
Personal services		$ 4,022	$ 3,879	$ 143
Supplies		11	4	7
Other services and charges		1,013	997	16
Capital outlay		2	2	—
Internal charges		(956)	(961)	5
Total		4,092	3,921	171
Office of Audit and Performance	Consolidated County			
Personal services		663	615	48
Supplies		3	2	1
Other services and charges		149	66	83
Capital outlay		2	2	—
Internal charges		2	—	2
Total		819	685	134
City–County Council	Consolidated County			
Personal services		1,238	1,159	79
Supplies		6	6	—
Other services and charges		513	424	89
Capital outlay		3	—	3
Total		1,760	1,589	171
Cable Franchise Board	Consolidated County			
Personal services		312	312	—
Supplies		2	2	—
Other services and charges		143	132	11
Capital outlay		13	13	—
Internal charges		3	2	1
Total		473	461	12
Office of the Corporation Counsel	Consolidated County			
Personal services		2,949	2,821	128
Supplies		7	7	—
Other services and charges		880	879	1
Capital outlay		5	—	5
Internal charges		(3,410)	(3,410)	—
Total		431	297	134

(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, 2013
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Office of Finance and Management	Consolidated County			
Personal services		$ 4,169	$ 3,677	$ 492
Supplies		12	7	5
Other services and charges		2,708	2,631	77
Capital outlay		10	2	8
Internal charges		2	1	1
Total		6,901	6,318	583
Minority and Women Owned Business	Consolidated County			
Personal services		595	543	52
Supplies		3	1	2
Other services and charges		106	93	13
Internal charges		1	1	—
Total		705	638	67
Total – Executive and Legislative		$ 15,181	$ 13,909	$ 1,272
Department of Metropolitan Development	Consolidated County			
Personal services		$ 1,362	$ 1,261	$ 101
Supplies		13	6	7
Other services and charges		2,732	1,155	1,577
Capital outlay		2	—	2
Internal charges		15	(9)	24
Total		4,124	2,413	1,711
Department of Metropolitan Development	Transportation			
Personal services		219	204	15
Other services and charges		246	200	46
Total		465	404	61
Department of Metropolitan Development	Redevelopment			
Personal services		764	656	108
Supplies		3	3	—
Other services and charges		2,675	1,862	813
Capital outlay		8	2	6
Internal charges		(258)	(189)	(69)
Total		3,192	2,334	858
Total – Department of Metropolitan Development		$ 7,781	$ 5,151	$ 2,630

(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, 2013
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Department of Code Enforcement	Consolidated County			
Personal services		$ 8,241	$ 7,191	$ 1,050
Supplies		84	42	42
Other services and charges		8,465	6,397	2,068
Capital outlay		277	47	230
Internal charges		1,141	1,134	7
Total – Department of Code Enforcement		$ 18,208	$ 14,811	$ 3,397
Department of Public Works	Consolidated County			
Personal services		$ 9,419	$ 9,229	$ 190
Supplies		17,419	17,339	80
Other services and charges		10,309	6,587	3,722
Capital outlay		61,699	52,848	8,851
Internal charges		(27,389)	(27,127)	(262)
Total		71,457	58,876	12,581
Department of Public Works	Redevelopment			
Capital outlay		350	350	—
Total		350	350	—
Department of Public Works	Transportation			
Personal services		18,137	17,225	912
Supplies		3,699	3,695	4
Other services and charges		8,465	8,463	2
Capital outlay		8,723	8,048	675
Internal charges		5,148	4,947	201
Total		44,172	42,378	1,794
Department of Public Works	Park			
Personal services		4,881	4,881	—
Supplies		189	185	4
Other services and charges		1,446	1,443	3
Capital outlay		138	137	1
Internal charges		726	726	—
Total		7,380	7,372	8

(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, 2013
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Department of Public Works	Solid Waste Collection			
Personal services		$ 9,194	$ 9,009	$ 185
Supplies		113	111	2
Other services and charges		16,346	16,342	4
Capital outlay		169	166	3
Internal charges		5,826	5,826	—
Total		31,648	31,454	194
Department of Public Works	Solid Waste Disposal			
Other services and charges		8,754	8,754	—
Internal charges		484	484	—
Total		9,238	9,238	—
Department of Public Works	Storm Water Management			
Personal services		2,565	2,559	6
Supplies		34	33	1
Other services and charges		7,715	7,702	13
Capital outlay		5,116	4,900	216
Internal charges		1,726	1,577	149
Total		17,156	16,771	385
Total – Department of Public Works		$ 181,401	$ 166,439	$ 14,962
Department of Public Safety	Consolidated County			
Personal services		$ 4,184	$ 4,146	$ 38
Supplies		209	184	25
Other services and charges		4,783	4,573	210
Capital outlay		7	7	—
Internal charges		866	821	45
Total		10,049	9,731	318
Department of Public Safety	Public Safety Communications			
Personal services		2,814	2,814	—
Supplies		101	98	3
Other services and charges		3,806	3,800	6
Capital outlay		248	208	40
Internal charges		35	33	2
Total		7,004	6,953	51

(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, 2013
(In thousands)

Department and Division	Budgetary account	Final budget	Actual	Variance
Department of Public Safety	Fire			
Personal services		$ 126,434	$ 124,596	$ 1,838
Supplies		1,272	1,244	28
Other services and charges		4,945	4,933	12
Capital outlay		516	484	32
Internal charges		4,083	3,969	114
Total		137,250	135,226	2,024
Department of Public Safety	Metropolitan Police			
Personal services		159,648	158,344	1,304
Supplies		858	566	292
Other services and charges		15,203	14,225	978
Capital outlay		47	40	7
Internal charges		12,000	11,526	474
Total		187,756	184,701	3,055
Total – Department of Public Safety		$ 342,059	$ 336,611	$ 5,448
Department of Parks and Recreation	Consolidated County			
Other services and charges		$ 1,000	$ 1,000	$ —
Total		1,000	1,000	—
Department of Parks and Recreation	Park			
Personal services		8,803	8,376	427
Supplies		626	604	22
Other services and charges		5,636	5,371	265
Capital outlay		156	104	52
Internal charges		205	207	(2)
Total		15,426	14,662	764
Total – Department of Parks and Recreation		$ 16,426	$ 15,662	$ 764
Total – General Fund – by Department and Division		$ 581,056	$ 552,583	$ 28,473

See accompanying independent auditor's report.

Nonmajor Special Revenue Fund

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, 2013
(In thousands)

	Parking	Cable Franchise PEG Grants	State of Indiana Grants	Public Safety Income Tax	Drug Free Community	Total Nonmajor Special Revenue Funds
ASSETS						
Equity in pooled cash	$ 2,037	$ 20	$ 1,346	$ 23	$ 1	$ 3,427
Investments	3,235	31	2,136	35	—	5,437
Accounts receivable	581	—	—	—	—	581
Due from federal and state governments	—	—	90	—	—	90
Total assets	$ 5,853	$ 51	$ 3,572	$ 58	$ 1	$ 9,535
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other accrued liabilities	$ 4	$ —	$ 30	$ —	$ 86	$ 120
Accrued payroll and payroll taxes	—	—	4	—	—	4
Due to other funds	—	—	—	—	103	103
Unearned revenue	—	—	5	—	—	5
Total liabilities	4	—	39	—	189	232
Deferred inflows of resources	—	—	15	—	—	15
Fund balances:						
Restricted	5,849	51	3,518	58	—	9,476
Unassigned	—	—	—	—	(188)	(188)
Total fund balances (deficits)	5,849	51	3,518	58	(188)	9,288
Total liabilities, deferred inflows of resources and fund balances	$ 5,853	$ 51	$ 3,572	$ 58	$ 1	$ 9,535

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Parking	Cable Franchise PEG Grants	State of Indiana Grants	Public Safety Income Tax	Drug Free Community	Total Nonmajor Special Revenue Funds
Revenues:						
Taxes	$ —	$ —	$ —	$ 32,815	$ —	$ 32,815
Charges for services	2,648	—	—	—	—	2,648
Other intergovernmental revenues:						
Federal revenues	—	—	47	—	—	47
State revenues	—	—	139	—	—	139
Other revenues	—	—	—	—	161	161
Traffic violations and court fees	258	—	1,343	—	—	1,601
Interest and other operating revenues	15	—	8	24	—	47
Total revenues	2,921	—	1,537	32,839	161	37,458
Expenditures:						
Current:						
General government	—	—	109	—	349	458
Public safety	—	—	486	—	—	486
Public works	—	—	27	—	—	27
Capital outlay	284	—	24	—	—	308
Total expenditures	284	—	646	—	349	1,279
Excess (deficiency) of revenues over (under) expenditures	2,637	—	891	32,839	(188)	36,179
Other financing source uses:						
Transfers out	(1,500)	—	—	(37,699)	—	(39,199)
Total other financing uses	(1,500)	—	—	(37,699)	—	(39,199)
Net change in fund balances	1,137	—	891	(4,860)	(188)	(3,020)
Fund balances at beginning of year	4,712	51	2,627	4,918	—	12,308
Fund balances (deficits) at end of year	$ 5,849	$ 51	$ 3,518	$ 58	$ (188)	$ 9,288

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Parking		Federal Grants		State of Indiana Grants		Public Safety Income Tax		Drug Free Community		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:												
Taxes	$ —	$ —	$ —	$ —	$ —	$ —	$ 32,815	$ 32,815	$ —	$ —	$ 32,815	$ 32,815
Charges for services	1,250	2,233	349	—	—	—	—	—	—	—	1,599	2,233
Other intergovernmental revenues:												
Federal revenues	—	—	50,813	30,377	—	—	—	—	—	—	50,813	30,377
State revenues	—	—	—	—	—	69	—	—	—	—	—	69
Other revenues	—	—	—	146	—	—	—	—	—	—	—	146
Traffic violations and court fees	200	94	1,420	338	1,325	1,343	—	—	—	—	2,945	1,775
Interest and other operating revenues	20	15	6	268	16	8	5	24	—	—	47	315
Total revenues	1,470	2,342	52,588	31,129	1,341	1,420	32,820	32,839	—	—	88,219	67,730
Expenditures:												
Current:												
General government	—	—	42	33	108	75	—	—	450	390	600	498
Public safety	—	—	13,778	6,905	1,764	342	—	—	—	—	15,542	7,247
Public works	—	—	626	254	27	27	—	—	—	—	653	281
Health and welfare	—	—	10,604	8,457	—	—	—	—	—	—	10,604	8,457
Cultural and recreation	—	—	991	888	—	—	—	—	—	—	991	888
Urban redevelopment and housing	—	—	16,111	14,907	—	—	—	—	—	—	16,111	14,907
Economic development and assistance	—	—	6,036	66	—	—	—	—	—	—	6,036	66
Capital outlays	375	18	6,645	1,326	3	—	—	—	—	—	7,023	1,344
Total expenditures	375	18	54,833	32,836	1,902	444	—	—	450	390	57,560	33,688
Excess (deficiency) of revenues over (under) expenditures	1,095	2,324	(2,245)	(1,707)	(561)	976	32,820	32,839	(450)	(390)	30,659	34,042
Other financing sources (uses), net:												
Transfers in (out)	—	(1,500)	—	3	(300)	(389)	(37,699)	(37,699)	450	169	(37,549)	(39,416)
Total other financing sources (uses)	—	(1,500)	—	3	(300)	(389)	(37,699)	(37,699)	450	169	(37,549)	(39,416)
Revenues over (under) expenditures and other financing sources (uses)	1,095	824	(2,245)	(1,704)	(861)	587	(4,879)	(4,860)	—	(221)	(6,890)	(5,374)
Fund balances at beginning of year	4,252	3,740	—	—	—	—	4,940	4,918	22	—	9,214	8,658
Cancellation of purchase orders and other	(781)	559	2,245	1,704	861	(587)	(11)	—	(55)	(21)	2,259	1,655
Fund balances (deficits) at end of year	$ 4,566	$ 5,123	$ —	$ —	$ —	$ —	$ 50	$ 58	$ (33)	$ (242)	$ 4,583	$ 4,939

See accompanying independent auditor's report.

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, 2013
(In thousands)

Department and Division	Fund	Final budget	Actual	Variance
Executive and Legislative				
Mayor's Office	State of Indiana Grants			
Personal services		$ 45	$ 44	$ 1
Other services and charges		63	31	32
Capital outlay		3	—	3
Total		111	75	36
Office of Finance and Management	Federal Grants			
Personal services		8	7	1
Other services and charges		34	25	9
Total		42	32	10
Office of Finance and Management	Drug Free Community			
Other services and charges		450	390	60
Total		450	390	60
Total - Executive and Legislative		$ 603	$ 497	$ 106
Department of Metropolitan Development	Federal Grants			
Personal services		$ 2,863	$ 2,602	$ 261
Supplies		23	14	9
Other services and charges		30,624	21,671	8,953
Capital outlay		42	—	42
Internal charges		488	427	61
Total		34,040	24,714	9,326
Total – Department of Metropolitan Development		$ 34,040	$ 24,714	$ 9,326
Department of Public Works	Parking			
Capital outlay		$ 375	$ 18	$ 357
Total		375	18	357
Department of Public Works	Federal Grants			
Personal services		73	66	7
Other services and charges		553	188	365
Total		626	254	372

(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, 2013
(In thousands)

Department and Division	Fund	Final budget	Actual	Variance
Department of Public Works	State of Indiana Grants			
Other services and charges		$ 27	$ 27	$ —
Total		27	27	—
Total – Department of Public Works		$ 1,028	$ 299	$ 729
Department of Public Safety	Federal Grants			
Personal services		$ 5,651	$ 3,284	$ 2,367
Supplies		1,131	491	640
Other services and charges		5,716	1,827	3,889
Capital outlay		5,488	1,325	4,163
Internal charges		23	16	7
Total		18,009	6,943	11,066
Department of Public Safety	State of Indiana Grants			
Personal services		816	265	551
Supplies		727	—	727
Other services and charges		221	77	144
Total		1,764	342	1,422
Total – Department of Public Safety		$ 19,773	$ 7,285	$ 12,488
Department of Parks and Recreation	Federal Grants			
Personal services		$ 394	$ 311	$ 83
Supplies		6	3	3
Other services and charges		600	577	23
Capital outlay		1,116	2	1,114
Total		2,116	893	1,223
Total – Department of Parks and Recreation		$ 2,116	$ 893	$ 1,223
Total – Special Revenue Funds – by Department and Division		$ 57,560	$ 33,688	$ 23,872

See accompanying independent auditor's report.

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
Redevelopment 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 Redevelopment District and to account for the accumulation of resources for, and the payment of, long-term lease commitments to the Marion County Convention and Recreation Facilities Authority (MCCRFA) for a leasehold interest in the former United Airlines maintenance facility
Public Safety Communications -	to account for the accumulation of resources for, and the payment of, costs associated with the Public Safety Communications System Equipment
Sanitary 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 Sanitary District
Flood Control 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 Flood Control 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, and payments of long term bonded debt principal, interest, and related costs of bond issues for certain economic development projects
PILOT -	to account for accumulation of resources, 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, 2013
(In thousands)

	Civil City	Redevelopment District	Public Safety Communications	Sanitary District	Flood Control District	Metropolitan Thoroughfare District	Park District	Economic Development District	PILOT	Total Nonmajor Debt Service Funds
ASSETS										
Equity in pooled cash	$ 1,459	$ 262	$ 676	$ 3,009	$ 1,529	$ 2,230	$ 1,180	$ 2,002	$ 2,979	$ 15,326
Cash and investments with fiscal agents	3	—	12	24	69	29	10	13,391	—	13,538
Investments	2,318	416	1,073	4,778	2,428	3,541	1,873	3,179	4,732	24,338
Property taxes receivable	405	222	144	—	—	227	125	—	—	1,123
Accounts receivable	92	57	38	—	—	55	30	—	—	272
Long-term receivables, less allowance	—	—	—	389	75	376	163	—	—	1,003
Total assets	$ 4,277	$ 957	$ 1,943	$ 8,200	$ 4,101	$ 6,458	$ 3,381	$ 18,572	$ 7,711	$ 55,600
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Matured bonds payable	$ 3,125	$ 259	$ 1,140	$ 6,725	$ 2,187	$ 4,970	$ 2,649	$ —	$ —	$ 21,055
Matured interest payable	1,630	11	778	873	836	701	383	—	3,955	9,167
Accounts payable and other accrued liabilities	224	50	—	111	9	19	9	—	—	422
Total liabilities	4,979	320	1,918	7,709	3,032	5,690	3,041	—	3,955	30,644
Deferred inflows of resources	497	273	182	355	70	626	301	—	—	2,304
Fund balances:										
Nonspendable	—	—	—	389	75	376	163	—	—	1,003
Restricted	—	364	—	—	924	—	—	18,572	3,756	23,616
Unassigned	(1,199)	—	(157)	(253)	—	(234)	(124)	—	—	(1,967)
Total fund balances (deficits)	(1,199)	364	(157)	136	999	142	39	18,572	3,756	22,652
Total liabilities, deferred inflows of resources and fund balances	$ 4,277	$ 957	$ 1,943	$ 8,200	$ 4,101	$ 6,458	$ 3,381	$ 18,572	$ 7,711	$ 55,600

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Civil City	Redevelopment District	Public Safety Communications	Sanitary District	Flood Control District	Metropolitan Thoroughfare District	Park District	Economic Development District	PILOT	Total Nonmajor Debt Service Funds
Revenues:										
Property taxes	$ 8,106	$ 11,616	$ 3,107	$ —	$ —	$ 4,331	$ 2,210	$ 2,134	$ —	$ 31,504
Other taxes	705	357	298	—	—	416	212	—	—	1,988
Interest on investments	1	—	1	1	2	2	1	(101)	13	(80)
Other revenues	—	—	—	8,451	—	—	—	1,111	5,875	15,437
Total revenues	8,812	11,973	3,406	8,452	2	4,749	2,423	3,144	5,888	48,849
Expenditures:										
Redemption of bonds and notes	6,177	260	2,260	6,725	2,187	4,969	2,649	470	—	25,697
Interest on bonds and notes	3,332	19	1,577	1,758	6,534	1,377	733	7,386	7,910	30,626
Bond issuance costs	—	—	—	—	488	—	—	59	—	547
Operating lease payments and administration	518	14,216	33	1	62	29	16	284	160	15,319
Total expenditures	10,027	14,495	3,870	8,484	9,271	6,375	3,398	8,199	8,070	72,189
Deficiency of revenues under expenditures	(1,215)	(2,522)	(464)	(32)	(9,269)	(1,626)	(975)	(5,055)	(2,182)	(23,340)
Other financing sources (uses):										
Premium on bonds	—	—	—	—	4,827	—	—	—	—	4,827
Refunding bonds issued	—	—	—	—	38,355	—	—	—	—	38,355
Payment to refunded bond escrow agent	—	—	—	—	(38,345)	—	—	—	—	(38,345)
Proceeds from restructuring of debt	—	—	—	34	5	32	14	—	—	85
Transfers in	—	2,920	—	—	5,425	1,710	1,000	7,327	—	18,382
Total other financing sources (uses)	—	2,920	—	34	10,267	1,742	1,014	7,327	—	23,304
Net change in fund balances	(1,215)	398	(464)	2	998	116	39	2,272	(2,182)	(36)
Fund balances (deficits) at beginning of year	16	(34)	307	134	1	26	—	16,300	5,938	22,688
Fund balances (deficits) at end of year	$ (1,199)	$ 364	$ (157)	$ 136	$ 999	$ 142	$ 39	$ 18,572	$ 3,756	$ 22,652

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Civil City		Redevelopment District		Public Safety Communications	
	Final budget	**Actual**	**Final budget**	**Actual**	**Final budget**	**Actual**
Revenues:						
Taxes	$ 8,768	$ 8,811	$ 12,902	$ 11,973	$ 3,383	$ 3,405
License and Permits	—	—	$ —	—	—	—
Charges for services	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Other operating revenues	—	1	7	(1)	—	1
Total revenues	8,768	8,812	12,909	11,972	3,383	3,406
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service	10,026	10,026	14,550	14,494	3,870	3,870
Total expenditures	10,026	10,026	14,550	14,494	3,870	3,870
Deficiency of revenues under expenditures	(1,258)	(1,214)	(1,641)	(2,522)	(487)	(464)
Other financing sources (uses), net:						
Sales of capital assets	—	—	—	—	—	—
Bond proceeds	—	—	—	—	—	—
Transfers in (out)	—	—	1,120	2,920	—	—
Total other financing sources (uses)	—	—	1,120	2,920	—	—
Revenues over (under) expenditures and other financing sources (uses)	(1,258)	(1,214)	(521)	398	(487)	(464)
Fund balances (deficits) at beginning of year	—	12	1,631	(41)	75	295
Cancellation of purchase orders and other	(53)	—	(558)	—	212	—
Fund balances (deficits) at end of year	$ (1,311)	$ (1,202)	$ 552	$ 357	$ (200)	$ (169)

(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, 2013
(In thousands)

	Sanitary District		Flood Control District		Metropolitan Thoroughfare District	
	Final budget	**Actual**	**Final budget**	**Actual**	**Final budget**	**Actual**
Revenues:						
Taxes	$ —	$ —	$ —	$ —	$ 4,731	$ 4,747
License and Permits	—	(2)	—	(2)	—	(2)
Charges for services	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Other operating revenues	8,531	8,452	—	2	—	2
Total revenues	8,531	8,450	—	—	4,731	4,747
Expenditures:						
Economic development and assistance	—	—	—	—	—	—
Debt service	14,555	8,450	50,979	47,611	12,284	6,342
Total expenditures	14,555	8,450	50,979	47,611	12,284	6,342
Deficiency of revenues under expenditures	(6,024)	—	(50,979)	(47,611)	(7,553)	(1,595)
Other financing sources (uses), net:						
Sales of capital assets	—	—	—	—	—	—
Bond proceeds	—	—	—	43,182	—	—
Transfers in (out)	—	—	5,425	5,425	—	1,710
Total other financing sources (uses)	—	—	5,425	48,607	—	1,710
Revenues over (under) expenditures and other financing sources (uses)	(6,024)	—	(45,554)	996	(7,553)	115
Fund balances (deficits) at beginning of year	212	108	376	(7)	—	(28)
Cancellation of purchase orders and other	5,921	1	44,798	(62)	7,555	21
Fund balances (deficits) at end of year	$ 109	$ 109	$ (380)	$ 927	$ 2	$ 108

(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, 2013
(In thousands)

	Revenue		Park District		Economic Development		PILOT		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:										
Taxes	$ 80,597	$ 83,949	$ 2,462	$ 2,423	$ 2,028	$ 2,134	$ —	$ —	$ 114,871	$ 117,442
License and Permits	—	—	—	(2)	—	—	—	—	—	(8)
Charges for services	—	—	—	—	1,905	1,004	—	—	1,905	1,004
Intergovernmental	315	—	—	—	—	106	—	—	315	106
Other operating revenues	2,257	1,641	—	1	12	(100)	5,274	5,888	16,081	15,887
Total revenues	83,169	85,590	2,462	2,422	3,945	3,144	5,274	5,888	133,172	134,431
Expenditures:										
Economic development and assistance	315	315	—	—	—	—	—	—	315	315
Debt service	104,023	100,272	5,968	3,384	11,344	10,666	8,070	8,070	235,669	213,185
Total expenditures	104,338	100,587	5,968	3,384	11,344	10,666	8,070	8,070	235,984	213,500
Deficiency of revenues under expenditures	(21,169)	(14,997)	(3,506)	(962)	(7,399)	(7,522)	(2,796)	(2,182)	(102,812)	(79,069)
Other financing sources (uses), net:										
Sales of capital assets	—	91	—	—	—	—	—	—	—	91
Bond proceeds	—	9,750	—	—	—	—	—	—	—	52,932
Transfers in (out)	(13,421)	(1,106)	—	1,000	—	7,327	—	—	(6,876)	17,276
Total other financing sources (uses)	(13,421)	8,735	—	1,000	—	7,327	—	—	(6,876)	70,299
Revenues over (under) expenditures and other financing sources (uses)	(34,590)	(6,262)	(3,506)	38	(7,399)	(195)	(2,796)	(2,182)	(109,688)	(8,770)
Fund balances (deficits) at beginning of year	6,470	5,708	—	(12)	2	527	5,879	5,939	14,645	12,501
Cancellation of purchase orders and other	32,498	4,509	3,493	10	7,107	(876)	667	—	101,640	3,603
Fund balances (deficits) at end of year	$ 4,378	$ 3,955	$ (13)	$ 36	$ (290)	$ (544)	$ 3,750	$ 3,757	$ 6,597	$ 7,334

See accompanying independent auditor's report.

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, 2013
(In thousands)

Department	Fund	Final budget	Actual	Variance
Department of Metropolitan Development	Revenue			
Other services and charges		$ 315	$ 315	$ —
Total		315	315	—
Executive and Legislative	Revenue			
Other services and charges		11,500	11,500	—
Total		11,500	11,500	—
Non Departmental	Flood Control District			
Other services and charges		50,979	47,611	3,368
Total		50,979	47,611	3,368
Non Departmental	Metropolitan Thoroughfare District			
Other services and charges		12,284	6,342	5,942
Total		12,284	6,342	5,942
Non Departmental	Park District			
Other services and charges		5,968	3,384	2,584
Total		5,968	3,384	2,584
Non Departmental	Public Safety Communicaitons			
Other services and charges		3,870	3,870	—
Total		3,870	3,870	—
Non Departmental	Civil City			
Other services and charges		10,026	10,026	—
Total		10,026	10,026	—
Non Departmental	Redevelopment District			
Other services and charges		14,550	14,494	56
Total		14,550	14,494	56
Non Departmental	Revenue			
Other services and charges		92,523	88,772	3,751
Total		92,523	88,772	3,751
Non Departmental	Sanitary District			
Other services and charges		14,555	8,450	6,105
Total		14,555	8,450	6,105
Non Departmental	Economic Development			
Other services and charges		11,344	10,666	678
Total		11,344	10,666	678
Non Departmental	PILOT			
Other services and charges		8,070	8,070	—
Total		8,070	8,070	—
Total – Debt Service Funds – by Department		$ 235,984	$ 213,500	$ 22,484

See accompanying independent auditor's report.

Nonmajor Capital Project Funds

The Capital Projects 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:

General - to account for all financial resources related to projects constructed wholly or in part from Redevelopment District bond issue proceeds (except tax increment bonds) and any participating federal and state grants, including any required City local matching funds

Tax Increment - to account for all financial resources related to projects constructed from proceeds of the Redevelopment District Tax Increment bond issues

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 Development - 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 Development - 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

(Continued)

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

Energy Savings - to account for all financial resources related to expenditures for “energy upgrades” of City and County facilities

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

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2013
(In thousands)

	Redevelopment District						
	General	Tax Increment	PILOT Revenue Bonds	Metropolitan Thoroughfare District	Park District	City Cumulative Capital Development	County Cumulative Capital Development
ASSETS							
Equity in pooled cash	$ 391	$ 2,660	$ —	$ 1,015	$ 7	$ 5,383	$ 1,140
Cash and investments with fiscal agents	—	306	6,581	—	—	—	—
Investments	618	4,223	—	1,612	11	8,546	1,810
Property taxes receivable	—	—	—	—	—	445	—
Accounts receivable	—	—	7	—	—	115	1
Long-term receivables, less allowance	—	1,500	—	—	—	—	—
Total assets	$ 1,009	$ 8,689	$ 6,588	$ 2,627	$ 18	$ 14,489	$ 2,951
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accrued liabilities	$ 39	$ 205	$ 485	$ —	$ —	$ 1,317	$ 548
Due to other funds	—	—	387	—	—	—	—
Total liabilities	39	205	872	—	—	1,317	548
Deferred inflows of resources	—	—	—	—	—	559	—
Fund balances:							
Nonspendable	—	1,500	—	—	—	—	—
Restricted	970	6,984	5,716	2,627	18	12,613	2,403
Total fund balances	970	8,484	5,716	2,627	18	12,613	2,403
Total liabilities, deferred inflows of resources and fund balances	$ 1,009	$ 8,689	$ 6,588	$ 2,627	$ 18	$ 14,489	$ 2,951

(Continued)

See accompanying independent auditor's report.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Combining Balance Sheet – Nonmajor Capital Projects Funds
December 31, 2013
(In thousands)

	Tax Revenue Note	Public Safety Communications	Landmark Building Preservation	Fire Cumulative	Storm Water	Energy Savings	Capital Asset Development	Total Nonmajor Capital Projects Funds
ASSETS								
Equity in pooled cash	$ 26	$ 306	$ 8	$ 843	$ 152	$ —	$ 582	$ 12,513
Cash and investments with fiscal agents	59	—	—	—	1,167	—	—	8,113
Investments	41	485	15	1,339	240	—	926	19,866
Property taxes receivable	—	—	—	115	—	—	—	560
Accounts receivable	—	—	—	24	—	—	—	147
Long-term receivables, less allowance	—	—	—	—	—	—	—	1,500
Total assets	$ 126	$ 791	$ 23	$ 2,321	$ 1,559	$ —	$ 1,508	$ 42,699
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and other accrued liabilities	$ —	$ 25	$ —	$ 440	$ 199	$ —	$ 191	$ 3,449
Due to other funds	—	—	—	—	—	—	—	387
Total liabilities	—	25	—	440	199	—	191	3,836
Deferred inflows of resources	—	—	—	139	—	—	—	698
Fund balances:								
Nonspendable	—	—	—	—	—	—	—	1,500
Restricted	126	766	23	1,742	1,360	—	1,317	36,665
Total fund balances	126	766	23	1,742	1,360	—	1,317	38,165
Total liabilities, deferred inflows of resources and fund balances	$ 126	$ 791	$ 23	$ 2,321	$ 1,559	$ —	$ 1,508	$ 42,699

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Redevelopment District						
	General	Tax Increment	PILOT Revenue Bonds	Metropolitan Thoroughfare District	Park District	City Cumulative Capital Development	County Cumulative Capital Development
Revenues:							
Taxes	$ —	$ —	$ —	$ —	$ —	$ 10,724	$ —
Other intergovernmental revenues:							
Federal revenues	—	—	392	—	—	29	315
Other revenues	—	—	—	—	—	—	2,500
Interest and other operating revenues	2	—	8	6	—	29	5
Total revenues	2	—	400	6	—	10,782	2,820
Expenditures:							
Current:							
Economic development and assistance	—	880	—	—	—	—	—
Debt service:							
Redemption of bonds and notes	—	—	—	—	—	949	—
Interest on bonds and notes	—	—	—	—	—	71	—
Capital outlays	39	1,052	8,043	—	—	8,232	1,980
Total expenditures	39	1,932	8,043	—	—	9,252	1,980
Excess (deficiency) of revenues over (under) expenditures	(37)	(1,932)	(7,643)	6	—	1,530	840
Other financing sources (uses):							
Sale of capital assets	—	165	—	—	—	—	—
Transfers in	—	7,550	—	—	—	604	130
Transfers out	—	—	—	—	—	(1,710)	(1,133)
Total other financing sources (uses)	—	7,715	—	—	—	(1,106)	(1,003)
Net change in fund balances	(37)	5,783	(7,643)	6	—	424	(163)
Fund balances at beginning of year	1,007	2,701	13,359	2,621	18	12,189	2,566
Fund balances at end of year	$ 970	$ 8,484	$ 5,716	$ 2,627	$ 18	$ 12,613	$ 2,403

(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, 2013
(In thousands)

	Tax Revenue Note	Public Safety Communications	Landmark Building Preservation	Fire Cumulative	Storm Water	Energy Savings	Capital Asset Development	Total Nonmajor Capital Projects Funds
Revenues:								
Taxes	$ —	$ —	$ —	$ 2,281	$ —	$ —	$ —	$ 13,005
Other intergovernmental revenues:								
Federal revenues	—	—	—	—	—	—	—	736
Other revenues	—	—	—	—	—	—	—	2,500
Interest and other operating revenues	(12)	4	—	4	1	—	4	51
Total revenues	(12)	4	—	2,285	1	—	4	16,292
Expenditures:								
Current:								
Economic development and assistance	—	—	—	—	—	—	—	880
Debt service:								
Redemption of bonds and notes	—	—	—	155	—	—	181	1,285
Interest on bonds and notes	—	—	—	12	—	1,137	14	1,234
Capital outlays	—	1,450	—	1,968	2,542	8	599	25,913
Total expenditures	—	1,450	—	2,135	2,542	1,145	794	29,312
Excess (deficiency) of revenues over (under) expenditures	(12)	(1,446)	—	150	(2,541)	(1,145)	(790)	(13,020)
Other financing sources (uses):								
Sale of capital assets	—	—	—	—	—	—	—	165
Transfers in	—	—	—	—	—	—	—	8,284
Transfers out	—	—	—	—	—	—	—	(2,843)
Total other financing sources (uses)	—	—	—	—	—	—	—	5,606
Net change in fund balances	(12)	(1,446)	—	150	(2,541)	(1,145)	(790)	(7,414)
Fund balances at beginning of year	138	2,212	23	1,592	3,901	1,145	2,107	45,579
Fund balances at end of year	$ 126	$ 766	$ 23	$ 1,742	$ 1,360	$ —	$ 1,317	$ 38,165

See accompanying independent auditor's report.

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, 2013
(In thousands)

	City Cumulative Capital Development		County Cumulative Capital Development		Fire Cumulative		Totals	
	Final budget	Actual	Final budget	Actual	Final budget	Actual	Final budget	Actual
Revenues:								
Taxes	$ 10,394	$ 10,724	$ —	$ —	$ 2,312	$ 2,281	$ 12,706	$ 13,005
Other intergovernmental revenues	—	29	—	314	—	—	—	343
Interest and other operating revenues	20	29	2	5	—	4	22	38
Total revenues	10,414	10,782	2	319	2,312	2,285	12,728	13,386
Expenditures:								
Current:								
Public safety	1,362	723	—	—	500	473	1,862	1,196
Public works	100	74	—	—	—	—	100	74
Cultural and recreation	500	495	—	—	—	—	500	495
Capital outlays	6,950	6,403	2,500	2,025	1,838	1,649	11,288	10,077
Total expenditures	8,912	7,695	2,500	2,025	2,338	2,122	13,750	11,842
Excess (deficiency) of revenues over (under) expenditures	1,502	3,087	(2,498)	(1,706)	(26)	163	(1,022)	1,544
Other financing sources (uses), net:								
Transfers in (out)	464	(1,106)	2,500	1,500	—	—	2,964	394
Total other financing sources (uses)	464	(1,106)	2,500	1,500	—	—	2,964	394
Revenues over (under) expenditures and other financing sources (uses)	1,966	1,981	2	(206)	(26)	163	1,942	1,938
Fund balances at beginning of year	8,055	8,376	769	1,753	1,281	1,486	10,105	11,615
Cancellation of purchase orders and other	(1,086)	73	422	21	161	28	(503)	122
Fund balances at end of year	$ 8,935	$ 10,430	$ 1,193	$ 1,568	$ 1,416	$ 1,677	$ 11,544	$ 13,675

See accompanying independent auditor's report.

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, 2013
(In thousands)

Department and Division	Fund	Final budget	Actual	Variance
Department of Public Works	City Cumulative Capital Improvement			
Other services and charges		$ 100	$ 74	$ 26
Capital outlay		2,200	2,168	32
Total		2,300	2,242	58
Department of Public Works	County Cumulative Capital Improvement			
Capital outlay		2,500	2,025	475
Total		2,500	2,025	475
Total – Department of Public Works		$ 4,800	$ 4,267	$ 533
Department of Public Safety	Fire Cumulative			
Other services and charges		$ 500	$ 473	$ 27
Capital Outlay		1,838	1,649	189
Total		2,338	2,122	216
Department of Public Safety	City Cumulative Capital Improvement			
Supplies		1,148	512	636
Other services and charges		214	211	3
Capital outlay		1,773	1,342	431
Total		3,135	2,065	1,070
Total – Department of Public Safety		$ 5,473	$ 4,187	$ 1,286
Department of Parks and Recreation	City Cumulative Capital Improvement			
Supplies		$ 25	$ 24	$ 1
Other services and charges		475	471	4
Capital outlay		2,977	2,893	84
Total – Department of Parks and Recreation		$ 3,477	$ 3,388	$ 89
Total – Capital Projects Funds – by Department and Division		$ 13,750	$ 11,842	$ 1,908

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
ASSETS				
Equity in pooled cash	$ —	$ 1,644	$ 2,201	$ 3,845
Cash and investments with fiscal agents	162	—	—	162
Investments	—	2,610	3,493	6,103
Accounts receivable	16	—	—	16
Total assets	178	4,254	5,694	10,126
LIABILITIES				
Accounts payable and other accrued liabilities	3,277	3,806	1,280	8,363
Due to other funds	4,076	—	—	4,076
Total liabilities	7,353	3,806	1,280	12,439
NET POSITION				
Unrestricted (deficit)	$ (7,175)	$ 448	$ 4,414	$ (2,313)

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Operating revenues:				
Charges to other funds	$ 5,286	$ 1,080	$ 15,215	$ 21,581
Operating expenses:				
Administration	224	—	—	224
Claims	6,006	1,092	13,193	20,291
Total operating expenses	6,230	1,092	13,193	20,515
Operating income (loss)	(944)	(12)	2,022	1,066
Nonoperating revenue:				
Interest on investments	(11)	14	(1)	2
Income (loss)	(955)	2	2,021	1,068
Change in net position	(955)	2	2,021	1,068
Total net position (deficit) – beginning of year	(6,220)	446	2,393	(3,381)
Total net position (deficit) – end of year	$ (7,175)	$ 448	$ 4,414	$ (2,313)

See accompanying independent auditor's report.

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, 2013
(In thousands)

	Risk Management	Public Liability Self Insurance	Employee Health Insurance	Total
Cash flows from operating activities:				
Receipts from users	$ 5,270	$ 1,080	$ 16,920	$ 23,270
Payments for administration	(224)	—	—	(224)
Payments for claims	(5,206)	(4,840)	(13,549)	(23,595)
Net cash provided by (used in) operating activities	(160)	(3,760)	3,371	(549)
Cash flows from investing activities:				
Sales and maturities of investments	—	561	—	561
Investment purchases	—	—	(2,572)	(2,572)
Interest on investments	(11)	14	(1)	2
Net cash provided by (used in) investing activities	(11)	575	(2,573)	(2,009)
Net increase (decrease) in cash	(171)	(3,185)	798	(2,558)
Cash, beginning of year	333	4,829	1,403	6,565
Cash, end of year	$ 162	$ 1,644	$ 2,201	$ 4,007
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (944)	$ (12)	$ 2,022	$ 1,066
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(16)	—	1,705	1,689
Increase (decrease) in accounts payable	800	(3,748)	(356)	(3,304)
Net cash provided by (used in) operating activities	$ (160)	$ (3,760)	$ 3,371	$ (549)

See accompanying independent auditor's report.

Fiduciary Funds

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

The City maintains the following Fiduciary Funds:

PENSION TRUST FUNDS

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

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

AGENCY FUNDS

Sanitation 15 Year Law - to account for property owner assessment receipts held by the City as agent for City-approved developer constructed sewer systems Barrett Law projects, with construction costs repaid by the property owners over a period not to exceed 15 years

UAL Personal Property - to account for amounts received, that, in accordance with the related bond indenture, are to be transferred to the debt service for the Indianapolis Airport Authority Special Facility Revenue Bonds of 1995

E-911 Allocation - to account for assets, obligations, and activities of the E-911 dispatch programs

DPS Retiree Health Insurance - to account for assets, obligations, and activities of certain Police and Firefighter Retiree Health Insurance costs

IMPD Confiscated Cash - to account for assets, obligations, and activities of amounts, which have been confiscated pending final court disposition

Other - to account for all contractor receipts for sanitary Barrett Law project engineering fees held by the City as agent for engineer payment upon project acceptance and for franchise security deposits held by the City as agent for franchised performance

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Pension Trust Funds Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
December 31, 2013
(In thousands)

	Police Pension	Firefighters Pension	Total
ASSETS			
Equity in pooled cash	$ 774	$ —	$ 774
Investments	1,229	—	1,229
Total assets	2,003	—	2,003
LIABILITIES			
Due to other funds	—	142	142
Total liabilities	—	142	142
NET POSITION			
Held in trust for pension benefits	$ 2,003	$ (142)	$ 1,861

See accompanying independent auditor's report.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Police and Firefighters' Pre-1977 Pension Trust Funds
Year ended December 31, 2013
(In thousands)

	Pension Trust Funds		
	Police Pension	**Firefighters Pension**	**Total**
ADDITIONS			
State of Indiana pension subsidy received from the General Fund	$ 29,504	$ 29,210	$ 58,714
Total additions	29,504	29,210	58,714
DEDUCTIONS			
Benefits	28,470	29,568	58,038
Change in plan net position	1,034	(358)	676
Net position – beginning of year	969	216	1,185
Net position (deficit) – end of year	$ 2,003	$ (142)	$ 1,861

See accompanying independent auditor's report.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Police and Firefighters' Pre-1977 Pension Trust Funds
Schedule of Revenues and Expenditures
Budget and Actual – Budgetary Basis
Year ended December 31, 2013
(In thousands)

	Police Pension			Firefighters Pension		
	Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
Revenues:						
Intergovernmental	$ 31,500	$ 29,504	$ (1,996)	$ 33,600	$ 29,210	$ (4,390)
Total revenues	31,500	29,504	(1,996)	33,600	29,210	(4,390)
Expenditures:						
Personal services	30,522	28,476	2,046	31,453	29,558	1,895
Total expenditures	30,522	28,476	2,046	31,453	29,558	1,895
Excess (deficiency) of revenues over (under) expenditures	$ 978	$ 1,028	$ 50	$ 2,147	$ (348)	$ (2,495)

See accompanying independent auditor's report.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Agency Funds Net Position
December 31, 2013
(In thousands)

	Sanitation 15 Year Law	UAL Personal Property	E-911 Allocation	DPS Retiree Health Insurance	IMPD Confiscated Cash	Other	Total
ASSETS							
Equity in pooled cash	$ 117	$ 3,142	$ 2,218	$ 576	$ 1,183	$ 297	$ 7,533
Investments	186	4,988	3,522	915	1,877	471	11,959
Accounts receivable	—	—	993	—	—	—	993
Total assets	$ 303	$ 8,130	$ 6,733	$ 1,491	$ 3,060	$ 768	$ 20,485
LIABILITIES							
Accounts payable and other accrued liabilities	$ 303	$ 8,130	$ 6,733	$ 1,491	$ 3,060	$ 768	$ 20,485
Total liabilities	$ 303	$ 8,130	$ 6,733	$ 1,491	$ 3,060	$ 768	$ 20,485

See accompanying independent auditor's report.

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2013
(In thousands)

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
SANITATION 15 YEAR LAW FUND				
Assets:				
Cash and investments	$ 274	$ 29	$ —	$ 303
Total assets	$ 274	$ 29	$ —	$ 303
Liabilities:				
Accounts payable and other accrued liabilities	$ 274	$ 29	$ —	$ 303
Total liabilities	$ 274	$ 29	$ —	$ 303
UAL PERSONAL PROPERTY				
Assets:				
Cash and investments	$ 8,130	$ —	$ —	$ 8,130
Total assets	$ 8,130	$ —	$ —	$ 8,130
Liabilities:				
Accounts payable and other accrued liabilities	$ 8,130	$ —	$ —	$ 8,130
Total liabilities	$ 8,130	$ —	$ —	$ 8,130
E – 911 ALLOCATION				
Assets:				
Cash and investments	$ 2,415	$ 6,888	$ 3,563	$ 5,740
Accounts receivable	478	993	478	993
Total assets	$ 2,893	$ 7,881	$ 4,041	$ 6,733
Liabilities:				
Accounts payable and other accrued liabilities	$ 2,893	$ 7,881	$ 4,041	$ 6,733
Total liabilities	$ 2,893	$ 7,881	$ 4,041	$ 6,733

(Continued)

CITY OF INDIANAPOLIS
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities – Agency Funds
Year ended December 31, 2013
(In thousands)

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
DPS RETIREE HEALTH INSURANCE				
Assets:				
Cash and investments	$ 1,531	$ 2,544	$ 2,584	$ 1,491
Total assets	$ 1,531	$ 2,544	$ 2,584	$ 1,491
Liabilities:				
Accounts payable and other accrued liabilities	$ 1,531	$ 2,544	$ 2,584	$ 1,491
Total liabilities	$ 1,531	$ 2,544	$ 2,584	$ 1,491
IMPD CONFISCATED CASH				
Assets:				
Cash and investments	$ 2,095	$ 981	$ 16	$ 3,060
Total assets	$ 2,095	$ 981	$ 16	$ 3,060
Liabilities:				
Accounts payable and other accrued liabilities	$ 2,095	$ 981	$ 16	$ 3,060
Total liabilities	$ 2,095	$ 981	$ 16	$ 3,060
OTHER				
Assets:				
Cash and investments	$ 769	$ —	$ 1	$ 768
Total assets	$ 769	$ —	$ 1	$ 768
Liabilities:				
Accounts payable and other accrued liabilities	$ 769	$ —	$ 1	$ 768
Total liabilities	$ 769	$ —	$ 1	$ 768
TOTAL – ALL AGENCY FUNDS				
Assets:				
Cash and investments	$ 15,214	$ 10,442	$ 6,164	$ 19,492
Accounts receivable	478	993	478	993
Total assets	$ 15,692	$ 11,435	$ 6,642	$ 20,485
Liabilities:				
Accounts payable and other accrued liabilities	$ 15,692	$ 11,435	$ 6,642	$ 20,485
Total liabilities	$ 15,692	$ 11,435	$ 6,642	$ 20,485

See accompanying independent auditor's report.

Statistical Section

CITY OF INDIANAPOLIS

Statistical Section

Table of Contents

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

	Schedule #'s
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 Nine Fiscal Years
(Accrual basis of accounting)
(In thousands)

	Fiscal Year								
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Governmental activities:									
Net investment in capital assets	$ 964,135	$ 968,197	$ 1,009,258	$ 963,536	$ 920,186	$ 961,358	$ 605,824	$ 621,413	$ 682,291
Restricted	122,202	193,243	175,864	195,743	214,479	209,948	188,976	124,511	122,379
Unrestricted (deficit)	(273,286)	(366,071)	(402,821)	(354,287)	(416,849)	(534,850)	(274,303)	(337,574)	(441,977)
Total governmental activities net position	$ 813,051	$ 795,369	$ 782,301	$ 804,992	$ 717,816	$ 636,456	$ 520,497	$ 408,350	$ 362,693

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

	Fiscal Year								
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Expenses									
Governmental activities:									
General government	$ 43,646	$ 45,133	$ 46,890	$ 34,652	$ 88,824	$ 65,883	$ 60,880	$ 45,395	$ 36,467
Public safety	280,370	281,214	401,015	382,716	395,465	428,230	442,327	448,007	447,016
Public works	228,881	229,993	234,673	227,589	267,286	276,331	252,332	196,687	204,217
Health and welfare	4,598	4,962	5,621	5,354	5,112	4,079	4,496	3,890	6,015
Cultural and recreation	32,892	31,739	38,250	34,296	33,506	30,275	30,705	22,413	18,465
Urban redevelopment and housing	38,482	40,837	33,207	30,594	34,813	48,407	47,262	31,493	28,124
Economic development and assistance	11,804	14,126	22,315	26,247	28,491	45,441	79,164	97,983	41,862
Interest	56,192	63,262	62,178	73,774	74,039	63,280	69,382	55,920	55,480
Total governmental activities expenses	696,865	711,266	844,149	815,222	927,536	961,926	986,548	901,788	837,646
Program Revenues									
Governmental activities:									
Charges for services:									
General government	12,471	13,672	14,025	13,980	14,816	17,712	18,551	20,982	22,245
Public safety	13,388	16,394	18,486	17,773	20,135	16,911	22,818	27,576	19,698
Public works	95,148	117,667	144,653	162,167	176,591	181,742	135,233	35,520	37,427
Health and welfare	952	864	864	901	375	289	31	74	675
Cultural and recreation	5,003	5,230	4,968	4,845	4,645	4,179	4,374	3,426	3,129
Urban redevelopment and housing	1,378	1,667	1,943	2,251	7,187	3,259	3,565	1,357	1,330
Economic development and assistance	1,450	1,033	966	675	298	477	692	791	1,051
Operating grants and contributions	113,844	123,417	142,344	107,546	137,557	157,126	161,033	143,556	138,311
Capital grants and contributions	93,315	63,466	69,657	31,167	32,637	25,652	51,681	30,217	77,797
Total governmental activities program revenues	336,949	343,410	397,906	341,305	394,241	407,347	397,978	263,499	301,663
Net (Expense) Revenue	(359,916)	(367,856)	(446,243)	(473,917)	(533,295)	(554,579)	(588,570)	(638,289)	(535,983)
General Revenues and Other Changes in Net Position									
Governmental activities:									
Taxes:									
Property tax	229,238	221,904	256,969	247,908	274,655	265,801	256,517	277,122	280,883
Wheel tax	13,396	12,921	12,756	13,432	13,549	11,890	12,193	12,433	12,983
County option income tax	45,489	57,452	110,426	188,486	117,764	187,880	170,092	174,342	154,273
Other taxes	18,469	17,769	16,947	19,040	19,841	19,544	20,753	21,998	19,949
Grants and contributions not restricted by function	6,708	16,945	13,503	4,872	11,916	9,411	8,483	12,745	12,978
Investment earnings not restricted by function	8,535	18,099	17,967	11,000	3,625	3,743	4,054	3,481	3,416
Miscellaneous	1,214	5,084	4,607	11,870	4,769	3,950	15,110	24,021	20,133
Transfers	—	—	—	—	—	—	(18,777)	—	—
Special item - termination payment	—	—	—	—	—	(29,000)	—	—	—
Special item - gain on sale of water and wastewater utilities	—	—	—	—	—	—	4,186	—	—
Total governmental activities general revenues and other changes in net position	323,049	350,174	433,175	496,608	446,119	473,219	472,611	526,142	504,615
Change in Net Position									
Governmental activities	$ (36,867)	$ (17,682)	$ (13,068)	$ 22,691	$ (87,176)	$ (81,360)	$ (115,959)	$ (112,147)	$ (31,368)

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

	Fiscal Year								
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Function/Program									
Governmental activities:									
General government	$ 12,535	$ 14,154	$ 14,459	$ 14,595	$ 16,372	$ 23,693	$ 31,250	$ 25,197	$ 28,022
Public safety	64,480	71,887	98,792	70,569	103,991	104,023	104,691	113,605	91,203
Public works	212,890	216,308	242,473	222,155	233,101	227,920	211,232	85,696	139,321
Health and welfare	3,106	2,939	3,503	3,755	2,000	2,485	3,678	4,611	7,118
Cultural and recreation	7,694	8,775	9,333	7,127	7,073	6,663	4,380	4,935	11,527
Urban redevelopment and housing	26,563	26,986	26,836	19,749	29,841	40,528	38,588	21,638	15,832
Economic development and assistance	9,681	2,361	2,510	3,355	1,863	2,035	4,159	7,817	8,640
Total governmental activities program revenues	$ 336,949	$ 343,410	$ 397,906	$ 341,305	$ 394,241	$ 407,347	$ 397,978	$ 263,499	$ 301,663

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

	Fiscal Year					
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
General Fund:						
Reserved	$ 92,086	$ 73,618	$ 37,412	$ 33,865	$ 48,759	$ 32,866
Unreserved	125,526	136,643	79,182	83,292	162,602	133,765
Total general fund	$ 217,612	$ 210,261	$ 116,594	$ 117,157	$ 211,361	$ 166,631
All other governmental funds:						
Reserved	$ 152,398	$ 179,519	$ 198,655	$ 230,856	$ 307,052	$ 362,565
Unreserved, reported in:						
Special revenue funds	1,558	511	148	(503)	184	14,442
Capital projects funds	19,132	75,784	100,381	103,328	64,895	87,575
Debt service funds	—	—	—	—	(1,930)	178
Permanent fund	336	345	361	377	376	376
Total all other governmental funds	$ 173,424	$ 256,159	$ 299,545	$ 334,058	$ 370,577	$ 465,136

	2011 (a)	**2012**	**2013**
General Fund:			
Nonspendable	$ —	$ —	$ —
Restricted	20,930	34,950	42,256
Committed	215,273	134,151	70,457
Assigned	51,434	96,691	76,815
Unassigned	84,750	82,931	91,191
Total General Fund	$ 372,387	$ 348,723	$ 280,719
All other governmental funds:			
Nonspendable	$ 6,631	$ 1,872	$ 3,138
Restricted	403,782	259,101	221,517
Committed	1,000	—	—
Assigned	—	—	—
Unassigned	(10,020)	(5,586)	(2,155)
Total all other governmental funds	$ 401,393	$ 255,387	$ 222,500

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

(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 Nine Fiscal Years
(Modified accrual basis of accounting)
(In thousands)

	Fiscal Year								
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Revenues:									
Taxes	$ 308,197	$ 310,178	$ 295,784	$ 445,216	$ 556,816	$ 474,935	$ 458,035	$ 487,666	$ 467,820
Licenses and permits	8,319	13,097	14,441	15,898	11,887	12,488	14,573	14,632	13,457
Charges for services	109,272	130,946	158,671	159,169	200,817	198,623	155,277	61,207	58,826
Intergovernmental revenues	122,092	131,323	158,782	112,674	152,128	168,344	172,171	171,362	164,365
Intragovernmental revenues	2,962	3,804	3,401	2,497	3,338	2,674	2,929	1,650	4,880
Traffic violations and court fees	4,320	4,441	4,185	11,309	13,602	6,291	9,514	6,707	5,429
Interest and other operating revenues	17,465	30,737	44,429	25,631	14,378	15,144	27,394	37,630	31,816
Total revenues	572,627	624,526	679,693	772,394	952,966	878,499	839,893	780,854	746,593
Expenditures:									
Current:									
General government	25,694	24,193	25,024	18,190	21,842	42,446	35,980	25,015	21,721
Public safety	251,297	261,140	343,222	345,965	352,790	388,364	407,409	414,456	416,774
Public works	116,336	117,032	129,584	131,156	133,258	150,988	174,235	100,806	101,172
Health and welfare	4,453	4,778	5,430	5,221	4,928	4,053	4,471	3,865	5,973
Cultural and recreation	26,017	25,501	28,883	28,085	25,431	22,581	23,933	14,579	13,864
Urban redevelopment and housing	29,827	27,946	28,355	23,962	30,093	44,037	40,733	27,374	24,033
Economic development and assistance	7,359	1,773	12,614	20,289	24,308	42,111	73,758	95,236	37,981
Capital outlays	82,928	117,918	194,529	138,879	138,754	226,218	246,409	151,228	105,394
Debt service:									
Redemption of bonds and notes	64,270	96,412	92,076	78,811	78,607	93,793	80,162	68,114	61,598
Interest on bonds and notes	48,032	54,514	54,809	63,886	68,255	55,388	57,971	50,892	51,981
Swap termination payment	—	—	—	—	28,780	—	—	—	—
Bond and note issuance costs	1,616	2,026	3,760	1,160	2,758	4,987	4,130	614	5,705
Advance funding escrow	—	—	—	—	649	—	3,318	—	36,705
Operating lease payments and administration	19,213	19,054	19,636	15,399	15,167	15,439	15,781	16,339	16,047
Total expenditures	677,042	752,287	937,922	871,003	925,620	1,090,405	1,168,290	968,518	898,948
Excess (deficiency) of revenues under expenditures	(104,415)	(127,761)	(258,229)	(98,609)	27,346	(211,906)	(328,397)	(187,664)	(152,355)
Other financing sources (uses):									
Proceeds of financing from capital lease	$ —	$ —	$ —	$ —	$ —	$ —	$ 8,175	$ —	$ —
Proceeds from execution of parking meter contract	—	—	—	—	—	20,000	—	—	—
Proceeds from restructuring of debt	—	—	—	—	—	—	—	—	85
Sales of capital assets	393	455	939	363	645	910	1,574	1,608	795
Bond and notes issued	158,971	199,999	198,915	129,675	87,281	229,732	146,495	17,915	5,780
Premium on bonds and notes issued	—	2,691	5,381	1,647	15,451	11,093	6,810	2,509	11,744
Refunding bonds issued	—	—	89,410	—	133,775	—	39,000	24,415	86,605
Payment to refunded bond escrow agent	—	—	(86,697)	—	(133,775)	—	(25,979)	(28,453)	(53,545)
Transfers in	44,935	45,313	60,253	82,245	59,105	108,357	141,489	65,313	102,216
Transfers out	(44,935)	(45,313)	(60,253)	(82,245)	(59,105)	(108,357)	(160,266)	(65,313)	(102,216)
Total other financing sources (uses)	159,364	203,145	207,948	131,685	103,377	261,735	157,298	17,994	51,464
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)	$ 54,949	$ 75,384	$ (50,281)	$ 33,076	$ 130,723	$ 49,829	$ 142,013	$ (169,670)	$ (100,891)
Debt service as a percentage of noncapital expenditures	19%	23%	19%	19%	18%	17%	15%	15%	15%
Debt service expenditures	$ 112,302	$ 150,926	$ 146,885	$ 142,697	$ 146,862	$ 149,181	$ 138,133	$ 119,006	$ 113,579
Noncapital expenditures	604,393	657,704	781,184	746,880	809,808	892,858	932,309	803,222	781,499

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

Fiscal year	Property	Local income tax	Wheel tax	Other (a)	Total taxes
2005	$ 230,073	$ 46,236	$ 13,396	$ 18,492	$ 308,197
2006	222,202	57,345	12,921	17,710	310,178
2007	194,501	71,571	12,756	16,956	295,784
2008	243,042	170,651	13,432	18,091	445,216
2009	345,163 (b)	174,560	13,550	23,543	556,816
2010	255,772	187,880	11,890	19,393	474,935
2011	255,230	170,092	12,193	20,520	458,035
2012	279,254	174,342	12,433	21,637	487,666
2013	280,596	154,273	12,978	19,973	467,820

(a) Includes financial institution and other local taxes.
(b) Property tax revenue includes $115 million of 2008 property taxes that were not distributed until 2009 due to the delay in property tax billings.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

Fiscal year	Residential property	Commercial property	Industrial property	Personal property	Other	Total taxable assessed value (a) (b)	Total direct tax rate	Estimated actual taxable value	Taxable assessed value as a percentage of actual taxable value (a)
2005	$ 20,253,137	$ 12,183,743	$ 1,614,660	$ 7,229,661	$ 508,322	$ 41,789,523	0.9553 %	$ 41,789,523	100%
2006	20,737,062	11,877,672	1,604,481	7,770,818	482,842	42,472,875	0.9425	42,472,875	100
2007	24,627,515	15,930,401	2,733,130	5,935,716	597,690	49,824,452	0.8746	49,824,452	100
2008	24,790,420	14,694,619	2,598,170	5,454,450	332,284	47,869,943	0.8920	47,869,943	100
2009	18,016,590	14,553,256	2,813,644	5,657,964	324,992	41,366,446	0.8634	41,366,446	100
2010	16,775,664	14,576,670	3,044,559	5,745,524	324,320	40,466,737	0.8673	40,466,737	100
2011	16,287,697	13,923,228	3,221,540	5,449,472	895,749	39,777,686	0.9525	39,777,686	100
2012	15,978,644	13,498,295	3,298,832	5,467,373	868,354	39,111,498	1.0034	39,111,498	100
2013	16,191,259	13,110,440	3,189,252	5,841,671	888,684	39,221,306	0.9802	39,221,306	100

Note: Tax-exempt property for 2013 of $814,696 represents charitable organizations and other deductions. Government property is generally not assessed.

(a) Represents the assessment (Marion County Auditor's "certified abstract") on March 1 of the prior year for taxes due and payable in the year indicated.
(b) In 2013, total taxable assessed value includes $3,528,040 of assessed valuation for Marion County Tax Increment Financing Districts.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

	City of Indianapolis			Overlapping rates						
				County direct rates			Other direct rates			
Fiscal Year	Operating millage	Debt service millage	Total city millage	County	Municipal corporations	Total City-County Council approved	School	State	Other	Total direct and overlapping rates
2005	0.9184	0.0369	0.9553	0.4163	0.3750	1.7466	1.6744	0.0024	0.0516	3.4750
2006	0.9056	0.0369	0.9425	0.3555	0.3751	1.6731	1.7172	0.1538	0.0523	3.5964
2007	0.8372	0.0374	0.8746	0.5741	0.3420	1.7907	1.8713	0.0024	0.0522	3.7166
2008	0.8683	0.0237	0.8920	0.4847	0.3521	1.7288	1.7668	0.0024	0.0510	3.5490
2009	0.8073	0.0561	0.8634	0.3513	0.3254	1.5401	1.1569	0.0000	0.0578	2.7548
2010	0.8041	0.0632	0.8673	0.3534	0.3282	1.5489	1.3692	0.0000	0.0615	2.9796
2011	0.8807	0.0718	0.9525	0.3665	0.3685	1.6875	1.4065	0.0000	0.0615	3.1555
2012	0.9116	0.0918	1.0034	0.4007	0.3958	1.7999	1.2711	0.0000	0.0670	3.1380
2013	0.9069	0.0733	0.9802	0.3932	0.4314	1.8048	1.4829	0.0000	0.0607	3.3484

(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).

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

CITY OF INDIANAPOLIS

Principal Property Tax Payers

Schedule 9

Current Fiscal Year and Nine Years Ago

(In thousands)

	2013				2004			
Principal taxpayers	**Taxable assessed value (a)**	**Rank**	**Percentage of total city taxable assessed value**	**Principal taxpayers**	**Taxable assessed value (b) (c)**	**Rank**	**Percentage of total city taxable assessed value**
Eli Lilly and Company	$ 1,130,547	1	2.882 %	Eli Lilly and Company	$ 790,468	1	1.980 %
Citizens Energy Group	440,801	2	1.124	South Western Bell	397,080	2	0.994
Indianapolis Power and Light Company	408,967	3	1.043	Indianapolis Power and Light	361,426	3	0.905
Convention Headquarters Hotels, LLC	174,342	4	0.445	Simon Property Group, Inc.	275,553	4	0.690
Federal Express Corporation	165,049	5	0.421	AIMCo	263,419	5	0.660
Cw Monument Circle Inc.	142,726	6	0.364	General Motors Corporation	199,030	6	0.498
Indiana Bell Telephone Company, Inc.	135,904	7	0.347	Federal Express Corp	194,385	7	0.487
Allison Transmission Inc.	120,901	8	0.308	International Truck and Engine	178,911	8	0.448
American United Life Insurance Company	97,784	9	0.249	Visteon Corporation	152,576	9	0.382
Castleton Square, LLC	90,661	10	0.231	American United Life Insurance Company	118,127	10	0.296
Rolls-Royce Corporation	80,618	11	0.206	Wal-Mart	114,234	11	0.286
SVC Manufacturing	80,606	12	0.206	Monument Circle, LLC	108,647	12	0.272
Indianapolis Motor Speedway, LLC	79,736	13	0.203	Rolls-Royce	103,894	13	0.260
Keystone Investors, LLC	79,545	14	0.203	Marsh Supermarkets, Inc.	97,845	14	0.245
Ingredion Inc.	73,799	15	0.188	Roche Diagnostics Corp.	91,370	15	0.229
Circle Centre Development Co.	69,406	16	0.177		$ 3,446,965		8.632 %
Verizon Wireless	66,482	17	0.170				
HUB Properties GA, LLC	62,116	18	0.158				
MT Acquisitions, LLC	61,389	19	0.157				
Hertz Indianapolis Two, LLC	52,371	20	0.134				
	$ 3,613,750		9.216 %				

(a) Represents the March 1, 2012 valuations for taxes due and payable in 2013 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, 2003 valuations for taxes due and payable in 2004 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 2004 Comprehensive Annual Financial Report.

CITY OF INDIANAPOLIS
Property Tax Levies and Collections
Schedule 10
Last Three 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 (a)	Total collections to date	
		Amount	Percentage of levy		Amount (b)	Percentage of levy
2011	$ 184,301	$ 175,069	95.0 %	$ 8,403	$ 183,472	99.6 %
2012	195,321	185,118	94.8	7,044	192,162	98.4
2013	186,122	179,501	96.4	—	179,501	96.4

(a) Beginning in 2011, delinquent collections were broken down by original levy year in information provided by the Marion County Treasurer. Data regarding the prior year collections is not available and therefore is not included in this table.
(b) Tax increment revenues are not included in the collected amounts because there is no separate tax levy for them.

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

	Governmental activities							
Fiscal year	**General obligation bonds (b)**	**Tax increment bonds**	**Revenue bonds (b)**	**Notes payable and certificates of participation**	**Capital leases**	**Total Governmental Activities Debt**	**Percentage of personal income (a)**	**Per capita (a)**
2005	$ 338,642	$ 468,392	$ 249,193	$ 42,648	$ 2,020	$ 1,100,895	1.84%	$ 1,438
2006	320,385	438,863	406,626	47,628	1,112	1,214,614	1.93	1,527
2007	305,051	442,678	567,104	29,239	151	1,344,223	2.03	1,669
2008	319,441	490,169	572,965	27,384	—	1,409,959	2.09	1,773
2009	293,756	517,964	590,715	25,816	—	1,428,251	2.13	1,767
2010	265,900	536,092	728,684	41,335	—	1,572,011	2.30	1,947
2011	218,188	650,409	271,313	37,300	8,175	1,185,385	1.64	1,445
2012	210,616	632,594	264,850	46,150	8,175	1,162,385	1.42	1,392
2013	180,800	626,551	260,150	28,732	8,038	1,104,271	1.35	1,309

(a) See schedule 16 for personal income and population data. These ratios are calculated using personal income and population.
(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 as it comes to maturity through 2018.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

Fiscal year	Net general bonded debt outstanding: General obligation bonds	Net general bonded debt outstanding: Less: Amounts available in debt service fund	Net general bonded debt outstanding: Total	Percentage of actual taxable value of property (b)	Per capita (a)
2005	$ 338,642	$ 20,073	$ 318,569	0.762 %	$ 416.26
2006	320,385	22,866	297,519	0.700	374.01
2007	305,051	27,282	277,769	0.557	344.85
2008	319,441	26,783	292,658	0.611	367.91
2009	293,756	28,946	264,810	0.640	327.55
2010	265,900	27,681	238,219	0.589	294.98
2011	218,188	(c) 7,935	210,253	0.529	256.27
2012	210,616	(c) 29,816	180,800	0.462	216.57
2013	180,800	(c) 24,645	156,155	0.398	185.15

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) As part of the purchase agreement of the wastewater facilities, CEG agreed to fund the remaining sanitary district general obligation debt in the amount of $41,803 as it comes to maturity through 2018.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2013
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit %	Bonding limit Dollar amount	Bonds outstanding (h)
Direct Debt:					
City of Indianapolis:					
Civil City	2	$ 33,385,304	0.67%	$ 223,682	$ 64,885
Park District	1	35,693,267	0.67%	239,145	14,647
Redevelopment District	2	33,385,304	(f)	—	525
Flood Control District	1	35,693,267	0.67%	239,145	7,170
Metropolitan Thoroughfare District	1	35,693,267	1.33%	474,720	27,488
Sanitary District	8	32,921,017	4.00%	1,316,841	35,425
Solid Waste Disposal District	7	33,428,589	2.00%	668,572	—
Public Safety Communications and Computer Facilities District	1	35,693,267	0.67%	239,145	30,660
Total City General Obligation Debt				$ 3,401,250	$ 180,800
Other Direct Debt					
Tax increment bonds					626,551
Revenue bonds					260,150
Note payable and certificate of participations					28,732
Capital leases					8,038
Total City Direct Debt					$ 1,104,271
Overlapping:					
Marion County	1	$ 35,693,267	0.67%	$ 239,145	$ —
Municipal Corporations:					
Indianapolis Airport Authority	1	$ 35,693,267	0.67%	$ 239,145	$ —
Health and Hospital Corporation	1	35,693,267	0.67%	239,145	208,865
Capital Improvement Board of Managers	1	35,693,267	0.67%	239,145	—
Indianapolis-Marion County Building Authority	1	35,693,267	(b)	—	10,740
Indianapolis-Marion County Public Library	4	34,789,454	0.67%	233,089	73,705
Indianapolis Public Transportation Corporation	2	33,779,081	0.67%	226,320	4,675
Total Municipal Corporations				$ 1,176,844	$ 297,985
School Districts:					
Beech Grove	9	$ 371,520	(g)	$ 63,063	$ 4,402
Decatur	9	1,080,729	(g)	161,460	3,224
Franklin	9	1,754,835	(g)	268,823	—
Indianapolis Public Schools	9	9,494,872	(g)	600,032	23,047
Lawrence	9	4,722,452	(g)	244,362	25,245
Perry	9	3,066,711	(g)	178,537	15,950
Pike	9	4,561,987	(g)	110,925	28,600
Speedway	9	532,292	(g)	10,646	900

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2013
(In thousands)

	Map reference (see introduction (e))	Assessed value (d)	Bonding limit %	Bonding limit Dollar amount	Bonds outstanding (h)
School Districts (continued):					
Warren	9	$ 2,290,026	(g)	$ 45,801	$ 2,428
Washington	9	5,503,911	(g)	151,698	4,000
Wayne	9	2,374,326	(g)	292,167	20,345
Total School Districts		$ 35,753,661		$ 2,127,514	$ 128,141
Other Cities and Towns:					
Beech Grove	2	$ 393,777	0.67%	$ 2,638	$ 1,865
Lawrence	2	1,338,609	0.67%	8,969	4,790
Southport	2	43,285	0.67%	290	285
Speedway	2	532,292	0.67%	3,566	4,185
Total Other Cities and Towns		$ 2,307,963		$ 15,463	$ 11,125
Townships:					
Center	3	$ 5,329,872	0.67%	$ 35,710	$ —
Decatur	3	1,085,891	0.67%	7,275	—
Franklin	3	1,889,008	0.67%	12,656	—
Lawrence	3	5,059,333	0.67%	33,898	1,745
Perry	3	3,333,302	0.67%	22,333	—
Pike	3	4,335,892	0.67%	29,050	5,600
Warren	3	3,095,239	0.67%	20,738	—
Washington	3	7,678,792	0.67%	51,448	—
Wayne	3	3,640,990	0.67%	24,395	850
Total Townships		$ 35,448,319		$ 237,503	$ 8,195
Excluded Library Districts:					
Beech Grove	4	$ 371,520	0.67%	$ 2,489	$ —
Speedway	4	532,292	0.67%	3,566	380
Total Excluded Library Districts		$ 903,812		$ 6,055	$ 380
Ben Davis Conservancy District		$ 898	(c)	$ —	$ —
Total overlapping debt					$ 445,826
Total direct and overlapping debt					$ 1,550,097

(Continued)

CITY OF INDIANAPOLIS
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (a)
Schedule 13
December 31, 2013
(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 13-3-3-81.
(d) Represents the March 1, 2012 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2013.
(e) See Introductory Section.
(f) There is no statutory constitutional debt limitation to the Redevelopment Districts.
(g) A statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
(h) Governmental activities debt of the overlapping governments is not readily available; only general obligation debt is reported in this column.

CITY OF INDIANAPOLIS
Computation of Legal Debt Margin (a)(c)
Schedule 14
December 31, 2013
(In thousands)

	Assessed value (b)	Debt limit percentage	Debt limit	Bonds outstanding	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
Civil City	$ 33,385,304	0.67%	$ 223,682	$ 64,885	$ 158,797	29.01%
Park District	35,693,267	0.67%	239,145	14,647	224,498	6.12%
Redevelopment District	33,385,304	(b)	—	525	—	—
Flood Control District	35,693,267	0.67%	239,145	7,170	231,975	3.00%
Metropolitan Thoroughfare District	35,693,267	1.33%	474,720	27,488	447,232	5.79%
Sanitary District	32,921,017	4.00%	1,316,841	35,425	1,281,416	2.69%
Solid Waste Disposal District	33,428,589	2.00%	668,572	—	668,572	—
Public Safety Communications and Computer Facilities District	35,693,267	0.67%	239,145	30,660	208,485	12.82%

(a) No bonding authority payable from ad valorem taxes.
(b) There is no statutory constitutional debt limitation applicable to the Redevelopment District.
(c) Due to the extreme complexity of the taxing district structure, the City has not presented the required ten years of data as showing more than one year of data is extremely cumbersome. Previous years data can be found in the Comprehensive Annual Financial Reports from prior years.

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

Wheel tax bonds

Fiscal year	Wheel tax revenue (a)	Debt service: Principal	Debt service: Interest	Coverage
2005	$ 14,406	$ 4,775	$ 1,913	2.15
2006	15,866	5,005	1,701	2.37
2007	15,712	3,180	1,144	3.63
2008	13,432	5,480	1,238	2.00
2009	12,367	5,740	983	1.84
2010	11,890	3,570	762	2.74
2011	12,194	1,355	592	6.26
2012	12,433	1,415	532	6.39
2013	12,983	1,525	543	6.28

Redevelopment revenue bonds

Fiscal year	City cumulative funds (b)	Debt service: Principal	Debt service: Interest	Coverage
2005	$ 520	$ 390	$ 107	1.05
2006	556	400	101	1.11
2007	522	410	83	1.06
2008	510	400	70	1.09
2009	375	440	57	0.75
2010	475	425	42	1.02
2011	471	440	26	1.01
2012	—	455	—	—
2013	—	—	—	—

Property tax increment bonds

Fiscal year	Tax increment revenues (c)	Debt service: Principal	Debt service: Interest	Coverage
2005	$ 56,932	$ 25,227	$ 24,207	1.15
2006	47,348	32,404	24,198	0.84
2007	32,325	28,065	21,346	0.65
2008	57,717	28,150	24,298	1.10
2009	112,951	24,760	24,458	2.29 (d)
2010	66,615	43,236	22,420	1.01
2011	60,980	56,145	22,745	0.77
2012	74,006	36,009	12,960	1.51
2013	82,754	29,701	17,729	1.74

Facilities revenue bonds

Fiscal year	Charge back (e)	Debt service: Principal	Debt service: Interest	Coverage
2005	$ NA	$ NA	$ NA	NA
2006	NA	NA	NA	NA
2007	1,256	610	712	0.95
2008	1,593	885	834	0.93
2009	1,793	1,105	784	0.95
2010	2,210	1,190	739	1.15
2011	1,947	1,240	691	1.01
2012	1,853	1,300	632	0.96
2013	1,535	1,365	575	0.79

Economic development bonds

Fiscal year	Parking fees (f)	Debt service: Principal	Debt service: Interest	Coverage
2005	$ 1,699	$ —	$ 1,309	1.30
2006	1,940	100	1,487	1.22
2007	1,659	—	1,647	1.01
2008	2,060	60	1,898	1.05
2009	2,250	135	1,994	1.06
2010	1,654	98	1,384	1.12
2011	1,365	104	1,096	1.14
2012	1,669	—	1,548	1.08
2013	1,004	255	749	1.00

Stormwater revenue bonds

Fiscal year	Net revenues of the stormwater system (g)	Debt service: Principal	Debt service: Interest	Coverage
2005	$ NA	$ NA	$ NA	NA
2006	1,650	—	1,650	1.00
2007	2,121	—	2,121	1.00
2008	3,051	930	2,121	1.00
2009	3,054	970	2,084	1.00
2010	3,060	1,015	2,045	1.00
2011	3,220	1,190	2,030	1.00
2012	3,975	1,435	2,540	1.00
2013	2,673	780	1,893	1.00

PILOT revenue bonds

Fiscal year	Payments in lieu of taxes (h)	Debt service: Principal	Debt service: Interest (i)	Coverage
2005	$ NA	$ NA	$ NA	NA
2006	NA	NA	NA	NA
2007	NA	NA	NA	NA
2008	NA	NA	NA	NA
2009	NA	NA	NA	NA
2010	5,574	—	3,054	1.83
2011	14,214	—	7,910	1.80
2012	5,264	—	7,910	0.67
2013	5,875	—	7,910	0.74

Note: NA stands for not applicable.

(a) Wheel taxes on vehicles
(b) City cumulative capital development fund revenue transfers
(c) Property tax increment revenues collected in TIF districts
(d) Does not include $128,210 of refunding bonds.
(e) Charge back to City-County agencies
(f) Fees from parking garage
(g) Improvements of stormwater handling capabilities
(h) Payments in lieu of taxes wastewater system
(i) Certain PILOT revenue bond proceeds, representing capitalized interest, have been used to fund bond interest payments.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

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

Calendar year	Population (a)	Personal income (thousands of dollars) (b)	Per capita personal income (b)	Median age (c)	Education level in years of schooling (a)	School enrollment (d)	Unemployment rate (e)
2005	765,310	$ 59,683,000	$ 36,391	34.80	12	135,705	4.80%
2006	795,484	63,058,000	37,849	35.90	12	137,757	4.40
2007	805,489	66,073,000	38,980	35.50	12	140,546	4.50
2008	795,458	67,449,000	39,318	35.50	12	145,569	5.60
2009	808,466	67,186,598	38,532	35.80	12	159,089	8.50
2010	807,584	68,313,593	38,796	33.60	12	159,865	8.40
2011	820,445	72,160,847	37,232	33.00	12	143,053	8.90
2012	834,852	81,676,417	36,902	33.70	12	146,175	8.30
2013	843,393	81,676,417	(f) 38,812	33.90	12	149,697	6.80

(a) U.S. Census Bureau
(b) Bureau of Economic Analysis
(c) Stats Indiana
(d) Indiana Department of Education
(e) Bureau of Labor Statistics
(f) This information will be released by the Bureau of Economic Analysis in August 2014; therefore, prior year numbers were utilized.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last nine years of data is presented since information from prior years is not available.

CITY OF INDIANAPOLIS
Principal Employers
Schedule 17
December 31, 2013

	2013 (b)		
Employer	**Employees**	**Rank**	**Percentage of total city employment (a)**
Indiana University Health	20,292	1	4.69%
St Vincent Hospitals & Health Services	11,075	2	2.56%
Eli Lilly and Company	10,500	3	2.42%
Wal-Mart	9,000	4	2.08%
Marsh Supermarkets	8,890	5	2.05%
Community Health Network	8,100	6	1.87%
Indianapolis Public Schools	6,123	7	1.41%
Fed Ex Express	6,000	8	1.39%
Franciscan St. Francis Health	5,576	9	1.29%
IUPUI	5,100	10	1.18%

(a) Percentage of total City employment is calculated by using total 2013 Employed Labor Force, which can be found at www.stats.indiana.edu.
(b) Largest employers can be found at www.indypartnership.com (Indy Partnership).
(c) The 2004 Principal Employer data is unavailable.

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

	2006	2007	2008	2009	2010	2011	2012	2013
General Government	250	264	268	266	236	206	230	211
Protection of People								
Police Department	1,635	1,588	1,593	1,610	1,636	1,624	1,542	1,527
Fire Department (a)	792	978	1,092	1,116	1,300	1,268	1,221	1,155
Other (Civilian)	367	385	390	309	291	270	262	348
Public Works	647	648	637	618	670	661	683	620
Parks and Recreation	160	165	162	150	142	131	114	99
Redevelopment	218	227	244	222	227	226	206	204
Total full-time City employees	4,069	4,255	4,386	4,291	4,502	4,386	4,258	4,164

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

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

Note: In 2005, the City implemented GASB Statement No. 44. Only the last eight years of data is presented since information from prior years is not available.

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

Function/program	2006	2007	2008	2009	2010	2011	2012	2013
General government								
Building permits issued	48,858	41,470	34,517	33,619	33,915	34,966	38,803	38,384
Building inspections conducted	65,314	23,278	33,193	37,224	32,370	32,034	35,509	29,891
Households assisted with entitlement grants	3,767	4,131	5,168	6,872	3,430	3,090	1,789	2,233
Police								
Physical arrests	37,740	44,903	52,247	51,944	50,264	60,883	55,965	52,337
Parking violations	22,335	12,692	10,912	8,575	8,953	7,277	3,778	2,362
Traffic violations	42,278	43,780	68,937	36,850	20,600	34,434	30,328	36,953
Fire								
Emergency responses (a)	68,240	65,966	136,198	122,620	154,755	137,476	151,950	150,535
Dispatched fire runs	52,948	15,783	16,331	18,457	17,236	17,714	18,682	18,744
Inspections	2,155	4,552	4,663	4,663	6,936	12,524	8,231	10,960
Refuse collection								
Refuse collected (tons per day)	816	890	1,075	1,048	1,038	997	924	960
Leaves collected (tons per year)	10,341	6,762	6,741	7,610	6,044	7,603	4,907	6,359
Other public works								
Street resurfacing (miles)	99	99	155	237	515	389	139	175
Pothole work orders completed (b)	13,246	9,009	12,094	18,590	16,645	23,821	13,410	14,512
Parks and recreation								
Number of shelter rental reservations	2,150	2,988	2,066	2,514	2,216	2,007	2,279	2,176
Number of day camp registrations	3,658	3,413	3,128	3,135	3,403	3,428	3,143	3,107
Community park and facility attendance	5,238,625	7,636,927	6,636,487	6,820,927	6,804,867	6,954,806	7,321,222	7,844,919

(a) The increase in emergency responses is attributable to the township fire departments merging with the Indianapolis Fire Department.
(b) Work order can consist of one pothole or multiple potholes.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last eight years of data is presented since information from prior years is not available.

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

Function/program	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety								
Police stations	5	6	7	7	6	6	6	6
Police vehicles and other rolling stock	1,778	2,057	2,015	2,005	2,309	2,054	2,033	1,908
Fire stations	26	35	35	38	45	45	44	44
Fire vehicles and other rolling stock	178	259	258	277	302	297	282	276
Emergency management vehicles and other rolling stock	11	10	9	12	12	14	16	17
Animal control vehicles and other rolling stock	28	31	29	27	27	31	27	34
Other Public Works								
Streets (miles)	3,161	3,193	3,215	3,233	3,238	3,244	3,299	3,307
Sidewalks (miles)	2,702	2,705	2,707	2,706	2,707	2,706	2,815	3,097
Bridges	512	513	512	512	512	512	527	541
Traffic signal installations	1,124	1,125	1,125	1,127	1,128	1,128	1,130	1,132
Miles of storm sewers and drainage	1,478	1,494	1,500	1,513	1,517	1,517	1,525	1,536
Public works vehicle and other rolling stock	538	551	537	582	546	673	672	652
Cultural and Recreation								
Parks	192	192	192	206	207	207	207	207
Park properties – acreage	11,018	11,140	11,160	11,140	11,168	11,168	11,161	11,161
Playgrounds	131	131	127	128	127	127	126	126
Golf courses	13	13	13	13	13	13	13	13
Swimming pools – outdoors	16	16	16	16	16	16	16	16
Swimming pools – indoors	6	6	8	5	5	5	5	5
Recreational centers	25	25	25	25	25	25	24	24

Sources: Various City department reports.

Note: In 2005, the City implemented GASB Statement No. 44. Only the last eight years of data is presented since information from prior years is not available.