

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2016

CITY OF LAFAYETTE, INDIANA

Tony Roswarski, Mayor
Michael Jones, City Controller
Timothy Clary, Deputy Controller

FILED
09/15/2017

**CITY OF LAFAYETTE, INDIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDING DECEMBER 31, 2016
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CITY OF LAFAYETTE

TONY ROSWARI, MAYOR

THE OFFICE OF THE CONTROLLER

August 29, 2017

The Honorable Tony Roswarski, Mayor of the City of Lafayette
Members of the City of Lafayette Common Council
Residents of the City of Lafayette:

The comprehensive annual financial report (CAFR) of the City of Lafayette, Indiana (the "City") for the year ended December 31, 2016 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the City's various funds. The CAFR includes all disclosures needed for the reader to gain an understanding of the government's financial activities.

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Lafayette's MD&A can be found immediately following the independent auditor's report.

The Comprehensive Annual Financial Report is presented in four sections: introductory information, financial information, statistical information and federal award compliance information. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal City officials. The financial section begins with the independent auditor's report on the City's financial statements and schedules, the City managements' discussion and analysis report, followed by the City's basic financial statements and accompanying notes to the financial statements. The remaining portion of this section includes the combining and individual fund and other financial statements and schedules. The statistical section contains selected financial and demographic information generally presented on a multi-year basis, which has been provided to give the reader a broader understanding of the City. The federal awards compliance section, which includes the results of the supplemental audit of the City's federal awards and the internal controls necessary for compliance, is included in a separate report.

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 State, Local Governments and Non-Profit Organizations, the provisions of Indiana Code section 5-11-1-9 and the Indiana State Board of Accounts requirements. Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and the auditors' reports on the internal controls and compliance with applicable laws and regulations, is provided separately. The following section of this

transmittal letter begins with a general overview of Lafayette and the surrounding area. It also summarizes the City's required key financial, budgetary and property tax controls. The remainder of this letter covers a discussion of the prior year's activities, the City's goals and objectives for this year and beyond, and other key issues the City is facing along with the impact those issues may have on future budgets.

City Profile

The City of Lafayette serves as the county seat of Tippecanoe County, Indiana. Lafayette has approximately 71,000 residents and roughly 31,000 live in nearby West Lafayette, Indiana. The City sits alongside Interstate 65, 62 miles north of downtown Indianapolis and 120 miles from Chicago. Indiana statutes classify the City as a "City of Second Class" (cities with a population of 35,000 to 250,000). The City of Lafayette operates with a Mayor as chief executive and a nine-member City Common Council, composed of six members elected from districts and three members elected at-large.

The City provides a wide range of services to its citizens. These services include: police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; recreational activities; and cultural events. The City also oversees the Lafayette Wastewater Utility, the Lafayette Water Utility, the Lafayette Economic Development Commission, and the Lafayette Redevelopment Commission and Authority.

Economic Environment

As one of the fastest growing areas of the state, Lafayette benefits from years of strong economic leadership, both private and public. Lafayette is known for its diverse economy, with advanced manufacturing as its leading sector; the City also has a plethora of knowledge-based businesses, many of which have ties to nearby Purdue University and Ivy Tech Community College. Situated just an hour from the state capital Indianapolis and two hours from Chicago, Lafayette feeds to and from these economic generators. Lafayette benefits from record low unemployment (under 3%), allowing residents enjoy a high quality of life, but with a low cost of living, including affordable housing and high quality schools and abundant education choices.

Advanced manufacturing is the engine for the local economy with many companies calling Lafayette home. This is the 30th anniversary of Subaru of Indiana America (SIA), who made their first overseas investment in Lafayette in 1986; SIA has now grown to be one of the fastest growing auto companies in the world and the only car company to gain market share during the previous economic downturn. Over the last few years, SIA has invested nearly \$1 billion in capital investment, increased their capacity for production three times, added car lines such as the Impreza, and has new models planned that will be built in Lafayette and shipped around the world. They have added more than 1,200 jobs recently and have over 5,500 associates overall.

Nearly half of all companies in Lafayette have foreign ties or are foreign owned and many SIA suppliers are locating in the area such as Heartland Automotive with over 225 employees, Toyota Tsusho, and more recently Sanoh America.

Like SIA, Nanshan Aluminum Co. made their first foreign investment outside of its base in China in Lafayette. Their aluminum extrusion company is a \$150 million complex that employs over 200 people.

One of veteran mainstay employers of Lafayette, Arconic, formerly Alcoa, has added a lithium alloy division, catering to the aircraft industry with 75 new employees. Most recently they invested in a \$30 million press and equipment, adding another 26 employees.

Companies like Wabash National, the world's leading truck trailer manufacturer, Arconic and Tate & Lyle have made Lafayette home for decades while continuing to thrive by expanding their market share, making additional capital investments and adding jobs to their growing workforce. Caterpillar Logistics started construction on their new facility on the east side which will be a \$10 million investment for a new warehouse and logistics facility to support the Caterpillar large engine facility just a ½ mile away.

MatchBOX Coworking Studio supports tech and innovation by serving as a home to 250 members in tech and innovation startups as well as traditional companies. These members represent 150 businesses, many of which have ties to Purdue University or are commercializing Purdue intellectual property. Some companies are starting to grow from the facility and locate in the Lafayette area. Another tech related startup, Passageways, currently has over 50 employees and announced the hiring of 25 new employees in downtown Lafayette.

Downtown is seeing new investment as a destination for commerce and living. The newest project is the Marq, a \$25 million mixed use project on 2nd Street which will house the regional headquarters of Old National Bank, a 142 space parking garage, 4,000 sq. ft. of commercial space and 99 luxury apartments. Other developers are looking to develop similar projects in and around the downtown. With the Marq, the City of Lafayette has been making significant investments totaling over \$10 million in streetscape improvements for an enhanced pedestrian and consumer experience as well as public art including mural, sculptures and performances to add interest and vibrancy to downtown. With its many events, festivals, farmers market and unique retail, restaurant and entertainment venues, downtown is a work, live, play destination.

While the new Marq building continues to take shape, Lafayette broke ground on its first major project with the assistance of the Wabash River Enhancement Corporation to develop the Wabash River Corridor. The Riverfront Promenade will be a pedestrian walkway and overlook which will connect citizens and visitors to the Wabash River.

The Sagamore Parkway serves as the main thoroughfare in Lafayette; the northern and southern phases of Sagamore Parkway were recently completed and the last phase is underway. The project will total to be a more than \$30 million investment in critical infrastructure to support our local economy. Other recent major improvements include Greenbush Street, the Myers Bridge, renovations to Riehle Plaza, and South 18th Street. The City of Lafayette also completed renovations to the Long Center, the Big 4 Depot, and improvements to the City Parking Garage. The total capital investment over the past two years is over \$600 million.

The City has state of the art and robust infrastructure including fiber telecommunications providing high speed internet access. Also, modern and well maintained roads and streets to the pipes and conveyances underground support economic development, jobs and investment. The City of Lafayette has the capacity to meet the needs of business now and in the future. Lafayette and its partners, such as Greater Lafayette Commerce, work closely with the Indiana Economic Development Corporation on leads and prospects as well as designating sites as "shovel ready" to minimize the time it takes for a

company to break ground, build and operate. Lafayette's workforce draws from a seven county region, with workers who have many resources through Ivy Tech Community College and Purdue University to keep their skills current or for advancement.

Lafayette and the surrounding area has a high quality of life that is attractive to companies and citizens alike. Lafayette boasts a great parks system, with a zoo, water park, and baseball stadium that will be completely renovated in the coming years and more. Lafayette is adding more multi-use trails throughout the city to add to its 30+ miles presently. All told, Lafayette is a thriving, growing destination for commerce with a robust outlook for economic development.

Financial, Internal, Budgetary and Property Tax Controls

Management of the City is responsible for establishing and maintaining an internal control structure. The structure is designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is also designed to provide reasonable assurances that these following two 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. We believe that the City's internal controls reasonably safeguard assets, assure that financial transactions are properly recorded and reported, and ensure compliance with applicable federal and state laws and regulations.

In accordance with Indiana statutes, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget (prepared on a cash basis) which is adopted by the Common Council or Redevelopment Commission (depending on the fund) and then reviewed and approved by the State of Indiana Department of Local Government Finance (DLGF). Activities of the general fund, special revenue funds, capital projects funds, enterprise funds, internal service funds, pension trust funds are included in the annual budget. The level of budgetary control is established by major budget classification within funds. The Mayor and Common Council may transfer appropriations from one major budget classification to another within a department by ordinance as long as the total appropriations for that fund are not exceeded. Additional appropriations in excess of the original budget must be approved by the Mayor and Common Council and are also submitted to the DLGF for either approval or acknowledgment. Additional appropriations for funds approved by the Redevelopment Commission do not require DLGF approval. Beginning in budget year 2009, the City must also submit its annual budget to the Tippecanoe County Common Council for a non-binding review and recommendation. The deadline for adoption of the annual budget is November 1. The city's fiscal year begins on January 1.

In addition to budgetary and other controls established by Indiana Statute, the City must operate within specific and rigid controls governing the amount of property tax it may levy. The property tax control program, which began in 1973, limits the amount of property tax that may be levied by each unit of government in its legally budgeted funds. The total amount of property tax levied by the unit may increase by the six year average annual growth in Indiana non-farm income, as calculated by the U.S. Bureau of Economic Analysis, with a maximum of 6%.

During March 2008, the State of Indiana General Assembly enacted property tax reform legislation which made significant changes in the property tax system by capping the amount of property taxes at 1% of grossed assessed value for residential homesteads, 2% for agricultural/rental properties and 3% for all other real and personal property. This legislation was phased in over a two year period beginning in 2009. The loss of revenue to the City due to this legislation has been offset by cost savings and the adoption of local option income taxes in order to continue providing essential City services, including police and fire protection.

Acknowledgements

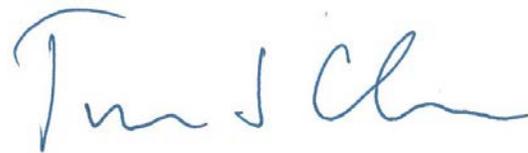
The preparation of the Comprehensive Annual Financial Report (CAFR) was made possible by the dedicated service of the City's departmental fiscal officers and the staff of the Controller's Department. We would especially like to acknowledge the efforts of Rebecca Conner, Accounting Manager; Larry Tippin, Consultant, Patty Payne, Director of Communications and Marketing and Madalyn Clary, Intern. In addition several Tippecanoe County officials provided valuable property tax information for the statistical schedules. We also acknowledge the assistance of the entire audit team from the Indiana State Board of Accounts for assisting in the compilation of this report.

Without the leadership of Mayor Tony Roswarski and the City Department Heads, preparation of this report would not have been possible.

Sincerely,



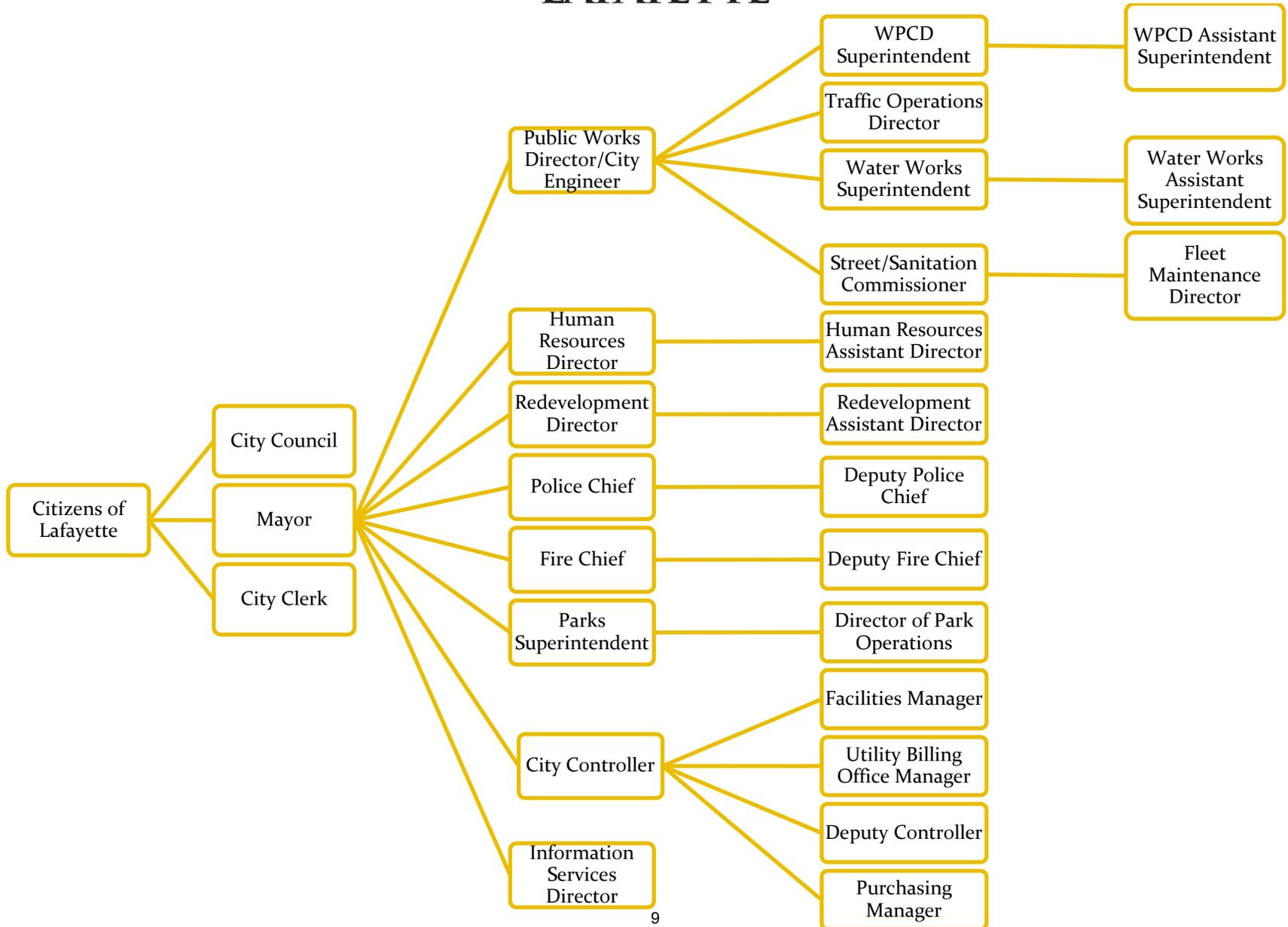
J. Michael Jones
City Controller



Timothy J. Clary, CPA
Deputy City Controller



CITY OF
LAFAYETTE





LISTING OF ELECTED OFFICIALS

December 31, 2017

Name	Office	Years of Service	Current Term
Tony Roswarski	Mayor	Fourteen Years	1/1/2016-12/31/2019
Cindy Murray	City Clerk	Fourteen Years	1/1/2016-12/31/2019

LISTING OF CITY COUNCILORS

December 31, 2017

Name	Position	District	Current Term
Nancy Nargi	President	At-Large	1/1/2016-12/31/2019
Jerry Reynolds	City Councilor	District 1	1/1/2016-12/31/2019
Ronald B. Campbell	City Councilor	District 2	1/1/2016-12/31/2019
Perry E. Brown	City Councilor	District 3	1/1/2016-12/31/2019
Lauren Ahlersmeyer	City Councilor	District 4	1/1/2016-12/31/2019
Melissa Williamson	City Councilor	District 5	1/1/2016-12/31/2019
Bob Downing	City Councilor	District 6	1/1/2016-12/31/2019
Lon Heide	City Councilor	At-Large	1/1/2016-12/31/2019
Kevin Klinker	City Councilor	At-Large	1/1/2016-12/31/2019



LISTING OF APPOINTED POSITIONS

December 31, 2017

Name	Position	Department
Pat Flannely	Police Chief	Police
Richard Doyle	Fire Chief	Fire
J. Michael Jones	Controller	Controller
Timothy J. Clary	Deputy Controller	Controller
Andy Milam	Director of Information Technology	Information
Jennifer Leshney	City Engineer	Engineering
Dennis H. Carson	Director of Economic Development	Economic
Claudine Laufman	Director of Parks and Recreation	Parks and Recreation
Tim Bullis	Fleet Superintendent	Fleet Maintenance
Brad Talley	Wastewater Superintendent	Wastewater
Kerry Smith	Water Superintendent	Water
Mark Gick	Building Commissioner	Engineering
Amy Douglas	Utility Billing Director	Utility Billing
Tim Detzner	Urban Forester	Engineering



BOARDS, COMMISSIONS, AND COMMITTEES
December 31, 2016

**Board of Public Works
& Safety**

Gary Henriott
Cindy Murray
Ron Shriner
Norm Childress
Dawn Ross

**Board of Parks &
Recreation**

Maurice Denney
Victor L. Klinker
Dave Mecklenburg
John Ragan

**Board of Zoning
Appeals**

Jackson Bogan
Kathy Davis
David Lahr
Tracy Walder

**Redevelopment
Authority**

Rick Davis
Erin Easter
Amy Moulton

Parking Commission

John Christodoulakis
Mary Lundstrom
Ken McCammon
Andrew Muffet
Cindy Murray

**Historic Preservation
Commission**

John Burns
Scott Gilkey
Julie Ginn
Sean Lutes
Kevin Klinker
Shawna McCulley
Kurt Wahl

Housing Authority

Maurice Denney
Kathy Fish
John Hatter
Donna Osborn
Nannette Seward
Bob Smeltz
Julie Sumrall

**Human Relations
Commission**

Carina Atherton-Childress
Bryan Bell
Susan Brouillette
CJ Brown
Cheryl Harmon
DeWayne Moffitt
Michelle Reynolds
Randy Studt
Joel Wright

**Economic
Development
Commission**

David Bathe
Sarah Schwarz
Joe Seaman
Steve Snyder
Dave Zimmerman

**Tree Advisory
Committee**

Chris Brown
Ron Campbell
Tim Detzner
Dan Dunten
Andy Fristoe
Greg Shaner
Tracy Walder

**Urban Enterprise
Association**

Dennis Carson
David Bluestein
Ed Butler
Michael L. Gibson
Lon Heide
Sheila Klinker
Jim MacDonald
Jackie Montinero
Kathryn Oreovicz
Bob Reiling
Dave Williams
Scott Walker

Financial Section



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF LAFAYETTE, TIPPECANOE COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lafayette (City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules - General Fund, Budgetary Comparison Schedules - Major Special Revenue Funds, Schedules of the City's Proportionate Share of the Net Pension Liability, Schedules of Changes in the City's Net Pension Liability and Related Ratios, and Schedules of City Contributions, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, the Fund Descriptions, the Schedule of Expenditures - Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances, Combining Statement of Net Position, Combining Statement of Revenues, Expenditures, and Changes in Net Position, Combining Statement of Cash Flows, Budgetary Comparison Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Fund Descriptions, Schedule of Expenditures - Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances, Combining Statement of Net Position, Combining Statement of Revenues, Expenditures, and Changes in Net Position, Combining Statement of Cash Flows, and Budgetary Comparison Schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Fund Descriptions, Schedule of Expenditures - Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances, Combining Statement of Net Position, Combining Statement of Revenues, Expenditures, and Changes in Net Position, Combining Statement of Cash Flows, and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.


Paul D. Joyce, CPA
State Examiner

August 29, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of the City of Lafayette, Indiana (“City”) provides herewith this Management Discussion & Analysis (“MD&A”) of the financial activities and the general condition of the City for the fiscal year (“FY”) ended December 31, 2016.

Readers of the information contained within this MD&A, and any opinions and statements derived therein, should be considered as part of the greater whole of the financial statement, notes to the financial statements, supplemental information and letter of transmittal, as contained within this Comprehensive Annual Financial Report (“CAFR”).

The City provides a full range of governmental services to its citizens and neighbors. Services include: general government administration, public safety, street and sidewalk construction and maintenance, and stewardship of parks and recreation properties. The City also provides water, wastewater, parking and section 108 services to residents within the City’s boundaries. City operations also include the Lafayette Redevelopment Authority, a blended component unit.

Financial Highlights

1. Government wide net position was \$336,955,440 as of December 31, 2016, an increase of \$18,665,360 or 5.9% over FY 2015.
2. Governmental Activity net position was \$168,293,265 as of December 31, 2016.
3. Governmental Activity net position increased \$13,060,070 or 8.4% in FY 2016.
4. Business-type activity net position was \$168,662,175 as of December 31, 2016.
5. Business-type activity net position increased \$5,605,815 or 3.4% in FY 2016.
6. Government wide assets as of December 31, 2016 were \$572,843,400, a decrease of \$3,664,940 or 0.6% as compared to December 31, 2015.
7. Government wide deferred outflows were \$14,191,778 as of December 31, 2016, as compared to \$10,131,961 as of December 31, 2015, which was the first year of implementation of GASB 68.
8. Government wide liabilities were \$240,970,262 as of December 31, 2016, as compared to \$257,142,135 as of December 31, 2015, which was the first year of implementation of GASB 68.
9. Government wide deferred inflows were \$9,109,475 as of December 31, 2016, as compared to \$11,208,086 as of December 31, 2015, which was the first year of implementation of GASB 68.

10. Government wide Revenue totaled \$121,667,383 in FY 2016, an increase of \$12,510,732 or 11.5% as compared to FY 2015.
11. Government wide Expenses totaled \$103,001,498 in FY 2016 compared to \$95,682,450 in FY 2015.

Explanatory commentary concerning the changes in assets, liabilities, revenues and expenditures can be found in later sections of this MD&A.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City's basic financial statements. The City of Lafayette's financial statements are comprised of three components: (1) government wide statements (2) fund financial statements and (3) notes to the financial statements. This report also includes other information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accrual based accounting, a method of accounting utilized by private sector companies.

Statement of Net Position

This statement reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City of Lafayette as of December 31, 2016. The net difference between total assets and deferred outflows less total liabilities and deferred inflows is reported as "net position," and can generally be thought of as the net worth of the City and its various subdivisions. Increases in net position generally indicate an improvement in financial position whereas decreases in net position may indicate a deterioration of financial position.

Statement of Activities

This statement serves in place of the traditional income statement. It provides aggregated reporting of the results of all activities of the City for the year ended December 31, 2016. Changes in net position are recorded in the period in which the underlying event takes place, which may differ significantly from the period in which cash is received or disbursed. The statement of activities displays the expenses of the City's various programs net of the related revenues, as well as a separate presentation of revenue available for general purposes including property taxes, fees for services, and other miscellaneous revenue sources.

The government wide financial statements distinguish between functions of the City that are primarily supported by taxes and intergovernmental revenue (hereinafter referred to as “governmental activities”) and other functions and services of the government that are intended to recover all or the majority of their costs through user fees and charges (hereinafter referred to as “business type activities”). The major government activities of the City include: general administration, public safety, road construction and maintenance, parks and recreation, and community development services consisting of planning, zoning, and other engineering functions. The business-type activities of the City include: water, wastewater, parking and section 108 services.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been earmarked for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be separated into three classifications: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the functions reported as governmental activities in the government wide financial statements. However, unlike government wide financial statements, governmental fund statements focus on discrete inflows and outflows of liquid resources, as well as balances of liquid resources available at the end of each reporting period. This information is useful in evaluation of the government’s immediate financing requirements. Governmental funds use a modified accrual accounting methodology. Major Governmental funds are comprised of the General, Motor Vehicle Highway, Economic Development Income Tax (EDIT), Thoroughfare, Redevelopment Authority and TIF Creasy Central Consolidated funds.

Proprietary Funds

The City of Lafayette maintains two types of proprietary funds: enterprise and internal service.

Enterprise Funds are utilized to report the same functions as business type activities in the government wide financial statements. The City maintains four (4) enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary revenues, expenses and changes in fund net position for the Water Utility, Wastewater Utility, Parking, and the

Section 108 Fund. The Water Utility and Wastewater Utility funds are considered major enterprise funds of the City.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions and funds. The City uses a self-funded liability insurance program for workman's compensation and unemployment compensation claims. In addition to inventory and purchasing allocated on a department cost-reimbursement basis. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports one Agency Fund which accounts for the payroll and insurance withholdings held by the City as an agent for the federal and state governments, and various employee insurance deductions and two Pension Trust Funds, which accounts for activities related to the 1925 Police Pension Plan and the 1937 Firefighters Pension Plan.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential in order to have full comprehension of the data and financial statements included in this report. The notes to the basic financial statements can be found immediately following the Fund Financial Statements and prior to the Required Supplementary Information in this report.

Other Information

In addition to the basic financial statements and accompanying notes and disclosures, this CAFR report presents supplementary information. The combining statements referred to earlier in connection with non-major governmental, enterprise, internal service, and fiduciary funds are presented immediately after the basic financial statements within the financial statement section of the CAFR report.

Government-wide Financial Analysis

The following analysis focuses on the statement of net position and the statement of changes in net position for both the City's government and business type activities. At the close of 2016, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$336,955,440 for the City as a whole. The largest portion of the City's equipment, and infrastructure less any related outstanding debt utilized to acquire or build said assets. The City places these capital assets into service in order to provide benefits and governmental services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be liquidated to fund these liabilities.

The following table reflects the condensed Statement of Net Position:

	City of Lafayette Net Position (amounts expressed in thousands)					
	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 47,088	\$ 59,619	\$ 43,877	\$ 47,270	\$ 90,965	\$ 106,889
Capital assets (net)	<u>239,070</u>	<u>228,370</u>	<u>242,808</u>	<u>241,250</u>	<u>481,878</u>	<u>469,620</u>
Total assets	<u>286,158</u>	<u>287,989</u>	<u>286,685</u>	<u>288,520</u>	<u>572,843</u>	<u>576,509</u>
Deferred outflows	<u>12,294</u>	<u>8,475</u>	<u>1,898</u>	<u>1,657</u>	<u>14,192</u>	<u>10,132</u>
Current liabilities	16,240	16,653	8,603	10,998	24,843	27,651
Noncurrent liabilities	<u>105,198</u>	<u>113,860</u>	<u>110,929</u>	<u>115,632</u>	<u>216,127</u>	<u>229,492</u>
Total liabilities	<u>121,438</u>	<u>130,513</u>	<u>119,532</u>	<u>126,630</u>	<u>240,970</u>	<u>257,143</u>
Deferred inflows	<u>8,720</u>	<u>10,717</u>	<u>389</u>	<u>491</u>	<u>9,109</u>	<u>11,208</u>
Net position	<u>\$ 168,294</u>	<u>\$ 155,234</u>	<u>\$ 168,662</u>	<u>\$ 163,056</u>	<u>\$ 336,956</u>	<u>\$ 318,290</u>
Net Investment in Capital Assets	\$ 189,908	\$ 172,422	\$ 138,610	\$ 127,894	\$ 328,518	\$ 300,316
Restricted	6,057	2,051	8,270	8,335	14,327	10,386
Unrestricted	<u>(27,671)</u>	<u>(19,239)</u>	<u>21,782</u>	<u>26,827</u>	<u>(5,889)</u>	<u>7,588</u>
Total net position	<u>\$ 168,294</u>	<u>\$ 155,234</u>	<u>\$ 168,662</u>	<u>\$ 163,056</u>	<u>\$ 336,956</u>	<u>\$ 318,290</u>

A portion of the City's net position, approximately 4.3% in FY 2016, represents resources that are subject to external restrictions and are therefore not available for general activities. The remaining portion of the City's net position, approximately -1.75% in FY 2016, is unrestricted and may be used to meet ongoing obligations to citizens and creditors as management determines appropriate. At the close of fiscal year 2016, the

City is able to report a positive net position for governmental activities, business-type activities, and government-wide activities. In 2016, the government-wide net position increased by \$18,665,360 or 5.9%.

The following table reflects the condensed Statement of Changes in Net Position:

City of Lafayette
Changes in Net Position
(amounts expressed in thousands)

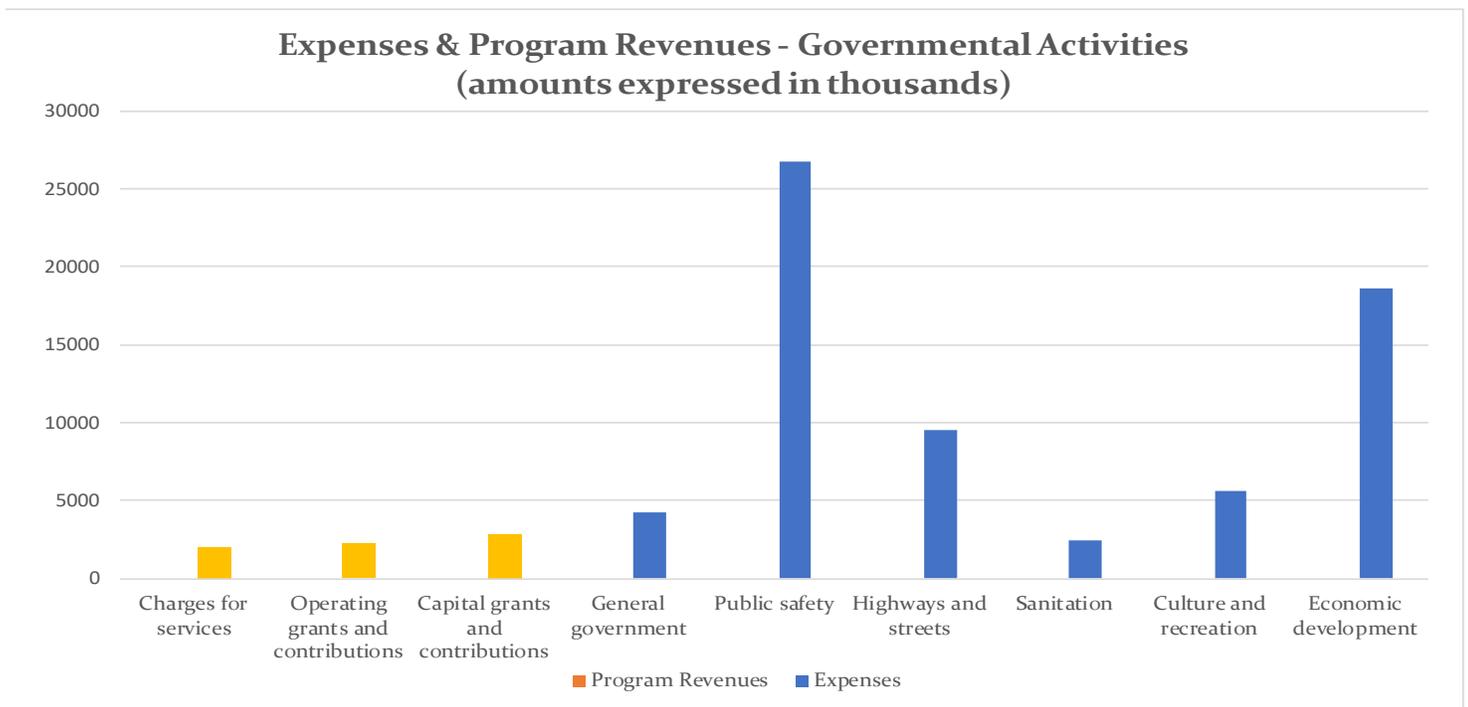
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
<u>Program revenues:</u>						
Charges for services	\$ 2,026	\$ 1,884	\$ 40,439	\$ 39,352	\$ 42,465	\$ 41,236
Operating grants and contributions	2,255	2,720	-	-	2,255	2,720
Capital grants and contributions	2,920	10	-	-	2,920	10
<u>General revenues:</u>						
Property taxes	41,895	39,649	-	-	41,895	39,649
Intergovernmental revenues	25,326	18,769	-	-	25,326	18,769
Payment in lieu of taxes	2,700	2,700	-	-	2,700	2,700
Gain (loss) on sale of capital assets	(160)	-	-	-	(160)	-
Other	2,732	2,630	1,535	1,442	4,267	4,072
Total revenues	79,694	68,362	41,974	40,794	121,668	109,156
Expenses:						
General government	3,719	5,495	-	-	3,719	5,495
Public safety	26,762	29,221	-	-	26,762	29,221
Highways and streets	9,542	9,745	-	-	9,542	9,745
Sanitation	2,427	2,087	-	-	2,427	2,087
Culture and recreation	5,514	5,248	-	-	5,514	5,248
Economic development	18,669	10,855	-	-	18,669	10,855
Water	-	-	9,366	8,962	9,366	8,962
Wastewater	-	-	26,486	23,663	26,486	23,663
Parking garage	-	-	452	334	452	334
Section 108	-	-	64	73	64	73
Total expenses	66,633	62,651	36,368	33,032	103,001	95,683
Inc(Dec) in net position	13,060	5,711	5,606	7,762	18,666	13,473
Net position, January 1	155,233	149,522	163,056	155,294	318,289	304,816
Net position -- December 31st	\$ 168,293	\$ 155,233	\$ 168,662	\$ 163,056	\$ 336,955	\$ 318,289

Governmental Activities

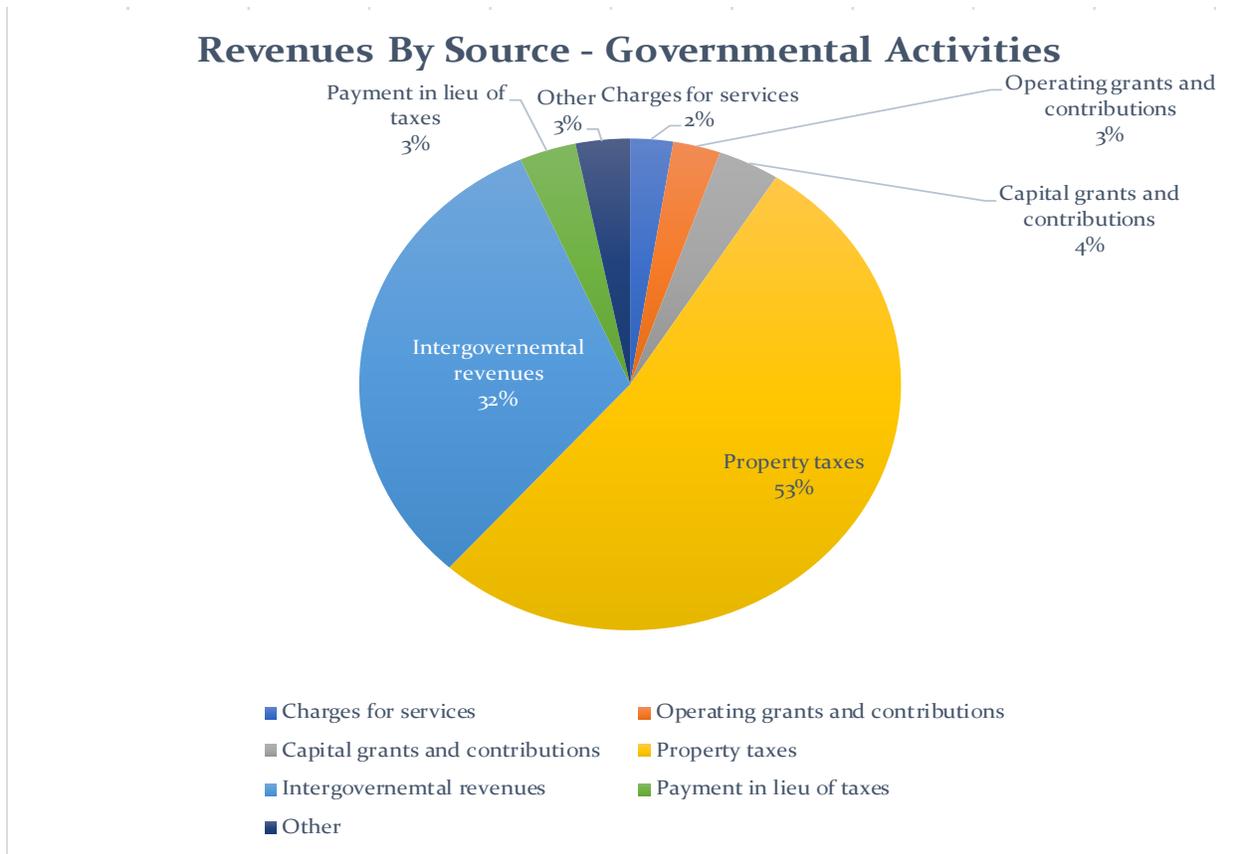
Governmental Activities increased the City's net position by \$13,060,070 in 2016. General Property and Other Tax revenue received represented 52.6% of total Governmental revenues. Charges for services totaled \$2,026,400 in 2016, representing 2.5% of total Governmental revenues. Expenses totaled \$66,633,073 for Governmental activities.

Key factors leading to the increase are primarily attributable to an increase in restricted cash held for future pension liabilities of \$2.9 million, and an increase in net pension liabilities of approximately the same amount, as well as an increase in general property and other tax revenue of approximately \$2.2 million.

The following chart displays the Program Revenues and the Expenses by function for the Government- wide Activities for the City of Lafayette.



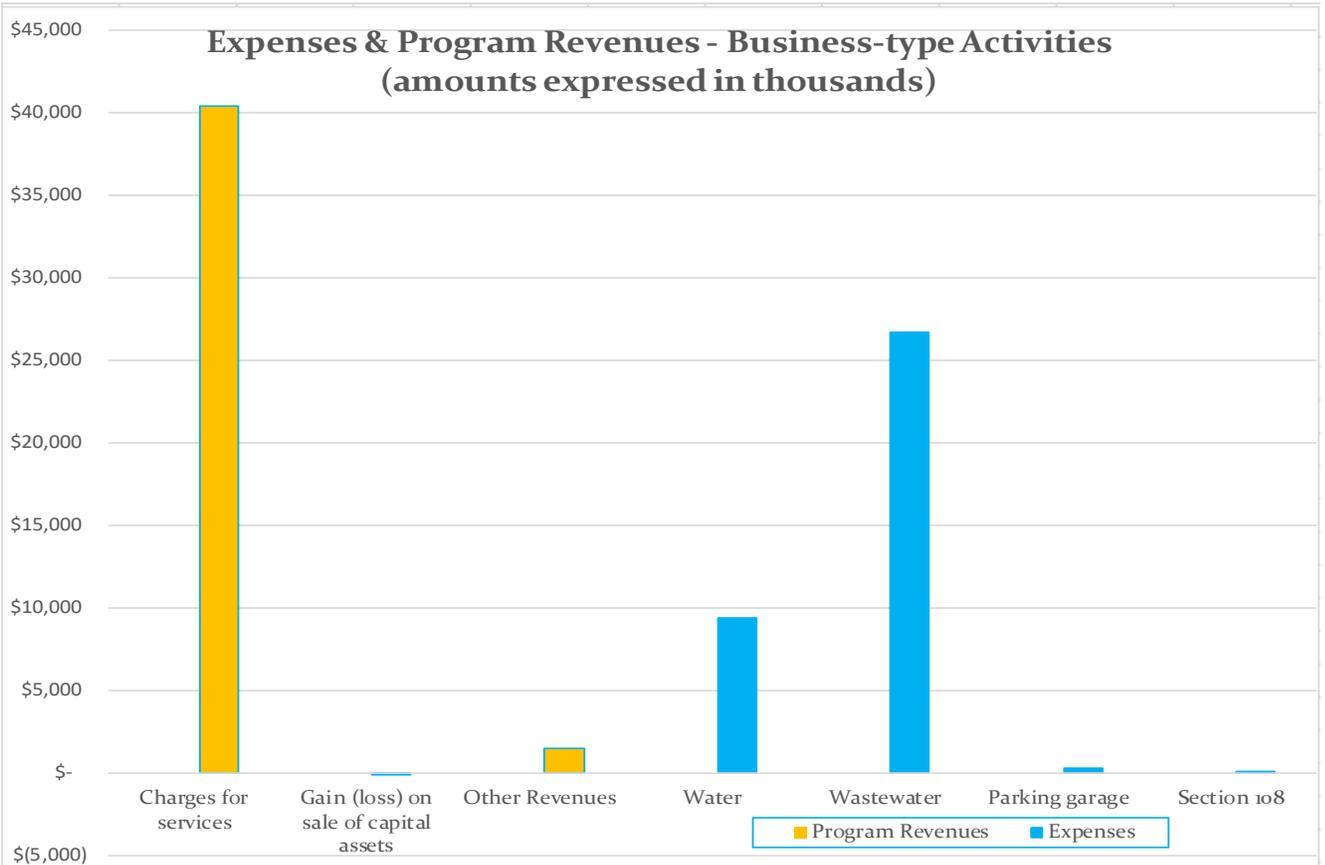
The following chart displays the revenue composition for Governmental Activities Funds.



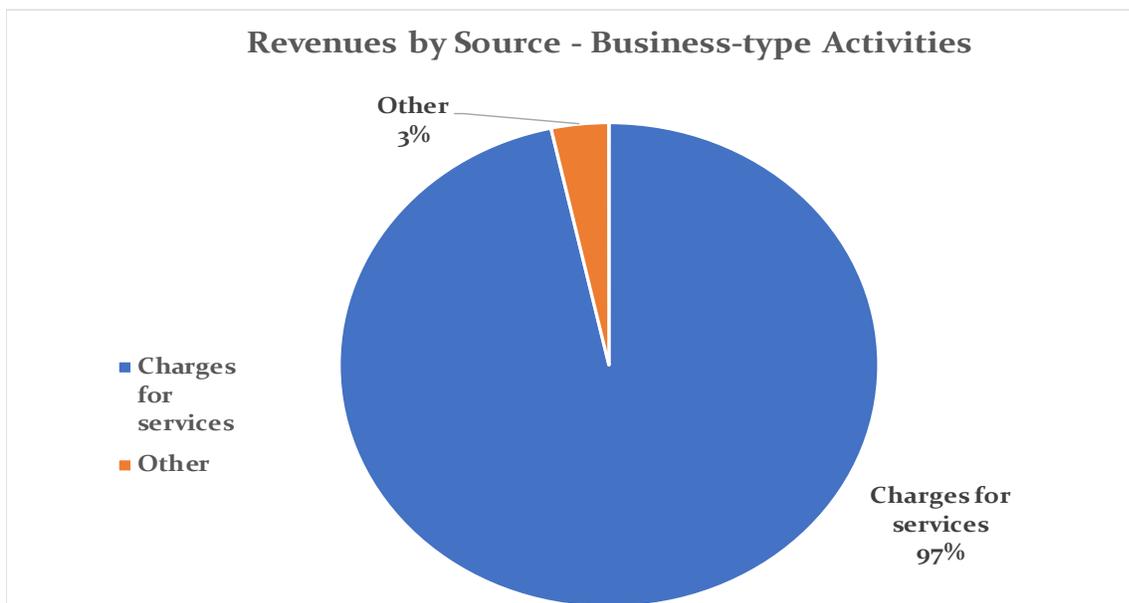
Business-type Activities

Business-type activities increased the City’s net position \$5,605,815 in 2016 compared to an increase of \$7,762,103 for FY 2015. A key factor leading to the decrease is primarily attributable to increased wastewater utility expenses of approximately \$2.8 million. The following chart illustrates the expenses and program revenues of the City’s Business-type

Activities for FY 2016.



The following chart displays the revenue composition for the City's Business-type Activities for FY 2016.



Financial Analysis of the City's Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported total fund balance of \$33,555,155, a decrease of 23.2% from FY 2015. Approximately 13.2% or \$4,417,376 constitutes the General Fund balance. As of December 31, 2016, the General Fund had an unassigned fund balance of \$4,417,376, an increase of \$1,677,583 or 61.2%.

The non-major governmental fund balance of \$14,549,585 is 43.4% of total governmental fund balance and includes an unassigned fund balance of \$4,004,302, a restricted balance of \$9,257,972, a committed fund balance of \$281,745, and an assigned fund balance of \$1,005,566. The Motor Vehicle Highway Fund balance of \$1,147,004 is 3.4% of total governmental fund balance and all of the fund balance for this fund is restricted. The Economic Development Income Tax (EDIT) Fund balance of \$2,103,059 is 6.3% of total governmental fund balance and all of the fund balance for this fund is restricted. The Thoroughfares Fund balance of \$1,323,591 or 3.9% of total governmental fund balance and all of the fund balance for this fund is restricted. The Redevelopment Authority Fund balance of \$4,840,192 is 14.4% of total governmental fund balance and all of the fund balance for this fund is restricted. The TIF Alloc Central Consolidated Fund balance of \$5,174,348 is 15.4% of total governmental fund balance and all of the fund balance for this fund is committed.

The following table reflects the fund balance for Governmental Funds:

City of Lafayette
Fund Balances for Governmental Funds
(amounts expressed in thousands)

	2016		2015	
General	\$ 4,417	13.2%	\$ 2,740	6.3%
Motor vehicle highway	1,147	3.4%	982	2.2%
EDIT	2,103	6.3%	764	1.7%
Thoroughfare	1,324	3.9%	9,275	21.2%
Redevelopment authority	4,840	14.4%	12,696	29.1%
TIF alloc central consolidated	5,174	15.4%	7,798	17.9%
Other	14,550	43.4%	9,418	21.6%
	Total governmental activities		Total governmental activities	
	\$ 33,555	100.0%	\$ 43,673	100.0%

As shown in the below charts for governmental funds fiscal year 2016, property taxes and other local taxes accounted for 48.8% of total revenues and served as the primary sources of revenue while capital outlays, personal services and other services and charges were the largest expenditures by object classification. The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund stood at \$4,417,376. To measure the General Fund's liquidity, it may be useful to compare the unassigned fund balance to the total fund expenditures. The total unassigned fund balance of \$4,417,376 represents 12.3% of the total General Fund expenditures in FY 2016. Fund balance in the General Fund increased by \$1,677,583, or 60.2% over FY 2015. The total cash and investment balance of the governmental funds decreased by as a result of major road funding from the Thoroughfare fund. The total cash and investment balance of the business-type funds decreased as Wastewater Utility construction costs increased.

City of Lafayette
Change in cash and investments
(amounts expressed in thousands)

	2016		2015	
Governmental Funds:				
General	\$ 4,400	11.4%	2,680	5.3%
Motor vehicle highway	851	2.2%	733	1.5%
EDIT	1,498	3.9%	896	1.8%
Thoroughfare	2,136	5.5%	10,764	21.4%
Redevelopment				
Authority	6,948	18.0%	14,266	28.3%
TIF alloc central				
consolidated	4,346	11.3%	8,083	16.1%
Other	18,328	47.6%	12,924	25.7%
Total governmental funds	\$ 38,507	100.0%	\$ 50,346	100.0%
Business-type Funds:				
Water utility	\$ 1,501	5.0%	2,502	7.3%
Wastewater utility	27,494	91.5%	31,651	91.9%
Other	1,045	3.5%	302	0.9%
Total business-type funds	\$ 30,040	100.0%	\$ 34,455	100.0%

Financial Analysis of the Proprietary Funds

The City’s proprietary funds provide the same information found in the government-wide financial statements, but in more detail. Unrestricted net position for the City’s major Proprietary Funds, the Water Utility Fund and the Wastewater Utility Fund, were \$(1,592,084) and \$25,533,988, respectfully, at the end of the fiscal year. Total net position in the Water Utility Fund decreased \$1,163,740. In 2016, water charges for service were \$7,466,256, which did not exceed operating expenses of \$8,596,085. Total net position in the Wastewater Utility Fund increased \$6,878,472.

The increase in net position was primarily due to increase in charges for services and reductions in operating expenses. Other business-type activities decreased the City’s net position by \$108,911.

General Fund Budgetary Highlights

General Fund Budgetary Highlights Differences between the original expenditure budget and the final amended budget resulting in no changes in appropriation and is briefly summarized as follows:

City of Lafayette				
General Fund Budgetary Highlights				
(amounts expressed in thousands)				
	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues	\$ 36,982	\$ 36,982	\$ 37,667	\$ 685
Expenditures	<u>36,771</u>	<u>36,771</u>	<u>35,821</u>	<u>950</u>
Surplus (deficit)	<u>\$ 211</u>	<u>\$ 211</u>	<u>\$ 1,846</u>	<u>\$ 1,635</u>

General Fund revenue was originally budgeted at \$36,981,854 for fiscal year 2016. The budget may be increased or decreased at any time based on updated revenue projections. By closely aligning the budget with actual results, more meaningful analysis is made

possible. The revenue budget was increased primarily due to an increase in the property tax and intergovernmental revenue estimate because of higher collections than anticipated.

During 2016, the General Fund collected \$37,666,730 in revenue on a budgetary basis, which was \$684,876 more than the original budget. The increase resulted from other miscellaneous revenues.

General Fund expenditures were originally budgeted at \$36,771,365 for fiscal year 2016. During the year, the General Fund expenditure budget was unchanged.

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Monthly reviews are conducted as required with General Fund department management to review spending projections to ensure that annual expenditures remain within the budgetary levels.

Capital Asset and Debt Administration

Capital assets: The City invested \$481,878,408 (net of accumulated depreciation) in capital assets governmental wide compared to \$469,620,067 for fiscal year 2015.

Governmental activities investment in capital assets as of December 31, 2016 amounted to \$239,070,185 and business type activities investment in capital assets amounted to \$242,808,223 (net of accumulated depreciation). The investment in capital assets included land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure such as roads and highways, and construction in progress.

Major events leading to changes in the capital asset balance during the current fiscal year include the following:

- Sagamore Parkway reconstruction
- Brown Street Sewer-combined sewer overflow control plan
- Downtown streetscape construction
- Parking garage repairs
- Long Center for the Performing Arts renovation
- Myers Pedestrian Bridge rehabilitation
- Old Romney Road reconstruction

The following table displays changes in the City's Capital Assets:

City of Lafayette						
Capital Assets, net of depreciation						
(amounts expressed in thousands)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 24,576	\$ 24,736	\$ 2,529	\$ 2,529	\$ 27,105	\$ 27,265
Buildings	33,633	33,595	19,275	18,457	52,908	52,052
Improvements other than building	7,592	7,592	485	485	8,077	8,077
Machinery and equipment	5,391	7,223	79,955	76,404	85,346	83,627
Vehicles	16,551	15,732	4,850	4,619	21,401	20,351
Infrastructure	200,957	201,044	169,670	171,396	370,627	372,440
Construction in progress	52,194	37,472	53,108	50,563	105,302	88,035
Less: Accumulated depreciation	<u>(101,824)</u>	<u>(99,024)</u>	<u>(87,064)</u>	<u>(83,203)</u>	<u>(188,888)</u>	<u>(182,227)</u>
Total capital assets, net of depreciation	<u>\$ 239,070</u>	<u>\$ 228,370</u>	<u>\$ 242,808</u>	<u>\$ 241,250</u>	<u>\$ 481,878</u>	<u>\$ 469,620</u>

Additional information of the City's capital assets can be found in Note I B. on pages 39 to 40 of this report.

Long-term debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$49,162,353 related to governmental activities and \$105,857,990 related to business-type activities. Of this amount, \$2,295,909 is comprised of General Obligation Debt.

Governmental activities long term debt was impacted by significant increases in net pension liabilities during the year. The City refunded the Sewage Works Refunding Revenue Bonds of 2006 with the Sewage Works Refunding Revenue Bonds of 2016.

The following table reflects the City's long-term debt:

City of Lafayette						
Long-term Debt						
(amounts expressed in thousands)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 2,296	\$ 3,191	\$ -	\$ -	\$ 2,296	\$ 3,191
Capital leases	1,952	1,313	-	-	1,952	1,313
Notes & loans payable	158	467	2,791	3,610	2,949	4,077
Revenue bonds	<u>44,756</u>	<u>50,941</u>	<u>103,067</u>	<u>109,746</u>	<u>147,823</u>	<u>160,687</u>
Total long-term debt	<u>\$ 49,162</u>	<u>\$ 55,912</u>	<u>\$ 105,858</u>	<u>\$ 113,356</u>	<u>\$ 155,020</u>	<u>\$ 169,268</u>

The City's long-term debt for governmental activities decreased by \$6,750,797 during FY 2016. The decrease is primarily due to payment of debt principal. Additional information of the City's long-term debt can be found in Note I B. 10 on pages 41 to 42 of this report.

Political Factors, Economic Trends and Budgets

Property tax revenue remains the principal source of revenue for the funding of governmental activities within the City of Lafayette. Senate Bill 1 enacted in 2004 took \$3,450,000 of maximum levy from the City of Lafayette. Additionally the State of Indiana General Assembly enacted property tax reform legislation during the 2008 session. The reforms included limiting property tax bills to 1% of gross assessed value for residential homesteads, 2% for commercial properties and 3% for all other real and personal property. Under the current system, taxable properties within the City are assessed based on market values. Each year properties are trended up or down by the County Assessor's Office. Property values are assessed by comparing properties to current sales trends in their respective neighborhoods. The property tax reforms of 2008 combined with the national housing recession has produced large "circuit breaker credits" borne by all taxing units in a district. This combination of legislation and poor market performance has produced extensive reduction in property taxes available to the City since 2010. In 2016 the City lost approximately \$1,505,375 in property tax levy due to circuit breaker credits. Since 2010 the City has realized approximately \$8,921,182 in circuit breaker credits. As a result the City has enacted a variety of reforms and cost cutting measures. Among those measures is a Medical Trust the City joined with other Indiana Cities to provide healthcare for their employees. With strength in numbers more affordable coverage could be provided. Originally there were 6 cities in the trust. Today the number of cities participating is 40. The City also participates in a fuel budgeting program sponsored by the Indiana Bond Bank. Again by joining with other Indiana Cities and local government units the fuel budget has been stabilized and is not exposed to the volatility that could present itself with this commodity.

Economic Trends

The City's future growth will remain, as it has since the legislative trends, on economic growth. The City and the Tippecanoe County area is the 5th fastest growing area in the State of Indiana. Solid gains in automotive manufacturing, aluminum extrusion, and aircraft engine assembly have made major impacts to the non-property tax revenue streams of the City. Building permits, Water and Waste Water fees, Economic Development Income taxes, and many other user fees have increased during this time as has the population. However, the City remains committed to strong conservative fiscal

management with only modest growth in the 2017 Budget and that growth as in the past, is focused on service delivery and efficiency.

This financial report is designed to provide a general overview of the City of Lafayette's finances for those with an interest in the City's finances. Questions concerning any of the information should be addressed to the Office of the City Controller, 20 N. 6th Street, Lafayette, Indiana 47901.

Basic Financial Statements

City of Lafayette, Indiana

Statement of Net Position December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 27,916,703	\$ 29,068,807	\$ 56,985,510
Cash with fiscal agent	5,221,903	-	5,221,903
Receivables:			
Loans	1,204,686	-	1,204,686
Taxes	887,303	-	887,303
Accounts	823,284	5,308,760	6,132,044
Intergovernmental	3,783,703	-	3,783,703
Interest	-	16,450	16,450
Inventories	374,811	1,012,505	1,387,316
Prepaid items	818,640	200,730	1,019,370
Total current assets	<u>41,031,033</u>	<u>35,607,252</u>	<u>76,638,285</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	6,057,072	971,952	7,029,024
Investments	-	7,297,683	7,297,683
Total restricted assets:	<u>6,057,072</u>	<u>8,269,635</u>	<u>14,326,707</u>
Capital assets:			
Land, improvements and construction in progress	76,769,948	55,637,116	132,407,064
Other capital assets, net of depreciation	<u>162,300,237</u>	<u>187,171,107</u>	<u>349,471,344</u>
Total capital assets:	<u>239,070,185</u>	<u>242,808,223</u>	<u>481,878,408</u>
Total noncurrent assets	<u>245,127,257</u>	<u>251,077,858</u>	<u>496,205,115</u>
Total assets	<u>286,158,290</u>	<u>286,685,110</u>	<u>572,843,400</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	12,294,254	1,897,524	14,191,778
LIABILITIES			
Current liabilities:			
Accounts Payable	3,285,781	586,934	3,872,715
Contracts payable	-	1,716,626	1,716,626
Accrued payroll and withholding payable	1,045,668	283,191	1,328,859
Interfund loan payable	-	744,303	744,303
Intergovernmental payable	4,005,963	-	4,005,963
Taxes payable	-	33,053	33,053
Accrued interest payable	587,221	305,671	892,892
Performance deposits payable	620,344	194,930	815,274
Unearned revenue	10,660	-	10,660
Customer deposits	32,425	146,827	179,252
General obligation bonds payable (due within one year)	910,000	-	910,000
Revenue bonds payable (due within one year)	5,325,000	3,720,000	9,045,000
Notes and loans payable (due within one year)	158,354	871,000	1,029,354
Capital lease obligations (due within one year)	<u>258,857</u>	-	<u>258,857</u>
Total current liabilities	<u>16,240,273</u>	<u>8,602,535</u>	<u>24,842,808</u>

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

Statement of Net Position (Continued) December 31, 2016

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Noncurrent liabilities:			
General obligation bonds payable	1,385,909	-	1,385,909
Revenue bonds payable	39,430,711	99,346,990	138,777,701
Notes and loans payable	-	1,920,000	1,920,000
Capital lease obligations	1,693,522	-	1,693,522
Other postemployment benefit obligation	1,287,214	2,574,429	3,861,643
Net pension liability	61,401,131	7,087,548	68,488,679
Total noncurrent liabilities	<u>105,198,487</u>	<u>110,928,967</u>	<u>216,127,454</u>
Total liabilities	<u>121,438,760</u>	<u>119,531,502</u>	<u>240,970,262</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	8,720,519	388,956	9,109,475
NET POSITION			
Net investment in capital assets	189,907,832	138,610,168	328,518,000
Restricted for:			
Debt service	2,038,556	8,124,077	10,162,633
Capital outlay	4,005,963	-	4,005,963
Customer deposits	-	145,558	145,558
Donor designated use	12,553	-	12,553
Unrestricted	(27,671,639)	21,782,372	(5,889,267)
Total net position	<u>\$ 168,293,265</u>	<u>\$ 168,662,175</u>	<u>\$ 336,955,440</u>

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

Statement of Activities For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General Government	\$ 3,718,623	\$ 728,408	\$ 7,313	\$ -	\$ (2,982,902)	\$ -	\$ (2,982,902)
Public Safety	26,762,483	107,467	324,022	-	(26,330,994)	-	(26,330,994)
Highways and Streets	9,542,124	46,131	-	2,000,000	(7,495,993)	-	(7,495,993)
Sanitation	2,426,587	-	-	-	(2,426,587)	-	(2,426,587)
Culture and Recreation	5,514,340	1,130,853	3	-	(4,383,484)	-	(4,383,484)
Economic Development	18,668,916	13,541	1,923,297	919,780	(15,812,298)	-	(15,812,298)
Total governmental activities	<u>66,633,073</u>	<u>2,026,400</u>	<u>2,254,635</u>	<u>2,919,780</u>	<u>(59,432,258)</u>	<u>-</u>	<u>(59,432,258)</u>
Business-type activities:							
Community Dev Blk Grant (LHR)	64,520	-	-	-	-	(64,520)	(64,520)
Parking Operations	451,504	380,178	-	-	-	(71,326)	(71,326)
Wastewater Utility	26,486,317	32,603,704	-	-	-	6,117,387	6,117,387
Water Utility	9,366,084	7,454,864	-	-	-	(1,911,220)	(1,911,220)
Total business-type activities	<u>36,368,425</u>	<u>40,438,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,070,321</u>	<u>4,070,321</u>
Total primary government	<u>\$ 103,001,498</u>	<u>\$ 42,465,146</u>	<u>\$ 2,254,635</u>	<u>\$ 2,919,780</u>	<u>(59,432,258)</u>	<u>4,070,321</u>	<u>(55,361,937)</u>
General revenues:							
Property taxes					41,894,612	-	41,894,612
Intergovernmental Revenues					25,325,917	-	25,325,917
Payment in Lieu of Taxes					2,700,000	-	2,700,000
Gain (loss) on sale of assets					(159,992)	-	(159,992)
Other revenues					2,674,957	217,122	2,892,079
Unrestricted investment earnings					46,835	141,449	188,284
Contributed Capital					9,999	1,176,923	1,186,922
Total general revenues					<u>72,492,328</u>	<u>1,535,494</u>	<u>74,027,822</u>
Change in net position					13,060,070	5,605,815	18,665,885
Net position - beginning					155,233,195	163,056,360	318,289,555
Net position - ending					<u>\$ 168,293,265</u>	<u>\$ 168,662,175</u>	<u>\$ 336,955,440</u>

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

**Balance Sheet
Governmental Funds
December 31, 2016**

	General	Motor Vehicle Highway	Economic Dev Income Tax(EDIT)	Thoroughfare	Redevelopment Authority	TIF Creasy Central Consolidated	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 4,399,781	\$ 850,840	\$ 1,498,076	\$ 2,135,739	\$ 1,864,341	\$ 4,008,627	\$ 12,470,150	\$ 27,227,554
Cash with fiscal agents	-	-	-	-	3,830,153	-	1,391,749	5,221,902
Receivables (net of allowance for uncollectibles)								
Loans	-	3,150	744,303	-	-	351,773	105,460	1,204,686
Taxes	502,477	51,537	-	-	-	162,947	170,342	887,303
Accounts	15,106	23,598	-	-	-	642,871	141,709	823,284
Intergovernmental	1,591,442	541,710	1,033,773	-	-	2,059	614,719	3,783,703
Restricted cash, cash equivalents and investments	-	-	-	-	1,253,433	337,635	4,466,004	6,057,072
Total assets	<u>6,508,806</u>	<u>1,470,835</u>	<u>3,276,152</u>	<u>2,135,739</u>	<u>6,947,927</u>	<u>5,505,912</u>	<u>19,360,133</u>	<u>45,205,504</u>
LIABILITIES								
Accounts Payable	463,301	142,271	136,175	269,648	1,659,615	49,919	367,393	3,088,322
Accrued payroll and withholding payable	853,751	105,358	-	-	-	-	86,559	1,045,668
Intergovernmental payable	-	-	-	-	-	-	4,005,963	4,005,963
Interest payable	-	-	3,144	-	448,120	40,854	95,103	587,221
Unearned revenue	747,353	76,202	1,033,774	-	-	162,947	250,130	2,270,406
Performance deposits payable	10,000	-	-	542,500	-	67,844	-	620,344
Customer deposits payable	17,025	-	-	-	-	10,000	5,400	32,425
Total liabilities	<u>2,091,430</u>	<u>323,831</u>	<u>1,173,093</u>	<u>812,148</u>	<u>2,107,735</u>	<u>331,564</u>	<u>4,810,548</u>	<u>11,650,349</u>
FUND BALANCES								
Restricted	-	1,147,004	-	1,323,591	4,840,192	-	9,257,972	16,568,759
Committed	-	-	-	-	-	5,174,348	281,745	5,456,093
Assigned	-	-	2,103,059	-	-	-	1,005,566	3,108,625
Unassigned	4,417,376	-	-	-	-	-	4,004,302	8,421,678
Total fund balances	<u>4,417,376</u>	<u>1,147,004</u>	<u>2,103,059</u>	<u>1,323,591</u>	<u>4,840,192</u>	<u>5,174,348</u>	<u>14,549,585</u>	<u>33,555,155</u>
Total liabilities and fund balances	<u>\$ 6,508,806</u>	<u>\$ 1,470,835</u>	<u>\$ 3,276,152</u>	<u>\$ 2,135,739</u>	<u>\$ 6,947,927</u>	<u>\$ 5,505,912</u>	<u>\$ 19,360,133</u>	<u>\$ 45,205,504</u>

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2016

Fund Balance Reported in the Governmental Funds	\$ 33,555,155
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	239,070,185
Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,193,451
Deferred outflows of resources used in governmental activities are not available to pay for current period expenditures and therefore are not reported in the funds.	12,294,254
City and state collections that are not available until the next calendar year are recognized as revenue in government-wide funds but are unearned in the fund balance.	2,259,746
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	491,691
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(49,162,353)
Net pension liability and other postemployment benefit obligation are not due and payable in the current period and, therefore are not reported in the funds.	(62,688,345)
Deferred inflows of resources do not present a claim on current financial resources and are not reported in the funds.	(8,720,519)
Net Position of Governmental Activities	<u>\$ 168,293,265</u>

The notes to financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016**

	General	Motor Vehicle Highway	Economic Dev Income Tax(EDIT)	Thoroughfare	Redevelopment Authority	TIF Creasy Central Consolidated	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
General Property Taxes	\$ 23,381,431	\$ 2,396,696	\$ -	\$ -	\$ -	\$ 7,595,244	\$ 8,489,584	\$ 41,862,955
Licenses and permits	552,307	-	-	-	-	-	11,293	563,600
Intergovernmental	9,603,831	4,062,793	5,935,921	1,000,000	-	570,588	7,897,324	29,070,457
Payment in Lieu of Taxes	2,700,000	-	-	-	-	-	-	2,700,000
Charges for services	23,969	42,996	-	-	-	-	1,246,316	1,313,281
Fines and forfeits	139,804	-	-	-	-	-	10,064	149,868
Other	1,265,388	71,361	16,523	-	6,474,069	423,546	537,805	8,788,692
Capital contributuions	-	-	-	-	-	-	352,029	352,029
Total revenues	<u>37,666,730</u>	<u>6,573,846</u>	<u>5,952,444</u>	<u>1,000,000</u>	<u>6,474,069</u>	<u>8,589,378</u>	<u>18,544,415</u>	<u>84,800,882</u>
EXPENDITURES								
Current:								
General Government	3,158,928	-	-	-	-	-	129,154	3,288,082
Public Safety	30,528,081	-	-	-	-	-	503,579	31,031,660
Highways and Streets	-	5,882,241	-	-	-	-	45,554	5,927,795
Sanitation	1,931,983	-	-	-	-	-	-	1,931,983
Culture and Recreation	-	-	-	-	-	-	4,666,881	4,666,881
Economic Development	-	-	5,585,498	-	606,539	3,352,782	4,011,856	13,556,675
Debt service:								
Interest	-	-	-	-	828,490	178,665	199,340	1,206,495
Principal retirement	-	-	-	-	5,195,000	4,500,000	1,493,078	11,188,078
Capital outlay:								
Public Safety	202,292	-	-	-	-	-	45,997	248,289
Highways and Streets	-	526,828	-	9,951,462	-	-	-	10,478,290
Economic Development	-	-	127,900	-	7,699,489	1,831,867	2,517,362	12,176,618
Total expenditures	<u>35,821,284</u>	<u>6,409,069</u>	<u>5,713,398</u>	<u>9,951,462</u>	<u>14,329,518</u>	<u>9,863,314</u>	<u>13,612,801</u>	<u>95,700,846</u>
Excess (deficiency) of revenues over expenditures	<u>1,845,446</u>	<u>164,777</u>	<u>239,046</u>	<u>(8,951,462)</u>	<u>(7,855,449)</u>	<u>(1,273,936)</u>	<u>4,931,614</u>	<u>(10,899,964)</u>
OTHER FINANCING SOURCES (USES)								
Interest and investment revenue	32,137	-	55	-	-	-	-	32,192
Capital Lease Proceeds	-	-	750,210	-	-	-	-	750,210
Transfers In	-	-	350,000	1,000,000	-	-	200,000	1,550,000
Transfer Out	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,350,000)</u>	<u>-</u>	<u>(1,550,000)</u>
Total other financing sources (uses)	<u>(167,863)</u>	<u>-</u>	<u>1,100,265</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,350,000)</u>	<u>200,000</u>	<u>782,402</u>
Net change in fund balances	1,677,583	164,777	1,339,311	(7,951,462)	(7,855,449)	(2,623,936)	5,131,614	(10,117,562)
Fund balances - beginning	<u>2,739,793</u>	<u>982,227</u>	<u>763,748</u>	<u>9,275,053</u>	<u>12,695,641</u>	<u>7,798,284</u>	<u>9,417,971</u>	<u>43,672,717</u>
Fund balances - ending	<u>4,417,376</u>	<u>1,147,004</u>	<u>2,103,059</u>	<u>1,323,591</u>	<u>4,840,192</u>	<u>5,174,348</u>	<u>14,549,585</u>	<u>33,555,155</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

December 31, 2016

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances).	\$	(10,117,562)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		16,900,644
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		(12,277)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,507,823
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The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		6,750,797
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Net pension obligations and Other postemployment benefit obligations are considered long-term obligations of the general government, but are not current expenditures.		(2,732,998)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		13,433
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Other financing sources is to increase net position		750,210
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Change in net position of governmental activities (statement of activities)	\$	13,060,070
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The notes to financial statements are an integral part of this statement.

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds		Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 248,946	\$ 248,946	\$ 689,150
Operating Cash	272,086	11,527,081	-	11,799,167	-
Depreciation Cash	1,083,356	12,452,118	-	13,535,474	-
Bond and Interest Cash	-	3,485,220	-	3,485,220	-
Accounts receivable (net of allowance)	520,348	4,775,174	13,238	5,308,760	-
Interest receivable	-	-	16,450	16,450	-
Inventories	291,999	720,506	-	1,012,505	247,611
Prepaid items	95,200	105,530	-	200,730	-
Total current assets	2,262,989	33,065,629	278,634	35,607,252	936,761
Noncurrent assets:					
Restricted cash, cash equivalents and investments:					
Customer Deposits	145,558	-	-	145,558	-
Revenue bond covenant accounts	-	29,985	796,409	826,394	-
Investments	-	5,599,362	1,698,321	7,297,683	-
Capital assets:					
Land, improvements, and construction in progress	2,123,532	52,829,602	683,981	55,637,115	-
Other capital assets, net of depreciation	34,669,121	150,292,507	2,209,479	187,171,107	642
Total noncurrent assets	36,938,211	208,751,456	5,388,190	251,077,857	642
Total assets	39,201,200	241,817,085	5,666,824	286,685,109	937,403
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	833,407	1,064,117	-	1,897,524	-
LIABILITIES					
Current liabilities:					
Accounts Payable	212,323	367,265	7,346	586,934	197,459
Contracts payable	-	1,716,626	-	1,716,626	-

The notes to financial statements are an integral part of this statement.

Statement of Net Position (Continued)
Proprietary Funds
December 31, 2016

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds		Internal Service Funds
LIABILITIES (Continued)					
Accrued payroll and withholding payable	104,010	174,808	4,373	283,191	-
Interfund loan payable	-	-	744,303	744,303	-
Taxes payable	33,053	-	-	33,053	-
Accrued interest payable	-	284,795	20,876	305,671	-
Performance deposits payable	11,400	183,530	-	194,930	-
Customer deposits payable	145,558	-	1,269	146,827	-
Revenue bonds payable	-	3,720,000	-	3,720,000	-
Notes and loans payable	-	66,000	805,000	871,000	-
Total current liabilities	506,344	6,513,024	1,583,167	8,602,535	197,459
Noncurrent liabilities:					
Revenue bonds payable	-	99,346,990	-	99,346,990	-
Notes and loans payable	-	1,065,000	855,000	1,920,000	-
Other postemployment benefit obligation	1,287,215	1,287,214	-	2,574,429	-
Net pension liability	2,714,380	4,373,168	-	7,087,548	-
Total noncurrent liabilities	4,001,595	106,072,372	855,000	110,928,967	-
Total liabilities	4,507,939	112,585,396	2,438,167	119,531,502	197,459
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	180,605	208,351	-	388,956	-
NET POSITION					
Net investment in capital assets	36,792,589	98,924,119	2,893,460	138,610,168	-
Restricted for:					
Debt service	-	5,629,347	2,494,730	8,124,077	-
Customer deposits	145,558	-	-	145,558	-
Unrestricted	(1,592,084)	25,533,988	(2,159,532)	21,782,372	739,944
Total net position	\$ 35,346,063	\$ 130,087,454	\$ 3,228,658	\$ 168,662,175	\$ 739,944

The notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Business-type Activities-Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds		Internal Service Funds
OPERATING REVENUES					
Metered water revenue:					
Residential	\$ 3,102,136	\$ -	\$ -	\$ 3,102,136	\$ -
Commercial	1,862,231	-	-	1,862,231	-
Industrial	730,096	-	-	730,096	-
Fire protection	1,339,507	-	-	1,339,507	-
Measured revenue:					
Residential	-	7,745,775	-	7,745,775	-
Commercial	-	5,265,240	-	5,265,240	-
Industrial	-	13,858,486	-	13,858,486	-
Stormwater	-	3,828,318	-	3,828,318	-
Parking	-	-	380,178	380,178	-
Other	432,286	797,933	-	1,230,219	439,816
Total operating revenues	<u>7,466,256</u>	<u>31,495,752</u>	<u>380,178</u>	<u>39,342,186</u>	<u>439,816</u>
OPERATING EXPENSES					
Supplies and services	1,338,234	-	-	1,338,234	-
Water treatment	324,290	-	-	324,290	-
Transmission and distribution	1,263,929	-	-	1,263,929	-
Pumping	94,028	-	-	94,028	-
Collection system	-	1,704,609	-	1,704,609	-
Treatment and disposal	-	3,757,424	-	3,757,424	-
Customer accounts	628,341	635,168	-	1,263,509	-
Administration and general	3,308,526	4,214,493	3,300	7,526,319	447,555
Stormwater operations and maintenance	-	1,259,884	-	1,259,884	-
Parking operations and maintenance	-	-	252,731	252,731	-
Bad debt	31,368	60,401	-	91,769	-
Depreciation and amortization	1,093,389	6,909,891	109,894	8,113,174	1,100
Change in pension, opeb and pension related	513,980	1,570,252	-	2,084,232	-
Total operating expenses	<u>8,596,085</u>	<u>20,112,122</u>	<u>365,925</u>	<u>29,074,132</u>	<u>448,655</u>
Operating income (loss)	<u>(1,129,829)</u>	<u>11,383,630</u>	<u>14,253</u>	<u>10,268,054</u>	<u>(8,839)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest and investment revenue	15,747	99,589	26,113	141,449	-
Miscellaneous revenue	193,833	1,119,029	822	1,313,684	22,272

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Proprietary Funds

For the Year Ended December 31, 2016

	Business-type Activities-Enterprise Funds			Total Enterprise Funds	Governmental
	Water Utility	Wastewater Utility	Total Other Enterprise Funds		Activities Internal Service Funds
NONOPERATING REVENUES (EXPENSES)					
(Continued)					
Interest expense	-	(4,148,072)	(61,220)	(4,209,292)	-
Miscellaneous expense	(770,000)	(1,930,000)	(88,879)	(2,788,879)	-
Bond Issue Expense	-	(296,124)	-	(296,124)	-
Total nonoperating revenues (expenses)	<u>(560,420)</u>	<u>(5,155,578)</u>	<u>(123,164)</u>	<u>(5,839,162)</u>	<u>22,272</u>
Income (loss) before contributions and transfers	(1,690,249)	6,228,052	(108,911)	4,428,892	13,433
Capital contributions	526,508	650,415	-	1,176,923	-
Transfers In	1,150,000	20,180,236	-	21,330,236	-
Transfers Out	<u>(1,150,000)</u>	<u>(20,180,236)</u>	<u>-</u>	<u>(21,330,236)</u>	<u>-</u>
Change in net position	(1,163,741)	6,878,467	(108,911)	5,605,815	13,433
Total net position - beginning	36,509,804	123,208,987	3,337,569	163,056,360	726,511
Total net position - ending	<u>\$ 35,346,063</u>	<u>\$ 130,087,454</u>	<u>\$ 3,228,658</u>	<u>\$ 168,662,175</u>	<u>\$ 739,944</u>

The notes to financial statements are an integral part of this statement.

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 7,354,800	\$ 29,790,515	\$ 376,806	\$ 37,522,121	\$ 439,816
Payments to employees	(3,751,308)	(7,438,366)	(170,882)	(11,360,556)	-
Payments to suppliers	(3,144,681)	(6,648,088)	(77,555)	(9,870,324)	(389,555)
Due to other funds	-	-	671,803	671,803	388,861
Net cash provided (used) by operating activities	<u>458,811</u>	<u>15,704,061</u>	<u>800,172</u>	<u>16,963,044</u>	<u>439,122</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating Revenue	92,397	1,124,530	821	1,217,748	22,272
Nonoperating Expenses	(770,000)	(2,394,776)	(5,682)	(3,170,458)	-
Net cash provided (used) by noncapital financing activities	<u>(677,603)</u>	<u>(1,270,246)</u>	<u>(4,861)</u>	<u>(1,952,710)</u>	<u>22,272</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(798,246)	(7,267,500)	(61,446)	(8,127,192)	-
Proceeds from issuance of capital debt	-	21,741,000	-	21,741,000	-
Principal paid on capital debt	-	(28,770,000)	(755,000)	(29,525,000)	-
Interest paid on capital debt	-	(4,393,271)	(70,185)	(4,463,456)	-
Net cash provided (used) by capital and related financing activities	<u>(798,246)</u>	<u>(18,689,771)</u>	<u>(886,631)</u>	<u>(20,374,648)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	-	-	765,000	765,000	-
Interest received	15,747	99,589	70,051	185,387	-
Net cash provided (used) by investing activities	<u>15,747</u>	<u>99,589</u>	<u>835,051</u>	<u>950,387</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,001,291)	(4,156,367)	743,731	(4,413,927)	461,394
Cash and Cash Equivalents Beginning of Year	2,502,290	31,650,770	301,624	34,454,684	227,756
Cash and Cash Equivalents End of Year	<u>\$ 1,500,999</u>	<u>\$ 27,494,403</u>	<u>\$ 1,045,355</u>	<u>\$ 30,040,757</u>	<u>\$ 689,150</u>

The notes to financial statements are an integral part of this statement.

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income	\$ (1,129,829)	\$ 11,383,630	\$ 14,253	\$ 10,268,054	\$ (8,839)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation Expense	1,093,389	6,909,891	109,894	8,113,174	1,100
Changes in assets and liabilities:					
Accounts receivable	(221,822)	(1,699,735)	(4,269)	(1,925,826)	-
Inventories	143,236	1,184	-	144,420	(26,365)
Prepaid Items	-	81,000	-	81,000	-
Customer Deposits	5,131	-	898	6,029	-
Accounts payable	45,308	39,175	6,848	91,331	84,365
Contracts payable	-	(2,062,831)	-	(2,062,831)	-
Accrued wages payable	16,169	25,346	745	42,260	-
Interfund services provided and used	(28,715)	-	-	(28,715)	388,861
OPEB obligation	150,494	150,494	-	300,988	-
Net pension liability	363,486	1,419,488	-	1,782,974	-
Other payable	21,964	(543,581)	671,803	150,186	-
Net cash provided (used) by operating activities	<u>\$ 458,811</u>	<u>\$ 15,704,061</u>	<u>\$ 800,172</u>	<u>\$ 16,963,044</u>	<u>\$ 439,122</u>
Noncash investing, capital and financing activities					
Contributions of capital assets from private contractors	\$ 526,508	\$ 650,415	\$ -	\$ 1,176,923	\$ -

The notes to financial statements are an integral part of this statement.

City of Lafayette, Indiana

City of Lafayette
Statement of Fiduciary Net Position
December 31, 2016

	<u>Pension trust funds</u>	<u>Agency funds</u>
ASSETS		
Cash and cash equivalents	\$ 1,832,088	\$ 1,036,508
Accounts rec	-	11,899
Total assets	<u>1,832,088</u>	<u>\$ 1,048,407</u>
LIABILITIES		
Trust payable	\$ -	\$ 8,194
Accounts Payable	-	1,032,812
Customer deposits payable	-	7,401
Total liabilities	<u>-</u>	<u>\$ 1,048,407</u>
NET POSITION		
Net position restricted for pension	<u>\$ 1,832,088</u>	

The notes to financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2016

	<u>Pension trust funds</u>
ADDITIONS	
Contributions:	
State contributions	\$ 3,857,708
Miscellaneous revenue	<u>6,000</u>
Total additions	<u>3,863,708</u>
DEDUCTIONS	
Benefits	3,971,802
Administration and general	<u>19,183</u>
Total deductions	<u>3,990,985</u>
Change in net position	(127,277)
Net Position -- beginning of the year	<u>1,959,365</u>
Net Position -- end of the year	<u><u>\$ 1,832,088</u></u>

The notes to financial statements are an integral part of this statement.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lafayette was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, sewer, and urban redevelopment and housing.

The City’s financial reporting entity is composed of the following:

Primary Government: City of Lafayette
Blended Component Unit: Lafayette Redevelopment Authority

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation and they do not issue a separate financial statement. The blended component unit is presented below:

Component Unit	Description/Inclusion Criteria	Fund Included In
Lafayette Redevelopment Authority	The City appoints a voting majority of the Authority's Board and a financial benefit/burden relationship exists between the City and the Authority. Although it is legally separate from the City, the Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.	Governmental Funds - Redevelopment Authority

Joint Venture

The City is a participant with Tippecanoe County, the City of West Lafayette, and the Town of Battle Ground in a joint venture to operate the Lafayette Housing Consortium which was created to undertake eligible housing assistance activities under the HOME Investment Partnership Program (HOME), as set forth in the National Affordable Housing Act (NAHA). The City agrees to cooperate, to undertake, and to assist in undertaking, housing assistance activities for HOME. Complete financial statements for the Consortium can be obtained from the City of Lafayette, 20 North Sixth Street, Lafayette, Indiana 47901.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the Lafayette Housing Authority, Tippecanoe County Convention and Visitors Bureau, Tippecanoe County Child Care Commission, Lafayette Police Civil Service Commission, Area Plan Commission, Board of Zoning Appeals of Tippecanoe County/Lafayette Division, Lafayette Urban Enterprise Association, Lafayette Historic District Review Board, Greater Lafayette Public Transportation Corporation, Tippecanoe County Local Environmental Response Financing Board and the Lafayette Tree Advisory Committee.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. 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.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate 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 and major individual enterprise 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 as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

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

The motor vehicle highway fund accounts for the resources of the motor vehicle highway and local road and street funds which are utilized for the repair and maintenance of the City's fleet, streets and related infrastructure.

The thoroughfare fund accounts for resources received through agreements with governmental agencies and spent to refurbish and upgrade sections of the City's roads.

The redevelopment authority fund accounts for resources utilized to create positive economic development within the City. This is accomplished through improvements in housing, infrastructure and grants to sub recipients.

The economic development income tax fund (EDIT) originally was created to foster positive development within the City. This fund works in conjunction with the

redevelopment authority funds to accomplish this task. In addition the legislature, recognizing the fact that economic development encompasses the entire city proper, allowed the fund to be used for any legal purpose required by the City.

The TIF Creasy Central Consolidated fund accounts for resources derived from improvements from designated areas within the City. Funds are utilized for further improvements within the designated area.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the City's water distribution system.

The wastewater utility fund accounts for the operation of the City's wastewater treatment plant, wastewater pumping stations, wastewater collection systems and storm water collection system.

Additionally, the City reports the following fund types:

The internal service fund accounts for self-insurance and other services provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for benefit providers and state and federal agencies for payroll withholdings and other private concerns.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and Utilities for services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

State statute (IC 5-13-9) authorizes the City to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement. Investments are reported as fair market value based upon quoted market value at year end.

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "internal receivables/payables" (i.e., the current and non-current portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statutes (IC 6-1.1-17-16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Department of Local Government Finance). Normally, taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City prior to December 31, 2016. Delinquent property

taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable on the statement of net position and are recognized as taxes revenues on the statement of activities. The net amounts are recognized as receivables on the funds financial statements with an offset to unearned revenue, since these amounts are not considered available.

4. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

5. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land improvements	\$ 1	N/A	N/A
Buildings	5,000	Straight-line	40 to 60 yrs.
Improvements	5,000	Straight-line	40 to 60 yrs.
Vehicles	5,000	Straight-line	3 to 5 yrs.
Machinery and Equipment	5,000	Straight-line	3 to 5 yrs.
Infrastructure (roads)	5,000	Straight-line	50 yrs.
Infrastructure (Water and Wastewater mains, manholes, inlets, etc.)	5,000	Straight-line	60 yrs.
Wastewater distribution and collection systems	5,000	Straight-line	45 yrs.

N/A = Not Applicable

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City in its business-type activities during the current year was \$4,209,292. Of the amount, none was included as part of the cost of capital assets under construction.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 1925 Police Officers' Pension Plan (1925 Plan), 1937 Firefighters' Pension Plan (1937 Plan), Public Employees' Retirement Fund (PERF), and the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Plan) and additions to/deductions from the aforementioned plans' fiduciary net position have been determined on the same basis as they are reported by the 1925 Plan, 1937 Plan, PERF and the 1977 Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until that time. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred outflows and deferred inflows related to their Pension Plans (see Note G for additional information on the City's Pension Plans). The City recognized a deferred outflow for City contributions made to Pension Plans made after the measurement date. In addition, the City has deferred outflows and deferred inflows related to differences between the Plans expected and actual experience, differences between projected and actual investment earnings on Pension Plan investments, change in Pension Plan assumptions, and changes in the proportion and differences between employer contributions and proportionate share of contributions.

9. Compensated Absences

- a. Sick Leave – City employees earn sick leave at the rate of 1 day per month and accumulates to a maximum of 36 days. Accumulated sick leave is not paid to employees upon termination.
- b. Vacation Leave – City employees earn vacation leave at rates from 10 to 25 days per year based upon the number of years of service. Vacation leave may be accumulated to a maximum of 5 days carryover to the following year. Accumulated vacation leave is paid to employees through cash payments upon termination.
- c. Personal Leave – City employees earn personal leave at the rate of 2 days per year and 1 day each year for their birthday. Personal leave does not accumulate from year to year.

No liability is reported for vacation, sick and personal leave.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of incurrence.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported

as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

II. Fund Equity

In accordance with Government Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. For the City, the City Council is the highest level of decision making authority and the formal action includes the passage of a City Ordinance.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Mayor, Clerk, Department Heads and the Board of Works. The authorization to assign amounts to a specific purpose is outlined in the City's Municipal Code.

Unassigned includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

12. Stabilization Arrangement

In 2005 the City created, under I.C. 36-1-8-5 a Rainy Day Fund. The fund was to provide an operational safety net should circumstances arise that would leave the City without funds. These circumstances are not expected to occur routinely. Indiana code allows for transfers, whenever the purposes of a tax levy have been fulfilled, of unused and unencumbered funds, to the Rainy Day Fund. The Government Finance Officers Association recommends that a Rainy Day Fund have a balance of up to 15%, or 8 weeks

of operational cash of the fund it is to supplement. The City, through an internal policy, has set a goal of 10% or just under 6 weeks of operational cash to act as a backup for the General Fund. The current balance of \$4,004,302 is at 10.42%. In the event it is to be used, it must go through the Common Council with proper appropriation and methodology spelled out by the Indiana Code.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. In September of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The City Common Council adopted a formal investment policy on September 6, 2016 and is consistent with all provisions of Indiana Code 5-13. As of December 31, 2016, the City had the following investments:

Investment Deposit	\$ 7,175,000
Realized gains/losses	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	<u>122,683</u>
Balance, end of year market value:	<u>\$ 7,297,683</u>

<u>Investment Type</u>	<u>Business-type</u>	
	<u>Fair Value</u>	<u>Investment Maturities(in Years)</u>
		<u>Less Than 1</u> <u>1-5</u>
U.S. government agency securities	\$ 7,297,683	\$ 2,072,867 \$ 5,224,816

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than five years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the Federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully

insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by the interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the City's investment policy. At December 31, 2016, the City held investments in U.S. government agency securities in the amount of \$7,297,683. These investments were held by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market 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 prior to maturity.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. government agency securities are implicitly guaranteed by the full faith and credit of the U.S. government and are recognized as one of the safest investments available. The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the City's investment policy.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the City's investment policy. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The City does not have any foreign currency. The City's exposure to foreign currency risk is minimal as a result of limiting investments to the types of securities listed in the City's investment policy.

B. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

<u>Primary Government</u>	<u>Beginning</u>			<u>Ending</u>
Governmental activities:	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 24,735,922	\$ -	\$ 159,990	\$ 24,575,932
Construction in progress	37,472,320	16,394,420	1,672,724	52,194,016
Total capital assets, not being depreciated	62,208,242	16,394,420	1,832,714	76,769,948
Capital assets, being depreciated:				
Buildings	33,594,508	39,040	-	33,633,548
Improvements other than buildings	7,591,761	-	-	7,591,761
Machinery and equipment	7,222,883	430,679	2,262,988	5,390,574
Vehicles	15,731,807	3,580,458	2,761,296	16,550,969
Infrastructure	201,044,315	-	86,994	200,957,321
Totals	265,185,274	4,050,177	5,111,278	264,124,173
Less accumulated depreciation for:				
Buildings	12,062,470	746,187	-	12,808,657
Improvements other than buildings	4,363,613	366,462	-	4,730,075
Machinery and equipment	5,259,109	489,389	2,203,435	3,545,063
Vehicles	10,742,303	1,160,415	923,654	10,979,064
Infrastructure	66,596,374	3,240,100	75,395	69,761,079
Totals	99,023,869	6,002,553	3,202,484	101,823,938
Total capital assets, being depreciated, net	166,161,405	(1,952,376)	1,908,794	162,300,235
Total governmental activity capital assets, net	\$ 228,369,647	\$ 14,442,044	\$ 3,741,508	\$ 239,070,183

Business Type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,528,989	\$ -	\$ -	\$ 2,528,989
Construction in progress	50,563,471	7,332,424	4,787,769	\$ 53,108,126
Total capital assets, not being depreciated	53,092,460	7,332,424	4,787,769	\$ 55,637,115
Capital assets being depreciated:				
Buildings	18,456,919	921,367	103,014	\$ 19,275,272
Improvements other than buildings	485,247	-	-	\$ 485,247
Machinery and equipment	76,403,643	4,440,797	889,180	\$ 79,955,260
Vehicles	4,619,446	391,259	161,064	\$ 4,849,641
Infrastructure	171,395,522	1,462,385	3,188,476	\$ 169,669,431
Totals	271,360,777	7,215,808	4,341,734	\$ 274,234,851
Less accumulated depreciation for:				
Buildings	5,087,484	398,978	14,135	\$ 5,472,327
Improvements other than buildings	164,868	37,545	-	\$ 202,413
Machinery and equipment	41,575,494	3,891,233	888,575	\$ 44,578,152
Vehicles	2,471,400	499,617	161,064	\$ 2,809,953
Infrastructure	33,903,572	3,285,801	3,188,476	\$ 34,000,897
Totals	83,202,818	8,113,174	4,252,250	\$ 87,063,742
Total capital assets, being depreciated, net	188,157,959	(897,366)	89,484	\$ 187,171,109
Total business type activity capital assets, net	\$ 241,250,419	\$ 6,435,058	\$ 4,877,253	\$ 242,808,224

Depreciation expense was charged to functions/programs of the City as follows:

	2016	2015
Governmental activities:		
General government	\$ 320,817	\$ 353,257
Public safety	924,456	865,806
Public works, including depreciation of general infrastructure assets	3,418,643	3,357,179
Health and sanitation	494,604	176,758
Culture and recreation	822,516	830,271
Community development	20,417	20,418
Internal service funds	1,100	1,100
Total depreciation expense - governmental activities	\$ 6,002,553	\$ 5,604,789
Business-type activities:		
Water	\$ 1,093,389	\$ 1,079,457
Wastewater	6,909,891	6,813,398
Other	109,894	109,090
Total depreciation expense - business-type activities	\$ 8,113,174	\$ 8,001,945
Grand Total	\$14,115,727	\$ 13,606,734

C. Construction Commitments

Construction work in progress at year end is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2016	Committed	Required Future Funding
Governmental Activities:				
Police Annex-Armory	\$ 400,911	\$ 400,911	\$ -	
Myer's Pedestrian Bridge Rehab	2,200,000	2,180,855	19,145	x
Union Street Drainage	733,557	733,557		
Big Four Depot	1,471,900	1,369,441	102,459	x
Fire Grant 37K Fairfield Twp.	37,000	33,378	3,622	
Concord Road Reconstruction	6,600,000	1,312,217	5,287,783	
Maple Point Extension	3,500,000	2,195,747	1,304,253	
Creasy Lane/SR 26 Land Acquisition	50,369	2,021	48,348	x
Old Romney Road	8,550,000	8,095,265	454,735	x
Sl8th Street Widening	1,800,000	1,764,950	35,050	x
Sagamore Parkway Reconstruction	35,000,000	21,497,019	13,502,981	x
South Street Reconstruction	1,000,000	538,469	461,531	x
Rome Drive	1,312,584	1,312,584	-	
Greenbush Street	610,983	610,983	-	x
South Tipp Park	220,000	219,457	543	x
Zoo Education Building	31,649	31,649	-	
Loeb Stadium Renovation	360,000	253,708	106,292	
Columbian Park Entrance-Pedestrian Xing	115,000	114,672	328	
Memorial Island-Columbian Park	125,000	118,745	6,255	
Annexation	26,424	26,424	-	
Trail Development	250,000	232,468	17,532	x
Upper Berlowitz Master Plan	110,000	109,256	744	x

General Electric-Road	2,000,000	1,956,885	43,115	x
Long Center	1,700,000	1,657,332	42,668	x
Parking Renovations	1,200,000	1,072,355	127,645	x
Durkee's Run CSO	4,118,993	4,118,993	-	
Sidewalks N26th Cason to Union	99,950	72,507	27,443	
Citywide Trail Master Plan	150,000	58,880	91,120	x
Sidewalk SR38 From Kingsway to Creasy	300,000	97,752	202,248	x
VMP & Haggerty Traffic Signal	30,000	5,535	24,465	x
Totals Governmental Funds	<u>\$ 74,104,320</u>	<u>\$52,194,016</u>	<u>\$21,910,304</u>	

Project	Total Project Authorized	Expended to December 31, 2016	Committed	Required Future Funding
Enterprise Funds				
Valley Street Drainage	\$ 4,000,000	\$ 378,546	\$ 3,621,454	x
Union Street Drainage	730,000	636,215	93,785	x
Sagamore Parkway Reconstruction	50,360	50,360	-	
Greenbush Street	340,000	338,587	1,413	
Rome Drive Land	40,000	1,928	38,072	x
Utility Service Area 2I	8,500,000	567,374	7,932,626	x
Solar Power WWTP	4,000,000	118,149	3,881,851	x
Durkee's Run CSO	40,000,000	36,285,322	3,714,678	x
Phosphorous	3,047,600	2,965,449	82,151	x
Elmwood & 27th Street	2,757,500	2,244,505	512,996	x
Railroad Corridor/Brown St Ph2	700,000	666,039	33,962	x
Greenbush Sewer Repair	3,899,800	3,638,528	261,272	x
Greenbush Storage Tank	31,000,000	819,891	30,180,109	x
Odor Control Prairie Oaks LS	15,000	4,909	10,091	
Brown Street	13,000,000	2,293,967	10,706,033	x

North 9th Wetland Mitigation	37,950	26,400	11,550	x
Tyler Technologies	800,000	752,989	47,011	x
New Wellfield Investigation	800,000	768,408	31,592	x
Glick Wellfield Generator	16,856	16,856	-	x
Onsite Chlorine Generation- Glick	355,000	163,804	191,196	x
SCADA-Water Works	370,000	368,195	1,805	x
Hydraulic Model	50,000	1,708	48,293	x
	<u>114,510,066</u>	<u>53,108,127</u>	<u>61,401,939</u>	
Total Enterprise Funds				
Grand Total for CWIP	<u>\$188,614,386</u>	<u>\$105,302,143</u>	<u>\$83,312,243</u>	

D. Interfund Activities

Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt payments become due, (3) use unrestricted revenues from the General fund and EDIT fund to finance various programs accounted for in other funds in accordance with statutes or budgetary authorization and (4) transfer of assets from the fund that purchase or constructs the asset to the fund that will maintain the asset in accordance with statutes or budgetary authorizations.

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Paying Fund</u>	<u>Receiving Fund</u>	<u>Amount</u>
TIF Creasy Central Consolidated	Thoroughfare	\$1,000,000
TIF Creasy Central Consolidated	Economic Development Income Tax	350,000
General	Rainy Day	<u>200,000</u>
	Total:	<u>\$1,550,000</u>

E. Leases

1. Operating Leases

The City has no operating leases at year end.

2. Capital Leases

The City has entered into a capital lease for recycling toters and fire equipment. Future minimum lease payments and present values of the net minimum lease payments under the capital leases at year end are as follows:

	<u>Governmental Activities</u>
2017	\$ 317,189
2018	317,189
2019	317,189
2020	317,189
2021	317,189
2022- 2025	<u>638,852</u>
Total minimum lease payments	2,224,797
Less interest	<u>272,418</u>
PV of net minimum lease payments	<u><u>\$ 1,952,379</u></u>

The following is an analysis of assets acquired through these capital leases still in effect at year end:

<u>Asset Category</u>	<u>Governmental Activities</u>
Equipment	\$2,063,098
Less: Accumulated Depreciation	<u>(262,578)</u>
Total	<u><u>\$1,800,520</u></u>

F. Short-Term Liabilities

The City had no short-term debt activity during the year.

G. Long-term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets.

The City issues revenue bonds to provide for the acquisition and construction of major capital assets. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay the debt service. Debt issues are as follows:

Description	Amount
Governmental Activities	
<u>General Obligation Bonds:</u>	
2012 Park District Refunding General Obligation Bonds	
Tropicanoe Cove, Castaway Bay, McAllister Center, Zoo Admin.	
Interest rates: .98% to 2.0%	
Original issue: \$5,880,000	
Installments of \$435,000 to \$490,000 plus interest	
Maturity: January 15, 2019	\$2,295,000
<u>Revenue Bonds:</u>	
2010 A Redevelopment Authority Consolidated TIF Refunding	
Bonds Econ Dev	
Tippecanoe Mall/Payless	
Interest rates: 1.0% to 2.75%	
Original issue: \$975,000	
Installments of \$75,000 to \$85,000 plus interest	
Maturity: February 1, 2016	85,000
2010 B Redevelopment Authority Consolidated TIF	
Refunding Bonds Econ Dev	
Tippecanoe Mall/Simon	
Interest rates: 2.0% to 4.0%	
Original issue: \$4,935,000	
Installments of \$305,000 to \$1,135,000 plus interest	
Maturity: February 1, 2016	1,135,000
2010 A Redevelopment Authority Lease Rental Refunding	
Bonds Econ Dev	
North 9 th Street and Duncan Road projects	
Interest rates: 2.0% to 3.5%	
Original issue: \$2,485,000	
Installments of \$100,000 to \$145,000 plus interest	
Maturity: January 15, 2021	1,200,000

2010 B Redevelopment Authority Lease Rental Refunding Bonds Econ Dev	
Fire Station 5 Union Street	
Interest rates: 2.0% to 3.25%	
Original issue: \$3,005,000	
Installments of \$125,000 to \$170,000 plus interest	
Maturity: July 15, 2020	1,455,000
2013 A Redevelopment Authority Lease Rental Consolidated TIF Refunding Bonds	
Greenbush/Pavilions	
Interest rate: 1.75%	
Original issue: \$7,300,000	
Installments of \$70,000 to \$985,000 plus interest	
Maturity: February 1, 2026	1,910,000
2012 Redevelopment District Consolidated TIF Refunding Revenue Bonds	
Parking garage/Renaissance Place	
Interest rate: 1.64%	
Original issue: \$3,870,000	
Installments of \$100,000 to \$340,000 plus interest	
Maturity: February 1, 2025	1,940,000
2010 C Redevelopment Authority Lease Rental Twyckenham TIF Refunding Bond	
Twyckenham Infrastructure	
Interest rates: 1.0% to 4.0%	
Original issue: \$5,710,000	
Installments of \$175,000 to \$290,000 plus interest	
Maturity: January 15, 2023	3,380,000
2010 C Economic Development Income Tax Lease Rental Refunding Bond	
Lafayette City Hall renovation project	
Interest rates: 2.0% to 3.2%	
Original issue: \$9,180,000	
Installments of \$440,000 to \$570,000 plus interest	
Maturity: January 1, 2020	3,830,000
2013 B Redevelopment Authority Lease Rental Refunding Bonds Consolidated TIF	
Railroad Relocation/Depot/Brady Lane	
Interest rate: 2.0%	
Original issue: \$6,505,000	
Installments of \$160,000 to \$380,000 plus interest	
Maturity: January 15, 2026	3,945,000
2015 Economic Development Subordinate Consolidated TIF Revenue Bonds	
One Main Street-Marq	
Interest rate: 3.8%	

Original issue: \$4,420,000	
Installments of \$85,000 to \$165,000 plus interest	
Maturity: February 1, 2035	4,420,000
2014 Redevelopment District Twyckenham TIF Bonds	
Twyckenham/Old Romney Road	
Interest rates: 3.0% to 4.0%	
Original issue: \$5,185,000	
Installments of \$135,000 to \$200,000 plus interest	
Maturity: July 15, 2039	5,185,000
2014 Redevelopment Authority Lease Rental Consolidated TIF Bonds	
Streetscape, Long Center, Depot, Parking Garage, Rome Drive, Market Square	
Interest rates: 3.0% to 3.75%	
Original issue: \$16,160,000	
Installments of \$140,000 to \$555,000 plus interest	
Maturity: August 1, 2039	<u>16,160,000</u>
Total governmental activity debt	<u>\$46,940,000</u>

Business-type Activities

Revenue Bonds:

2008 Water Pollution Control Revenue Bonds	
Construction and installation of energy conservation measures	
Interest rates: 3.5% to 4.0%	
Original issue: \$4,950,00	
Installments of \$95,000 to \$180,000 plus interest	
Maturity: July 1, 2025	\$2,910,000
2014 Water Pollution Control Revenue Bonds	
Extensions and improvements to the sewage works	
Interest rates: 2.0% to 3.75%	
Original issue: \$10,515,000	
Installments of \$205,000 to \$345,000 plus interest	
Maturity: January 1, 2035	9,480,000
2016 Water Pollution Control Refunding Revenue Bonds	
Pumping Station and elimination sewer	
Interest rates: 2.0% to 5.0%	
Original issue: \$18,560,000	
Installments of \$150,000 to \$3,320,000 plus interest	
Maturity: January 1, 2035	18,560,000
2013 Water Pollution Control Revenue Bonds	
Durkees Run	
Interest rates: 3.0% to 3.25%	
Original issue: \$22,485,000	
Installments of \$455,000 to \$740,000 plus interest	
Maturity: January 1, 2034	19,720,000
2013 Water Pollution Control Revenue Bonds	
Extensions and improvements to the sewage works	

Interest rates: 2.0% to 5.0%	
Original issue: \$58,205,000	
Installments of \$325,000 to \$4,235,000 plus interest	
Maturity: July 1, 2026	<u>43,140,000</u>
Total business-type activity debt	<u>\$93,810,000</u>

Excluded from the governmental activities and the business-type amounts outstanding are total unamortized premiums of \$111,619 and \$9,256,997 respectively.

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$910,000	\$26,374
2018	920,000	15,248
2019	<u>465,000</u>	<u>4,312</u>
Totals	<u>\$2,295,000</u>	<u>\$45,934</u>

Revenue bonds debt service requirements to maturity at year end are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$3,720,000	\$2,560,345
2018	7,035,000	3,567,763
2019	7,270,000	3,316,597
2020	7,550,000	3,025,426
2021	7,865,000	2,710,166
2022-2026	45,335,000	7,920,763
2027-2031	9,150,000	1,822,350
2032-2035	<u>5,885,000</u>	<u>351,337</u>
Totals	<u>\$93,810,000</u>	<u>\$25,274,747</u>

Revenue bonds debt service requirements to maturity at year end are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$5,325,000	\$1,349,716
2018	3,495,000	1,224,675

2019	3,365,000	1,125,500
2020	2,885,000	1,023,876
2021	2,065,000	944,889
2022-2026	8,345,000	3,978,237
2027-2031	7,280,000	2,852,798
2032-2036	7,610,000	1,539,538
2037-2039	<u>4,275,000</u>	<u>285,497</u>
Totals	<u>\$44,645,000</u>	<u>\$14,324,726</u>

H. Loans Payable

The Wastewater Utility has entered into a loan from the State Revolving Loan Fund. At year end the 2009 loan balance was \$1,131,000.

The City received a "Section 108" loan from HUD in the amount of \$3,300,000. The proceeds were deposited with a trustee for subsequent loan to a private developer for the Lahr Project. The developer has since sold the property and paid the City an amount equal to the remaining principal with some interest as well. These funds are currently invested in laddered Treasury investments with maturities that coincide with the payments of interest and principal so as to make timely payments. The current principal balance of the loan at year end is \$1,660,000.

Annual debt service requirement to maturity for the above loans are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$871,000	\$90,447
2018	924,000	64,613
2019	71,000	35,422
2020	74,000	32,816
2021	77,000	30,119
2022-2026	426,000	106,554
2027-2031	<u>348,000</u>	<u>25,610</u>
Totals	<u>\$2,791,000</u>	<u>\$385,581</u>

I. Notes Payable

The City has entered into various notes. Annual debt service requirements to maturity for the notes, including interest, at year end are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	<u>\$158,354</u>	<u>\$3,582</u>

J. Advance Refunding

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The following outstanding bonds, at year end were considered defeased:

1994 Redevelopment Authority lease rental - \$9,365,000	\$4,480,000
1994 Redevelopment Authority lease rental - \$15,000,000	7,785,000
1994 B Redevelopment Authority lease rental - \$5,665,000	2,665,000
1995 A Redevelopment Authority lease rental - \$3,360,000	2,370,000
1995 Redevelopment Authority lease rental - \$2,300,000	960,000
1996 Redevelopment District Parking Facility Revenue Bonds - \$2,600,000	1,197,003
1997 Redevelopment Authority lease rental refunding - \$3,925,000	620,000
1998 Redevelopment Authority lease rental refunding - \$4,485,000	2,970,000
1998 Park District Bonds - \$5,500,000	2,500,000
1999 Redevelopment Authority lease rental refunding - \$7,980,000	5,235,000

2001 A Redevelopment Authority lease rental refunding - \$3,500,000	2,200,000
2001 B Redevelopment Authority lease rental refunding - \$5,000,000	3,140,000
2001 Park District Bonds - \$1,750,000	1,465,000
2002 Redevelopment Authority lease rental refunding - \$8,500,000	5,880,000
2002 Sewage Works revenue bonds - \$30,000,000	23,935,000
2004 Park District Bonds - \$1,730,000	1,610,000
2004 A Tax Increment Revenue Bonds - \$2,145,000	1,750,000
2004 B Tax Increment Revenue Bonds - \$735,000	695,000
2004 Redevelopment Authority Lease Rental Revenue Bond - \$4,380,000	4,260,000
2006 Sewage Works Revenue Bond - \$22,445,000	22,421,435

K. Defeased Debt

On September 13, 2016 the City of Lafayette issued \$18,560,000 of Sewage Works Refunding Revenue Bonds of 2016. This issue advance refunded the Sewage Works Refunding Revenue Bonds of 2006. An irrevocable trust with an escrow agent was established to provide for the payoff of the above mentioned bonds on January 1, 2016. As a result, the refunded bonds were considered to be defeased and are no longer reported as a liability in the City's financial statements.

The City of Lafayette advance refunded the bonds to reduce its total debt service payments in the future by approximately \$2,676,125 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,036,237.

L. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016, was as follows:

<u>Primary government</u>	<u>Beginning</u>			<u>Ending Balance</u>	<u>Due Within</u>
<u>Governmental activities:</u>	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>		<u>One Year</u>
General obligation bonds	\$ 3,190,000	\$ -	\$ 895,000	\$ 2,295,000	\$ 910,000
Bond discount	(1,212)	-	(303)	(909)	-
Total general obligation bonds payable	<u>3,191,212</u>	<u>-</u>	<u>895,303</u>	<u>2,295,909</u>	<u>910,000</u>
Revenue bonds	50,805,000	-	6,160,000	44,645,000	5,325,000
Bond discount	(136,466)	-	(25,755)	(110,711)	-
Total revenue bonds payable	<u>50,941,466</u>	<u>-</u>	<u>6,185,755</u>	<u>44,755,711</u>	<u>5,325,000</u>
Notes payable	467,584	-	309,230	158,354	158,354
Capital leases	1,312,888	750,210	110,719	1,952,379	258,857
Other postemployment benefit obligations	1,136,720	150,494	-	1,287,214	-
Net pension liabilities	64,284,623	-	2,883,492	61,401,131	-
Total governmental activities long-term liabilities	<u>\$121,334,493</u>	<u>\$ 900,704</u>	<u>\$10,332,989</u>	<u>\$111,850,698</u>	<u>\$ 6,652,211</u>
Business-type activities:					
Revenue bonds payable:					
Wastewater Utility	\$104,020,000	\$18,560,000	\$28,770,000	\$ 93,810,000	\$ 3,720,000
Bond premium	5,725,883	3,531,106	-	9,256,989	-
Total revenue bonds payable	<u>109,745,883</u>	<u>22,091,106</u>	<u>28,770,000</u>	<u>103,066,989</u>	<u>3,720,000</u>
Loans payable	3,610,000	-	819,000	2,791,000	871,000
Other postemployment benefit obligations	2,273,441	300,988	-	2,574,429	-
Net pension liabilities	4,961,316	2,126,232	-	7,087,548	-
Total business-type activities long-term liabilities	<u>\$120,590,640</u>	<u>\$22,696,336</u>	<u>\$29,589,000</u>	<u>\$113,697,976</u>	<u>\$ 4,591,000</u>

The major governmental funds – General, Motor Vehicle Highway, and Park and Recreation Operating, the major proprietary fund – Water Utility, Wastewater Utility, and the pension trust funds are primarily used to liquidate the liability for net pension liability.

The major governmental funds – General, Motor Vehicle Highway, and Park and Recreation Operating, the major proprietary fund – Water Utility, Wastewater Utility, are primarily used to liquidate the liability for other postemployment benefits.

M. Contingent Receivable – Forgivable Loans

The City has contingent receivables resulting from rehabilitation and improvement loans made through various Community Development Block Grant and Home Investment Partnership Programs. The loans become receivable only if recipients do not meet occupancy or other requirements. Loans balances are systematically "forgiven" (reduced without cash payment) each year the recipient meets the requirements. The receivable is contingent upon the recipient not meeting the requirements and the amount of the receivable is not known until that time. The following schedule shows the changes in this contingent receivable for 2016:

Beginning Balance, January 1	\$5,697,759
New Loans	0.00
Amount Forgiven	476,999
Principal amount paid on loans	<u>0.00</u>
Ending Balance, December 31	<u>\$5,220,760</u>

N. Restricted Assets

1. The City has restricted assets for the following fund accounts.

Donor Designated Use

A special donation designated for a specific project that will be constructed in 2016 and or beyond.

Intergovernmental Cash Account

Cash in the City's checking account that is to be spent on projects designated by Tippecanoe County according to our agreement with them and our McCarty TIF Fund.

Debt Service Reserve

An amount of money that is required to maintain the reserve account in the full amount of a sum equal to the least of (i) the maximum semiannual debt reserve on the bonds, or (ii) 125 percent of the average annual debt service on the bonds, or (iii) ten percent (10 percent) of the proceeds of the bond.

2. The City has restricted assets for the following Propriety (Enterprise) fund accounts.

Customer Deposits

Customer deposits are refundable amounts received from customers of Water Utility to insure nonpayment of billings or water main damages.

Debt Service Reserve

An amount of money that is required to maintain the reserve account in the full amount of a sum equal to the least of (i) the maximum semiannual debt reserve on the bonds, or (ii) 125 percent of the average annual debt service on the bonds, or (iii) ten percent (10 percent) of the proceeds of the bond.

The balances of restricted asset accounts at year end are as follows:

Asset Type/Account	Governmental Funds					Total
	Parks and Recreation	TIF Alloc McCarty	Redevelopment Authority	TIF Alloc Twyckenham	TIF Alloc Central Consolidated	
Donor designated use	\$ 12,553	\$ -	\$ -	\$ -	\$ -	\$ 12,553
Intergovernmental cash account	-	4,005,963	-	-	-	4,005,963
Debt service reserve	-	-	1,253,433	447,488	337,635	2,038,556
Total restricted assets	<u>\$ 12,553</u>	<u>\$4,005,963</u>	<u>\$ 1,253,433</u>	<u>\$ 447,488</u>	<u>\$ 337,635</u>	<u>\$6,057,072</u>
	Enterprise Funds				Total	
Customer deposits	Water Utility \$ 145,558	Wastewater Utility \$ -	Community Dev Blk Grant \$ -			\$ 145,558
Debt service reserve	-	5,629,346	2,494,730			8,124,076
Total restricted assets	<u>\$ 145,558</u>	<u>\$5,629,346</u>	<u>\$ 2,494,730</u>			<u>\$8,269,634</u>

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; unemployment compensation benefits; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past 3 years. There were no significant reductions in insurance by major category of risk.

Medical, Dental and Vision Benefits to Employees, Retirees and Dependents

During 2009, the City joined with other governmental entities to form the Indiana Association of Cities and Towns (IACT) Medical Trust, a public entity risk pool currently operating as a common risk management and insurance program for 35 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical, dental and vision benefits to employees, retirees and dependents. The Medical Trust is owned by participating members, governed by a Board of Trustees and regulated by the Indiana Department of Insurance. The City pays an annual premium to the Medical Trust for its medical, dental and vision benefits to employees, retirees and dependents. Benefit plans of the Medical Trust are offered through United Healthcare which includes traditional PPO plans and high-deductible HSA plans. There is no dollar limit to the amount either plan will pay for essential benefits during the entire period employees, retirees and dependents are enrolled in their plan.

Job Related Illnesses or Injuries to Employees

The primary government has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the General Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$250,000 per individual and \$1,000,000 per aggregate annually. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amounts of pay outs, and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2016	2015
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims and changes in estimates	330,740	314,094
Claim payments	(330,740)	(314,094)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

Unemployment Compensation Benefits

The primary government has chosen to establish a risk financing fund for risks associated with unemployment compensation insurance. The risk financing fund is accounted for in each fund from where the employee's salary was paid.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2016	2015
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims and changes in estimates	19,241	480
Claim payments	<u>(19,241)</u>	<u>(480)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

B. Related Party Transactions

During the period in which financial statements are presented, the City had material transactions with Gary Henriott, Board of Works member in relation to the following types of insurance coverage: Business Auto, General Liability, Umbrella, Inland Marine, Professional Liability and Commercial Property. The 2016 premiums for the insurance coverages were \$776,646. No amount was due as of the balance sheet date.

C. Subsequent Events

Information Technology:

In January of 2014, the City signed a contract with Tyler Technologies to purchase and install a new ERP software system. The modules purchased include a complete financial package (General Ledger, Purchasing, Payroll, Human Resources, Inventory, Fleet Maintenance and Utility Billing). It will replace a New World Systems package that has been in place since 1999. Although NWS has been a solid package, technology has surpassed its capabilities and the new technology is anxiously awaited. This software will allow the City to move to, as close as possible, a paperless mode of operation. Implementation for General Ledger, Payroll and Human Resources was completed in 2015. The Utility Billing Module went live in November of 2016 and the Asset and Inventory modules expected completion is by the end of 2016.

Parking Operations:

In January of 2014 the City took over the operation of the Parking Garage and the enforcement of City parking regulations. The City has purchased a state of the art LPR software system with a camera car and handheld computer units to automate the enforcement of parking regulations. Operations began and limited their scope to the

downtown area. As a result of those operations, additional patrol areas have been added. The City is in the process of completing renovations to the parking garage facility which also include technology updates to the gate and payment systems to modernize and enhance efficient handling of parking customers.

Utility Projects:

Brown Street Sewer, Phase I and II

The proposed sewer, which is required under the approved CSO Long Term Control Plan is needed to store and convey wet weather flows to the Pearl River Lift Station. Phase I of the Brown Street Sewer project connects a previously completed section of combined sewer in Greenbush Street to a previously completed section of sewer upstream at N 27th St and Elmwood Ave and a previously completed sewer downstream in Erie Street which will be connected to the Brown Street interceptor by the Phase II project. The proposed Phase II of the Brown Street Sewer project is located on the northwest side of Lafayette approximately 1,000 feet north of Main Street. It will extend from a point just south of the intersection of Erie Street and Union Street and continue southwest along Erie Street, then northwesterly to a point near the intersection of Brown Street and 13th Street, then along Brown Street to a point just west of the intersection of Brown Street and 3rd Street.

Phase II of the Brown Street Sewer project includes approximately 4,230 linear feet of 72 inch diameter gravity sewer, approximately 390 linear feet of 84 inch gravity sewer, and approximately 25 linear feet of 96 inch gravity sewer. The design will include green infrastructure features to reduce the potential for sewer surcharging and reduce the overall storm water loading to the City's CSO system. Additionally, a new backflow preventer will be installed at the existing CSO 002 outfall structure to prevent backflow from the Wabash River entering the City's sewer collection system. The construction will also include modifications to the existing CSO 002 headwall structure to accommodate the backflow preventer.

Greenbush CSO Storage Tank

The City of Lafayette's approved Combined Sewer Overflow Long Term Control Plan (CSO LTCP) requires full treatment of wastewater flows and a level of control of no more than four (4) CSO overflows during a typical year. To achieve this level of control, the recommended plan was divided into four sub-phases (Phase II-A, II-B, II-C and II-D). As a component of Phase II-B, the City is required to plan, design, construct, and place into operation a 4.2 million gallon (MG) CSO storage tank in the area near the existing CSO 001 diversion structure by the year 2020. The Greenbush CSO Storage Tank is required to store and convey wet weather flow to the Lafayette Waste Water Treatment Plant (WWTP) when the WWTP has capacity thereby improving the water quality in the Wabash River.

The Greenbush CSO Storage Tank project includes a 4.2 MG covered below grade storage tank, a building to house electrical and SCADA components, pumps and related equipment

for tank dewatering in compliance with IDEM standards, a screening, and backflow prevention at a newly constructed CSO 001 outfall from the proposed 4.2 MG storage tank. Additional project components include yard piping, site work (including grading), and SCADA integration.

The City will issue sewage works revenue bonds in one or more series, in the amount not to exceed Fifty-Seven Million Dollars (\$57,000,000) to provide funding necessary to pay for a portion of the utility project costs. The utility projects are expected to be completed in 2019.

The City issued those bonds in March of 2016. In spite of increased interest rate pressures in the market place competition among the bidders was quite keen and the City was able to secure a 3.16% rate for the issue.

Road Projects:

In 2012 Sagamore Parkway, the U.S. 52 bypass, and Indiana 26 from I-65 to the Wabash River became part of the street system of the City. The City received \$21,000,000 from INDOT to repave Sagamore Parkway and upgrade the signal system on Highway 26. The signal project has been completed. Phase I and Phase II of the project repaving/reconstruction are completed. Land acquisition for Phase III is nearing completion, so much so that initial work has begun on Phase III construction. The expected completion date for Phase III and the entire project is 2018.

D. Conduit Debt Obligation

The primary government has issued the Indiana Variable Rate Demand Economic Development Revenue Bonds of 2003 to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, the State, or any political subdivision is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

At the end of the year, the sole series of bonds outstanding had an aggregate principal amount payable of \$870,000.

E. City/County Interlocal Agreement

An interlocal agreement between the Tippecanoe County Redevelopment Commission and the City of Lafayette Redevelopment Commission was entered into in 2001. The agreement provides for the allocation of TIF distributions related to the Southeast Industrial Expansion economic development area and the McCarty Lane economic development area.

Under the terms of the agreement, Tippecanoe County established a Southeast Industrial Expansion Economic Development TIF District to finance public improvements within the defined district. The City had established the McCarty TIF District. In accordance with the interlocal agreement, the public improvements mutually benefit the districts.

The County has pledged one-half of the actual TIF proceeds from the Southeast Industrial Expansion District for the agreed upon public improvements which will be constructed and owned by the City. The City has pledged one-half of the actual TIF proceeds from the McCarty Lane TIF District for the agreed upon public improvements which will be constructed and owned by the County.

Under the terms of the agreement, the County has established a Southeast Industrial TIF Fund to account for the funds used to pay for the public improvements which will be constructed and administered by the City. The payments for these projects are initiated by the City then reviewed, approved and paid by the County. At December 31, 2016, the Southeast Industrial TIF Fund had \$1,391,746 held for these capital projects.

The City has established a TIF County's South East Fund to account for the McCarty TIF District funds used to pay for the public improvements which will be constructed and administered by the County. The payments for these projects are initiated by the County then reviewed, approved and paid by the City. At December 31, 2016, the TIF County's South East Fund had \$4,005,963 held for these capital projects.

F. Other Postemployment Benefits

Multiple Employer Welfare Arrangement (MEWA)

Plan Description

The City of Lafayette Retiree Healthcare Plan is a Multiple Employer Welfare Arrangement (MEWA). The MEWA is governed by the State of Indiana under Indiana Code 27-1-34 and is administered by the Accelerate Indiana Municipalities (AIM) Medical Trust. The plan provides health care benefits to all eligible retirees and spouses who retire from the primary government. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the City.

Funding Policy

The contribution requirements of plan members for the City of Lafayette Retiree Healthcare Plan are established and can be amended by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2016 the City contributed \$203,515 to the plan for current premiums. General employee members pay approximately 100 percent of the total monthly premium of \$719 for retiree only coverage and \$1,439 for retiree spouse coverage on Plan E. The costs for Plan F are \$680 and \$1,360 respectively. Bargaining unit members receiving benefits contributed approximately 90 percent of the total monthly premiums of the health plans.

This contribution moves to approximately 100 percent after four years, the same as the General employee members.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The latest actuarial study was done as of December 31, 2016. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City’s annual OPEB cost for the year, the amount contributed to the plan and changes in the City’s net OPEB obligation to the plan.

	Governmental	Business-type	Total
Annual required contribution	\$215,631	\$431,262	\$646,893
Interest to end of year	51,152	102,304	153,456
Adjustment to annual required contribution	(48,451)	(96,901)	(145,352)
Annual OPEB cost	218,332	436,665	654,997
Estimated annual employer contribution for pay-go cost	(67,838)	(35,677)	(203,515)
Increase (decrease) in OPEB costs	150,494	300,988	451,482
OPEB obligation, beginning of year	1,136,720	2,273,441	3,410,161
OPEB obligation, end of year	\$1,287,214	\$2,574,429	\$3,861,643

In a similar fashion the City’s annual OPEB cost, the percentage of the annual OPEB cost contributed by the City and the net OPEB obligation for 2016 is shown in the following table:

	<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
Other Postemployment Benefits (OPEB)	12-31-2012	836,388	19.2%	675,884
	12-31-2013	1,001,814	17.6%	1,501,144
	12-31-2014	1,194,875	16.2%	2,502,328
	12-31-2015	1,118,955	18.9%	3,410,161
	12-31-2016	654,998	31.1%	3,861,643

Funding Status and Funding Progress

As of December 31, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$6,257,111 and the actuarial value of assets was 0%, resulting in an unfunded actuarial accrued liability of (UAAL) of \$6,257,111. The covered payroll (annual payroll of active employees covered by the plan) was \$33,433,493 and the ratio to UAAL was 18.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This includes 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 notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2016, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after 20 years. All inflation is covered under the health care cost trend rate and assumes a 3% rate. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level percentage of projected payrolls over thirty years based on an open group.

The mortality assumption was updated in December 31, 2016 actuarial valuation. The assumption used the RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 (RPH-2015 table is calculated based on RPH-2014 table with 8 years of MP-2014 mortality improvement backed out and projected to 2015 using scale MP-2015)

The City's actuarial report of other postemployment benefits is available by contacting the City of Lafayette Controller's office.

G. Pension Plans

1. Cost Sharing Multiple-Employer Defined Benefit Pension Plans

a. Indiana Public Retirement System

Plan Description

The primary government contributes to the Indiana Public Retirement System (PERF), a defined benefit pension plan administered by the Indiana Public Employee Retirement System (INPRS). PERF is a cost sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through INPRS, most requirements of the system and give the City authority to contribute to the plan.

Benefits Provided

The INPRS retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member. As part of the implementation of GASB Statement No. 67, INPRS changed from an agent to a cost sharing, multiple-employer defined plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.2-2-II (b).

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Indiana Public Retirement System
One North Capital, Suite 001
Indianapolis, IN 46204
Ph. (317) 526-1687

Contributions

PERF members are required to contribute 3 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 11.2 percent of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by the Board of Trustees of INPRS. The City's contributions to the plan for the years ending December 31, 2016, 2015, and 2014 were \$1,782,752, \$1,718,124, and \$1,632,488 respectively, which were equal to the required contributions for each year.

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.50% to 4.25% including inflation
Investment rate of return	6.75% net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Total Data Set Mortality tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the four years ended June 30, 2014. The Study was performed in April 2015. As a result of the study inflation decreased from 3.00% to 2.25%, future salary rates decreased from a table range of 3.25% to 4.50% to a table ranging from 2.50% to 4.25%. The mortality rates changed from the 2013 IRS Static Mortality projected five years with Scale AA to the process referenced above. Each of these assumption changes were made to more closely reflect actual experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2016 for each major asset class are summarized in the following table.

<u>Global Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	22.5%	5.3%
Private equity	10.0%	5.6%
Fixed income – Ex inflation – linked	22.0%	2.1%
Fixed income –	10.0%	0.7%

inflation – linked		
Commodities	8.0%	2.0%
Real estate	7.5%	3.0%
Absolute return	10.0%	3.9%
Risk parity	10.0%	5.0%

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan’s fiduciary net position were projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current (6.75%)</u>	<u>1% Increase (7.75%)</u>
PERF	\$ 21,658,292	\$ 15,079,890	\$ 9,612,243

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite

001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

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

At December 31, 2016, the City reported a liability of \$15,079,890 for its proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the PERF Plan. The proportionate share used at the June 30, 2016 measurement date was 0.0033227.

For the year ended December 31, 2016, the City recognized pension expense of \$3,076,785, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the PERF Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 337,846	\$ 27,837
Net difference between projected and actual earnings on pension plan investment	3,316,760	848,487
Changes in assumptions	665,337	-
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>552,351</u>	<u>198,892</u>
Total	<u>\$ 4,872,294</u>	<u>\$ 1,075,216</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2016 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2016. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5 year period. A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts

reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Amortization of Net Deferred Outflows/Inflows of Resources

2017	\$ 1,479,822
2018	938,984
2019	976,925
2020	<u>401,347</u>
Total	<u>\$ 3,797,078</u>

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capital, Suite 001
Indianapolis, IN 46204
Ph. (317) 526-1687

Contributions

Plan members are required to contribute 6 percent of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially

determined rate. The current rate is 19.7 percent of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of INPRS.

Benefits Provided

A member vests after 20 years of service. If the member retires at or after the age of 52 with 20 years of service, the benefit is equal to 50 percent of the salary of a first class officer, as reported by the employer in the year the 1977 Fund member ended service plus one (1) percent of that salary for each six (6) months of active service over 20 years to a maximum of 12 years. At age 50 and with 20 years of service, a member may elect to receive a reduced benefit by a factor established by the fund's actuary (IC 36-8-8-11).

The monthly pension benefits for members in pay status may be increased annually in accordance with the cost of living adjustment (COLA) statute (IC 36-8-8-15). A member is entitled to an annual increase in the member's benefit based on the percentage increase in the Consumer Price Index (January- March); however, the maximum increase is 3.0 percent. There was a COLA increase of 1.1 percent effective July 1, 2016. The plan is closed to new entrants.

Significant Actuarial Assumptions

The actuarial assumptions used in the June 30, 2016 valuations were adopted by the Board pursuant to the experience studies completed in April 2016, which reflected the experience period from July 1, 2010 through June 30, 2015. The June 30, 2016 valuations incorporate member census data as of June 30, 2015, adjusted for certain activity during fiscal year 2016. Standard actuarial techniques were used to roll forward valuation results over one year.

The actuarial assumptions and methods are summarized in the Actuarial Assumptions and Methods section of each valuation report. We believe the actuarial assumptions and methods are reasonable for the purposes of the valuation reports and comply with the parameters set forth in Statements No. 67 and No. 68 of the Governmental Accounting Standards Board ("GASB"). Different assumptions and methods may be reasonable for other purposes. As such, the results presented in the valuation reports should only be relied upon for the intended purpose.

Difference between expected and actual experience: the actuaries use assumptions such as future salary increases and inflation to develop what they expect to be the experience of the pension plan. Each year the difference between the expected experience and the actual experience is amortized over the average expected remaining service lives of the plan.

Net difference between projected and actual investment earnings: the actuaries use the pension plan's expected long term rate of return to project investment earnings

net of investment expenses. The difference between the expected and the actual investment earnings is deferred and amortized over five years.

A change in an employer’s proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan.

The difference between an employer’s contributions and the employer’s proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan.

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan’s fiduciary net position were projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current (6.75%)</u>	<u>1% Increase (7.75%)</u>
1977 Police Officers	\$ 8,898,188	\$ 871,366	\$ (5,605,379)
1977 Firefighters	\$ 9,124,348	\$ 893,513	\$ (5,747,848)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and

required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

1977 Police Officers' Pension and Disability Fund:

The primary government's contributions to the plan for the year ended December 31, 2016 were \$1,493,436 equal to the required contributions for each year.

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

At December 31, 2016, the City reported a liability of \$871,366 for its proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2016 measurement date was 0.0098086.

For the year ended December 31, 2016, the City recognized pension expense of \$1,140,619, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Police Officers' Plan from the following sources:

1977 Police Officers' Pension and Disability Fund	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 363,978	\$ 552,785
Net difference between projected and actual earnings on pension plan investments	4,220,835	1,005,147
Change of Assumptions	-	2,385,930
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>20,805</u>	<u>21,506</u>
Total	<u>\$ 4,605,618</u>	<u>\$ 3,965,368</u>

1977 Firefighters' Pension and Disability Fund

The primary government's contributions to the plan for the year ended December 31, 2016 were \$1,531,392 equal to the required contributions for each year.

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

At December 31, 2016, the City reported a liability of \$893,513 for its proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2016 measurement date was 0.0100579.

For the year ended December 31, 2016, the City recognized pension expense of \$1,167,881, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Firefighters' Plan from the following sources:

1977 Firefighters' Pension and Disability Fund	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 373,229	\$ 566,835
Net difference between projected and actual earnings on pension plan investments	4,328,113	1,030,695
Change of Assumptions	-	2,446,572
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>12,524</u>	<u>24,789</u>
Total	<u>\$ 4,713,866</u>	<u>\$ 4,068,891</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2016 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2016. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over an 8 year period. A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected

remaining service lives of the plan. The difference between an employer’s contributions and the employer’s proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Amortization of Net Deferred Outflows/Inflows of Resource

	1977 Police Officers' Pension and Disability Fund	1977 Firefighters' Pension and Disability Fund
2017	\$ 370,374	\$ 378,060
2018	370,374	378,060
2019	872,948	893,407
2020	165,959	168,449
2021	(359,008)	(369,861)
Thereafter	<u>(780,397)</u>	<u>(803,140)</u>
Total	<u>\$ 640,250</u>	<u>\$ 644,975</u>

2. Single-Employer Defined Benefit Pension Plans

a. 1925 Police Officers' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (Indiana Code 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan. The pension plan is closed to new entrants.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefits are provided either through a life annuity or a joint and survivor annuity with 60% continuation to the surviving beneficiary. The benefit provisions of the 1925 Police Officers' Pension Plan for non-converted members are set forth in Indiana Code 36-8-6. The benefit provisions for converted members are set forth in Indiana 36-8-8. Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully-paid police officers who hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First Class Patrolman, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Non-converted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for unconverted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First Class Patrolman. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member has retired. If a converted member does not have twenty years of service or is not at least fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether or not the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First Class Patrolman salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death. Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.

Non-converted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date. If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

Benefits for non-converted retired members are increased annually based on increases in the First Class salary as approved by the employer. Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

Deferred Retirement Option Plan

The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions. When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

Plan Membership

Plan membership at December 31, 2016, consisted of the following:

	<u>1925 Police Officers' Pension</u>
Retired Members, beneficiaries and disabled members receiving benefits:	49
Terminated employees entitled to but not yet receiving benefits:	-
Active Plan Members:	-
Total Membership	<u><u>49</u></u>

Contributions

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a First Class Patrolman until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1925 Police Officers' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees. Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the

State of Indiana to the Pension Relief Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

Investments

The pension plan’s investment policy is consistent with the overall policy of the City as described in Note I. D. 1. – Deposits and Investments. The plan held no investments during the audit period.

Net Pension Liability

The components of the Net Pension Liability for the 1925 Police Officers' Pension Plan as of December 31, 2016, are as follows:

Net Pension Liability

1925 Police Officers' Pension Plan

Total Pension Liability	\$ 19,388,281
Plan Fiduciary Net Position	<u>910,684</u>
Net Pension Liability	<u><u>18,477,597</u></u>

Plan Fiduciary Net Position as a percentage of Total Pension Liability	4.70%
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Actuarial Assumptions

Significant actuarial assumptions selected and approved by the INPRS Board of Trustees and other inputs used to measure the total pension liability:

Measurement Date	December 31, 2016
Valuation Date Assets:	Not applicable. Benefits are paid on a pay-as-you-go basis.
Liabilities:	December 31, 2015 - Member census data as of December 31, 2015 was used in the valuation. Standard actuarial techniques were then used to roll forward the total pension liability computed as of December 31, 2015 to the December 31, 2016 measurement date. Projected benefit payments, rather than actual benefit payments, were used in the roll forward due to fluctuation in actual benefit payments caused by DROP payments and lump sum death benefits.
Inflation	2.25%

Future Salary Increases	2.50%
Cost of Living Increases	Non-Converted 2.50% per year in retirement Converted 2.00% per year in retirement
Mortality Assumption	RP-2014 Blue Collar Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.
Experience Study	The actuarial assumptions used in the December 31, 2016 valuation were selected and approved by the INPRS Board of Trustees and are consistent with the results of an experience study completed in April 2015, which reflects the experience period beginning July 1, 2010 and ending June 30, 2014. Assumption recommendations from the study were first implemented for the December 31, 2014 valuation and are generally unchanged for the December 31, 2016 valuation. The interest rate continues to equal the Barclay's 20-year Municipal Bond Index rate as of the measurement date, which increased from 2.59% as of December 31, 2015 to 3.23% as of December 31, 2015.
Discount Rate	There are no accumulated assets in the Plan. Therefore, the discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 3.23% as of December 31, 2015.
Discount Rate Sensitivity	The following represents the net pension liability of the City, calculated using the discount rate of 3.23%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.23 percent) or 1-percentage point higher (4.23 percent) than the current rate.

	<u>1% Decrease (2.23%)</u>	<u>Current (3.23%)</u>	<u>1% Increase (4.23%)</u>
Net Pension Liability \$	21,316,318	\$ 19,388,281	\$ 17,738,979

<u>Schedule of Changes in Net Pension Liability (Asset)</u>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2015	\$ 21,160,018	\$ 965,967	\$ 20,194,051
Changes for the year:			
Interest cost	535,828	-	535,828
Experience (gains) losses	315,820	-	315,820
Change of Assumptions	(1,198,162)	-	(1,198,162)
Projected benefit payments	(1,425,223)	-	(1,425,223)
Employer contributions	-	49,920	(49,920)
Non-employer contributing entity contributions	-	1,434,207	(1,434,207)
Actual benefit payments	-	(1,484,127)	1,484,127
Other net changes	-	(55,283)	55,283
Net changes	(1,771,737)	(55,283)	(1,716,454)
Balance at December 31, 2016	\$ 19,388,281	\$ 910,684	\$ 18,477,597

Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Interest cost	535,828
Experience (gains) losses	315,820
Change of Assumptions	(1,198,162)
Other net changes	(55,283)
Total Pension Income	\$ (401,797)

b. 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local

pension board as authorized by state statute (Indiana Code 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan. The pension plan is closed to new entrants.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefits are provided either through a life annuity or a joint and survivor annuity with 60% continuation to the surviving beneficiary. The benefit provisions of the 1937 Firefighters' Pension Plan for non-converted members are set forth in Indiana Code 36-8-6. The benefit provisions for converted members are set forth in Indiana 36-8-8. Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully-paid firefighters who hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First Class Firefighter, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Non-converted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for unconverted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First Class Firefighter. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member has retired. If a converted member does not have twenty years of service or is not at least fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether or not the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First Class Firefighter salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or

was entitled to receive, on the date of death. Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.

Non-converted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date. If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

Benefits for non-converted retired members are increased annually based on increases in the First Class salary as approved by the employer. Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

Deferred Retirement Option Plan

The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions. When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

Plan Membership

Plan membership at December 31, 2016, consisted of the following:

	<u>1937 Firefighters' Pension</u>
Retired Members, beneficiaries and disabled members receiving benefits:	80
Terminated employees entitled to but not yet receiving benefits:	-
Active Plan Members:	-
Total Membership	<u>80</u>

Contributions

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a First Class Firefighter until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1937 Firefighters' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees. Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the State of Indiana to the Pension Relief Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

Investments

The pension plan's investment policy is consistent with the overall policy of the City as described in Note I. D. 1. – Deposits and Investments. The plan held no investments during the audit period.

Net Pension Liability

The components of the Net Pension Liability for the 1937 Firefighters' Pension Plan as of December 31, 2016, are as follows:

Net Pension Liability
1937 Firefighters' Pension Plan

Total Pension Liability	\$ 32,255,629
Plan Fiduciary Net Position	<u>921,404</u>
Net Pension Liability	<u><u>31,334,225</u></u>
 Plan Fiduciary Net Position as a percentage of Total Pension Liability	 2.86%

Actuarial Assumptions

Significant actuarial assumptions selected and approved by the INPRS Board of Trustees and other inputs used to measure the total pension liability:

Measurement Date	December 31, 2016
Valuation Date Assets:	Not applicable. Benefits are paid on a pay-as-you-go basis.
Liabilities:	December 31, 2015 - Member census data as of December 31, 2015 was used in the valuation. Standard actuarial techniques were then used to roll forward the total pension liability computed as of December 31, 2015 to the December 31, 2016 measurement date. Projected benefit payments, rather than actual benefit payments, were used in the roll forward due to fluctuation in actual benefit payments caused by DROP payments and lump sum death benefits.
Inflation	2.25%
Future Salary Increases	2.50%
Cost of Living Increases	Non-Converted 2.50% per year in retirement Converted 2.00% per year in retirement
Mortality Assumption	RP-2014 Blue Collar Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

Experience Study	The actuarial assumptions used in the December 31, 2016 valuation were selected and approved by the INPRS Board of Trustees and are consistent with the results of an experience study completed in April 2015, which reflects the experience period beginning July 1, 2010 and ending June 30, 2014. Assumption recommendations from the study were first implemented for the December 31, 2014 valuation and are generally unchanged for the December 31, 2016 valuation. The interest rate continues to equal the Barclay's 20-year Municipal Bond Index rate as of the measurement date, which increased from 2.59% as of December 31, 2015 to 3.23% as of December 31, 2016.
Discount Rate	There are no accumulated assets in the Plan. Therefore, the discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 3.23% as of December 31, 2016.
Discount Rate Sensitivity	The following represents the net pension liability of the City, calculated using the discount rate of 3.23%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.23 percent) or 1-percentage point higher (4.23 percent) than the current rate.

	<u>1% Decrease (2.23%)</u>	<u>Current (3.23%)</u>	<u>1% Increase (4.23%)</u>
Net Pension Liability	\$ 35,455,096	\$ 32,255,629	\$ 29,525,087

<u>Schedule of Changes in Net Pension Liability (Asset)</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at December 31, 2015	\$ 21,160,018	\$ 965,967	\$ 20,194,051
Changes for the year:			
Interest cost	535,828	-	535,828
Experience (gains) losses	315,820	-	315,820
Change of Assumptions	(1,198,162)	-	(1,198,162)
Projected benefit payments	(1,425,223)	-	(1,425,223)
Employer contributions	-	49,920	(49,920)
Non-employer contributing entity contributions	-	1,434,207	(1,434,207)
Actual benefit payments	-	(1,484,127)	1,484,127
Other net changes	-	(55,283)	55,283
Net changes	<u>(1,771,737)</u>	<u>(55,283)</u>	<u>(1,716,454)</u>
Balance at December 31, 2016	<u>\$ 19,388,281</u>	<u>\$ 910,684</u>	<u>\$ 18,477,597</u>

Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Interest cost	535,828
Experience (gains) losses	315,820
Change of Assumptions	(1,198,162)
Other net changes	<u>(55,283)</u>
Total Pension Income	<u>\$ (401,797)</u>

<u>Actuarial Methods</u>	1925 Police Officers Pension	1937 Firefighters' Pension
Contribution rates:		
Government	0%	0%
Plan members	0%	0%
Actuarial valuation date	06-30-2016	06-30-2016
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	01-01-05	01-01-05
Asset valuation method	N/A	N/A
 <u>Actuarial Assumptions</u>		
Investment rate of return (Net of Expenses)	3.23%	3.23%
Projected future salary increases	2.50%	2.50%
Cost-of-living adjustments	2.00% & 2.5%	2.0% & 2.5%
Retirement	Based on 1976 Study	Based on 1976 Study

H. Tax Abatements

The purpose of tax abatement is to encourage investment and the development of jobs as well as to promote other community objectives, such as affordable housing, which might not otherwise take place.

Real property and personal property taxes are subject to abatement. Preliminary consideration and recommendation for a tax abatement application is made by the Redevelopment Commission. Their recommendation is then forwarded to the City Council which holds a public hearing on the abatement. The Council then considers the abatement request as well as input from the public. The City Council and Redevelopment Commission review all companies' compliance annually. Compliance is determined according to what degree a company has met its proposed benefits to the community in terms of investment, job creation, and wages as well as other factors.

These principles are used in determining the guidelines for each category of project, and will also be used in determining the length of an abatement within each category.

- Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business.
- Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
- Preference will be given to firms that diversify and fill in gaps in our local economy rather than those that compete for business in the local economy with existing firms.
- Products that are sold outside our local community and bring value to the local economy will be given a high priority.
- Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
- Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
- Projects that involve retail or are primarily office operations will be considered only in the locations described unless the office operations are technology related.
- The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
- The level of wages and benefits will be an important consideration for all applications.
- Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
- Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
- Adverse environmental impacts will negatively affect the consideration of abatement.
- Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
- Major development projects will be individually evaluated.
- The time period of depreciation of equipment will be considered in the length of abatement for equipment

Abatement is only given on increases in assessed value. It cannot be used to reduce current taxes. The abatement phases in the full tax rate gradually over a time period of 1 to 10 years. If the investment does not take place as expected, there may be no increase in assessed value and no tax abatement. The City has provisions for recapturing abated taxes when personal property is moved out of the taxing district during the abatement period. Total taxes abated for the year ending December 31, 2016 is \$2,226,119.

I. Change in Accounting

Over the past two years the City has adopted GASB Statement Numbers 67 and 68, Accounting and Financial Reporting for Pension Plans. This statements required changes to the actuarial valuations resulting in a different measurement of the liability of the employer to plan members for benefits provided through the pension plan. As a result, the disclosures within the single employer pension footnotes have changed considerably along with the related schedules in the required supplementary information.

J. Upcoming Accounting Pronouncements

In December 2015, the GASB issued Statement 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for the City’s fiscal year ending December 31, 2016. Management has not determined what impact, if any, this statement will have on its financial statements. The City has not finalized its determination of the effect that the implementation of these new accounting standards will have on the City’s financial statements or disclosures, as of the date of this report.

Required Supplementary Information

City of Lafayette
 Required Supplementary Information
 Schedule of City Contributions
 Last 10 Fiscal Years*
 1925 Police Officers' Pension Plan

Year Ending	Actuarially Determined Contribution	Contributions in relation to the actuarially determined contributions	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
12/31/2012	\$ 1,465,342	\$ 1,465,342	\$ -	\$ -	N/A
12/31/2013	\$ 1,438,259	\$ 1,438,259	\$ -	\$ -	N/A
12/31/2014	\$ 1,513,287	\$ 1,513,287	\$ -	\$ -	N/A
12/31/2015	\$ 1,451,763	\$ 1,451,763	\$ -	\$ -	N/A
12/31/2016	\$ 1,484,127	\$ 1,484,127	\$ -	\$ -	N/A

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplementary Information
 Schedule of Changes in the City's Net Pension Liability and Related Ratios
 Last 10 Fiscal Years*
 1925 Police Officers' Pension Plan

Year Ending	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Employee Payroll	Net Pension Liability as a Percentage of Covered Payroll
12/31/2012	\$ 17,647,223	\$ 1,013,533	\$ 16,633,690	5.74%	\$ -	N/A
12/31/2013	\$ 20,031,949	\$ 847,834	\$ 19,184,115	4.23%	\$ -	N/A
12/31/2014	\$ 22,049,109	\$ 885,875	\$ 21,163,234	4.02%	\$ -	N/A
12/31/2015	\$ 21,160,018	\$ 965,967	\$ 20,194,051	4.57%	\$ -	N/A
12/31/2016	\$ 19,388,281	\$ 910,684	\$ 18,477,597	4.70%	\$ -	N/A

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

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City of Lafayette
 Required Supplementary Information
 Schedule of City Contributions
 Last 10 Fiscal Years*
 1937 Firefighters' Pension Plan

Year Ending	Actuarially Determined Contribution	Contributions in relation to the actuarially determined contributions	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
12/31/2012	\$ 2,485,492	\$ 2,485,492	\$ -	\$ -	N/A
12/31/2013	\$ 2,507,210	\$ 2,507,210	\$ -	\$ -	N/A
12/31/2014	\$ 2,468,759	\$ 2,468,759	\$ -	\$ -	N/A
12/31/2015	\$ 2,459,366	\$ 2,459,366	\$ -	\$ -	N/A
12/31/2016	\$ 2,487,554	\$ 2,487,554	\$ -	\$ -	N/A

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

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City of Lafayette
 Required Supplementary Information
 Schedule of Changes in the City's Net Pension Liability and Related Ratios
 Last 10 Fiscal Years*
 1937 Firefighters' Pension Plan

Year Ending	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Employee Payroll	Net Pension Liability as a Percentage of Covered Payroll
12/31/2012	\$ 30,562,715	\$ 1,017,914	\$ 29,544,801	0%	\$ -	N/A
12/31/2013	\$ 33,937,356	\$ 1,016,455	\$ 32,920,901	0%	\$ -	N/A
12/31/2014	\$ 37,325,772	\$ 1,013,533	\$ 36,312,239	0%	\$ -	N/A
12/31/2015	\$ 35,029,826	\$ 997,856	\$ 34,031,970	0%	\$ -	N/A
12/31/2016	\$ 32,255,629	\$ 921,404	\$ 31,334,225	0%	\$ -	N/A

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 Public Employees' Retirement Fund
 Schedule of City Contributions
 Last 10 Fiscal Years *

	<u>2016</u>
Actuarially required contribution	\$ 1,782,752
Contributions in relation to the Actuarially required contribution	<u>\$ 1,782,752</u>
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 15,924,151
Contributions as a Percentage of Covered Employee Payroll	11.2%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

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City of Lafayette
 Required Supplemental Information
 Public Employees' Retirement Fund
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.33227%	0.32056%
City's proportionate share of the net pension liability (asset)	\$ 15,079,890	\$ 13,056,095
City's covered employee payroll	\$ 15,924,151	\$ 15,354,135
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	94.7%	85.0%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Police Officers' Pension and Disability Fund
 Schedule of City Contributions
 Last 10 Fiscal Years

	<u>2016</u>
Actuarially determined contribution	\$ 1,493,436
Contributions in relation to the actuarially determined contribution	<u>\$ 1,493,436</u>
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 7,580,954
Contributions as a Percentage of Covered Employee Payroll	19.7%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Police Officers' Pension and Disability Fund
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2016</u>
City's proportion of the net pension liability (asset)	0.98086%
City's proportionate share of the net pension liability (asset)	\$ 871,366
City's covered employee payroll	\$ 7,580,954
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	11.49%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.5%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Firefighters' Pension and Disability Fund
 Schedule of City Contributions
 Last 10 Fiscal Years

	<u>2016</u>
Actuarially determined contribution	\$ 1,531,392
Contributions in relation to the actuarially contribution	<u>\$ 1,531,392</u>
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 7,773,626
Contributions as a Percentage of Covered Employee Payroll	19.7%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

City of Lafayette
 Required Supplemental Information
 1977 Firefighters' Pension and Disability Fund
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2016</u>
City's proportion of the net pension liability (asset)	0.0100579%
City's proportionate share of the net pension liability (asset)	\$ 893,513
City's covered employee payroll	\$ 7,773,626
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	11.49%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.1%

* GASB 68 requires that information be shown for 10 years. Until a full 10 year trend is compiled, information will be shown for those years for which the information is available.

The notes to RSI are an integral part of the RSI.

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2016

General Fund				
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 24,247,647	\$ 24,247,647	\$ 23,381,431	\$ (866,216)
Licenses and permits	298,000	298,000	552,307	254,307
Intergovernmental	9,172,207	9,172,207	9,603,831	431,624
Payment In Lieu of Taxes	2,700,000	2,700,000	2,700,000	-
Charges for services	40,000	40,000	23,969	(16,031)
Fines and forfeits	135,000	135,000	139,804	4,804
Other	389,000	389,000	1,265,388	876,388
TOTAL REVENUES	36,981,854	36,981,854	37,666,730	684,876
Expenditures:				
Current:				
General government:				
Personal Services	1,926,615	1,926,615	1,643,325	283,290
Supplies	180,745	180,745	239,063	(58,318)
Other Srv & Chrgs	1,135,305	1,135,305	1,272,802	(137,497)
Capital Outlays	16,000	16,000	3,738	12,262
Total general government	3,258,665	3,258,665	3,158,928	99,737
Public safety:				
Personal Services	30,126,050	30,126,050	29,192,408	933,642
Supplies	812,500	812,500	925,890	(113,390)
Other Srv & Chrgs	357,600	357,600	387,957	(30,357)
Capital Outlays	100,000	100,000	224,118	(124,118)
Total public safety	31,396,150	31,396,150	30,730,373	665,777
Sanitation:				
Personal Services	1,779,050	1,779,050	1,602,828	176,222
Supplies	328,500	328,500	319,183	9,317
Other Srv & Chrgs	9,000	9,000	9,972	(972)
Capital Outlays	-	-	-	-
Total sanitation	2,116,550	2,116,550	1,931,983	184,567
TOTAL EXPENDITURES	36,771,365	36,771,365	35,821,284	950,081
Other Financing Sources and Uses				
Interest and Investment Revenue	-	-	32,137	-
Transfer Out	-	-	200,000	(200,000)
Total other Financing Sources and (uses)	-	-	232,137	(200,000)
Net change in fund balances	210,489	210,489	1,677,583	(65,205)
Fund balances - January 1	1,714,561	1,624,694	2,739,793	1,115,099
Fund balances - December 31	\$ 1,925,050	\$ 1,835,183	\$ 4,417,376	\$ 2,582,193

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUND
For The Year Ended December 31, 2016

	Highway Funds (MVH, LRS and Highway Use Tax) Major Special Revenue Fund				Economic Dev Income Tax (EDIT)			
	Budgeted Amounts		Actual Budgetary	Variance	Budgeted Amounts		Actual Budgetary	Variance
	Original	Final	Basis Amounts	With Final Budget	Original	Final	Basis Amounts	With Final Budget
Revenues:								
Taxes:								
Property Taxes	\$ 2,483,064	\$ 2,483,064	\$ 2,396,696	\$ (86,368)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,051,736	4,051,736	4,062,793	11,057	5,583,378	5,583,378	5,935,921	352,543
Payment In Lieu of Taxes	-	-	-	-	-	-	-	-
Charges for services	26,000	26,000	42,996	16,996	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	71,361	71,361	-	-	16,523	16,523
TOTAL REVENUES	6,560,800	6,560,800	6,573,846	13,046	5,583,378	5,583,378	5,952,444	369,066
Expenditures:								
Current:								
Highways and streets:								
Personal Services	4,090,540	4,090,540	3,802,069	288,471	-	-	-	-
Supplies	951,600	951,600	1,069,453	(117,853)	-	-	-	-
Other Srv & Chrgs	1,194,150	1,194,150	1,010,720	183,430	-	-	-	-
Capital Outlays	535,000	535,000	526,827	8,173	-	-	-	-
Total highways and streets	6,771,290	6,771,290	6,409,069	362,221	-	-	-	-
Economic development:								
Supplies	-	-	-	-	405,000	405,000	542,774	(137,774)
Other srv & chrgs	-	-	-	-	4,595,000	4,595,000	5,042,724	(447,724)
Capital outlays	-	-	-	-	165,000	165,000	127,900	37,100
Total economic development	-	-	-	-	5,165,000	5,165,000	5,713,398	(548,398)
TOTAL EXPENDITURES	6,771,290	6,771,290	6,409,069	362,221	5,165,000	5,165,000	5,713,398	(548,398)
Other financing sources and uses:								
Interest and investment revenue	-	-	-	-	-	-	55	55
Capital lease proceeds	-	-	-	-	-	-	750,210	750,210
Transfers in	-	-	-	-	-	-	350,000	350,000
Total other financing sources and (uses)	-	-	-	-	-	-	1,100,265	1,100,265
Net change in fund balances	(210,490)	(210,490)	164,777	(349,175)	418,378	418,378	1,339,311	2,017,729
Fund balances - January 1	297,436	(338,932)	982,227	1,321,159	763,748	763,748	763,748	-
Fund balances - December 31	\$ 86,946	\$ (549,422)	\$ 1,147,004	\$ 1,696,426	\$ 1,182,126	\$ 1,182,126	\$ 2,103,059	\$ 920,933

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2016

	Thoroughfare				Redevelopment Authority			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	6,500,000	6,500,000	6,474,069	(25,931)
TOTAL REVENUES	1,000,000	1,000,000	1,000,000	-	6,500,000	6,500,000	6,474,069	(25,931)
Expenditures:								
Current:								
Highways and streets:								
Capital Outlays	10,000,000	10,000,000	9,951,462	48,538	-	-	-	-
Total highways and streets	10,000,000	10,000,000	9,951,462	48,538	-	-	-	-
Economic Development:								
Supplies	-	-	-	-	-	-	-	-
Other Srv & Chrgs	-	-	-	-	650,000	650,000	606,539	43,461
Capital Outlays	-	-	-	-	7,700,000	7,700,000	7,699,489	511
Total economic development	-	-	-	-	8,350,000	8,350,000	8,306,028	43,972
Debt service:								
Interest	-	-	-	-	830,000	830,000	828,490	1,510
Principal retirement	-	-	-	-	5,200,000	5,200,000	5,195,000	5,000
Total debt service	-	-	-	-	6,030,000	6,030,000	6,023,490	6,510
TOTAL EXPENDITURES	10,000,000	10,000,000	9,951,462	48,538	14,380,000	14,380,000	14,329,518	50,482
Other Financing Sources and Uses								
Transfers In	-	-	1,000,000	(1,000,000)	-	-	-	-
Net change in fund balances	(9,000,000)	(9,000,000)	(7,951,462)	(48,538)	(7,880,000)	(7,880,000)	(7,855,449)	(76,413)
Fund balances - January 1	9,275,053	9,275,053	9,275,053	-	12,695,641	12,695,641	12,695,641	-
Fund balances - December 31	\$ 275,053	\$ 275,053	\$ 1,323,591	\$ 1,048,538	\$ 4,815,641	\$ 4,815,641	\$ 4,840,192	\$ 24,551

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2016

TIF Creasy Central Consolidated				
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Budgetary Basis Amounts	
Revenues:				
Taxes:				
Property Taxes	\$ 7,518,372	\$ 7,518,372	\$ 7,595,244	\$ 76,872
Intergovernmental	-	-	570,588	570,588
Other	-	-	423,546	423,546
TOTAL REVENUES	7,518,372	7,518,372	8,589,378	1,071,006
Expenditures:				
Current:				
Economic Development:				
Other Srv & Chrgs	162,000	162,000	3,352,782	(3,190,782)
Capital Outlays	10,100,098	10,100,098	1,831,867	8,268,231
Total economic development	10,262,098	10,262,098	5,184,649	5,077,449
Debt service:				
Interest	-	-	178,665	(178,665)
Principal retirement	4,203,520	4,203,520	4,500,000	(296,480)
Total debt service	4,203,520	4,203,520	4,678,665	(475,145)
TOTAL EXPENDITURES	14,465,618	14,465,618	9,863,314	4,602,304
Other Financing Sources and Uses				
Transfer Out	-	-	(1,350,000)	1,350,000
Net change in fund balances	(6,947,246)	(6,947,246)	(2,623,936)	(3,531,298)
Fund balances - January 1	7,798,284	7,798,284	7,798,284	-
Fund balances - December 31	\$ 851,038	\$ 851,038	\$ 5,174,348	\$ 4,323,310

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary date reflected in the budgetary comparison schedules:

The Controller's Office meets with each Department Head and their budget staff to review each budget expense line item and create a proposed operating budget for the next calendar year. Once accomplished the budget is then sent to the Mayor for his review. After the Mayoral review the budget is then shared with the Council President and or the Council Finance committee. Since the City is limited by law to a maximum levy amount, a great deal of attention is spent on balancing the budget as early in the process as can be done.

Prior to public meetings the budget is advertised. Following the advertisement Council then holds a public meeting and an initial vote is taken. 30 days after the first vote a second public meeting is held and again a vote is taken. At these meetings Council cannot raise the budget as presented but can take action to reduce it.

By November 1 the Council approved budget must be sent, along with proofs of advertisements to the State Department of Local Government Finance (DLGF) for approval. The DLGF will review to make sure that the budget expenditures and revenues are in balance and if acceptable will approve the budget as is or with certain adjustments and then set the tax rates.

Budgetary control is maintained by object classification within each department. Management cannot transfer appropriations between object classifications of the budget without the approval of the Common Council and in the case of certain funds, without the approval of the DLGF.

Formal budgetary integration is required by State statute and is used as a management control tool. An annual budget was legally adopted by for the following funds:

Major funds:

 General fund

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Special revenue funds – motor vehicle highway, economic development income tax (edit), thoroughfare, redevelopment authority, tif creasy central consolidated

Nonmajor governmental funds:

Special revenue funds – park and recreation operating, economic development, band, park bond, tif mccarty, tif twyckenham

Capital projects funds – cumulative capital improvement, cumulative capital development

Pension trust funds – police pension, fire pension

The City's budgetary process is based upon the modified accrual basis, which is a GAAP basis presentation. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order on contract. Encumbered appropriations are carried over and added to the subsequent year's budget.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund which required legally approved budgets.

Note 2. Financial Reporting – Pension Plans

A. Change of assumptions

1. The interest rate for the 1925 Police Officers' and 1937 Firefighters' Pension plans increased from 2.59% for the December 31, 2015 valuation to 3.23% for the December 31, 2016 valuation, based on the Barclay's 20-year Municipal Bond Index rate.
2. For the Public Employees Retirement Fund, in 2016 there were no changes in assumptions.
3. For the 1977 Police Officers' and Firefighters Pension plans, in 2016, there were no changes in assumptions.

CITY OF LAFAYETTE
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

B. Method and assumptions used in the calculations of actuarially determined contributions.

The actuarially determined contribution rates in the schedule of the 1925 Police Officers' and 1937 Firefighters' Pension plans contributions are calculated as of December 31, 2016. The following actuarial method and assumptions were used to determine contribution rates reported in their respective schedules:

1925 Police Officers' and 1937 Firefighters' Pension Plans

Actuarial cost method	Entry Age Normal – Level Percent of Payroll
Amortization method	Level percentage of projected payroll, closed
Remaining amortization period	20 years
Inflation	2.25%
Salary increases	2.50%
Cost-of-Living Increases	Non-converted-2.50% per year in retirement Converted-2.00% per year in retirement
Discount rate	3.23% (Based on Barclay's 20-year Municipal Bond Index rate)
Mortality assumption	RP-2014 Blue Collar Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report

Other Supplementary Information

CITY OF LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2016

General Fund				
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
General government:				
Mayor	96,700	96,700	92,268	4,432
Controller	119,880	119,880	111,633	8,247
Clerk	101,110	101,110	92,885	8,225
Human Resources	90,310	90,310	89,599	711
Common Council	124,050	124,050	116,500	7,550
Facilities	1,090,020	1,090,020	1,223,254	(133,234)
Engineering	855,150	855,150	726,733	128,417
Purchasing	60,875	60,875	36,138	24,737
IT	316,050	316,050	309,798	6,252
Human Relations	1,300	1,300	295	1,005
Board of Works	200,200	200,200	170,839	29,361
Animal Control	203,020	203,020	188,986	14,034
Total General government	3,258,665	3,258,665	3,158,928	99,737
Public Safety:				
Fire	14,556,650	14,556,650	14,347,867	208,783
Police	16,839,500	16,839,500	16,382,506	456,994
Total Public safety	31,396,150	31,396,150	30,730,373	665,777
Sanitation	2,116,550	2,116,550	1,931,983	184,567
Total General Fund	36,771,365	36,771,365	35,821,284	950,081

City of Lafayette
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions

Special Revenue Funds

Park and Recreation Operating- To account for expenditures of the City's Park and Recreation Department. The City has a wide range of park and recreation activities including a zoo, picnic shelters, swimming pools, biking and walking trails and a fitness center. Financing is provided by a specific property tax levy.

Park Nonreverting Operating – To account for fees and related expenses from park department activities.

Health and Wellness – To account for the City's health and wellness activities and programs.

Police Donations – To account for donations and expenditures for law enforcement related activities and programs.

Economic Development – To account for expenditures related to projects promoting economic development.

Federal Grants – To account for expenditures of federal financial awards.

Police Continuing Education – To account for police fees collected to finance police officers' continuing education, training, and supplies and equipment.

Unsafe Building – To account for the demolition expenditures of abandoned properties and structures within the City.

State Grants – To account for expenditures of state financial awards.

Rainy Day – To account for unused and unencumbered funds that are transferred from a fund that has a tax levy.

LOIT Special Distribution – To account for expenditures of road construction and re-construction

Railroad – To account for expenditures relating to the City's railroad relocation project.

City of Lafayette
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions (Continued)

Fire Donations – To account for donations and expenditures for firefighting related activities and programs.

Band – A property tax supported fund for a citizens band.

Police Training – To account for training expenditures of the City’s Police Department.

Fire Training (Arson Invstg) – To account for fire arson investigation training activities.

Police Unclaimed Property – To account for the confiscated property of the local police agencies.

Home (Community Development) – The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income persons.

CDBG (Community Development) – provides annual grants on a formula basis to entitled cities to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

Beautification – To account for expenditures of general landscaping and tree planting on City owned property.

Park Bond – property tax supported fund to account for the payment of principal and interest of a general obligation bond.

Park Nonreverting Capital – To account for specific revenues used to finance capital improvements at the City parks.

Tax Incremental Financing (TIF) McCarty – To account for expenditures for public improvement projects in the McCarty tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property before redevelopment.

City of Lafayette
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions (Continued)

Tax Incremental Financing (TIF) Twyckenham - To account for expenditures for public improvement projects in the Twyckenham tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property before redevelopment.

Capital Projects Funds

Cumulative Capital Improvement – To account for state cigarette tax distributions used for improvement projects.

Cumulative Capital Development – To account for expenditures relating to the purchase or lease of capital improvements in the City. Financing is provided by a specific property tax levy.

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016
Special Revenue Funds

	Park and Recreation Operating	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development	Federal Grants	Police Continuing Education	Unsafe Building
ASSETS								
Cash and cash equivalents	\$ 395,767	\$ 101,815	\$ 170,667	\$ 8,793	\$ 85,993	\$ 61,198	\$ 361,686	\$ 36,206
Cash with fiscal agents	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Taxes	70,590	-	-	-	9,071	-	-	-
Accounts	-	909	-	-	-	70,971	-	-
Intergovernmental	33,799	-	-	-	4,336	-	-	-
Restricted cash, cash equivalents and investments	12,553	-	-	-	-	-	-	-
Total assets	<u>\$ 512,709</u>	<u>\$ 102,724</u>	<u>\$ 170,667</u>	<u>\$ 8,793</u>	<u>\$ 99,400</u>	<u>\$ 132,169</u>	<u>\$ 361,686</u>	<u>\$ 36,206</u>
LIABILITIES								
Accounts Payable	\$ 69,972	\$ 30,504	\$ 545	\$ (735)	\$ 6,296	\$ 16,178	\$ 29,310	\$ 193
Accrued payroll and withholding payable	66,560	7,590	-	-	12,409	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-
Unearned revenue	105,934	9,116	-	-	13,407	-	-	-
Customer deposits payable	-	3,900	-	-	-	-	-	1,500
Total liabilities	<u>242,466</u>	<u>51,110</u>	<u>545</u>	<u>(735)</u>	<u>32,112</u>	<u>16,178</u>	<u>29,310</u>	<u>1,693</u>
FUND BALANCES								
Restricted	270,243	51,614	-	-	-	115,991	-	-
Committed	-	-	-	-	67,288	-	-	-
Assigned	-	-	170,122	9,528	-	-	332,376	34,513
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>\$ 270,243</u>	<u>\$ 51,614</u>	<u>\$ 170,122</u>	<u>\$ 9,528</u>	<u>\$ 67,288</u>	<u>\$ 115,991</u>	<u>\$ 332,376</u>	<u>\$ 34,513</u>
Total liabilities and fund balances	<u>\$ 512,709</u>	<u>\$ 102,724</u>	<u>\$ 170,667</u>	<u>\$ 8,793</u>	<u>\$ 99,400</u>	<u>\$ 132,169</u>	<u>\$ 361,686</u>	<u>\$ 36,206</u>

The notes to financial statements are an integral part of this statement.

Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016
Special Revenue Funds

State Grants	Rainy Day	LOIT Special Distribution	Railroad	Fire Donations	Band	Police Training	Fire Training (Arnsn Invstg)	Police Unclaimed Property	HOME - Community Development
\$ (9,917)	\$ 4,004,302	\$ 4,012,078	\$ 118,682	\$ 84,939	\$ 11,456	\$ 8,924	\$ 11,976	\$ 290,993	\$ 374
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	65,850
-	-	-	-	-	450	-	-	-	-
-	-	-	-	-	-	-	18,400	-	16,613
-	-	-	95,775	-	215	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ (9,917)</u>	<u>\$ 4,004,302</u>	<u>\$ 4,012,078</u>	<u>\$ 214,457</u>	<u>\$ 84,939</u>	<u>\$ 12,121</u>	<u>\$ 8,924</u>	<u>\$ 30,376</u>	<u>\$ 290,993</u>	<u>\$ 82,837</u>
\$ 751	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 1,000	\$ -	\$ 16,752
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	665	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>665</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>16,752</u>
(10,668)	-	4,012,078	-	-	-	-	-	-	66,085
-	-	-	214,457	-	-	-	-	-	-
-	-	-	-	84,639	11,456	8,924	29,376	290,993	-
-	4,004,302	-	-	-	-	-	-	-	-
<u>\$ (10,668)</u>	<u>\$ 4,004,302</u>	<u>\$ 4,012,078</u>	<u>\$ 214,457</u>	<u>\$ 84,639</u>	<u>\$ 11,456</u>	<u>\$ 8,924</u>	<u>\$ 29,376</u>	<u>\$ 290,993</u>	<u>\$ 66,085</u>
<u>\$ (9,917)</u>	<u>\$ 4,004,302</u>	<u>\$ 4,012,078</u>	<u>\$ 214,457</u>	<u>\$ 84,939</u>	<u>\$ 12,121</u>	<u>\$ 8,924</u>	<u>\$ 30,376</u>	<u>\$ 290,993</u>	<u>\$ 82,837</u>

Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016

Special Revenue Funds							Capital Projects Funds			Total Nonmajor Governmental Funds
CDBG - Community Development	Beautification	Park Bond	Park Nonreverting Capital	TIF MCCarty	TIF Twyckenham	Total	Cumulative Capital Improvement	Cumulative Capital Development	Total	
\$ 13,744	\$ 33,259	\$ 97,167	\$ (14,573)	\$ 1,675,754	\$ 333,304	\$ 11,894,587	\$ 200,660	\$ 374,903	\$ 575,563	\$ 12,470,150
-	-	3	-	1,391,746	-	1,391,749	-	-	-	1,391,749
39,610	-	-	-	-	-	105,460	-	-	-	105,460
-	-	19,314	-	32,778	25,273	157,476	-	12,866	12,866	170,342
34,434	380	-	-	2	-	141,709	-	-	-	141,709
-	-	8,796	-	1	449,817	592,739	15,829	6151	21,980	614,719
-	-	-	-	4,005,963	447,488	4,466,004	-	-	-	4,466,004
<u>\$ 87,788</u>	<u>\$ 33,639</u>	<u>\$ 125,280</u>	<u>\$ (14,573)</u>	<u>\$ 7,106,244</u>	<u>\$ 1,255,882</u>	<u>\$ 18,749,724</u>	<u>\$ 216,489</u>	<u>\$ 393,920</u>	<u>\$ 610,409</u>	<u>\$ 19,360,133</u>
-	-	-	-	-	-	-	-	-	-	-
\$ 46,440	\$ -	\$ -	\$ -	\$ (426)	\$ 136,456	\$ 353,536	\$ -	\$ 13,857	\$ 13,857	\$ 367,393
-	-	-	-	-	-	86,559	-	-	-	86,559
-	-	-	-	4,005,963	-	4,005,963	-	-	-	4,005,963
-	-	14,202	-	-	80,901	95,103	-	-	-	95,103
-	-	28,110	-	32,779	25,273	215,284	15,829	19,017	34,846	250,130
-	-	-	-	-	-	5,400	-	-	-	5,400
<u>46,440</u>	<u>-</u>	<u>42,312</u>	<u>-</u>	<u>4,038,316</u>	<u>242,630</u>	<u>4,761,845</u>	<u>15,829</u>	<u>32,874</u>	<u>48,703</u>	<u>4,810,548</u>
-	-	-	-	-	-	-	-	-	-	-
41,348	-	82,968	(14,573)	3,067,928	1,013,252	8,696,266	200,660	361,046	561,706	9,257,972
-	-	-	-	-	-	281,745	-	-	-	281,745
-	33,639	-	-	-	-	1,005,566	-	-	-	1,005,566
-	-	-	-	-	-	4,004,302	-	-	-	4,004,302
<u>\$ 41,348</u>	<u>\$ 33,639</u>	<u>\$ 82,968</u>	<u>\$ (14,573)</u>	<u>\$ 3,067,928</u>	<u>\$ 1,013,252</u>	<u>\$ 13,987,879</u>	<u>\$ 200,660</u>	<u>\$ 361,046</u>	<u>\$ 561,706</u>	<u>\$ 14,549,585</u>
<u>\$ 87,788</u>	<u>\$ 33,639</u>	<u>\$ 125,280</u>	<u>\$ (14,573)</u>	<u>\$ 7,106,244</u>	<u>\$ 1,255,882</u>	<u>\$ 18,749,724</u>	<u>\$ 216,489</u>	<u>\$ 393,920</u>	<u>\$ 610,409</u>	<u>\$ 19,360,133</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

	Special Revenue Funds				
	Park and Recreation Operating	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development
REVENUES					
General Property Taxes	\$ 3,285,560	\$ -	\$ -	\$ -	\$ 422,796
Licenses and permits	-	-	-	-	-
Intergovernmental	263,568	-	-	-	33,205
Charges for services	62,007	1,069,286	-	-	1,800
Fines and forfeits	-	-	-	-	-
Other	48,862	67,135	90,052	8,238	46,639
Capital contributions	-	-	-	-	-
Total revenues	<u>3,659,997</u>	<u>1,136,421</u>	<u>90,052</u>	<u>8,238</u>	<u>504,440</u>
EXPENDITURES					
Current:					
General Government	-	-	66,272	-	-
Public Safety	-	-	-	3,042	-
Highways and Streets	-	-	-	-	-
Culture and Recreation	3,568,863	1,095,839	-	-	-
Economic Development	-	-	-	-	439,050
Debt service:					
Interest	-	-	-	-	-
Principal retirement	-	-	-	-	-
Capital outlay:					
Public Safety	-	-	-	-	-
Economic Development	-	-	-	-	-
Total expenditures	<u>3,568,863</u>	<u>1,095,839</u>	<u>66,272</u>	<u>3,042</u>	<u>439,050</u>
Excess (deficiency) of revenues over expenditures	<u>91,134</u>	<u>40,582</u>	<u>23,780</u>	<u>5,196</u>	<u>65,390</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	91,134	40,582	23,780	5,196	65,390
Fund balances - beginning	<u>179,109</u>	<u>11,032</u>	<u>146,342</u>	<u>4,332</u>	<u>1,898</u>
Fund balances - ending	<u>\$ 270,243</u>	<u>\$ 51,614</u>	<u>\$ 170,122</u>	<u>\$ 9,528</u>	<u>\$ 67,288</u>

The notes to financial statements are an integral part of this statement.

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

Special Revenue Funds

Federal Grants	Police Continuing Education	Unsafe Building	State Grants	Rainy Day	LOIT Special Distribution	Railroad	Fire Donations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	11,293	-	-	-	-	-
442,157	-	-	39,556	1,000,000	4,057,632	-	-
-	90,885	10,550	-	-	-	-	138
-	10,064	-	-	-	-	-	-
49,951	10	6,669	-	-	-	-	13,192
-	-	-	-	-	-	-	-
<u>492,108</u>	<u>100,959</u>	<u>28,512</u>	<u>39,556</u>	<u>1,000,000</u>	<u>4,057,632</u>	<u>-</u>	<u>13,330</u>
7,313	-	44,378	-	-	-	-	-
286,150	31,372	-	44,130	-	-	-	65,147
-	-	-	-	-	45,554	-	-
-	-	-	-	-	-	-	-
211,089	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,309	-	-	-	-	-	16,686
-	-	-	-	-	-	167,201	-
<u>504,552</u>	<u>60,681</u>	<u>44,378</u>	<u>44,130</u>	<u>-</u>	<u>45,554</u>	<u>167,201</u>	<u>81,833</u>
<u>(12,444)</u>	<u>40,278</u>	<u>(15,866)</u>	<u>(4,574)</u>	<u>1,000,000</u>	<u>4,012,078</u>	<u>(167,201)</u>	<u>(68,503)</u>
-	-	-	-	200,000	-	-	-
-	-	-	-	200,000	-	-	-
(12,444)	40,278	(15,866)	(4,574)	1,200,000	4,012,078	(167,201)	(68,503)
<u>128,435</u>	<u>292,098</u>	<u>50,379</u>	<u>(6,094)</u>	<u>2,804,302</u>	<u>-</u>	<u>381,659</u>	<u>153,142</u>
<u>\$ 115,991</u>	<u>\$ 332,376</u>	<u>\$ 34,513</u>	<u>\$ (10,668)</u>	<u>\$ 4,004,302</u>	<u>\$ 4,012,078</u>	<u>\$ 214,458</u>	<u>\$ 84,639</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

Special Revenue Funds

Band	Police Training	Fire Training (Arns Invstg)	Police Unclaimed Property	HOME - Community Development	CDBG - Community Development	Beautification	Park Bond
\$ 20,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,200
-	-	-	-	-	-	-	-
1,673	-	-	-	650,850	1,119,324	-	70,405
-	-	-	-	-	11,650	-	-
-	-	-	-	-	-	-	-
-	8,433	46,150	94,938	12,483	-	1,444	2
-	-	-	-	-	-	-	-
<u>22,639</u>	<u>8,433</u>	<u>46,150</u>	<u>94,938</u>	<u>663,333</u>	<u>1,130,974</u>	<u>1,444</u>	<u>967,607</u>
11,191	-	-	-	-	-	-	-
-	6,716	30,058	36,963	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	400	1,778
-	-	-	-	684,914	1,135,730	-	-
-	-	-	-	-	-	-	33,436
-	-	-	-	-	-	-	895,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>11,191</u>	<u>6,716</u>	<u>30,058</u>	<u>36,963</u>	<u>684,914</u>	<u>1,135,730</u>	<u>400</u>	<u>930,214</u>
<u>11,448</u>	<u>1,717</u>	<u>16,092</u>	<u>57,975</u>	<u>(21,581)</u>	<u>(4,756)</u>	<u>1,044</u>	<u>37,393</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,448	1,717	16,092	57,975	(21,581)	(4,756)	1,044	37,393
8	7,207	13,284	233,018	87,667	46,104	32,595	45,575
<u>\$ 11,456</u>	<u>\$ 8,924</u>	<u>\$ 29,376</u>	<u>\$ 290,993</u>	<u>\$ 66,086</u>	<u>\$ 41,348</u>	<u>\$ 33,639</u>	<u>\$ 82,968</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

Special Revenue Funds				Capital Projects Funds			
Park Nonreverting Capital	TIF MCCarty	TIF Twyckenham	Total Nonmajor Special Revenue Funds	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 2,086,043	\$ 1,178,033	\$ 7,890,598	\$ -	\$ 598,986	\$ 598,986	\$ 8,489,584
-	-	-	11,293	-	-	-	11,293
-	-	-	7,678,370	171,122	47,832	218,954	7,897,324
-	-	-	1,246,316	-	-	-	1,246,316
-	-	-	10,064	-	-	-	10,064
-	5,618	420	500,236	-	37,570	37,570	537,805
-	352,029	-	352,029	-	-	-	352,029
-	2,443,690	1,178,453	17,688,906	171,122 #	684,388	855,510	18,544,415
-	-	-	129,154	-	-	-	129,154
-	-	-	503,579	-	-	-	503,579
-	-	-	45,554	-	-	-	45,554
-	-	-	4,666,881	-	-	-	4,666,881
-	1,104,630	15,308	3,590,721	7,148	413,988	421,136	4,011,856
-	-	165,904	199,340	-	-	-	199,340
-	-	598,078	1,493,078	-	-	-	1,493,078
-	-	-	45,997	-	-	-	45,997
-	704,736	1,111,200	1,983,137	138,253	395,972	534,225	2,517,362
-	1,809,366	1,890,490	12,657,441	145,401	809,960	955,361	13,612,801
-	634,324	(712,037)	5,031,465	25,721	(125,572)	(99,851)	4,931,614
-	-	-	200,000	-	-	-	200,000
-	-	-	200,000	-	-	-	200,000
-	-	-	-	-	-	-	-
-	634,324	(712,037)	5,231,465	25,721	(125,572)	(99,851)	5,131,614
(14,573)	2,433,604	1,725,289	8,756,412	174,939	486,618	661,557	9,417,971
\$ (14,573)	\$ 3,067,928	\$ 1,013,252	\$ 13,987,877	\$ 200,660	\$ 361,046	\$ 561,706	\$ 14,549,585

City of Lafayette
Other Supplementary Information
Nonmajor Enterprise Funds
Fund Descriptions

Parking Operations-To account for revenues and expenditures related to the City's street parking and the parking garage.

Community Dev Blk Grant (LHR)-To account for an original grant for the redevelopment of urban housing. The fund has investments to repay the outstanding loan on the housing. The fund has a finite life.

**Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016**

	<u>Parking Operations</u>	<u>Community Dev Blk Grant (LHR)</u>	<u>Total Nonmajor Enterprise funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 248,946	\$ -	\$ 248,946
Accounts receivable (net of allowance)	13,238	-	13,238
Interest receivable	-	16,450	16,450
Total current assets	<u>262,184</u>	<u>16,450</u>	<u>278,634</u>
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Revenue bond covenant accounts	-	796,409	796,409
Investments	-	1,698,321	1,698,321
Capital Assets:			
Land, improvements, and construction in progress	683,981	-	683,981
Other capital assets, net of depreciation	2,209,479	-	2,209,479
Total noncurrent assets	<u>2,893,460</u>	<u>2,494,730</u>	<u>5,388,190</u>
Total assets	<u>3,155,644</u>	<u>2,511,180</u>	<u>5,666,824</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	7,346	-	7,346
Accrued payroll and withholding payable	4,373	-	4,373
Interfund loan payable	-	744,303	744,303
Accrued interest payable	-	20,876	20,876
Customer deposits	1,269	-	1,269
Notes and loans payable	-	805,000	805,000
Total current liabilities	<u>12,988</u>	<u>1,570,179</u>	<u>1,583,167</u>
Noncurrent liabilities:			
Notes and loans payable	-	855,000	855,000
Total noncurrent liabilities	<u>-</u>	<u>855,000</u>	<u>855,000</u>
Total liabilities	<u>12,988</u>	<u>2,425,179</u>	<u>2,438,167</u>
NET POSITION			
Net investment in capital assets	2,893,460	-	2,893,460
Restricted for:			
Debt service	-	2,494,730	2,494,730
Unrestricted	249,197	(2,408,729)	(2,159,532)
Total net position	<u>\$ 3,142,657</u>	<u>\$ 86,001</u>	<u>\$ 3,228,658</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Net Position
Nonmajor Enterprise funds
For the Year Ended December 31, 2016**

	Parking Operations	Community Dev Blk Grant (LHR)	Total Enterprise funds
OPERATING REVENUES			
Miscellaneous revenue	\$ 380,178	\$ -	\$ 380,178
Total operating revenues	<u>380,178</u>	<u>-</u>	<u>380,178</u>
OPERATING EXPENSES			
Administration and general	252,731	3,300	256,031
Depreciation and amortization	109,894	-	109,894
Total operating expenses	<u>362,625</u>	<u>3,300</u>	<u>365,925</u>
Operating income (loss)	<u>17,553</u>	<u>(3,300)</u>	<u>14,253</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	-	26,113	26,113
Miscellaneous revenue	822	-	822
Interest expense	-	(61,220)	(61,220)
Miscellaneous expense	(88,879)	-	(88,879)
Total nonoperating revenues (expenses)	<u>(88,057)</u>	<u>(35,107)</u>	<u>(123,164)</u>
Change in net position	<u>(70,504)</u>	<u>(38,407)</u>	<u>(108,911)</u>
Total net position - beginning	<u>3,213,162</u>	<u>124,407</u>	<u>3,337,569</u>
Total net position - ending	<u>\$ 3,142,658</u>	<u>\$ 86,000</u>	<u>\$ 3,228,658</u>

The notes to financial statements are an integral part of this statement.

Combining Statement of Cash Flows
Nonmajor Enterprise funds
For the Year Ended December 31, 2016

	Parking Operations	Community Dev Blk Grant (LHR)	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 376,806	\$ -	\$ 376,806
Payments to employees	(170,882)	-	(170,882)
Payments to suppliers	(74,255)	(3,300)	(77,555)
Due to other funds	-	671,803	671,803
Net cash provided (used) by operating activities	<u>131,669</u>	<u>668,503</u>	<u>800,172</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating Revenue	821	-	821
Nonoperating Expenses	-	(5,682)	(5,682)
Net cash provided (used) by noncapital financing activities	<u>821</u>	<u>(5,682)</u>	<u>(4,861)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(61,446)	-	(61,446)
Principal paid on capital debt	-	(755,000)	(755,000)
Interest paid on capital debt	-	(70,185)	(70,185)
Net cash provided (used) by capital and related financing activities	<u>(61,446)</u>	<u>(825,185)</u>	<u>(886,631)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	-	765,000	765,000
Interest received	-	70,051	70,051
Net cash provided (used) by investing activities	<u>-</u>	<u>835,051</u>	<u>835,051</u>
Net increase (decrease) in cash and cash equivalents	71,044	672,687	743,731
Balances - beginning of year	177,902	123,722	301,624
Balances - end of the year	<u>\$ 248,946</u>	<u>\$ 796,409</u>	<u>\$ 1,045,355</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 17,553	\$ (3,300)	\$ 14,253
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	109,894	-	109,894
Changes in assets and liabilities:			
Accounts receivable	(4,269)	-	(4,269)
Customer Deposits	808	-	808
Accounts payable	6,848	-	6,848
Accrued wages payable	746	-	746
Other payable	-	671,803	671,803
Net cash provided (used) by operating activities	<u>\$ 131,670</u>	<u>\$ 668,503</u>	<u>\$ 800,173</u>

City of Lafayette, Indiana

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES
 OTHER NON-MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2016

	Park and Recreation Operating				Economic Development			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property Taxes	\$ 3,402,603	\$ 3,402,603	\$ 3,285,560	\$ (117,043)	\$ 436,549	\$ 436,549	\$ 422,796	\$ (13,753)
Intergovernmental	215,995	215,995	263,568	47,573	27,712	27,712	33,205	5,493
Charges for services	105,000	105,000	62,007	(42,993)	-	-	1,800	(1,800)
Other	-	-	48,862	48,862	-	-	46,639	46,639
TOTAL REVENUES	3,723,598	3,723,598	3,659,997	(63,601)	464,261	464,261	504,440	36,579
Expenditures:								
Current:								
Culture and Recreation:								
Personal Services	2,551,950	2,551,950	2,399,512	152,438	-	-	-	-
Supplies	371,050	371,050	376,595	(5,545)	-	-	-	-
Other Srv & Chrgs	762,065	762,065	790,959	(28,894)	-	-	-	-
Capital Outlays	4,000	4,000	1,797	2,203	-	-	-	-
Total culture and recreation	3,689,065	3,689,065	3,568,863	120,202	-	-	-	-
Economic development:								
Personal Services	-	-	-	-	452,200	452,200	416,193	36,007
Supplies	-	-	-	-	5,000	5,000	2,197	2,803
Other srv & chrgs	-	-	-	-	25,300	25,300	20,660	4,640
Total economic development	-	-	-	-	482,500	482,500	439,050	43,450
TOTAL EXPENDITURES	3,689,065	3,689,065	3,568,863	120,202	482,500	482,500	439,050	43,450
Net change in fund balances	34,533	34,533	91,134	56,601	(18,239)	(18,239)	65,390	80,029
Fund balances - January 1	179,109	179,109	179,109	-	1,898	1,898	1,898	-
Fund balances - December 31	\$ 213,642	\$ 213,642	\$ 270,243	\$ 56,601	\$ (16,341)	\$ (16,341)	\$ 67,288	\$ 80,029

City of Lafayette, Indiana

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES (CONTINUED)
 OTHER NON-MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2016

	Band				Park Bond			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final	Budgeted Amounts		Actual Budgetary Basis	Variance With Final
	Original	Final	Amounts	Budget	Original	Final	Amounts	Budget
Revenues:								
Taxes:								
Property Taxes	\$ 21,673	\$ 21,673	\$ 20,966	\$ (707)	\$ 885,482	\$ 885,482	\$ 897,200	\$ 11,718
Intergovernmental	425	425	1,673	1,248	56,210	56,210	70,405	14,195
Other	-	-	-	-	-	-	2	2
TOTAL REVENUES	22,098	22,098	22,639	541	941,692	941,692	967,607	25,915
Expenditures:								
Current:								
General government:								
Other Srv & Chrgs	21,673	21,673	11,191	10,482	-	-	-	-
Total highways and streets	21,673	21,673	11,191	10,482	-	-	-	-
Culture and Recreation:								
Other Srv & Chrgs	-	-	-	-	3,100	3,100	1,778	1,322
Total culture and recreation	-	-	-	-	3,100	3,100	1,778	1,322
Debt service:								
Interest	-	-	-	-	37,380	37,380	33,436	3,944
Principal retirement	-	-	-	-	595,000	895,000	895,000	-
Total debt service	-	-	-	-	632,380	932,380	928,436	3,944
TOTAL EXPENDITURES	21,673	21,673	11,191	10,482	635,480	935,480	930,214	5,266
Net change in fund balances	425	425	11,448	(9,941)	306,212	6,212	37,393	20,649
Fund balances - January 1	8	8	8	-	45,575	45,575	45,575	-
Fund balances - December 31	\$ 433	\$ 433	\$ 11,456	\$ 11,023	\$ 351,787	\$ 51,787	\$ 82,968	\$ 31,181

City of Lafayette, Indiana

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES (CONTINUED)
 OTHER NON-MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2016

	TIF McCarty				TIF Twyckenham			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property Taxes	\$ 1,790,477	\$ 1,790,477	\$ 2,086,043	\$ 295,566	\$ 1,153,059	\$ 1,153,059	\$ 1,178,033	\$ 24,974
Other	-	-	357,647	357,647	-	-	420	420
TOTAL REVENUES	1,790,477	1,790,477	2,443,690	653,213	1,153,059	1,153,059	1,178,453	25,394
Expenditures:								
Current:								
Economic development:								
Other srv & chrgs	1,233,834	1,233,834	1,104,630	129,204	56,000	56,000	15,308	40,692
Capital outlays	2,490,000	2,490,000	704,736	1,785,264	1,446,000	1,446,000	1,111,200	334,800
Total economic development	3,723,834	3,723,834	1,809,366	1,914,468	1,502,000	1,502,000	1,126,508	375,492
Debt service:								
Interest	-	-	-	-	100,847	100,847	165,904	(65,057)
Principal retirement	-	-	-	-	595,000	595,000	598,078	(3,078)
Total debt service	-	-	-	-	695,847	695,847	763,982	(68,135)
TOTAL EXPENDITURES	3,723,834	3,723,834	1,809,366	1,914,468	2,197,847	2,197,847	1,890,490	307,357
Net change in fund balances	(1,933,357)	(1,933,357)	634,324	2,567,681	(1,044,788)	(1,044,788)	(712,037)	332,751
Fund balances - January 1	2,433,604	2,433,604	2,433,604	-	1,725,289	1,725,289	1,725,289	-
Fund balances - December 31	\$ 500,247	\$ 500,247	\$ 3,067,928	\$ 2,567,681	\$ 680,501	\$ 680,501	\$ 1,013,252	\$ 332,751

City of Lafayette, Indiana

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES (CONTINUED)
 OTHER NON-MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2016

	Cumulative Capital Improvement				Cumulative Capital Development			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 619,218	\$ 619,218	\$ 598,986	\$ (20,232)
Intergovernmental	171,207	171,207	171,122	(85)	39,308	39,308	47,832	8,524
Other	-	-	-	-	-	-	37,570	37,570
TOTAL REVENUES	171,207	171,207	171,122	(85)	658,526	658,526	684,388	25,862
Expenditures:								
Current:								
Economic development:								
Other srv & chrgs	60,000	60,000	7,148	52,852	335,000	335,000	413,988	(78,988)
Capital outlays	130,000	130,000	138,253	(8,253)	591,856	591,856	395,972	195,884
Total economic development	190,000	190,000	145,401	44,599	926,856	926,856	809,960	116,896
TOTAL EXPENDITURES	190,000	190,000	145,401	44,599	926,856	926,856	809,960	116,896
Net change in fund balances	(18,793)	(18,793)	25,721	44,514	(268,330)	(268,330)	(125,572)	(91,034)
Fund balances - January 1	174,939	174,939	174,939	-	486,618	486,618	486,618	-
Fund balances - December 31	\$ 156,146	\$ 156,146	\$ 200,660	\$ 44,514	\$ 218,288	\$ 218,288	\$ 361,046	\$ 142,758

Statistical Section

This part of the City of Lafayette’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City’s overall financial health.

The statistical section is organized into the following main categories:

- Financial trends – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.
- Revenue capacity —These schedules contain information to help the reader assess the City’s most significant local revenue source, property taxes, and other major revenue sources.
- Debt capacity – These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.
- Demographic and economic information – These schedules offer demographic economic indicators to help the reader understand the environment within which the City’s financial activities take place.
- Operating information – These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

CITY OF LAFAYETTE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2016	2015 (1)	2014 (1)	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets, net of related debt	\$ 189,907,832	\$ 172,421,498	\$ 154,609,386	\$ 161,561,118	\$ 150,361,978	\$ 141,133,453	\$ 135,035,618	\$ 124,720,267	\$ 117,602,942	\$ 46,591,407
Restricted	6,056,829	2,050,866	1,713,160	1,858,289	1,165,914	199,807	-	-	6,440,495	57,335,409
Unrestricted	<u>(27,671,396)</u>	<u>(19,238,638)</u>	<u>35,301,468</u>	<u>20,905,747</u>	<u>29,797,974</u>	<u>5,001,321</u>	<u>10,431,647</u>	<u>10,746,283</u>	<u>3,449,176</u>	<u>17,611,448</u>
Total governmental activities	<u>\$ 168,293,265</u>	<u>\$ 155,233,726</u>	<u>\$ 191,624,014</u>	<u>\$ 184,325,154</u>	<u>\$ 181,325,866</u>	<u>\$ 146,334,581</u>	<u>\$ 145,467,265</u>	<u>\$ 135,466,550</u>	<u>\$ 127,492,613</u>	<u>\$ 121,538,264</u>
Business-type activities										
Net investment in capital assets, net of related debt	\$ 138,610,168	\$ 127,894,536	\$ 112,992,073	\$ 106,883,781	\$ 110,981,625	\$ 100,964,208	\$ 101,628,288	\$ 92,680,086	\$ 80,482,479	\$ 117,602,942
Restricted	8,269,635	8,335,002	8,454,592	5,831,958	5,269,490	4,315,441	-	-	19,710,227	6,440,495
Unrestricted	<u>21,782,372</u>	<u>26,826,816</u>	<u>36,923,521</u>	<u>36,326,334</u>	<u>30,995,548</u>	<u>32,954,599</u>	<u>27,867,904</u>	<u>29,749,947</u>	<u>17,720,517</u>	<u>3,449,176</u>
Total business-type activities	<u>\$ 168,662,175</u>	<u>\$ 163,056,354</u>	<u>\$ 158,370,186</u>	<u>\$ 149,042,073</u>	<u>\$ 147,246,663</u>	<u>\$ 138,234,248</u>	<u>\$ 129,496,192</u>	<u>\$ 122,430,033</u>	<u>\$ 117,913,223</u>	<u>\$ 127,492,613</u>
Primary government										
Net investment in capital assets, net of related debt	328,518,000	300,316,034	267,601,459	268,444,899	261,343,603	242,097,661	236,663,906	217,400,353	198,085,421	164,194,349
Restricted	14,326,464	10,385,868	10,167,752	7,690,247	6,435,404	4,515,248	-	-	26,150,722	63,775,904
Unrestricted	<u>(5,889,024)</u>	<u>7,588,178</u>	<u>72,224,989</u>	<u>57,232,081</u>	<u>60,793,522</u>	<u>37,955,920</u>	<u>38,299,551</u>	<u>40,496,230</u>	<u>21,169,693</u>	<u>21,060,624</u>
Total primary government	<u>\$ 336,955,440</u>	<u>\$ 318,290,080</u>	<u>\$ 349,994,200</u>	<u>\$ 333,367,227</u>	<u>\$ 328,572,529</u>	<u>\$ 284,568,829</u>	<u>\$ 274,963,457</u>	<u>\$ 257,896,583</u>	<u>\$ 245,405,836</u>	<u>\$ 249,030,877</u>

Source - 2016 City of Lafayette Comprehensive Annual Financial Report, 2007-2015 City of Lafayette Audited Financial Statements

(1) The City implemented the reporting of net pension liability through GASB 68 during 2015. 2014 was restated.

Net position is defined as the difference between total assets and deferred outflows or resources less total liabilities and deferred inflows of resources and can generally be thought of as the net worth of the City of Lafayette

CITY OF LAFAYETTE
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	\$ 3,718,623	\$ 5,494,824	\$ 4,598,931	\$ 4,131,608	\$ 5,613,047	\$ 5,128,906	\$ 4,992,367	\$ 4,843,010	\$ 5,012,708	\$ 4,017,983
Public safety	26,762,483	29,221,205	28,310,091	27,583,781	26,532,846	24,203,644	24,985,993	26,054,109	27,747,475	22,459,477
Highways and streets	9,542,124	9,744,609	9,156,462	7,650,926	7,708,735	7,902,828	7,635,715	7,545,193	8,652,869	9,567,432
Sanitation	2,426,587	2,087,140	2,037,651	2,110,763	2,022,147	1,879,156	1,896,451	1,920,641	2,863,594	2,646,631
Culture and recreation	5,514,340	5,247,735	5,293,836	5,109,955	5,685,888	5,669,544	5,649,119	5,717,205	5,729,361	4,795,824
Economic development	18,668,916	10,854,496	9,237,249	9,707,497	8,378,482	19,221,279	9,066,563	7,874,160	6,713,456	5,435,241
Interest on long-term debt	-	-	-	-	-	-	-	-	-	5,905,237
Total governmental activities expenses	<u>66,633,073</u>	<u>62,650,009</u>	<u>58,634,220</u>	<u>\$ 56,294,530</u>	<u>\$ 55,941,145</u>	<u>\$ 64,005,357</u>	<u>\$ 54,226,208</u>	<u>\$ 53,954,318</u>	<u>\$ 56,719,463</u>	<u>\$ 54,827,825</u>
Business-type activities:										
Water	9,366,084	\$ 8,961,667	8,400,547	\$ 7,890,298	\$ 7,435,934	\$ 6,900,252	\$ 6,761,292	\$ 7,127,141	\$ 7,371,763	\$ 6,881,180
Wastewater	26,486,317	23,663,343	21,660,017	25,063,741	20,916,575	19,931,509	18,078,238	17,894,413	16,778,530	16,918,872
Parking garage	451,504	334,239	237,129	86,535	155,580	156,726	163,917	171,822	193,912	194,341
Section 108	64,520	73,192	75,512	74,216	80,595	75,965	334,765	(271)	195,869	197,826
Pittman Block	-	-	-	-	-	-	-	-	-	3,105
Storm Water	-	-	-	-	-	-	-	-	-	64,259
Total business-type activities expenses	<u>36,368,425</u>	<u>33,032,441</u>	<u>30,373,205</u>	<u>33,114,790</u>	<u>28,588,684</u>	<u>27,064,452</u>	<u>25,338,212</u>	<u>25,193,105</u>	<u>24,540,074</u>	<u>24,259,583</u>
Total primary government expenses	<u>\$ 103,001,498</u>	<u>\$ 95,682,450</u>	<u>\$ 89,007,425</u>	<u>\$ 89,409,320</u>	<u>\$ 84,529,829</u>	<u>\$ 91,069,809</u>	<u>\$ 79,564,420</u>	<u>\$ 79,147,423</u>	<u>\$ 81,259,537</u>	<u>\$ 79,087,408</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 728,408	\$ 707,752	\$ 763,846	\$ 449,543	\$ 451,708	\$ 447,609	\$ 401,044	\$ 370,755	\$ 535,142	\$ 1,810,556
Public safety	107,467	164,163	100,794	127,729	120,088	120,666	91,886	121,374	111,386	189,291
Highways and streets	46,131	31,133	3,026,579	2,718,171	2,341,069	2,205,417	2,221,757	2,204,105	2,318,705	8,030,014
Sanitation	-	-	-	-	-	-	-	-	-	3,394,016
Culture and recreation	1,130,853	978,904	886,756	8,356	21,722	9,413	6,907	1,277,020	18,907	-
Economic development	13,541	2,100	8,655	1,002,517	1,444,534	1,166,699	1,293,707	24,278	1,426,814	1,821,102
Operating grants and contributions	2,254,635	2,719,778	2,194,428	1,956,023	5,407,377	8,915,457	4,832,881	3,079,205	3,029,188	2,264,051
Capital grants and contributions	<u>2,919,780</u>	<u>10,385</u>	<u>39,050</u>	<u>172,965</u>	<u>27,909,900</u>	<u>2,326,873</u>	<u>1,650,608</u>	<u>1,042,193</u>	<u>2,583,856</u>	<u>2,791,959</u>
Total governmental activities program revenues	<u>\$ 7,200,815</u>	<u>\$ 4,614,215</u>	<u>\$ 7,020,108</u>	<u>\$ 6,435,304</u>	<u>\$ 37,696,398</u>	<u>\$ 15,192,134</u>	<u>\$ 10,498,790</u>	<u>\$ 8,118,930</u>	<u>\$ 10,023,998</u>	<u>\$ 20,300,989</u>
Business-type activities:										
Charges for services:										
Water	7,454,864	7,317,615	7,474,195	\$ 7,448,458	\$ 7,986,406	\$ 7,675,608	\$ 7,385,503	\$ 7,331,670	\$ 7,548,683	\$ 8,613,991
Wastewater	32,603,704	31,706,401	30,516,869	27,625,118	25,299,461	25,493,837	22,942,360	21,103,192	21,987,022	22,256,077
Parking garage	380,178	328,006	287,114	84,366	76,682	108,884	90,826	119,608	161,353	172,246
Section 108	-	-	62,923	73,997	74,801	53,635	-	-	196,096	-
Pittman Block	-	-	-	-	-	-	-	-	-	30,000
Storm Water	-	-	-	-	-	-	-	-	-	100,807
Capital grants and contributions	-	-	-	-	-	-	-	-	240,000	-
Total business-type activities program revenues	<u>40,438,746</u>	<u>39,352,022</u>	<u>38,341,101</u>	<u>35,231,939</u>	<u>33,437,350</u>	<u>33,331,964</u>	<u>30,418,689</u>	<u>28,554,470</u>	<u>30,133,154</u>	<u>31,173,121</u>
Total primary government program revenues	<u>\$ 47,639,561</u>	<u>\$ 43,966,237</u>	<u>\$ 45,361,209</u>	<u>\$ 41,667,243</u>	<u>\$ 71,133,748</u>	<u>\$ 48,524,098</u>	<u>\$ 40,917,479</u>	<u>\$ 36,673,400</u>	<u>\$ 40,157,152</u>	<u>\$ 51,474,110</u>
Net (Expenses)/Revenue										
Governmental activities	\$ (59,432,258)	\$ (58,035,794)	\$ (51,614,112)	\$ (49,859,226)	\$ (18,244,747)	\$ (48,813,223)	\$ (43,727,418)	\$ (45,835,388)	\$ (46,695,465)	\$ (34,526,836)
Business-type activities	<u>4,070,321</u>	<u>6,319,581</u>	<u>7,967,896</u>	<u>2,117,149</u>	<u>4,848,666</u>	<u>6,267,512</u>	<u>5,080,477</u>	<u>3,361,365</u>	<u>5,593,080</u>	<u>6,913,538</u>
Total primary government net expenses	<u>\$ (55,361,937)</u>	<u>\$ (51,716,213)</u>	<u>\$ (43,646,216)</u>	<u>\$ (47,742,077)</u>	<u>\$ (13,396,081)</u>	<u>\$ (42,545,711)</u>	<u>\$ (38,646,941)</u>	<u>\$ (42,474,023)</u>	<u>\$ (41,102,385)</u>	<u>\$ (27,613,298)</u>

CITY OF LAFAYETTE
CHANGE IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 41,894,612	\$ 39,648,908	\$ 39,126,526	\$ 35,613,459	\$ 36,355,229	\$ 33,431,234	\$ 36,383,599	\$ 35,040,875	\$ 35,285,717	\$ 34,978,989
Intergovernmental revenues	25,325,917	18,768,874	15,161,246	14,603,682	15,174,836	12,092,519	13,167,939	14,183,145	15,274,885	7,059,282
Payment in lieu of taxes	2,700,000	2,700,000								
Unrestricted investment earnings	46,835	39,986	19,277	30,833	35,782	45,980	49,883	90,932	490,371	3,705,785
Other	2,524,964	2,590,125	4,209,494	4,116,608	4,358,545	4,801,809	4,945,623	4,505,155	4,635,564	2,845,844
Transfers	-	-	-	-	(2,688,353)	(691,003)	(818,911)	(10,778)	(3,036,723)	(5,254,611)
Total governmental activities	<u>72,492,328</u>	<u>63,747,893</u>	<u>58,516,543</u>	<u>54,364,582</u>	<u>53,236,039</u>	<u>49,680,539</u>	<u>53,728,133</u>	<u>53,809,329</u>	<u>52,649,814</u>	<u>43,335,289</u>
Business-type activities:										
Unrealized gain										
Unrestricted investment earnings	141,449	149,674	250,039	59,490	73,419	87,536	457,215	190,784	231,763	1,661,502
Other	217,122	202,741	8,359	121,808	13,462	1,485	16,608	23,227	39,569	-
Transfers	-	-	-	-	2,688,353	691,003	818,911	10,778	3,036,723	5,254,611
Contributed capital	1,176,923	1,090,107	858,847	1,372,650	1,388,516	1,690,520	692,948	930,653	1,274,572	-
Total business-type activities	<u>1,535,494</u>	<u>1,442,522</u>	<u>1,117,245</u>	<u>1,553,948</u>	<u>4,163,750</u>	<u>2,470,544</u>	<u>1,985,682</u>	<u>1,155,442</u>	<u>4,582,627</u>	<u>6,916,113</u>
Total primary government	<u>\$ 74,027,822</u>	<u>\$ 65,190,415</u>	<u>\$ 59,633,788</u>	<u>\$ 55,918,530</u>	<u>\$ 57,399,789</u>	<u>\$ 52,151,083</u>	<u>\$ 55,713,815</u>	<u>\$ 54,964,771</u>	<u>\$ 57,232,441</u>	<u>\$ 50,251,402</u>
Change in Net Position										
Governmental activities	\$ 13,060,070	\$ 5,712,099	\$ 6,902,431	\$ 4,505,356	\$ 34,991,292	\$ 867,316	\$ 10,000,715	\$ 7,973,941	\$ 5,954,349	\$ 8,808,453
Business-type activities	<u>5,605,815</u>	<u>7,762,103</u>	<u>9,085,141</u>	<u>3,671,097</u>	<u>9,012,416</u>	<u>8,738,056</u>	<u>7,066,159</u>	<u>4,516,807</u>	<u>10,175,707</u>	<u>13,829,651</u>
Total primary government	<u>\$ 18,665,885</u>	<u>\$ 13,474,202</u>	<u>\$ 15,987,572</u>	<u>\$ 8,176,453</u>	<u>\$ 44,003,708</u>	<u>\$ 9,605,372</u>	<u>\$ 17,066,874</u>	<u>\$ 12,490,748</u>	<u>\$ 16,130,056</u>	<u>\$ 22,638,104</u>

Source - 2016 City of Lafayette Comprehensive Annual Financial Report, 2007-2015 City of Lafayette Audited Financial Statements

Changes in net assets is defined as the incremental difference between total assets and total liabilities as a result of operations during the fiscal year.

CITY OF LAFAYETTE
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011 (A)	2010	2009	2008	2007
General Fund										
Unassigned fund balance	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868	\$ (510,470)	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	512,350	-	-	-
Unreserved	-	-	-	-	-	-	-	(1,990,398)	(1,446,739)	(759,348)
Total general fund	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868	\$ (510,470)	\$ 512,350	\$ (1,990,398)	\$ (1,446,739)	\$ (759,348)
All Other Governmental Funds										
Restricted fund balance	\$ 16,568,759	\$ 28,250,624	\$ 42,849,878	\$ 28,569,046	\$ 37,092,660	\$ 7,980,254	\$ -	\$ -	\$ -	\$ -
Committed fund balance	5,456,093	8,181,841	7,214,809	8,997,955	5,359,577	551,112	-	-	-	-
Assigned fund balance	3,108,625	1,696,153	1,555,337	4,060,365	4,293,273	463,444	-	-	-	-
Unassigned fund balance	4,004,302	2,804,302	2,869,203	-	-	3,146,026	-	-	-	-
Unrestricted	-	-	-	-	-	-	13,929,427	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	18,023,792	-	-
Special revenue funds	-	-	-	-	-	-	-	-	2,096,979	5,664,257
Debt service funds	-	-	-	-	-	-	-	-	12,418,871	9,480,659
Capital projects	-	-	-	-	-	-	-	-	5,129,674	14,298,128
Total all other governmental funds	\$ 29,137,779	\$ 40,932,920	\$ 54,489,227	\$ 41,627,366	\$ 46,745,510	\$ 12,140,836	\$ 13,929,427	\$ 18,023,792	\$ 19,645,524	\$ 29,443,044
Total all funds	\$ 33,555,155	\$ 43,672,713	\$ 55,092,752	\$ 41,206,632	\$ 47,114,378	\$ 11,630,366	\$ 14,441,777	\$ 16,033,394	\$ 18,198,785	\$ 28,683,696

Source - 2016 City of Lafayette Comprehensive Annual Financial Report, 2007-2015 City of Lafayette Audited Financial Statements

(A) In fiscal year 2011, the City implemented GASB Statement No. 54, which establishes criteria for classifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. Presentation is not comparable to prior years.

CITY OF LAFAYETTE
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Taxes	\$ 41,862,955	\$ 39,850,718	\$ 40,375,053	\$ 36,403,124	\$ 35,637,505	\$ 31,720,278	\$ 39,282,536	\$ 34,199,583	\$ 34,267,472	\$ 34,634,204
Licenses and permits	563,600	476,710	495,789	216,641	222,808	190,281	150,452	130,714	265,274	434,058
Intergovernmental	30,070,457	21,476,415	20,318,529	19,114,725	19,384,917	17,522,149	18,358,803	19,185,021	19,343,935	17,705,942
Payment in lieu of taxes	2,700,000	2,700,000								
Charges for services	1,313,281	1,346,138	1,247,357	1,627,977	1,946,896	1,677,357	1,900,788	1,855,085	1,892,143	2,356,353
Fine and forfeits	149,868	190,064	316,875	180,493	163,926	159,252	149,309	171,055	137,284	172,646
Other revenues	9,140,721	8,161,662	9,627,723	9,069,551	12,685,433	14,835,524	11,851,890	9,701,538	9,664,184	8,179,632
Total revenues	<u>85,800,882</u>	<u>74,201,707</u>	<u>72,381,326</u>	<u>66,612,511</u>	<u>70,041,485</u>	<u>66,104,841</u>	<u>71,693,778</u>	<u>65,242,996</u>	<u>65,570,292</u>	<u>63,482,835</u>
Expenditures										
General government	3,288,082	3,265,011	3,143,929	2,915,054	4,280,052	3,536,843	3,483,153	3,356,793	3,660,632	2,537,515
Public safety	31,031,660	29,330,561	28,497,785	27,293,929	26,439,852	24,138,135	25,670,931	24,994,073	25,889,101	23,551,494
Highways and streets	5,927,796	6,387,429	5,017,832	4,500,052	4,616,737	5,214,428	4,938,531	4,743,646	5,920,991	6,075,107
Sanitation	1,931,983	1,910,382	1,903,624	1,917,286	1,972,727	1,819,195	1,667,735	1,663,202	2,598,686	2,248,766
Culture and recreation	4,666,881	5,486,737	5,355,635	5,199,586	5,537,324	5,389,623	5,432,906	5,518,480	5,554,568	5,159,423
Economic development	13,556,675	23,167,009	20,309,626	20,171,964	19,142,600	26,867,353	21,454,849	18,151,446	19,210,188	2,284,475
Capital outlay	23,903,196	21,807,505	15,393,255	10,984,480	5,994,188	5,685,212	8,825,788	9,984,316	3,047,102	14,348,585
Debt service										
Principal	11,188,078	-	-	-	-	-	-	-	-	-
Interest	1,206,495	-	-	-	-	-	-	-	-	-
Total expenditures	<u>96,700,846</u>	<u>91,354,634</u>	<u>79,621,686</u>	<u>72,982,351</u>	<u>67,983,480</u>	<u>72,650,789</u>	<u>71,473,893</u>	<u>68,411,956</u>	<u>65,881,268</u>	<u>56,205,365</u>
Excess of revenues over (under) expenditures	(10,899,964)	(17,152,927)	(7,240,360)	(6,369,840)	2,058,005	(6,545,948)	219,885	(3,168,960)	(310,976)	7,277,470
Other Financing Sources (Uses)										
Transfers in	1,550,000	4,501,626	74,053	-	436,175	336,600	-	-	-	445,200
Transfers out	(1,550,000)	(4,501,626)	(74,053)	-	(1,647,785)	(1,027,605)	-	-	(422,502)	(445,200)
Bond issue proceeds	750,210	4,420,000	21,126,480	14,970,477	9,713,417	-	26,965,396	-	-	-
Interest and investment revenue	32,192	-	-	-	-	-	-	-	-	-
Contribution in aid of construction	-	-	-	-	21,006,000	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(14,554,782)	(8,368,909)	-	(27,340,000)	-	-	-
Loans proceeds	-	-	-	46,399	1,279,545	650,000	-	3,810,196	324,343	239,913
Capital leases	-	1,312,888	-	-	-	-	-	-	463,822	454,217
Total other financing sources (uses)	<u>782,402</u>	<u>5,732,888</u>	<u>21,126,480</u>	<u>462,094</u>	<u>22,418,443</u>	<u>(41,005)</u>	<u>(374,604)</u>	<u>3,810,196</u>	<u>365,663</u>	<u>694,130</u>
Net change in fund balances	<u>\$ (10,117,562)</u>	<u>\$ (11,420,039)</u>	<u>\$ 13,886,120</u>	<u>\$ (5,907,746)</u>	<u>\$ 24,476,448</u>	<u>\$ (6,586,953)</u>	<u>\$ (154,719)</u>	<u>\$ 641,236</u>	<u>\$ 54,687</u>	<u>\$ 7,971,600</u>
Debt service as a percentage of noncapital expenditures (a)		20.5%								

Source - 2016 City of Lafayette Comprehensive Annual Financial Report, 2007-2015 City of Lafayette Audited Financial Statements

(a) Formula = Debt service payments (principal and interest) / (total Governmental Fund expenditures - Governmental Fund capital outlay per reconciliation
 Debt service principal and interest were not presented separately in the 2007-2015 audit reports.

In the 2015 column, payment in lieu of taxes was separated from Other Revenue in order to reflect future financial statement presentation.

CITY OF LAFAYETTE
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	General Property	License Excise Tax	Wheel	Financial Institution	COIT	CEDIT	Total
2016	\$ 31,013,758	\$ 1,820,132	\$ 894,396	\$ 440,947	\$ 6,868,751	\$ 5,583,378	\$ 46,621,362
2015	29,388,808	1,563,772	903,786	409,028	6,524,892	5,319,034	44,109,320
2014	28,035,956	1,742,572	874,404	385,745	6,448,037	5,455,096	42,941,810
2013	25,664,330	1,605,494	853,375	400,849	5,606,328	4,446,630	38,577,006
2012	25,585,023	1,548,269	866,208	404,532	5,322,352	4,645,154	38,371,538
2011	24,242,804	1,386,005	850,552	398,660	4,384,399	3,896,425	35,158,845
2010	25,580,617	1,428,135	853,989	401,302	5,103,091	4,453,068	37,820,202
2009	24,725,485	1,362,950	784,858	424,620	5,618,851	5,090,454	38,007,218
2008	25,935,068	1,448,928	739,302	428,142	4,223,427	4,301,096	37,075,963
2007	26,845,154	1,813,995	702,095	429,304	5,133,361	4,517,991	39,441,900

Source: City of Lafayette Statement of Revenues, Expenditures and Changes in Fund Balances. While the Statement of Revenues list total tax revenue, the sources were itemized for this schedule.

CITY OF LAFAYETTE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST SEVEN FISCAL YEARS

<u>Tax Collections Measurement:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Tax Levy	\$ 32,066,206	\$ 30,744,984	\$ 29,242,542	\$ 28,290,954	\$ 27,655,516	\$ 27,782,034	\$ 26,192,192
Circuit Breaker Levy Reduction	1,505,375	1,664,486	1,584,752	1,483,207	1,424,486	1,475,662	898,527
Adjusted Current Tax Levy	30,560,831	29,080,498	27,657,790	26,807,747	26,231,030	26,306,372	25,293,665
Current Tax Collections	29,150,171	27,205,325	24,334,048	21,738,452	21,657,352	20,364,381	22,950,875
Percent of Current Tax Levy Collected	90.9%	88.5%	83.2%	76.8%	78.3%	73.3%	87.6%
Delinquent Tax Collections	1,863,588	2,183,483	3,701,908	3,925,878	3,927,671	3,878,423	2,629,742
Total Tax Collections	31,013,759	29,388,808	28,035,956	25,664,330	25,585,023	24,242,804	25,580,617
Percent of Total Tax Collections of Current Tax Levy	101.5%	101.1%	101.4%	95.7%	97.5%	92.2%	101.1%
Outstanding Delinquent Taxes	882,999	2,270,478	2,838,429	4,426,191	4,538,700	4,549,908	4,881,887
Percent of Delinquent Taxes to Current Tax Levy	2.9%	7.4%	9.7%	15.6%	16.4%	16.4%	18.6%

Source - Tippecanoe County Auditor's Settlement Worksheets and Abstract. City of Lafayette budget forms approved by the Department of Local Government Finance (DLGF).

CITY OF LAFAYETTE
 ACTUAL AND ASSESSED VALUE OF TAXABLE PROPERTY

Fiscal Year	Actual Value	Assessed Valuation	Assessed Valuation Percent Increase	Assessed Valuation Percent of Actual
2016	\$ 5,194,766,034	\$ 3,096,090,188	1.7%	59.6%
2015	5,032,933,928	3,043,153,744	3.1%	60.5%
2014	4,970,655,230	2,950,513,823	5.7%	59.4%
2013	4,725,260,097	2,790,860,693	2.9%	59.1%
2012	4,634,505,003	2,712,920,917	-0.2%	58.5%
2011	4,789,280,121	2,717,069,303	-6.9%	56.7%
2010	4,923,281,070	2,918,350,046	-2.5%	59.3%
2009	5,030,259,760	2,993,993,285	-9.7%	59.5%
2008	4,939,226,130	3,315,677,205	4.2%	67.1%
2007	4,699,443,470	3,182,219,755	-	67.7%

Average Annual Rate of Increase (Decrease) -0.2%

Note: GASB Statement 44 has called for a new report on the assessed values that breaks the total value into major components such as residential, commercial and industrial property as well as any adjustments and credits. At the time of CAFR production, this information is not available from the County Auditor's office. Therefore, the City has presented this information in the prior year format.

CITY OF LAFAYETTE
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)

Fiscal Year	CITY OF LAFAYETTE										OVERLAPPING RATES (B)			
	General Fund Rate	Fire Pension	Police Pension	Redevelopment General Rate	Cumulative Capital Development Rate	Band Rate	Motor Vehicle Highway Rate	Park And Recreation Rate	Park Bond Rate	(A) Total City	(B), (C) Municipal Corporations	(B), (C) School Districts	Tippecanoe County	(B), (C) Townships and Other
2016	0.7822	0.0000	0.0000	0.0141	0.0200	0.0007	0.0802	0.1099	0.0286	1.0357	0.1103	0.8728	0.3908	0.1579
2015	0.7810	0.0000	0.0000	0.0095	0.0200	0.0007	0.0707	0.1072	0.0212	1.0103	0.1161	1.0167	0.3914	0.1562
2014	0.7557	0.0000	0.0000	0.0143	0.0200	0.0008	0.0652	0.1106	0.0245	0.9911	0.1212	0.9944	0.3986	0.1893
2013	0.7362	0.0000	0.0000	0.0150	0.0200	0.0006	0.0833	0.1215	0.0371	1.0137	0.1221	1.0403	0.4122	0.1873
2012	0.7644	0.0000	0.0000	0.0140	0.0200	0.0009	0.0879	0.1142	0.0180	1.0194	0.1205	1.0416	0.4093	0.1797
2011	0.7509	0.0000	0.0000	0.0147	0.0200	0.0002	0.0729	0.1109	0.0529	1.0225	0.1153	1.0320	0.3989	0.1725
2010	0.6543	0.0000	0.0000	0.0114	0.0200	0.0006	0.0825	0.0971	0.0316	0.8975	0.1110	0.9877	0.3801	0.1740
2009	0.6086	0.0187	0.0154	0.0096	0.0200	0.0007	0.0511	0.0838	0.0310	0.8389	0.1044	1.1245	0.3598	0.2347
2008	0.5813	0.0006	0.0044	0.0077	0.0185	0.0006	0.0608	0.0900	0.0224	0.7863	0.0890	1.4816	0.4292	0.1625
2007	0.5920	0.0156	0.0237	0.0000	0.0185	0.0007	0.0471	0.0805	0.0485	0.8266	0.0888	1.3823	0.4433	0.1036

Source - From Published Rates obtained from approved budget orders of the Indiana Department of Local Government Finance (DLGF)

(A) Obtained from the Budget Order (Lafayette Civil City).

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Lafayette. Not all overlapping rates apply to all Lafayette property owners.

(C) Obtained from the Indiana Department of Local Government Finance (DLGF), Tippecanoe County Auditor's Office and the various governmental units.

The figures used for the municipal corporations, school districts, and townships represent citywide averages.

Notes: The City's levy increases are limited to the 6-year average increase in Indiana personal income.

City of Lafayette
 Statistical Section
 Detail of Net Assessed Valuation
 (Assessment for the Year 2015 Payable in 2016)

	Lafayette Fairfield Twp-LSC	Lafayette Fairfield Twp-TSC	Lafayette Wea Twp-LSC	Lafayette Wea Twp-TSC	Lafayette Sheffield Twp-TSC	Lafayette Wea Twp-TSC-Annex	Lafayette Perry Twp-TSC	Totals	Percent
Value of Land	\$ 363,304,469	\$ 33,244,600	\$ 80,838,500	\$ 107,848,800	\$ 13,113,700	\$ 7,009,100	\$ 9,449,000	\$ 614,808,169	
Value of Improvements	2,006,686,288	271,694,300	299,989,000	555,743,300	58,604,900	21,992,700	60,951,000	3,275,661,488	
Total value of real estate	2,369,990,757	304,938,900	380,827,500	663,592,100	71,718,600	29,001,800	70,400,000	3,890,469,657	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(557,186,534)	(9,486,995)	(164,978,252)	(186,007,492)	-	(24,000)	-	(917,683,273)	
Tax-exempt property	(148,414,313)	(10,150,363)	(6,436,000)	(12,114,800)	-	-	(35,189,874)	(212,305,350)	
Tax increment financing	(284,063,002)	(99,301,558)	(41,310,281)	(82,329,465)	(24,601,867)	(12,912,747)	(9,323,257)	(553,842,177)	
Tax abatements	(2,072,242)	(673,110)	-	(26,387,220)	(1,739,883)	-	(827,043)	(31,699,498)	
Net value of real estate	1,378,254,666	185,326,874	168,102,967	356,753,123	45,376,850	16,065,053	25,059,826	2,174,939,359	70.24%
Gross personal property assessments	592,071,615	93,574,707	3,425,180	219,059,685	326,473,210	2,611,930	21,188,160	1,258,404,487	
Less: Tax-exempt property	(109,408,468)	(372,941)	(26,180)	(74,562,720)	(133,410,110)	(5,810)	(19,569,360)	(337,355,589)	
Tax increment financing	(898,930)	-	-	-	(9,980,700)	(13,979)	-	(10,893,609)	
Net value of personal property	481,764,217	93,201,766	3,399,000	144,496,965	183,082,400	2,592,141	1,618,800	910,155,289	29.39%
Net value of railroads and utilities	43,317,120	4,614,460	5,166,010	3,772,750	59,580	254,110	46,500	57,230,530	1.85%
Less: Appeals	(28,500,000)	(3,750,000)	(4,000,000)	(8,000,000)	(750,000)	(300,000)	(700,000)	(46,000,000)	-1.48%
Total net assessed valuation	\$ 1,874,836,003	\$ 279,393,100	\$ 172,667,977	\$ 497,022,838	\$ 227,768,830	\$ 18,611,304	\$ 26,025,126	\$ 3,096,325,178	100.00%
Percentage of Total	60.55%	9.02%	5.58%	16.05%	7.36%	0.60%	0.84%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total Value	\$ 3,890,469,657	\$ 1,315,635,017	\$ 5,206,104,674	100.00%
Deduction & exemptions	(917,683,273)	-	(917,683,273)	-17.63%
Tax exempt property	(212,305,350)	(337,355,589)	(549,660,939)	-10.56%
Tax increment financing	(553,842,177)	(10,893,609)	(564,735,786)	-10.85%
Tax abatements	(31,699,498)	-	(31,699,498)	-0.61%
Appeals	(32,200,000)	(13,800,000)	(46,000,000)	-0.88%
Total net assessed valuation	\$ 2,142,739,359	\$ 953,585,819	\$ 3,096,325,178	59.47%
Percent	69.20%	30.80%	100.00%	

Source: Tippecanoe County Auditor's Office - Information from the County Abstract prepared by the Indiana Department of Local Government Finance.

Statistical Section
Property Tax Collections-Cash Basis
2007-2016

Fund Name	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual	2009 Actual	2008 Actual	2007 Actual
General	\$ 23,377,466	\$ 22,690,077	\$ 21,331,402	\$ 18,635,832	\$ 19,182,698	\$ 17,801,131	\$ 16,696,417	\$ 17,675,555	\$ 18,387,483	\$ 18,437,082
MVH	2,402,210	2,054,084	1,845,575	2,109,816	2,206,919	1,729,006	2,106,504	1,484,096	1,925,376	1,466,967
Park and Recreation	3,290,322	3,114,037	3,130,488	3,077,342	2,867,237	2,630,271	2,479,292	2,433,801	2,850,064	2,507,167
Park Bond	900,254	652,140	733,581	939,666	451,929	1,254,656	806,855	900,332	709,349	1,510,568
Economic Development	422,796	276,347	405,333	379,809	351,500	348,647	291,081	278,813	243,895	
Band	20,991	20,362	22,676	15,197	22,596	4,744	15,320	20,330	19,112	21,898
Cumulative Capital Development	599,720	581,760	566,900	506,558	502,143	474,350	510,668	580,860	585,902	576,256
Total	\$ 31,013,759	\$ 29,388,807	\$ 28,035,955	\$ 25,664,220	\$ 25,585,022	\$ 24,242,805	\$ 22,906,137	\$ 23,373,787	\$ 24,721,181	\$ 24,519,938

Source: City's tax collections records

CITY OF LAFAYETTE
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR

Taxpayer	2016		Percentage of Total City Taxable Assessed Value	Type of Business
	(A) Taxable Assessed Value	Rank		
Subaru of Indiana Automotive, Inc.	\$ 221,842,027	1	7.17%	Automotive
Caterpillar, Inc.	199,135,470	2	6.43%	Manufacturing
Tate & Lyle Ingredients America, Inc.	176,393,570	3	5.70%	Food Manufacturing
Aloca, Inc.	49,306,884	4	1.59%	Manufacturing
Wabash National	49,263,150	5	1.59%	Manufacturing
Fairfield Manufacturing Company	44,973,260	6	1.45%	Manufacturing
Simon Property Group, L.P.	42,879,000	7	1.38%	Retail
Lafayette Pavilions Shopping Center, LLC	41,984,924	8	1.36%	Retail
Toyota Motors	38,976,690	9	1.26%	Manufacturing
Wal-Mart Real Estate Business Trust	29,172,440	10	0.94%	Retail
Total	<u>\$ 893,927,415</u>			

Source - Tippecanoe County Auditor's Office

(A) Represents the taxable assessed valuations for taxes due and payable in 2016 within the corporation limits.
 Information for nine years ago is not available

CITY OF LAFAYETTE
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2016

Market value	\$ 1,032,030,063
Applicable percentage	<u>2%</u>
Debt limit	20,640,601
Debt applicable to limit:	
Total bonded debt	140,750,000
Less:	
Tax increment bonds	(35,415,000)
Enterprise fund debt	<u>(93,810,000)</u>
Legal debt margin	<u>11,525,000</u>

Legal Debt Margin Calculation for Fiscal Years 2007 Through 2016

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2016	71,189	\$ 20,640,601	\$ 11,525,000	\$ 9,115,601	55.84%	\$ 162
2015	71,111	20,287,692	14,490,000	5,797,692	71.42%	204
2014	70,873	19,670,092	17,390,000	2,280,092	88.41%	245
2013	70,804	18,605,738	20,240,000	(1,634,262)	108.78%	286
2012	69,978	18,086,139	16,285,000	1,801,139	90.04%	233
2011	69,807	18,113,795	17,990,000	123,795	99.32%	258
2010	68,904	19,455,667	25,290,000	(5,834,333)	129.99%	367
2009	65,704	19,959,955	7,990,000	11,969,955	40.03%	122
2008	64,650	22,104,515	8,750,000	13,354,515	39.58%	135
2007	63,905	21,214,798	9,485,000	11,729,798	44.71%	148

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(dollars in thousands)

Governmental Unit	Debt Outstanding	(A) Estimated Percentage Applicable (%)	Estimated Share of Overlapping Debt	Debt per Capita	Ratio of Debt/ Net Assessed Value	Ratio of Debt/ Personal Income
Debt repaid with property taxes						
Overlapping Debt						
Lafayette School Corporation	\$ 93,052,000	100.00%	\$ 93,052,000			
Tippecanoe County Public Library	2,860,000	32.71%	935,614			
Tippecanoe County	5,775,000	30.10%	1,738,172			
Greater Lafayette Public Transportation Corp	2,646,831	37.07%	981,267			
Tippecanoe School Corporation	98,768,440	14.25%	140,767			
Subtotal, overlapping debt			<u>\$ 96,847,820</u>	\$ 1,360	3.13%	3.80%
City direct debt						
General obligation bonds	2,295,909	100%	2,295,909			
Redevelopment bonds	44,755,711	100%	44,755,711			
Loans and notes payable	2,949,354	100%	2,949,354			
Sewer revenue bonds	103,066,990	100%	103,066,990			
Capital leases	1,952,379	100%	1,952,379			
Subtotal, city direct debt			<u>\$ 155,020,343</u>	\$ 2,178	5.01%	6.08%
Total direct and overlapping debt			<u>\$ 251,868,163</u>	\$ 3,538	8.14%	9.87%

(A) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Assessed value data used to estimate applicable percentages and the debt outstanding provided by the Tippecanoe County Auditor's Office.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lafayette. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF LAFAYETTE
RATIOS OF OUTSTANDING DEBT BY TYPE
AS OF DECEMBER 31, 2016

Year	Governmental Activities			Business-Type Activities				Total Government	Estimated Population	Debt Per Capita	Lafayette Estimated Personal Income	Lafayette Debt Percent of Income
	General Obligation Bonds	Redevelopment Bonds	Loans and Capital Leases	Sewer Revenue Bonds	Water Revenue Bonds	Parking Revenue Bonds	Loans and Capital Leases					
2016	2,295,000	44,645,000	2,110,733	93,810,000	-	-	2,791,000	145,651,733	71,189	2,045.99	2,551,612,000	5.7%
2015	3,190,000	50,805,000	1,780,472	104,020,000	-	-	3,610,000	163,405,472	71,111	2,297.89	2,497,418,000	6.5%
2014	4,075,000	52,615,000	1,022,598	110,810,000	-	-	3,757,000	172,279,598	70,873	2,430.82	2,449,017,000	7.0%
2013	4,955,000	37,140,000	1,550,458	106,680,000	-	-	3,897,000	154,222,458	70,804	2,178.16	2,377,244,000	6.5%
2012	5,880,000	41,320,000	2,137,145	53,690,000	-	-	48,362,080	151,389,225	69,978	2,163.38	2,341,744,000	6.5%
2011	6,370,000	44,550,000	1,443,117	55,505,000	340,000	1,327,000	51,877,080	161,412,197	69,807	2,312.26	2,270,124,000	7.1%
2010	7,195,000	47,655,000	1,396,885	57,260,000	1,110,000	1,492,000	54,196,970	170,305,855	68,904	2,471.64	2,104,742,000	8.1%
2009	7,990,000	52,675,000	5,038,163	58,935,000	1,850,000	1,643,000	55,304,862	183,436,025	65,704	2,791.85	1,958,768,000	9.4%
2008	8,750,000	56,395,000	1,954,033	60,520,000	2,555,000	1,782,000	58,160,530	190,116,563	64,650	2,940.70	2,007,706,000	9.5%
2007	9,485,000	62,265,000	2,361,068	56,595,000	3,225,000	1,909,000	61,355,659	197,195,727	63,905	3,085.76	1,863,470,000	10.6%

CITY OF LAFAYETTE
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
AS OF DECEMBER 31, 2016

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	EDIT Bonds	Total		
2016	2,295,000	9,230,000	11,525,000	0.4% \$	161.89
2015	3,190,000	11,300,000	14,490,000	0.5%	203.77
2014	4,075,000	13,315,000	17,390,000	0.6%	245.37
2013	4,955,000	15,285,000	20,240,000	0.7%	285.86
2012	5,880,000	10,405,000	16,285,000	0.6%	232.72
2011	6,370,000	11,620,000	17,990,000	0.7%	257.71
2010	7,195,000	18,095,000	25,290,000	0.9%	367.03
2009	7,990,000	-	7,990,000	0.3%	121.61
2008	8,750,000	-	8,750,000	0.3%	135.34
2007	9,485,000	-	9,485,000	0.3%	148.42

CITY OF LAFAYETTE
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Wastewater Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage %
				Principal	Interest	Total	
2016	32,556,664	18,474,270	14,082,394	6,965,000	3,890,038	10,855,038	1.30
2015	31,706,401	18,379,485	13,326,916	6,790,000	4,204,735	10,994,735	1.21
2014	30,510,429	17,387,484	13,122,945	6,445,000	4,155,679	10,600,679	1.24
2013	27,624,802	18,445,358	9,179,444	5,932,000	3,861,796	9,793,796	0.94
2012	25,285,883	16,811,912	8,473,971	5,260,000	3,959,464	9,219,464	0.92
2011	25,488,412	15,688,011	9,800,401	5,147,340	4,104,666	9,252,006	1.06
2010	22,945,861	14,559,082	8,386,779	3,301,000	3,369,207	6,670,207	1.26
2009	21,120,014	13,746,664	7,373,350	1,585,000	2,512,793	4,097,793	1.80
2008	21,987,023	13,243,808	8,743,215	1,025,000	2,529,310	3,554,310	2.46
2007	20,577,078	12,496,257	\$ 8,080,821	1,496,000	2,536,846	\$ 4,032,846	2.00

CITY OF LAFAYETTE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (%)</u>
2016	71,189	2,551,612	35,843	3.4%
2015	71,111	2,497,418	35,120	4.0%
2014	70,873	2,449,017	34,555	4.8%
2013	70,804	2,377,244	33,575	5.8%
2012	69,978	2,341,744	33,464	8.2%
2011	69,807	2,270,124	32,520	8.2%
2010	68,904	2,104,742	30,546	8.5%
2009	65,704	1,958,768	29,812	10.2%
2008	64,650	2,007,706	31,055	7.1%
2007	63,905	1,863,470	29,160	4.5%

CITY OF LAFAYETTE
 PRINCIPAL EMPLOYERS
 CURRENT YEAR

Employer	Type of Business	2016		
		Employees	Rank	(A) Percentage of Total (%)
Purdue University	Education	15,612	1	16.61%
Subaru (SIA)	Automotive Manufacturing	5,300	2	5.64%
Wabash National	Manufacturing	2,700	3	2.87%
IU Health Arnett	Health Care	2,035	4	2.16%
Franciscan-St. E Health	Health Care	2,000	5	2.13%
Lafayette School Corp.	Education	1,547	6	1.65%
Tippecanoe School Corp.	Education	1,520	7	1.62%
Caterpillar	Manufacturing	1,432	8	1.52%
Wal-Mart	Retail	1,200	9	1.28%
Oerlikon Fairfield	Manufacturing	1,000	10	1.06%
Total Number of Employees		<u>34,346</u>		36.54%
Total Employees - Lafayette Area Labor Force (Employers >300 Employees)		<u>94,000</u>		100.00%

Source - City of Lafayette Indiana Report completed by Umbaugh September 23, 2016.

CITY OF LAFAYETTE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2016

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government	24	24	23	23	24	25	28	26	33	33
Public Safety										
Police	183	174	171	168	166	164	164	162	160	159
Fire	145	142	141	136	143	142	145	143	149	145
Highways and Streets	58	56	57	58	57	56	60	58	63	61
Sanitation	24	23	23	23	23	24	25	23	23	23
Culture and Recreation	33	34	33	35	36	36	37	37	35	37
Economic Development	5	5	5	5	5	5	6	6	5	5
Urban redevelopment and housing	-	2	3	3	3	3	3	3	4	4
City Utilities										
Water Utility	52	50	50	50	47	47	47	45	50	53
Wastewater Utility	<u>91</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>77</u>	<u>75</u>	<u>63</u>	<u>66</u>	<u>65</u>	<u>59</u>
Total	<u>615</u>	<u>595</u>	<u>591</u>	<u>586</u>	<u>581</u>	<u>577</u>	<u>578</u>	<u>569</u>	<u>587</u>	<u>579</u>

Source - City of Lafayette Payroll Department

Notes: The functional breakout is from the "Statement of Activities."

CITY OF LAFAYETTE
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Function/program</u>										
Police										
Physical arrests	6,810	6,268	4,927	5,199	5,574	5,850	5,514	5,461	5,959	6,868
Parking violations	98	104	410	259	174	352	302	393	260	293
Traffic violations	17,883	14,201	12,752	13,198	15,849	17,586	15,115	14,433	6,474	5,348
Fire										
Emergency responses	7,333	7,406	5,844	6,260	6,042	5,903	5,415	4,866	5,054	5,017
Fires extinguished	269	256	321	376	316	294	302	256	237	300
Inspections	3,011	4,629	4,095	3,327	3,059	4,423	2,785	2,350	3,162	1,265
Refuse collection										
Refuse collected (tons/month)	1,550	1,583	1,743	1,649	1,616	1,646	1,681	1,658	1,721	1,785
Recycling collected (tons/month)	415	385	389	354	391	302	256	204	246	198
Other public works										
Street Maintained (miles)	303.36	268.41	267.64	264.57	264.36	260.78	259.91	259.74	259.74	255.95
Potholes repaired (tonnage)	2,014	1,977	1,873	1,636	1,106	1,555	1,778	1,303	1,206	2,108
Crack Sealing (tons used)	25	26	31	18	23	11	18	10		
Parks and recreation										
Zoo Education Programs	2,208	1,981	1,857	1,933	1,720	1,554	1,635	1,311	968	857
Zoo Education Participation	43,363	38,017	33,233	37,540	25,147	24,635	34,564	30,327	24,053	24,649
Kids Camp Participation	11,475	9,471	8,947	10,051	10,089	8,845	8,326	7,207	7,255	5,361
Camp Participation Hours	91,800	72,768	71,576	80,592	80,712	70,780	70,696	64,064	61,880	46,728
Water										
New billable housing starts	99	87	81	83	95	96	92	56	86	80
Water mains breaks	60	59	92	79	59	62	75	58	74	71
Average daily consumption (thousands of gallons)	8.77	8.50	7.40	8.23	9.32	9.04	9.86	10.14	9.86	9.59
Wastewater										
Average daily sewage treatment (thousands of gallons)	18,660	19,970	18,570	18,420	17,650	20,650	18,370	19,800	18,200	18,700

Sources - Various city departments

CITY OF LAFAYETTE
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2016

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Public Safety</u>										
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Training Center	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Patrol Units	90.00	66.00	66.00	66.00	45.00	45.00	45.00	45.00	45.00	45.00
Fire										
Fire Stations	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Training Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Trucks	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00	16.00
<u>Refuse Collection</u>										
Collection Trucks	23.00	24.00	21.00	21.00	23.00	19.00	17.00	17.00	17.00	17.00
<u>Highways and Streets</u>										
Traffic Signals	110.00	107.00	107.00	106.00	108.00	108.00	108.00	89.00	89.00	89.00
Miles of Streets										
<u>Culture and Recreation</u>										
Acreage	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
Playgrounds	16.00	16.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00	15.00
Baseball/Softball Diamonds	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Soccer/Football Fields	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Swimming Pools	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<u>Water</u>										
Water Mains (miles)	341.07	340.17	339.13	337.47	336.46	335.43	332.55	331.93	331.40	329.99
Fire Hydrants	3,368.00	3,360.00	3,347.00	3,332.00	3,285.00	3,209.00	3,184.00	3,158.00	3,158.00	3,073.00
Storage Capacity (thousand of gallons)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<u>Wastewater</u>										
Sanitary Sewers (miles)	309.72	309.09	308.33	307.54	307.03	306.14	304.79	302.73	302.52	295.44
Storm Sewers (miles)	166.77	166.43	166.02	165.59	165.33	164.85	164.12	163.01	162.89	159.09
Treatment Capacity (thousand of gallons)	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00	52,000.00

Sources - Various city departments

Note: No capital asset indicators are available for the general government function



CITY OF LAFAYETTE, INDIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2016

