



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2019

CITY OF LAFAYETTE, INDIANA

Tony Roswarski, Mayor
Timothy Clary, Controller
Cindy Murray, Clerk

FILED
09/29/2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF LAFAYETTE, INDIANA

Prepared by the Office of the City Controller

INTRODUCTORY SECTION

CITY OF LAFAYETTE, INDIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

I. INTRODUCTORY SECTION:	<u>Page</u>
Table of Contents	1-5
Transmittal Letter	6-12
GFOA Certificate of Achievement.....	13
Organization of City Government.....	14
Listing of Elected Officials, City Councilors and Appointed Positions	15-16
Boards, Commissions and Committees	17
 II. FINANCIAL SECTION:	
Independent Auditor’s Report	19-21
Management’s Discussion and Analysis.....	22-37
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	39-40
Statement of Activities	41
Fund Financial Statements:	
Balance Sheet—Governmental Funds	42
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	43
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds.....	44
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	45
Statement of Net Position – Proprietary Funds.....	46
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	47
Statement of Cash Flows – Proprietary Funds	48
Statement of Fiduciary Net Position – Fiduciary Funds	49

CITY OF LAFAYETTE, INDIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS (CONT.)

II. FINANCIAL SECTION (Cont.):	<u>Page</u>
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	50
Notes to Financial Statements	51-130
Required Supplementary Information:	
1925 Police Officers’ Pension Plan:	
Schedule of City Contributions	132
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	133
1937 Firefighters’ Pension Plan:	
Schedule of City Contributions	134
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	135
Public Employees’ Retirement Fund:	
Schedule of City Contributions	136
Schedule of the City’s Proportionate Share on the Net Pension Liability	137
Schedule of the CityBus’ Proportionate Share on the Net Pension Liability	138
1977 Police Officers’ Pension and Disability Fund:	
Schedule of City Contributions	139
Schedule of the City’s Proportionate Share of the Net Pension Liability	140
1977 Firefighters’ Pension and Disability Fund:	
Schedule of City Contributions	141
Schedule of the City’s Proportionate Share of the Net Pension Liability	142

CITY OF LAFAYETTE, INDIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS (CONT.)

II. FINANCIAL SECTION (Cont.):	<u>Page</u>
Other Post-Employment Benefits (OPEB)	
Schedule of Net OPEB Liability	143
Schedule of Changes in OPEB Liability	144
Schedule of Employer Contributions	145
Budgetary Comparison Schedule – General Fund	146
Budgetary Comparison Schedules – Major Special Revenue Funds.....	147-149
Notes to the Required Supplementary Information	150-152
Other Supplementary Information:	
Schedule of Expenditures—Budget and Actual—General Fund—By Department	154
Nonmajor Governmental Fund Descriptions	155-156
Combining Balance Sheet—Nonmajor Governmental Funds— Special Revenue Funds.....	157-160
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds—Special Revenue Funds....	161-164
Combining Balance Sheet—Nonmajor Governmental Funds— Capital Projects Funds.....	165
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds—Capital Projects Funds	166
Nonmajor Fiduciary Fund Descriptions	167
Combining Statement of Net Position – Nonmajor Fiduciary Funds	168
Combining Statement of Changes in Net Position— Nonmajor Fiduciary Funds.....	169
Budgetary Comparison Schedules – Other Nonmajor Governmental Funds	170-173

CITY OF LAFAYETTE, INDIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS (CONT.)

III. STATISTICAL SECTION	<u>Page</u>
Statistical Section Contents	175
Financial Trends:	
Net Position by Component.....	176
Change in Net Position.....	177-178
Fund Balances – Governmental Funds	179
Changes in Fund Balances – Governmental Funds	180
Tax Revenues by Source – Governmental Funds.....	181
Property Tax Levies and Collections	182
Revenue Capacity:	
Actual and Assessed Value of Taxable Property.....	183
Direct Property Tax Rates	184
Comparative Schedule of District Certified Tax Rates.....	185
Detail of Net Assessed Valuation	186
Property Tax Collections – Cash Basis	187
Principal Property Taxpayers.....	188
Debt Capacity:	
Legal Debt Margin Information	189
Direct and Overlapping Governmental Activities Debt.....	190
Ratios of Outstanding Debt by Type.....	191
Ratios of Net General Bonded Debt Outstanding	192
Pledged-Revenue Coverage	193

CITY OF LAFAYETTE, INDIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS (CONT.)

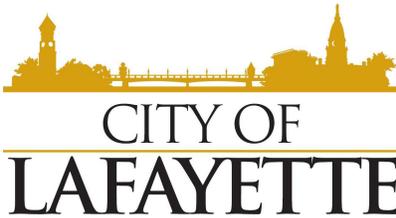
III. STATISTICAL SECTION (Cont.)

Page

Demographic and Economic Information:

Demographic and Economic Statistics	194
Principal Employers	195
Full-Time Equivalent City Government Employees by Function/Program	196
Operating Indicators by Function/Program	197
Capital Asset Statistics by Function/Program	198

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TONY ROSWARSKI, MAYOR

THE OFFICE OF THE CONTROLLER

August 7, 2020

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, 2019 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 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 75,000 residents and roughly 32,000 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 Indiana, Lafayette has benefited from years of strong economic leadership both private and public. While Lafayette is known for its diverse economy, the advanced manufacturing sector and knowledge-based businesses continue to lead the local economy, with many having 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 from, and to, these economic generators. With these beneficial factors, and record low employment, Lafayette residents enjoy both high quality of life, and low cost of living with affordable housing and high-performing schools.

Advanced manufacturing is the engine for the local economy with many companies calling Lafayette home. Subaru of Indiana America (SIA) represents the first overseas investment by Subaru Corporation. Benefiting from synergies created by its geographic location, educated and capable workforce, infrastructure investment and support by local government, SIA thrives as the second-largest employer in Lafayette and one of the fastest growing auto companies in the world. SIA continues to invest in its Lafayette facility, with over \$1 billion added in capital investment to increase production capacity and expand product lines, which currently include the Impreza, Legacy, Outback, and Ascent. The Lafayette SIA facility is the sole site for global production of the latter three of these popular vehicles. SIA now employs over 6,000 associates with plans for further expansion and job additions in 2020.

The appealing factors that have brought success to local economic anchors like SIA, have also drawn businesses that supply such a large manufacturer. Heartland Automotive and its 225 employees, Toyota Tsusho’s recent \$6 million investment and 350,000 sq. ft. warehouse facility, and the Sanoh America – Lafayette plant are examples of businesses locating in Lafayette to benefit from proximity to customers.

CITY OF LAFAYETTE CAFR

These companies continue to grow along with SIA, experiencing record employment levels.

Like SIA, Nanshan Aluminum Co. chose Lafayette as the site of its first foreign investment outside of its home base of China. Their aluminum extrusion company is a \$150 million complex that employs over 200. Other advanced and next generation manufacturers include GE Aviation making the LEAP aircraft engine. GE has made an investment of over \$160 million in Lafayette employing over 200 and growing with a company backlog of product orders in excess of \$30 billion. Arconic, a mainstay of manufacturing in Lafayette, has added a lithium alloy division catering to the aircraft industry. The new division has resulted in the addition of both jobs and capital investment.

Several significant manufacturers have made Lafayette home for decades. Along with Arconic, companies such as Tate & Lyle and Wabash National, the world's leading truck trailer manufacturer, continue to expand their investments in Lafayette operations and expand their market share. Wabash National, like SIA, has attracted its suppliers to locate here. Businesses such as TK Graphics, Crossroads Galvanizing, Thermoking and others have created hundreds of jobs and brought millions in capital investment to Lafayette. Caterpillar Logistics invested \$10 million for a warehouse and logistics facility to support the Caterpillar large engine plant just a ½ mile away. Along with global businesses that have successfully established Lafayette locations, locally owned businesses also continue to grow and prosper. Kirby Risk, was founded in Lafayette and supplies companies worldwide including Caterpillar and John Deere. In 2019, Kirby Risk broke ground for a new 100,000 sq. ft. expansion to add needed manufacturing capacity. The expansion will be complete in late 2020.

Technology and innovation is locally supported by MatchBOX Coworking Studio which is home to nearly 300 members (a record and still growing) in tech and innovation startups as well as and traditional companies. These members represent 150 businesses, some engaged with commercializing Purdue intellectual property, and many otherwise having ties to Purdue University. Some companies are growing and graduating from the facility and locating in the Lafayette area. Other tech-related startups such as Passageways have successfully established locations in downtown Lafayette.

Downtown is realizing new investment as developers see the area as a promising location for both commerce and residence. The recently completed Marq, a \$25 million mixed use project on 2nd Street, houses the regional headquarters of Old National Bank, a 142 space parking garage, 4,000 sq. ft. of commercial space and 99 luxury apartments. Pullman Station is a \$12 million mixed-use development with 77 apartments, 7,900 sq. ft. of commercial space and 70 indoor parking stalls currently under construction and slated for a spring 2020 opening. The Nova Tower project is a new \$16.8 million mixed-use development with 76 residential units and 5,950 sq. ft. of commercial space featuring an Anytime Fitness facility. Construction at the S 4th Street site is set to begin in early 2020, and the project will be a key development at the

southern gateway to downtown. Other projects are in the conceptual stage and planned for subsequent years.

In addition to new construction, several historic landmark buildings are finding new lives as adaptive reuse projects such as the historic Journal & Courier building, originally constructed in 1921, now converted into The Press Apartments, comprising 56 residential rental units along with first floor commercial space. The Haywood Printing building, constructed in 1914, has been slated for reuse with first floor commercial space and 20 rental units. Other developers are looking to construct similar projects in and around downtown on at least four additional sites.

The City of Lafayette continues to make significant investment to improve the quality of life for residents and visitors. For 2019 through 2021, the City of Lafayette is planning an additional \$7.5 million of streetscape investment to complete important areas such as along 3rd Street and the east end of downtown. The streetscape improvements bring an enhanced pedestrian and consumer experience. The city has completed renovations to the Myers Pedestrian Bridge, Riehle Plaza, and the Long Center, and has also made investment in public art including murals, sculptures and performances to add interest and vibrancy to downtown. With completion of the Marq building, Lafayette began its first major project through the Wabash River Enhancement Corporation for development of the Wabash River Corridor. The Riverfront Promenade is a pedestrian walkway and overlook that connects citizens and visitors to the Wabash River.

In late 2019, the City of Lafayette purchased the Lafayette Theatre located on Main Street. With some planned improvements to the physical facility and integration of programming with the Long Center, the greater goal is to create a downtown entertainment district. Substantial improvements are planned in subsequent years. Tippecanoe Arts Federation completed a \$1.5 million renovation to the Wells Community Cultural Center in which the City of Lafayette invested \$250,000. The facility serves artists and arts organizations for a 14 county region. With its many events, festivals, farmers market and unique retail, restaurant and entertainment venues, downtown is a work, live, play and investment destination.

In pursuit of building a safe community for our citizens and a business-friendly environment for economic development, Lafayette strives to implement state-of-the-art technology and maintain robust investment in local infrastructure. As a growing community, Lafayette recognizes the importance of continuous improvement to infrastructure systems from fiber telecommunications systems to modern and well-maintained roads and streets, to underground pipes and conveyances. All are necessary to support economic development, attract business investment and jobs and to promote public health.

As a partner with the newly created Wabash Heartland Innovation Network (WHIN), Lafayette with Tippecanoe County has joined with nine surrounding counties to position the region as the epicenter for the Internet of Things (IOT) in next generation

CITY OF LAFAYETTE CAFR

manufacturing and digital agriculture. An ambitious plan, it is being funded by a nearly \$40 million grant from the Lilly Endowment and includes Purdue University and Ivy Tech Community College as major partners.

In 2020 the City of Lafayette will be planning and designing a new municipal police station with a 500-space parking garage for city employees and public parking. Anticipated cost is \$40 million with construction planned to begin in 2021 and be complete in late 2022. In 2019 the city commenced construction on the \$10.5 million Murdock Park water storage tank and pump station. This project will add a new 3 million-gallon underground water tank below the Murdock Park softball field. The station will have a daily pumping capacity of 6 million gallons to serve current and future demands of residents, industry, and fire protection. Lafayette Renew has begun a \$2 million project to increase its capacity to handle wastewater flow during peak flow events and further mitigate combined sewer overflow to the Wabash River. In recent years, the city has invested over \$100 million in infrastructure to improve drainage and more safely handle wastewater flow during flood events. The city and its utilities continue to invest in upgrades and new facilities to meet not only current needs, but also those that will come with future growth.

The \$30 million investment in renovations to Sagamore Parkway is now complete. This roadway serves as a main thoroughfare in Lafayette and the project was a crucial investment in transportation infrastructure in support of the local economy.

Several new hotels have recently opened or are under construction including a 180 room \$15 million Drury Inn opening in late 2020 and Home Away 2 and Residence Inn which opened in 2019 on the east side of Lafayette. Throughout Lafayette many multi-family and single-family developments are opening and being planned to house the nearly 3,000 new residents who are drawn annually to the Greater Lafayette area by the abundant employment opportunities and quality of life offered by our community.

Significant community and civic centers anchor the city providing services, recreation and development for the community and contribute to our success. In 2018, the Northend Community Center opened to serve the north end of Lafayette with comprehensive recreational, meeting, and social service space. A \$15 million project, the center has over a dozen partners that provide services for infants to senior citizens in a variety of ways to help all reach and attain their potential. In addition, a new \$25 million regional YMCA opened on the Ivy Tech Community College Campus as part of its Intersection Connection initiative to link health, wellness and education. This YMCA is one of a kind in that it features a record-setting five major community partner organizations. Lastly, Greater Lafayette Commerce, our area's business and development arm, created a long-term strategic plan and implemented a \$2 million capital campaign that added additional staff and renovated its base of operations to provide more services and programs for business, economic and workforce development.

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 commence operation. Lafayette’s workforce draws from a seven-county region and workers have many resources through Ivy Tech Community College and Purdue University to maintain or build their skill sets.

Lafayette boasts a great parks system, with a zoo, waterpark, and a baseball stadium that is undergoing complete reconstruction. The new Loeb Stadium is a \$17 million investment which will include a synthetic playing surface, suites, party areas, modern concessions and restrooms, and other features that will allow the stadium to host non-baseball events. The stadium is intended to not only serve as the home field for the local Prospect League team, but also as a multi-use event space for other sporting activities, concerts and entertainment. This facility broke ground in 2019 and will be finished in the first quarter of 2021. In total, more than \$10 million is being invested in Columbian Park for key parts of its Master Plan including upgrades and new water slides added at Tropicane Cove, an indoor carousel, penguin and other animal exhibits, and many other attractions and improvements. Lafayette is also adding more multi-use trails throughout the city and currently has more than 30 miles of trails.

Lafayette and the surrounding areas offer a high quality of life that is attractive to companies and citizens alike. 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

CITY OF LAFAYETTE CAFR

funds and 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.

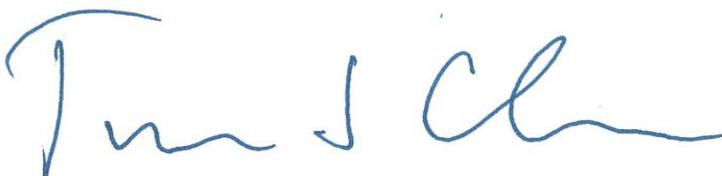
In addition to budgetary and other controls established by Indiana Statute, the City must operate within specific and rigid controls governing the amount of property tax it may levy. The property tax control program, which began in 1973, limits the amount of property tax that may be levied by each unit 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. Without the leadership of Mayor Tony Roswarski and the City Department Heads, preparation of this report would not have been possible.

Sincerely,



Timothy J. Clary, CPA
City Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lafayette
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

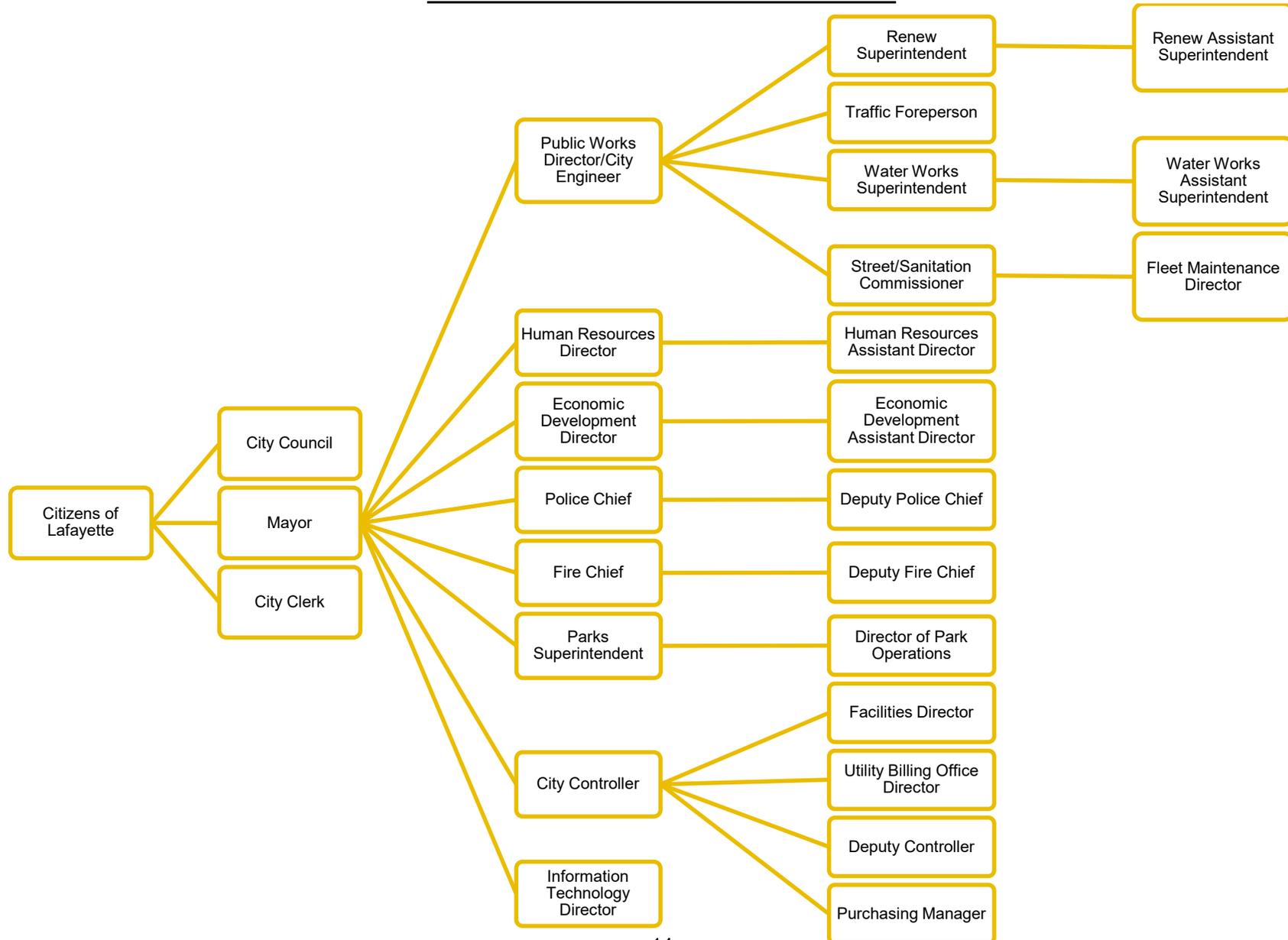
December 31, 2018

Christopher P. Morrill

Executive Director/CEO



ORGANIZATION OF CITY GOVERNMENT





**Listing of Elected Officials
December 31, 2019**

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

**Listing of City Councilors
December 31, 2019**

Name	Position	District	Current Term
Jerry Reynolds	City Councilor	District 1	1/1/2016- 12/31/2019
Ronald B. Campbell	President	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
Nancy Nargi	City Councilor	At-Large	1/1/2016- 12/31/2019



**Listing of Appointed Positions
December 31, 2019**

Name	Position
Pat Flannelly	Police Chief
Richard Doyle	Fire Chief
Timothy J. Clary	Controller
Jeremy Diehl	Deputy Controller
Andy Milam	Director of Information Technology
Jeromy Grenard	City Engineer
Dennis H. Carson	Director of Economic Development
Claudine Laufman	Director of Parks and Recreation
Dan Crowell	Street Commissioner
Tim Bullis	Fleet Superintendent
Brad Talley	Renew Superintendent
Kerry Smith	Water Superintendent
Mark Gick	Building Commissioner
Jason Pierce	Facilities Director
Amy Douglas	Utility Billing Director
Tim Detzner	Urban Forester
Aaron Dobrin	Police Pension Secretary
Michael Moran	Fire Pension Secretary



**Boards, Commissions, and Committees
December 31, 2019**

**Board of Public Works &
Safety**

Gary Henriott
Cindy Murray
Ron Shriner
Norm Childress
Amy Moulton

**Board of Parks &
Recreation**

Maurice Denney
Patricia Corey
Dave Mecklenburg
John Ragan

**Redevelopment
Commission**

Don Teder
Jim Terry
Jos Holman
T.J. Thieme
Randy Bond
Shelly Henriott
Dave Moulton

Redevelopment Authority

Rick Davis
Erin Easter
Amy Moulton

Board of Zoning Appeals

Jackson Bogan
Dave Williams
Jake Gray
David Lahr
Tracy Walder

Parking Commission

John Christodoulakis
Ken McCammon
Andrew Muffett
Cindy Murray
Will Carpenter
Jeromy Grenard
T.J. Thieme

**Economic Development
Commission**

David Bathe
Steve Snyder
Scott Walker
Dave Zimmerman

**Human Relations
Commission**

Chad Aldridge
Mary Alyce Bolinger
Susan Brouillette
Michelle Reynolds
Joel Wright
Kara Boyles
Clifford Cox
Cassie Wade
Stephen Smith

Tree Advisory Committee

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

Housing Authority

Maurice Denney
Kathy Fish
John Hatter
Donna Osborn
Bob Smeltz
Julie Sumrall
Charles Wu

**Historic Preservation
Commission**

John Burns
Julie Ginn
Sean Lutes
Amy Paget
Shawna McCully
Patti Morgan
Glen Vick
Kurt Wahl

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lafayette (City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Greater Lafayette Public Transportation Corporation (Corporation), a component unit of the City as described in Note I, which represents 100 percent of the total assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2019, 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 Schedule – General Fund, Budgetary Comparison Schedules – Major Special Revenue Funds, Schedules of City Contributions, Schedules of City's Proportionate Share on the Net Pension Liability, Schedule of the CityBus' Proportionate Share on the Net Pension Liability, Schedules of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Net OPEB Liability, Schedule of Changes in OPEB Liability, and Schedule of Employer 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Fund Descriptions, Schedule of Expenditures–Budget and Actual, Combining Balance Sheets, Combining Statements of Revenues, Expenditures and Changes in Fund Balances, Combining Statements of Net Position, Combining Statement of Changes in Net Position, other Budgetary Comparison Schedules, and Introductory and Statistical Sections 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 Statements of Net Position, Combining Statement of Changes in Net Position, and other 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 combining fund financial statements and other 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 20, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 20, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the City of Lafayette, Indiana ("City") provides herewith this Management's Discussion & Analysis ("MD&A") of the financial activities and the general condition of the City for the fiscal year ("FY") ended December 31, 2019.

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 and parking services to residents within the City's boundaries. City operations also include the Lafayette Redevelopment Authority, a blended component unit.

Financial Highlights

- Government wide net position was \$390,336,949 as of December 31, 2019, an increase of \$20,006,242 or 5.4% over FY 2018.
- Governmental Activity net position was \$185,237,788 as of December 31, 2019.
- Governmental Activity net position increased \$5,812,082 or 3.2% in FY 2019.
- Business-type activity net position was \$205,099,161 as of December 31, 2019.
- Business-type activity net position increased \$14,194,160 or 7.4% in FY 2019.
- Government wide assets as of December 31, 2019 were \$703,675,212, an increase of \$30,104,639 or 4.5% as compared to December 31, 2018.
- Government wide deferred outflows were \$4,874,404 as of December 31, 2019, as compared to \$5,116,731 as of December 31, 2018.
- Government wide liabilities were \$308,656,295 as of December 31, 2019, as compared to \$299,598,722 as of December 31, 2018.
- Government wide deferred inflows were \$9,556,373 as of December 31, 2019, as compared to \$8,757,875 as of December 31, 2018.
- Government wide Revenue totaled \$136,377,591 in FY 2019, an increase of \$4,821,673 or 3.7% as compared to FY 2018.

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

- Government wide Expenses totaled \$116,371,349 in FY 2019 compared to \$107,586,897 in FY 2018 an increase of 8.2%.

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, 2019. 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, 2019. 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

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

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, and parking operations.

The government-wide financial statements include not only the City itself (primary government), but also the Greater Lafayette Public Transportation Corporation (GLPTC), which is a legally separate unit for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government.

The financial statements of Greater Lafayette Public Transportation Corporation can be found in their entirety on file in the City Controller's office at 20 N 3rd Street, Lafayette, Indiana 47901.

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), Park Bond, 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 three (3) enterprise funds. The Water Utility and Wastewater Utility funds are considered major enterprise funds of the City. Information is presented separately for these funds in the Statement of Net Position, and in the Statement of Revenues, Expenses and Changes in Net Position of

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

Proprietary Funds. The Parking Operations Fund is the sole non-major enterprise fund.

- 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. Inventory and purchasing is 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.
- 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, as well as 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, internal service, and fiduciary funds are presented in Other Supplementary Information, following Notes to the Financial Statements and Required Supplementary Information sections 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

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

the close of 2019, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$390,336,949 for the City as a whole. The City's net investment in capital assets, including equipment and infrastructure less any related outstanding debt utilized to acquire or build said assets, comprised \$377,985,466 or 97% of this total net position. 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		Component Unit	
	2019	2018	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 64,991	\$ 49,835	\$ 80,055	\$ 94,434	\$ 145,046	\$ 144,269	\$ 9,499	\$ 9,033
Capital assets (net)	264,534	254,439	294,094	274,863	558,628	529,302	27,584	28,974
Total assets	329,525	304,274	374,149	369,297	703,674	673,571	37,083	38,007
Deferred outflows	4,128	4,593	746	524	4,874	5,117	549	641
Current liabilities	15,814	14,794	13,595	11,695	29,409	26,489	1,553	1,199
Noncurrent liabilities	125,288	108,098	153,958	165,012	279,246	273,110	4,760	5,518
Total liabilities	141,102	122,892	167,553	176,707	308,655	299,599	6,313	6,717
Deferred inflows	7,313	6,549	2,243	2,209	9,556	8,758	688	761
Net position	<u>\$ 185,238</u>	<u>\$ 179,426</u>	<u>\$ 205,099</u>	<u>\$ 190,905</u>	<u>\$ 390,337</u>	<u>\$ 370,331</u>	<u>\$ 30,631</u>	<u>\$ 31,170</u>
Net investment in capital assets	\$ 219,154	\$ 209,965	\$ 158,832	\$ 133,251	\$ 377,986	\$ 343,216	\$ 26,054	\$ 27,183
Restricted	21,212	6,195	33,394	26,949	54,606	33,144	2,050	2,315
Unrestricted	(55,128)	(36,734)	12,873	30,705	(42,255)	(6,029)	2,527	1,672
Total net position	<u>\$ 185,238</u>	<u>\$ 179,426</u>	<u>\$ 205,099</u>	<u>\$ 190,905</u>	<u>\$ 390,337</u>	<u>\$ 370,331</u>	<u>\$ 30,631</u>	<u>\$ 31,170</u>

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

A portion of the City's net position, approximately 14.0% in FY 2019, represents resources that are subject to external restrictions and are therefore not available for general activities. At the close of fiscal year 2019, the City is able to report a positive net position for governmental activities, business-type activities, and government-wide activities. In 2019, the government-wide net position increased by \$20,006,242 or 5.4%.

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

CITY OF LAFAYETTE CHANGES IN NET POSITION (amounts expressed in thousands)								
	Governmental activities		Business-type activities		Total		Component Unit	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues:								
Program revenues:								
Charges for services	\$ 2,234	\$ 1,992	\$ 49,932	\$ 47,282	\$ 52,166	\$ 49,274	\$ 3,944	\$ 3,809
Operating grants and contributions	1,608	1,730	-	-	1,608	1,730	6,141	6,543
Capital grants and contributions	-	3,054	624	1,163	624	4,217	1,428	3,554
General revenues:								
Property taxes	48,582	46,268	-	-	48,582	46,268	2,814	2,669
Intergovernmental revenues	25,878	23,446	-	-	25,878	23,446	730	692
Payment in lieu of taxes	2,560	2,503	-	-	2,560	2,503	-	-
Investment earnings	959	358	1,333	875	2,292	1,233	56	13
Other	2,557	2,635	110	249	2,667	2,884	15	26
Total revenues	84,378	81,986	51,999	49,569	136,377	131,555	15,128	17,306
Expenses:								
General government	5,273	3,999	-	-	5,273	3,999	-	-
Public safety	40,923	32,164	-	-	40,923	32,164	-	-
Highways and streets	10,718	12,028	-	-	10,718	12,028	-	-
Sanitation	2,970	2,722	-	-	2,970	2,722	-	-
Culture and recreation	6,952	6,684	-	-	6,952	6,684	-	-
Economic development	11,730	15,349	-	-	11,730	15,349	-	-
Water Utility	-	-	10,015	9,780	10,015	9,780	-	-
Wastewater Utility	-	-	27,322	24,383	27,322	24,383	-	-
Parking Operations	-	-	468	459	468	459	-	-
Community Dev Blk Grant (LHR)	-	-	-	18	-	18	-	-
City Bus	-	-	-	-	-	-	15,667	15,756
Total expenses	78,566	72,946	37,805	34,640	116,371	107,586	15,667	15,756
Transfers	-	59	-	(59)	-	-	-	-
Change in net position	5,812	9,099	14,194	14,870	20,006	23,969	(539)	1,550
Net position, January 1	179,426	172,341	190,905	180,063	370,331	352,404	31,170	29,620
Prior Period Adjustment	-	(2,014)	-	(4,028)	-	(6,042)	-	-
Net position – December 31st	\$ 185,238	\$ 179,426	\$ 205,099	\$ 190,905	\$ 390,337	\$ 370,331	\$ 30,631	\$ 31,170

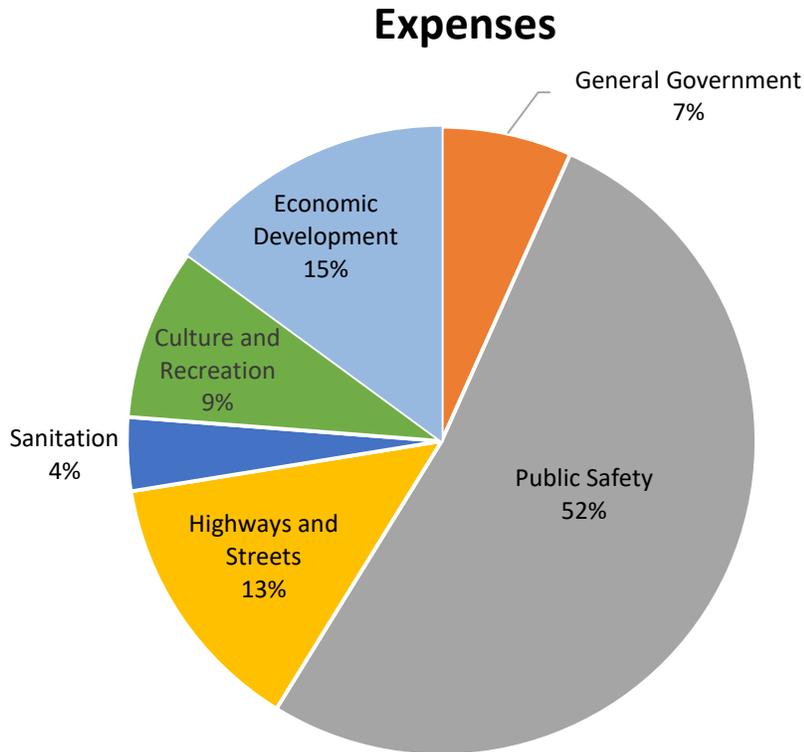
CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

Governmental Activities

Governmental Activities increased the City’s net position by \$5,812,082 in 2019. General Property and Other Tax revenue received represented 57.2% of total Governmental revenues. Charges for services totaled \$2,233,973 in 2019, representing 2.63% of total Governmental revenues. Expenses totaled \$78,566,350 for Governmental activities.

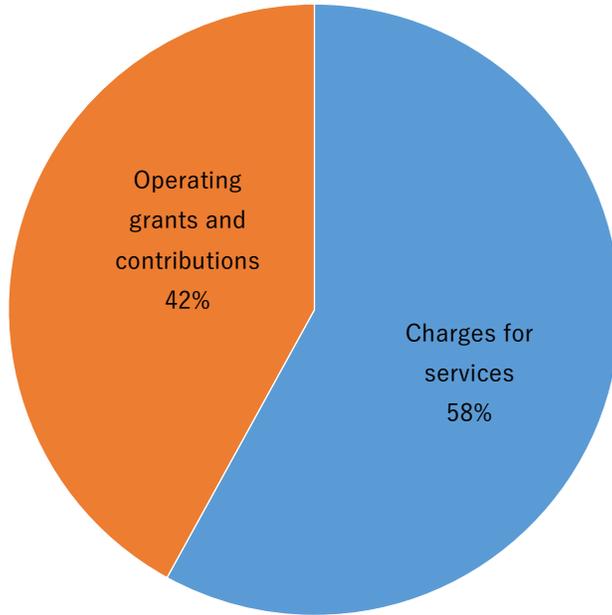
Key factors leading to the increase in the City’s net position were an increase in general property and other tax revenue of approximately \$2.3 million and an increase in other revenues of approximately \$0.5 million, combined with reduced expenditures on economic development, though public safety and general government expenditures were higher.

The following charts display the Expenses and Program Revenues by function for the Governmental Activities for the City of Lafayette.



CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

Program Revenues

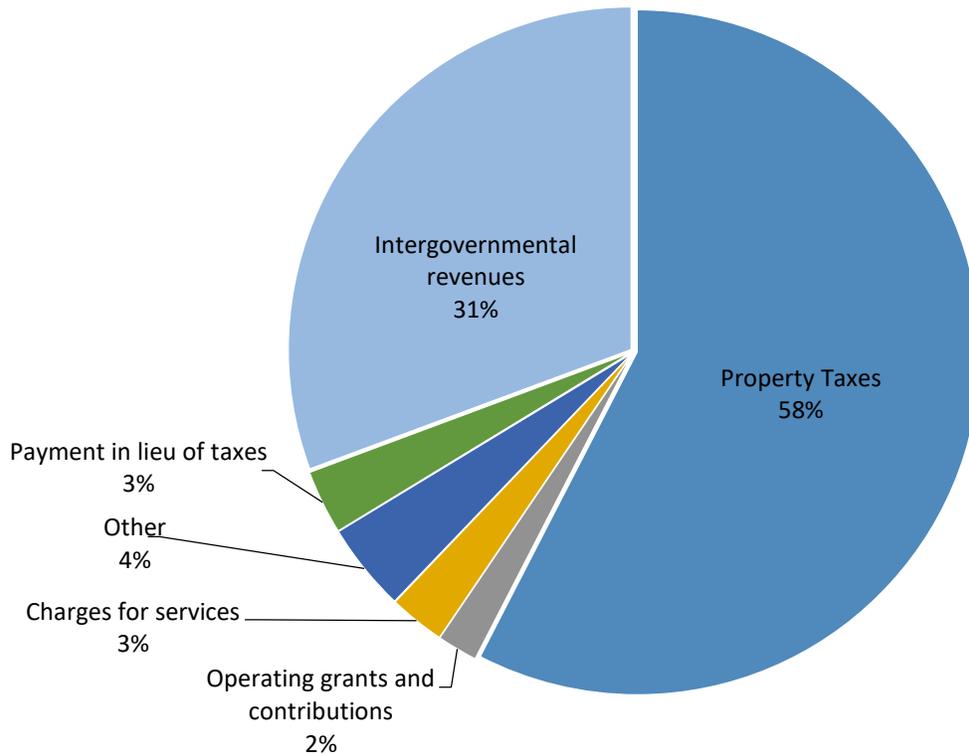


Expenses & Program Revenues – Governmental Activities

The following charts display the revenue composition for Governmental Activities Funds:

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

Revenues By Source - Governmental Activities



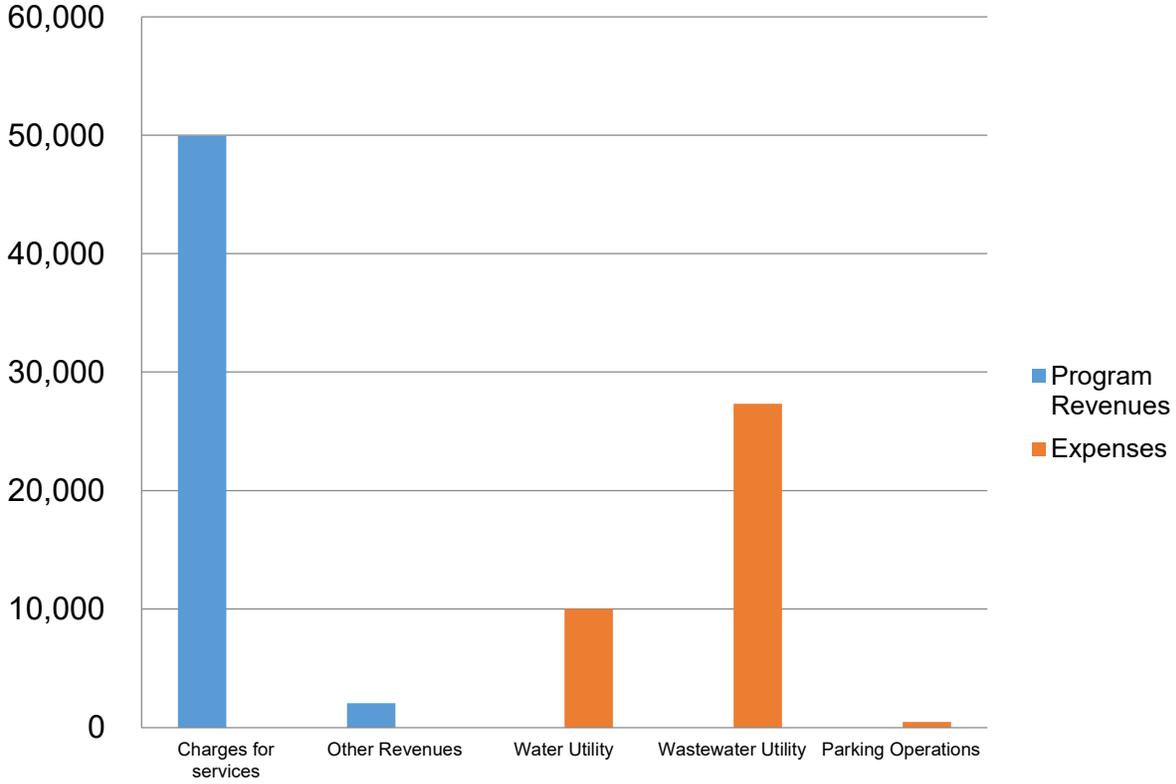
Business-type Activities

Business-type activities increased the City's net position \$14,194,160 in 2019 compared to an increase of \$10,841,918 for FY 2018. A key factor leading to the increase is primarily attributable to increased Water and Wastewater Utility operating revenue of approximately \$2.1 million. The full implementation of the latest Water and Wastewater consumption rate increases occurred in 2019.

The following chart illustrates the expenses and program revenues of the City's Business-type Activities for FY 2019:

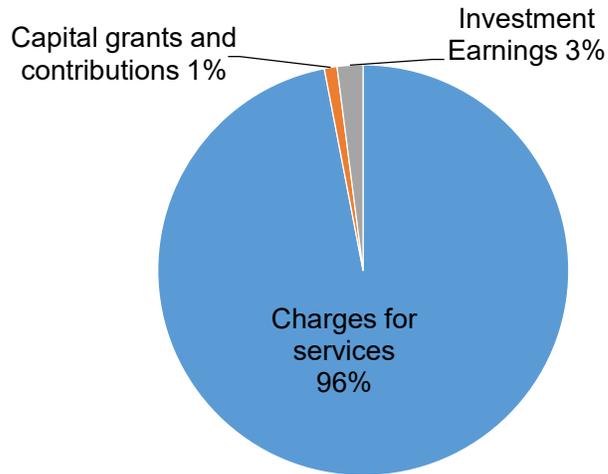
CITY OF LAFAYETTE
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2019
 (Continued)

Expenses & Program Revenues - Business-type Activities
 (amounts expressed in thousands)



The following chart displays the revenue composition for the City’s Business-type Activities for FY 2019:

Revenues by Source - Business-type Activities



CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

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 modified fund balance of \$48,535,011 an increase of 36.4% from FY 2018. The General Fund balance of \$1,674,197 comprises 3.4% of the total funds balance. As of December 31, 2019, the General Funds unassigned fund balance of \$1,674,197 represented a decrease of \$384,284 or 18.7% from FY 2018. Overall, the activity within the General Fund was consistent with the prior year. Both revenues and expenses increased, with the primary difference being an increase in public safety expenditures.

The non-major governmental fund balance of \$11,256,541 is 23.2% of total governmental fund balances and includes a restricted balance of \$4,610,020, a committed fund balance of \$77,416, and an assigned fund balance of \$6,569,105. The Motor Vehicle Highway Fund balance of \$2,056,014 is 4.2% of total governmental fund balances and the entire fund balance for this fund is restricted. The Motor Vehicle Highway Fund balance increased by \$201,887 primarily as a result of less capital outlay expenditures. The Economic Development Income Tax (EDIT) Fund balance of \$16,660,014 is 34.3% of total governmental fund balance and \$15,199,496 is committed for the Loeb Stadium project which represents the major increase in the fund balance and \$1,460,518 which is assigned. The Park Bond Fund balance of \$9,590,925 comprises 19.8% of total governmental fund balances, and the entire fund balance is restricted. The decrease in the Park Bond Fund balance was the result of construction costs related to projects at Columbian Park. The Thoroughfare Fund balance of \$40,334 is 0.1% of total governmental fund balances, and the entire fund balance is restricted. The Thoroughfare Fund balance change was immaterial and the fund will be liquidated in 2020 as a result of the Sagamore Parkway project completion. The Redevelopment Authority Fund balance of \$3,416,343 is 7.0% of total governmental fund balances and the entire fund balance is restricted. Revenues and expenses of the Redevelopment Authority Fund were similar to the prior year and therefore the fund balance decreased by only \$110,198. The TIF Creasy Central Consolidated Fund balance of \$3,840,643 is 7.9% of total governmental fund balances and the entire fund balance for this fund is committed. The TIF Creasy Central Consolidated Fund balance increase of \$1,488,525 was the result of an increase of \$1,410,361 in property tax revenue.

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

The following table reflects the fund balance for Governmental Funds:

CITY OF LAFAYETTE
FUND BALANCES FOR GOVERNMENTAL FUNDS
(amounts expressed in thousands)

	2019		2018	
General	\$ 1,674	3.5%	\$ 2,059	5.8%
Motor vehicles	2,056	4.2%	1,854	5.2%
EDIT	16,660	34.3%	1,454	4.1%
Park bond	9,591	19.8%	12,317	34.6%
Thoroughfares	40	0.1%	88	0.2%
Redevelopment Authority	3,416	7.0%	3,306	9.3%
TIF alloc Central Consolidated	3,841	7.9%	2,352	6.6%
Other	11,257	23.2%	12,162	34.2%
Total governmental funds	\$ 48,535	100.0%	\$ 35,592	100.0%

As shown in the preceding table for Revenues by Source – Governmental Activities fiscal year 2019, property taxes and other local taxes accounted for 57.2% 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 \$1,674,197. 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 \$1,674,197 represents 4.1% of the total General Fund expenditures in FY 2019. The total cash and investment balance of the governmental funds increased by \$16,531,228.

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 \$(18,345,547) and \$30,645,531 respectively, at the end of the fiscal year. Total net position in the Water Utility Fund increased \$1,664,506. In 2019, water charges for service were \$10,850,514, which exceeded operating expenses of \$8,836,536. Total net position in the Wastewater Utility Fund increased \$12,528,870. The increase in net position was primarily due to increase in charges for services and reductions in operating expenses. Other business-type activities increased the City’s net position by \$784.

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

General Fund Budgetary Highlights

The General Fund Budgetary Highlights Schedule summarizes the 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)

	Original	Final	Actual Budgetary Basis	Variance
Revenues	\$ 40,865	\$ 40,865	\$ 40,544	\$ (321)
Expenditures	42,102	42,102	40,921	1,181
Surplus (deficit)	<u>\$ (1,238)</u>	<u>\$ (1,238)</u>	<u>\$ (378)</u>	<u>\$ 860</u>

General Fund revenue was originally budgeted at \$40,864,913 for fiscal year 2019. 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 unchanged during the course of fiscal year 2019.

During 2019, the General Fund collected \$40,543,726 in revenue on a budgetary basis, which was \$321,187 less than the original budget. The decrease resulted from less property tax revenue than originally budgeted.

General Fund expenditures were originally budgeted at \$42,102,495 for fiscal year 2019. During the year, the General Fund expenditure budget was unchanged. Actual expenditures for fiscal year 2019 were \$40,921,448, which was \$1,181,047 less than the final budgeted amount.

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

As of December 31, 2019, the City’s government-wide capital assets were valued at \$558,628,043 net of accumulated depreciation, an increase of \$29,327,161, or 5.5%, over values on December 31, 2018. The aggregate value of capital assets related to

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

governmental activities amounted to \$264,534,112, net of depreciation, while the aggregate value of capital assets related to business type activities totaled \$294,093,931.

Construction in Progress totaled \$192,973,857, an increase of \$23,581,839 from the prior year end, as the City continued to make significant infrastructure improvements including performance on the following projects:

- Murdock Park water storage tank and booster station
- Loeb Stadium renovations
- Sagamore Parkway reconstruction
- Brown Street Sewer-combined sewer overflow control plan
- Water Utility system upgrades and water main replacements
- Greenbush Street 4.2 million gallon combined sewer overflow storage tank

Capital assets in land, buildings and systems, improvements, machinery and equipment, and infrastructure including roads and highways, totaled \$365,654,187, an increase of \$5,745,322, net of depreciation, since December 31, 2018.

At December 31, 2019, the value of Infrastructure \$221,784,210 was the major asset class, followed by Buildings \$31,319,846 and Machinery and Equipment \$26,907,331.

Total depreciation expense was \$15,279,476 for 2019, compared to \$15,143,808 for 2018. Depreciation expense was \$6,883,756 for governmental activities and \$8,395,720 for business-type activities in 2019.

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

CITY OF LAFAYETTE
CAPITAL ASSETS, NET OF DEPRECIATION
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 71,388	\$ 71,330	\$ 3,223	\$ 3,153	\$ 74,611	\$ 74,483
Buildings	33,792	33,634	19,289	19,283	53,081	52,917
Improvements other than buildings	7,592	7,592	574	494	8,166	8,086
Machinery and equipment	6,806	6,577	81,803	81,022	88,609	87,599
Vehicles	18,738	18,335	5,352	5,366	24,090	23,701
Infrastructure	155,381	155,342	189,846	172,039	345,227	327,381
Construction in progress	87,901	73,013	105,072	96,379	192,973	169,392
Less: Accumulated depreciation	<u>(117,064)</u>	<u>(111,385)</u>	<u>(111,065)</u>	<u>(102,873)</u>	<u>(228,129)</u>	<u>(214,258)</u>
Total capital assets	<u>\$264,534</u>	<u>\$254,438</u>	<u>\$294,094</u>	<u>\$274,863</u>	<u>\$558,628</u>	<u>\$529,301</u>

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

Additional information on the City's capital assets can be found in the Notes to the Financial Statements in Note I B.

Long-term debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$70,696,946 related to governmental activities and \$149,541,987 related to business-type activities. Of this amount, \$12,601,399 is comprised of General Obligation Debt.

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

CITY OF LAFAYETTE
LONG-TERM DEBT
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 12,601	\$ 13,234	\$ -	\$ -	\$ 12,601	\$ 13,234
Capital leases	2,458	2,368	-	-	2,458	2,368
Notes & loans payable	-	-	925	996	925	996
Revenue bonds	55,638	41,163	148,617	159,749	204,255	200,912
Total long-term debt	\$ 70,697	\$ 56,765	\$149,542	\$160,745	\$220,239	\$217,510

The City's long-term debt for governmental activities increased by \$13,931,932 during FY 2019. The increase is primarily the result of a new local income tax revenue bond issued in 2019 in the amount of \$17,000,000. Additional information of the City's long-term debt can be found in Note I B. 10.

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"

CITY OF LAFAYETTE
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019
(Continued)

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 2019, the City lost approximately \$2,372,491 in property tax levy due to circuit breaker credits. Since 2010 the City has realized approximately \$16,442,919 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. Originally there were 6 cities in the trust. Today the number of cities participating is 41. With strength in numbers from this cooperative group, the City can obtain more affordable healthcare coverage for its employees. 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 depend, as it has since the legislative trends, on economic growth. The City and the Tippecanoe County area is the 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 wastewater 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 2020 budget and that growth, as in the past, is focused on efficient delivery of essential government services.

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
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 28,086,764	\$ 33,983,648	\$ 62,070,412	\$ 3,733,292
Cash with fiscal agent	4,180,284	-	4,180,284	-
Investments	4,065,940	7,635,137	11,701,077	-
Receivables:				
Loans	384,296	-	384,296	-
Taxes	821,391	-	821,391	-
Accounts	495,360	4,226,990	4,722,350	251,919
Intergovernmental	4,529,142	-	4,529,142	2,386,343
Inventories	398,216	860,311	1,258,527	457,776
Prepaid items	817,840	200,400	1,018,240	144,780
Total current assets	43,779,233	46,906,486	90,685,719	6,974,110
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	21,212,144	19,114,128	40,326,272	2,525,375
Investments	-	14,035,179	14,035,179	-
Total restricted assets	21,212,144	33,149,307	54,361,451	2,525,375
Capital assets:				
Land, improvements and construction in progress	159,289,460	108,295,689	267,585,149	1,265,617
Other capital assets, net of depreciation	105,244,652	185,798,242	291,042,894	26,318,602
Total capital assets	264,534,112	294,093,931	558,628,043	27,584,219
Total noncurrent assets	285,746,256	327,243,238	612,989,494	30,109,594
Total assets	329,525,489	374,149,724	703,675,213	37,083,704
Deferred outflows of resources	4,128,340	746,064	4,874,404	548,985

Continued on next page

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

CITY OF LAFAYETTE
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Liabilities</u>				
Current liabilities:				
Accounts Payable	\$ 4,075,105	\$ 737,900	\$ 4,813,005	\$ 176,149
Contracts payable	-	4,855,482	4,855,482	-
Accrued payroll and withholding payable	1,434,183	418,781	1,852,964	389,164
Intergovernmental payable	3,409,770	-	3,409,770	-
Taxes payable	-	67,833	67,833	-
Accrued interest payable	719,954	453,346	1,173,300	-
Performance deposits payable	697,422	983,002	1,680,424	-
Unearned revenue	20,032	-	20,032	-
Customer deposits	128,603	149,797	278,400	-
General obligation bonds payable	495,000	-	495,000	-
Revenue bonds payable	4,030,000	5,855,000	9,885,000	-
Notes and loans payable	-	74,000	74,000	725,977
Capital lease obligations	804,490	-	804,490	-
Compensated absences	-	-	-	205,175
Other liabilities	-	-	-	56,834
Total current liabilities	15,814,559	13,595,141	29,409,700	1,553,299
Noncurrent liabilities:				
General obligation bonds payable	12,106,399	-	12,106,399	-
Revenue bonds payable	51,607,673	142,761,987	194,369,660	-
Notes and loans payable	-	851,000	851,000	804,154
Capital lease obligations	1,653,384	-	1,653,384	-
Total OPEB liability	2,326,818	4,653,638	6,980,456	-
Net pension liability	57,594,112	5,691,584	63,285,696	3,955,831
Total noncurrent liabilities	125,288,386	153,958,209	279,246,595	4,759,985
Total liabilities	141,102,945	167,553,350	308,656,295	6,313,284
Deferred inflows of resources	7,313,096	2,243,277	9,556,373	688,298
<u>Net position</u>				
Net investment in capital assets	219,153,654	158,831,812	377,985,466	26,054,088
Restricted for:				
Debt service	2,602,878	11,456,609	14,059,487	-
Capital outlay	18,609,266	21,792,868	40,402,134	2,050,505
Customer deposits	-	144,665	144,665	-
Unrestricted	(55,128,010)	12,873,207	(42,254,803)	2,526,514
Total net position	\$ 185,237,788	\$ 205,099,161	\$ 390,336,949	\$ 30,631,107

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

CITY OF LAFAYETTE
STATEMENT OF ACTIVITIES
For the Calendar Year Ended December 31, 2019

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General Government	\$ 5,273,595	\$ 756,940	\$ 1,992	\$ -	\$ (4,514,663)	\$ -	\$ (4,514,663)	\$ -
Public Safety	40,922,977	115,940	253,779	-	(40,553,258)	-	(40,553,258)	-
Highways and Streets	10,718,537	33,260	-	-	(10,685,277)	-	(10,685,277)	-
Sanitation	2,969,707	-	-	-	(2,969,707)	-	(2,969,707)	-
Culture and Recreation	6,951,852	1,299,184	12	-	(5,652,656)	-	(5,652,656)	-
Economic Development	11,729,682	28,649	1,352,436	-	(10,348,597)	-	(10,348,597)	-
Total governmental activities	78,566,350	2,233,973	1,608,219	-	(74,724,158)	-	(74,724,158)	-
Business-type activities:								
Parking Operations	468,008	467,683	-	-	-	(325)	(325)	-
Wastewater Utility	27,322,170	38,628,756	-	294,142	-	11,600,728	11,600,728	-
Water Utility	10,014,821	10,835,139	-	329,726	-	1,150,044	1,150,044	-
Total business-type activities	37,804,999	49,931,578	-	623,868	-	12,750,447	12,750,447	-
Total primary government	\$ 116,371,349	\$ 52,165,551	\$ 1,608,219	\$ 623,868	(74,724,158)	12,750,447	(61,973,711)	-
Component Unit	\$ 15,667,139	\$ 3,944,203	\$ 6,140,544	\$ 1,428,209				(4,154,183)
General revenues:								
Property taxes					48,582,029	-	48,582,029	2,813,682
Intergovernmental revenues					25,878,167	-	25,878,167	729,746
Payment in lieu of taxes					2,559,500	-	2,559,500	-
Other revenues					2,557,308	110,543	2,667,851	15,630
Investment earnings					959,236	1,333,170	2,292,406	55,923
Total general revenues					80,536,240	1,443,713	81,979,953	3,614,981
Change in net position					5,812,082	14,194,160	20,006,242	(539,202)
Net position - beginning					179,425,706	190,905,001	370,330,707	31,170,309
Net position - ending					\$ 185,237,788	\$ 205,099,161	\$ 390,336,949	\$ 30,631,107

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

CITY OF LAFAYETTE
BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	General	Motor Vehicle Highway	Economic Dev Income Tax(EDIT)	Park Bond	Thoroughfare	Redevelopment Authority	TIF Creasy Central Consolidated	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 2,795,735	\$ 1,935,816	\$ 3,401,056	\$ 10,146,568	\$ 260,530	\$ 776,343	\$ 2,826,750	\$ 5,383,506	\$ 27,526,304
Cash with fiscal agents	-	-	-	-	-	1,641,076	-	2,539,208	4,180,284
Investments	-	-	-	-	-	-	-	4,065,940	4,065,940
Receivables (net of allowance for uncollectibles)									
Loans	-	-	-	-	-	-	347,355	36,941	384,296
Taxes	423,618	45,761	-	14,954	-	-	194,408	142,650	821,391
Accounts	206,002	19,951	5,000	-	-	-	110,127	154,280	495,360
Intergovernmental	1,781,645	753,884	1,229,460	8,191	-	-	-	755,961	4,529,141
Restricted cash and cash equivalents	-	-	15,199,496	-	-	1,300,703	945,933	3,766,012	21,212,144
Total assets	5,207,000	2,755,412	19,835,012	10,169,713	260,530	3,718,122	4,424,573	16,844,498	63,214,860
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	97,896	484,651	1,833,417	155,158	62,841	-	239,830	1,062,343	3,936,136
Accrued payroll and withholding payable	1,170,394	142,118	-	-	-	-	-	121,671	1,434,183
Intergovernmental payable	-	-	-	-	-	-	-	3,409,770	3,409,770
Accrued interest payable	-	-	24,083	198,997	-	301,779	114,194	80,901	719,954
Unearned revenue	2,135,510	72,629	1,175,564	23,146	-	-	194,408	752,525	4,353,782
Performance deposits payable	15,000	-	141,934	201,487	157,355	-	25,498	156,147	697,421
Customer deposits payable	114,003	-	-	-	-	-	10,000	4,600	128,603
Total liabilities	3,532,803	699,398	3,174,998	578,788	220,196	301,779	583,930	5,587,957	14,679,849
Fund Balances:									
Restricted	-	2,056,014	-	9,590,925	40,334	3,416,343	-	4,610,020	19,713,636
Committed	-	-	15,199,496	-	-	-	3,840,643	77,416	19,117,555
Assigned	-	-	1,460,518	-	-	-	-	6,569,105	8,029,623
Unassigned	1,674,197	-	-	-	-	-	-	-	1,674,197
Total fund balances	1,674,197	2,056,014	16,660,014	9,590,925	40,334	3,416,343	3,840,643	11,256,541	48,535,011
Total liabilities and fund balances	\$ 5,207,000	\$ 2,755,412	\$ 19,835,012	\$ 10,169,713	\$ 260,530	\$ 3,718,122	\$ 4,424,573	\$ 16,844,498	\$ 63,214,860

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

CITY OF LAFAYETTE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2019

Fund Balance Reported in the Governmental Funds	\$ 48,535,011
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.	264,534,112
Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	924,040
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.	4,128,340
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.	4,333,750
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.	713,507
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(70,696,946)
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.	(59,920,930)
Deferred inflows of resources do not present a claim on current financial resources and are not reported in the funds.	<u>(7,313,096)</u>
Net Position of Governmental Activities	<u><u>\$ 185,237,788</u></u>

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

CITY OF LAFAYETTE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	General	Motor Vehicle Highway	Economic Dev Income Tax(EDIT)	Park Bond	Thoroughfare	Redevelopment Authority	TIF Creasy Central Consolidate	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:									
General property taxes	\$ 24,491,485	\$ 2,645,676	\$ -	\$ 856,375	\$ -	\$ -	\$ 11,239,701	\$ 9,252,710	\$ 48,485,947
Licenses and permits	528,386	-	-	-	-	-	-	2,500	530,886
Intergovernmental	11,651,394	4,992,630	7,656,673	72,003	-	-	-	2,562,705	26,935,405
Payment in lieu of taxes	2,559,500	-	-	-	-	-	-	-	2,559,500
Charges for services	38,045	31,150	-	-	-	-	-	1,418,431	1,487,626
Fines and forfeits	173,394	-	-	-	-	-	-	17,466	190,860
Other	761,182	99,541	151,061	224,243	-	3,876,383	4,657	852,797	5,969,864
Interest and investment revenue	340,340	-	169,621	-	-	-	26,293	104,918	641,172
Total revenues	40,543,726	7,768,997	7,977,355	1,152,621	-	3,876,383	11,270,651	14,211,527	86,801,260
Expenditures:									
Current:									
General government	3,849,202	-	-	-	-	-	-	194,156	4,043,358
Public safety	34,490,622	-	-	-	-	-	-	740,901	35,231,523
Highways and streets	-	7,176,241	-	-	-	-	-	-	7,176,241
Sanitation	2,461,207	-	-	-	-	-	-	-	2,461,207
Culture and recreation	-	-	-	-	-	-	-	5,665,904	5,665,904
Economic development	-	-	3,915,237	-	-	9,500	834,215	2,293,170	7,052,122
Debt Service:									
Interest	-	-	413,691	492,747	-	776,685	347,497	173,083	2,203,703
Principal retirement	-	-	2,486,227	630,000	-	2,980,000	2,801,000	597,000	9,494,227
Capital Outlay:									
Public safety	120,417	-	-	-	-	-	-	339,377	459,794
Highways and streets	-	390,869	-	-	547,698	-	-	-	938,567
Culture and recreation	-	-	-	2,755,633	-	-	-	183,235	2,938,868
Economic development	-	-	4,815,563	-	-	-	6,145,414	4,937,132	15,898,109
Total expenditures	40,921,448	7,567,110	11,630,718	3,878,380	547,698	3,766,185	10,128,126	15,123,958	93,563,623
Excess (deficiency) of revenues over (under) expenditures	(377,722)	201,887	(3,653,363)	(2,725,759)	(547,698)	110,198	1,142,525	(912,431)	(6,762,363)
Other financing sources (uses):									
Capital lease proceeds	-	-	700,000	-	-	-	-	-	700,000
Bond proceeds	-	-	17,000,000	-	-	-	1,200,000	-	18,200,000
Premium on sale of bond	-	-	804,899	-	-	-	-	-	804,899
Transfers in	-	-	354,000	-	500,000	-	-	6,562	860,562
Transfer out	(6,562)	-	-	-	-	-	(854,000)	-	(860,562)
Total other financing sources (uses)	(6,562)	-	18,858,899	-	500,000	-	346,000	6,562	19,704,899
Net change in fund balances	(384,284)	201,887	15,205,536	(2,725,759)	(47,698)	110,198	1,488,525	(905,869)	12,942,536
Fund Balances - beginning	2,058,481	1,854,127	1,454,478	12,316,684	88,032	3,306,145	2,352,118	12,162,410	35,592,475
Fund Balances - ending	\$ 1,674,197	\$ 2,056,014	\$ 16,660,014	\$ 9,590,925	\$ 40,334	\$ 3,416,343	\$ 3,840,643	\$ 11,256,541	\$ 48,535,011

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

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
December 31, 2019

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances)	\$ 12,942,536
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.	13,306,930
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,364,949)
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.	(14,011,426)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,438,458)
Some expenses reported as expenditures in the governmental funds are for future periods and, therefore, are not recognized in the statement of activities	(764,022)
Net pension obligations and Other postemployment benefit obligations are considered long-term obligations of the general government, but are not current expenditures.	(2,889,246)
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.	<u>30,717</u>
Change in net position of governmental activities (statement of activities)	<u>\$ 5,812,082</u>

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

CITY OF LAFAYETTE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents					
Operating Cash	\$ 1,244,998	\$ 10,629,972	\$ 579,946	\$ 12,454,916	\$ 560,458
Depreciation Cash	202,228	14,920,487	-	15,122,715	-
Bond and Interest Cash	246,242	5,914,941	-	6,161,183	-
Main Replacement Cash	244,834	-	-	244,834	-
Investments	-	7,635,137	-	7,635,137	-
Accounts receivable (net of allowance)	431,592	3,788,218	7,180	4,226,990	-
Inventories	255,954	604,357	-	860,311	291,308
Prepaid items	95,200	105,200	-	200,400	-
Total current assets	<u>2,721,048</u>	<u>43,598,312</u>	<u>587,126</u>	<u>46,906,486</u>	<u>851,766</u>
Noncurrent assets:					
Restricted cash, cash equivalents and investments:					
Customer Deposits	144,665	-	-	144,665	-
Revenue bond covenant accounts	14,490,985	4,478,478	-	18,969,463	-
Investments	-	14,035,179	-	14,035,179	-
Total restricted assets	<u>14,635,650</u>	<u>18,513,657</u>	<u>-</u>	<u>33,149,307</u>	<u>-</u>
Capital assets:					
Land, improvements, and construction in progress	11,095,521	96,516,187	683,981	108,295,689	-
Other capital assets, net of depreciation	32,761,114	151,102,982	1,934,146	185,798,242	-
Total noncurrent assets	<u>58,492,285</u>	<u>266,132,826</u>	<u>2,618,127</u>	<u>327,243,238</u>	<u>-</u>
Total assets	<u>61,213,333</u>	<u>309,731,138</u>	<u>3,205,253</u>	<u>374,149,724</u>	<u>851,766</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	176,738	284,744	-	461,482	-
Deferred outflows related to OPEB	142,291	142,291	-	284,582	-
Total deferred outflows of resources	<u>319,029</u>	<u>427,035</u>	<u>-</u>	<u>746,064</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts Payable	222,261	513,189	2,450	737,900	138,259
Contracts payable	1,528,724	3,326,758	-	4,855,482	-
Accrued payroll and withholding payable	149,814	260,235	8,732	418,781	-
Taxes payable	67,833	-	-	67,833	-
Accrued interest payable	-	453,346	-	453,346	-
Performance deposits payable	291,979	691,023	-	983,002	-
Customer deposits payable	147,077	-	2,721	149,798	-
Revenue bonds payable	375,000	5,480,000	-	5,855,000	-
Notes and loans payable	-	74,000	-	74,000	-
Total current liabilities	<u>2,782,688</u>	<u>10,798,551</u>	<u>13,903</u>	<u>13,595,142</u>	<u>138,259</u>
Noncurrent liabilities:					
Revenue bonds payable	18,291,378	124,470,609	-	142,761,987	-
Notes and loans payable	-	851,000	-	851,000	-
Total OPEB liability	2,326,819	2,326,819	-	4,653,638	-
Net pension liability	2,179,756	3,511,828	-	5,691,584	-
Total noncurrent liabilities	<u>22,797,953</u>	<u>131,160,256</u>	<u>-</u>	<u>153,958,209</u>	<u>-</u>
Total liabilities	<u>25,580,641</u>	<u>141,958,807</u>	<u>13,903</u>	<u>167,553,351</u>	<u>138,259</u>
Deferred Inflows of Resources					
Deferred inflows related to pensions	340,021	547,812	-	887,833	-
Deferred inflows related to OPEB	677,722	677,721	-	1,355,443	-
Total deferred inflows of resources	<u>1,017,743</u>	<u>1,225,533</u>	<u>-</u>	<u>2,243,276</u>	<u>-</u>
Net Position					
Net investment in capital assets	38,399,041	117,814,644	2,618,127	158,831,812	-
Restricted for:					
Debt service	1,417,025	10,039,584	-	11,456,609	-
Capital Outlay	13,318,794	8,474,074	-	21,792,868	-
Customer Deposits	144,665	-	-	144,665	-
Unrestricted	<u>(18,345,547)</u>	<u>30,645,531</u>	<u>573,223</u>	<u>12,873,207</u>	<u>713,507</u>
Total net position	<u>\$ 34,933,978</u>	<u>\$ 166,973,833</u>	<u>\$ 3,191,350</u>	<u>\$ 205,099,161</u>	<u>\$ 713,507</u>

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

CITY OF LAFAYETTE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Total Nonmajor Funds		Internal Service Funds
Operating revenues:					
Metered water revenue:					
Residential	\$ 4,308,578	\$ -	\$ -	\$ 4,308,578	\$ -
Commercial	2,883,088	-	-	2,883,088	-
Industrial	1,172,227	-	-	1,172,227	-
Fire protection	2,099,590	-	-	2,099,590	-
Measured revenue:					
Residential	-	9,897,900	-	9,897,900	-
Commercial	-	6,645,359	-	6,645,359	-
Industrial	-	17,002,442	-	17,002,442	-
Stormwater	-	3,873,704	-	3,873,704	-
Parking	-	-	467,683	467,683	-
Other	387,031	905,380	-	1,292,411	779,783
Total operating revenues	10,850,514	38,324,785	467,683	49,642,982	779,783
Operating expenses:					
Supplies and services	1,278,803	-	-	1,278,803	-
Water treatment	287,735	-	-	287,735	-
Transmission and distribution	1,157,028	-	-	1,157,028	-
Pumping	25,522	-	-	25,522	-
Collection system	-	2,537,285	-	2,537,285	-
Treatment and disposal	-	4,536,555	-	4,536,555	-
Customer accounts	790,454	798,079	-	1,588,533	-
Administration and general	3,932,130	4,901,025	95	8,833,250	779,178
Stormwater operations and maintenance	-	1,545,446	-	1,545,446	-
Parking operations and maintenance	-	-	342,037	342,037	-
Bad debt	41,119	84,745	-	125,864	-
Depreciation and amortization	1,238,669	7,031,174	125,876	8,395,719	-
Change in pension, opeb and pension related	85,076	99,282	-	184,358	-
Total operating expenses	8,836,536	21,533,591	468,008	30,838,135	779,178
Operating income (loss)	2,013,978	16,791,194	(325)	18,804,847	605
Nonoperating revenues (expenses):					
Interest and investment revenue	374,051	959,119	-	1,333,170	-
Miscellaneous revenue	125,040	266,006	1,109	392,155	30,112
Interest expense	(605,289)	(3,851,591)	-	(4,456,880)	-
Miscellaneous expense	(573,000)	(1,930,000)	-	(2,503,000)	-
Total nonoperating revenues (expenses)	(679,198)	(4,556,466)	1,109	(5,234,555)	30,112
Income (loss) before contributions and transfers	1,334,780	12,234,728	784	13,570,292	30,717
Capital contributions	329,726	294,142	-	623,868	-
Change in net position	1,664,506	12,528,870	784	14,194,160	30,717
Total net position - beginning	33,269,472	154,444,963	3,190,566	190,905,001	682,790
Total net position - ending	\$ 34,933,978	\$ 166,973,833	\$ 3,191,350	\$ 205,099,161	\$ 713,507

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

CITY OF LAFAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Wastewater Utility	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Activities Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 10,849,209	\$ 38,376,762	\$ 471,644	\$ 49,697,615	\$ 809,897
Payments to employees	(3,837,910)	(7,234,749)	(275,966)	(11,348,625)	-
Payments to suppliers	(2,369,105)	(6,610,612)	(68,212)	(9,047,929)	(780,843)
Net cash provided (used) by operating activities	<u>4,642,194</u>	<u>24,531,401</u>	<u>127,466</u>	<u>29,301,061</u>	<u>29,054</u>
Cash flows from noncapital financing activities:					
Payment in lieu of taxes	(573,000)	(1,930,000)	-	(2,503,000)	-
Net cash provided (used) by noncapital financing activities	<u>(573,000)</u>	<u>(1,930,000)</u>	<u>-</u>	<u>(2,503,000)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(7,608,336)	(19,781,344)	-	(27,389,680)	-
Principal paid on capital debt	(740,000)	(9,929,750)	-	(10,669,750)	-
Interest paid on capital debt	(603,519)	(4,865,382)	-	(5,468,901)	-
Net cash provided (used) by capital and related financing	<u>(8,951,855)</u>	<u>(34,576,476)</u>	<u>-</u>	<u>(43,528,331)</u>	<u>-</u>
Cash flows from investing activities:					
Purchase of investments	-	(15,500,000)	-	(15,500,000)	-
Sale of investments	-	13,000,000	-	13,000,000	-
Interest received	374,051	959,119	-	1,333,170	-
Net cash provided (used) by investing activities	<u>374,051</u>	<u>(1,540,881)</u>	<u>-</u>	<u>(1,166,830)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(4,508,610)	(13,515,956)	127,466	(17,897,100)	29,054
Balances - beginning of year	21,082,562	49,459,834	452,480	70,994,876	531,404
Balances - end of the year	<u>\$ 16,573,952</u>	<u>\$ 35,943,878</u>	<u>\$ 579,946</u>	<u>\$ 53,097,776</u>	<u>\$ 560,458</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income	\$ 2,013,978	\$ 16,791,194	\$ (325)	\$ 18,804,847	\$ 605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,238,669	7,031,174	125,876	8,395,719	-
Changes in assets and liabilities:					
Accounts receivable	(128,320)	(252,137)	2,695	(377,762)	-
Inventories	25,894	(21,138)	-	4,756	(21,901)
Customer deposits payable	1,026	-	157	1,183	-
Accounts payable	(508,839)	(756,655)	(2,984)	(1,268,478)	20,236
Contracts payable	1,369,527	2,083,400	-	3,452,927	-
Accrued wages payable	19,927	31,354	938	52,219	-
OPEB liability	172,507	172,508	-	345,015	-
Net pension liability	10,450	16,836	-	27,286	-
Other payable	302,335	(837,869)	-	(535,534)	-
Net cash provided (used) by operating activities	<u>\$ 4,517,154</u>	<u>\$ 24,258,667</u>	<u>\$ 126,357</u>	<u>\$ 28,902,178</u>	<u>\$ (1,060)</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets from private contractors	\$ 329,726	\$ 294,142	\$ -	\$ 623,868	\$ -

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

CITY OF LAFAYETTE
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2019

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,846,194	\$ 1,294,079
Accounts receivables	-	543
	<hr/>	<hr/>
Total assets	<u>\$ 1,846,194</u>	<u>\$ 1,294,622</u>
 <u>Liabilities</u>		
Accounts payable	\$ -	\$ 1,285,752
Customer deposits payable	-	8,870
	<hr/>	<hr/>
Total liabilities	<u>\$ -</u>	<u>\$ 1,294,622</u>
 <u>Net Postion</u>		
Restricted:		
Held in trust for pension benefits and other purposes	<u>\$ 1,846,194</u>	<u>\$ -</u>
	<hr/>	<hr/>
Total net position	<u>\$ 1,846,194</u>	<u>\$ -</u>

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

CITY OF LAFAYETTE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2019

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
State contributions	\$ 4,074,593
Miscellaneous revenue	<u>6,400</u>
Total additions	<u>4,080,993</u>
 <u>Deductions</u>	
Administration and general	18,180
Benefits	<u>4,026,328</u>
Total deductions	<u>4,044,508</u>
Net increase (decrease) in fiduciary net position	36,485
Net position -- beginning of the year	<u>1,809,709</u>
Net position -- end of the year	<u><u>\$ 1,846,194</u></u>

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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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
Discretely Presented Component Unit:	Greater Lafayette Public Transportation Corporation

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 Lafayette Redevelopment Authority serves as the governing body for municipal land acquisitions and infrastructure project bonding and institutes the process to establish new economic development districts and tax increment financing districts. The Lafayette Redevelopment Authority is presented as a blended component unit because the financial statements would be misleading if data from this component unit were not included. 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. Financial activity of the Authority is reported in the Redevelopment Authority Fund.

Discretely Presented Component Units

Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate column in the government-wide financial statements.

The Greater Lafayette Public Transportation Corporation is a significant discretely presented component unit of the primary government. Greater Lafayette Public

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Transportation Corporation does business as CityBus and operates a public transit system in a service area that includes the cities of Lafayette and West Lafayette and certain unincorporated areas of Tippecanoe County. CityBus is governed by a seven-member board, of which two are appointed by the City of Lafayette Mayor and two are appointed by the City of Lafayette Common Council. The CityBus board adopts the budget and tax levy, and approves the issuance of debt. The City of Lafayette Common Council reviews and may modify the budget and tax levy, although the Council's approval is not required for the issuance of debt. A financial benefit/burden relationship exists between the primary government and CityBus.

Financial Statements of the component unit may be obtained from the City of Lafayette Controller or from the component unit's own office:

Controller, City of Lafayette
20 N 6th Street
Lafayette, IN 47901

CityBus Administrative Office
1250 Canal Road
Lafayette, IN 47902

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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 required 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 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 Park Bond fund is a property Tax-supported fund to account for the payment of principal and interest of a general obligation bond.

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 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:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Pension Trust funds account for the activities of the 1925 Police Officer's Pension and 1937 Firefighters' Pension funds which accumulate resources for pension benefit payments.

The 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.

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 at 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 January 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, 2019. 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 tax 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
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.

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 or 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 IV. Other Information Note G. Pension Plan 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.

The City reports the following balances of deferred outflows of resources in the Statement of Net Position as of December 31, 2019:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total	Component Unit
Outflows of resources to OPEB	\$ 142,290	\$ 284,582	\$ 426,872	-
Outflows of resources related to pensions	<u>3,986,050</u>	<u>461,482</u>	<u>4,447,532</u>	<u>548,985</u>
Total	<u>\$ 4,128,340</u>	<u>\$ 746,064</u>	<u>\$ 4,874,404</u>	<u>\$ 548,985</u>

The City reports the following balances of deferred inflows of resources in the Statement of Net Position as of December 31, 2019:

	Governmental Activities	Business-type Activities	Total	Component Unit
Inflows of resources to OPEB	\$ 677,723	\$ 1,355,444	\$ 2,033,167	-
Inflows of resources related to pensions	<u>6,635,373</u>	<u>887,833</u>	<u>7,523,206</u>	<u>688,298</u>
Total	<u>\$ 7,313,096</u>	<u>\$ 2,243,277</u>	<u>\$ 9,556,373</u>	<u>\$ 688,298</u>

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 40 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

11. 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The City has 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 \$5,566,994 is at 13.2%. 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.

13. Stewardship, Compliance and Accountability

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position:

1. The governmental fund balance sheet includes a reconciliation between the fund balance-total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds statements.” The details of this difference are as follows:

Capital Assets, not being depreciated:	
Land	\$ 71,387,972
Construction in Progress	87,901,488
Capital Assets, being depreciated (net of accumulated depreciation):	
Buildings	18,761,276
Improvements other than buildings	1,762,347
Machinery and Equipment	1,799,777
Vehicles	6,989,636
Infrastructure	<u>75,931,616</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 264,534,112</u>

2. Another element of that reconciliation explains that “Inventories and Prepaid items are not reported in the funds.” The details of this difference are as follows:

Inventories	\$ 106,200
Prepaid items	<u>817,840</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 924,040</u>

3. Another element of that reconciliation explains that “deferred items, including unamortized gain/loss on refunding and deferred pension items, are not due and payable in the current period, and the net pension asset is not available to current period expenditures”. Therefore, these are not reported in the funds.

Deferred pension outflows	\$ 3,986,050
Deferred OPEB outflows	142,290
Deferred pension inflows	(6,635,373)
Deferred OPEB inflows	<u>(677,723)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,184,756)</u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

4. Another element of that reconciliation explains that “unearned revenue is deferred and shown as a liability in the funds, but the revenue is recognized in the Statement of Activities and therefore is not a liability on the Statement of Net Position”.

Unearned Revenue	\$ 4,333,750
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5. Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.”

General obligation bonds payable	\$ (12,601,399)
Revenue bonds payable	(55,637,673)
Capital lease obligations	(2,457,874)
Net Opeb liability	(2,326,818)
Net pension liability	(59,440,306)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ (132,464,070)

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenses and Changes in Fund Balances and the Government-Wide Statement of Activities:

1. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities, as reported in the government-wide statement of net activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation.” The details of this difference are as follows:

Capital outlay per fund statements	\$ 20,235,338
Depreciation expense	(6,883,755)
Loss on disposal of asset	(44,653)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	\$ 13,306,930

2. Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current resources. Neither transaction, however, has any effect on net position.” Also, when governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

these amounts are deferred and amortized in the Statement of Activities.”
The details of this difference are as follows:

Principal Repayments:	
General obligation bonds	\$ 630,000
Revenue bonds	4,490,000
Capital leases	610,475
Net amorization of bond discount/premium	(37,002)
Debt Incurred:	
Issuance of bonds	(18,200,000)
Capital lease proceeds	(700,000)
Bond premium	<u>(804,899)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u><u>\$(14,011,426)</u></u>

3. Another element of the reconciliation states that “Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the funds statements.” The details of this difference are as follows:

Change in deferred outflows	\$ (464,740)
Change in accrued interest payable	(197,033)
Effect of blended component unit interest expense	<u>(776,685)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u><u>\$ (1,438,458)</u></u>

4. Another element of the reconcilment states that “Some revenues or expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as revenues or expenditures in the funds.” The details of this difference are as follows:

Change in deferred inflows	<u><u>\$ (764,022)</u></u>
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III. Detailed Notes on All Funds

A. Deposits and Investments

1. Primary Government

a. 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

public funds of the political subdivision. The City's deposit policy for custodial credit risk is to comply with Indiana Code 5-13-8-1. At December 31, 2019, the City had deposit balances in the amount of \$107,191,367. 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.

b. 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, 2019, the City had the following investments:

Investment Deposit	\$ 25,000,000
Realized gains/losses	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	736,256
Balance, end of year market value:	\$ 25,736,256

Investment Type	Governmental-Activities	Investment Maturities(in Years)	
	Fair Value	Less Than 1	1-5
Certificates of deposit	\$ 4,065,940	\$ 4,065,940	\$ -

Investment Type	Business-type Activities	Investment Maturities(in Years)	
	Fair Value	Less Than 1	1-5
Certificates of deposit	\$ 15,742,865	\$ 15,742,865	\$ -
Federal Agency Securities	5,927,451	1,309,888	4,617,563
Totals	\$ 21,670,316	\$ 17,052,753	\$ 4,617,563

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the City held investments in certificates of deposit in the amount of \$19,808,805. The certificates of deposit were held in the City's name. Investments held in U.S. government agency securities were \$5,927,451. The U.S. government agency securities 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

Disclosure About Fair Value of Financial Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuations methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of relevant observable inputs and minimize the use of unobservable input. Investment value is determined by reference to quoted market prices and other relevant information generated by market transactions.

The following table summarizes the valuation of investments by the fair value hierarchy levels as of December 31, 2019:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 19,808,805	\$ -	\$ 19,808,805	\$ -
Federal Agency Securities	5,927,451	-	5,927,451	-
Total	\$ 25,736,256	\$ -	\$ 25,736,256	\$ -

2. Discretely Presented Component Unit

a. 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. At December 31, 2019, component unit CityBus had deposit balances of \$3,733,292. 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

B. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 71,330,372	\$ 115,200	\$ 57,600	\$ 71,387,972
Construction in progress	73,013,364	15,938,020	1,049,896	87,901,488
Total capital assets, not being depreciated	144,343,736	16,053,220	1,107,496	159,289,460
Capital assets, being depreciated:				
Buildings	33,633,548	459,100	300,550	33,792,098
Improvements other than buildings	7,591,761	-	-	7,591,761
Machinery and equipment	6,576,553	443,361	213,992	6,805,922
Vehicles	18,335,454	2,845,905	2,443,379	18,737,980
Infrastructure	155,341,661	78,948	39,474	155,381,135
Total capital assets, being depreciated	221,478,977	3,827,314	2,997,395	222,308,896
Less accumulated depreciation for:				
Buildings	14,313,515	748,665	31,358	15,030,822
Improvements other than buildings	5,462,999	366,415	-	5,829,414
Machinery and equipment	4,363,114	728,631	85,600	5,006,145
Vehicles	11,024,799	1,810,604	1,087,059	11,748,344
Infrastructure	76,220,077	3,229,442	-	79,449,519
Total accumulated depreciation	111,384,504	6,883,757	1,204,017	117,064,244
Total capital assets, being depreciated, net	110,094,473	(3,056,443)	1,793,378	105,244,652
Total governmental activity capital assets, net	\$ 254,438,209	\$ 12,996,777	\$ 2,900,874	\$ 264,534,112

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

<u>Business Type activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 3,153,491	\$ 69,830	\$ -	\$ 3,223,321
Construction in progress	96,378,654	26,151,880	17,458,166	105,072,368
Total capital assets, not being depreciated	99,532,145	26,221,710	17,458,166	108,295,689
Capital assets being depreciated:				
Buildings	19,283,073	5,808	-	19,288,881
Improvements other than buildings	493,823	79,620	-	573,443
Machinery and equipment	81,021,598	822,264	41,274	81,802,588
Vehicles	5,365,729	155,421	169,307	5,351,843
Infrastructure	172,039,108	17,807,307	-	189,846,415
Total capital assets, being depreciated	278,203,331	18,870,420	210,581	296,863,170
Less accumulated depreciation for:				
Buildings	6,312,273	418,039	-	6,730,312
Improvements other than buildings	276,191	37,946	-	314,137
Machinery and equipment	52,661,704	4,067,617	34,288	56,695,033
Vehicles	2,972,147	528,784	169,307	3,331,624
Infrastructure	40,650,488	3,343,334	-	43,993,822
Total accumulated depreciation	102,872,803	8,395,720	203,595	111,064,928
Total capital assets, being depreciated, net	175,330,528	10,474,700	6,986	185,798,242
Total business type activity capital assets, net	\$ 274,862,673	\$ 36,696,410	\$ 17,465,152	\$ 294,093,931

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

<u>Discretely presented component units:</u>	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable capital assets:				
Land	\$ 926,471	\$ -	\$ -	\$ 926,471
Construction in progress	36,188	513,228	(210,270)	339,146
Total non-depreciable capital assets	<u>962,659</u>	<u>513,228</u>	<u>(210,270)</u>	<u>1,265,617</u>
Depreciable capital assets:				
Revenue equipment	33,196,285	1,271,198	(985,575)	33,481,908
Support vehicles	430,794	39,575	-	470,369
Building and structure	20,505,770	91,910	-	20,597,680
Equipment shop and garage	824,656	92,657	-	917,313
Revenue collection fareboxes	1,741,328	2,671	-	1,743,999
Communication equipment	3,079,236	14,955	-	3,094,191
Office equipment and furnishings	631,091	78,904	-	709,995
Total depreciable capital assets	<u>60,409,160</u>	<u>1,591,870</u>	<u>(985,575)</u>	<u>61,015,455</u>
Less accumulated depreciation:				
Revenue equipment	(18,079,394)	(2,031,013)	985,575	(19,124,832)
Support vehicles	(323,568)	(35,838)	-	(359,406)
Building and structure	(8,912,296)	(821,424)	-	(9,733,720)
Equipment shop and garage	(554,590)	(58,013)	-	(612,603)
Revenue collection fareboxes	(1,247,006)	(130,333)	-	(1,377,339)
Communication equipment	(2,781,706)	(157,472)	-	(2,939,178)
Office equipment and furnishings	(498,848)	(50,927)	-	(549,775)
Total accumulated depreciation	<u>(32,397,408)</u>	<u>(3,285,020)</u>	<u>985,575</u>	<u>(34,696,853)</u>
Total depreciable capital assets, net	<u>28,011,752</u>	<u>(1,693,150)</u>	<u>-</u>	<u>26,318,602</u>
Total capital assets, net	<u>\$ 28,974,411</u>	<u>\$ (1,179,922)</u>	<u>\$ (210,270)</u>	<u>\$ 27,584,219</u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

	<u>2019</u>	<u>2018</u>
Governmental activities:		
General Government	\$ 356,356	\$ 326,034
Public Safety	1,674,520	1,598,574
Highways and Streets	3,501,017	3,527,957
Sanitation	543,740	492,290
Culture and Recreation	786,671	791,129
Economic Development	<u>21,453</u>	<u>21,275</u>
Total depreciation expense - governmental activities	<u>6,883,757</u>	<u>6,757,259</u>
Business-type activities:		
Water	1,238,669	1,227,868
Wastewater	7,031,175	7,038,109
Other	<u>125,876</u>	<u>120,572</u>
Total depreciation expense - business-type activities	<u>8,395,720</u>	<u>8,386,549</u>
Grand Total	<u>\$ 15,279,477</u>	<u>\$ 15,143,808</u>

C. Construction Commitments

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

**CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Project	Project Code	Total Project Authorized	Expended to December 31, 2019	Committed	Required Future Funding
Governmental Activities:					
Police Annex-Armory	B0002	\$ 400,911	\$ 400,911	\$ -	
City Hall Chillers	B0003	1,000,000	948,823	51,177	
Fire Station 5 Humidity	B0004	300,962	300,962	-	x
Fire Training Storage Building	B0005	340,000	338,223	1,777	
Lafayette Theater Improvements	B0008	225,000	91,871	133,129	x
McCarty Lane Central Maintenance Site	B0009	1,000,000	74,967	925,033	x
Meyer's Pedestrian Bridge Rehab	BR001	2,400,000	2,370,972	29,028	
Union Street Drainage	D0007	733,557	733,557	-	
Big Four Depot	DP003	1,471,900	1,369,441	102,459	x
Fire Grant 37K Fairfield Twsp	FS006	37,000	33,378	3,622	
Concord Road Reconstruction	R0002	6,600,000	1,312,217	5,287,783	
Maple Point Extension	R0004	3,500,000	2,195,747	1,304,253	
Creasy Lane/SR 26 Land Acquisition	R0006	50,369	2,021	48,348	x
Old Romney Road	R0009	8,550,000	8,095,265	454,735	
S 18th Street Widening	R0025	1,800,000	1,777,088	22,912	x
Sagamore Parkway Reconstruction	R0027	37,300,000	37,098,710	201,290	x
South Street Reconstruction	R0028	1,000,000	538,469	461,531	x
Rome Drive	R0031	1,312,584	1,312,584	-	
Greenbush Street	R0032	610,983	610,983	-	
Twyckenham Between Poland & 9th	R0034	1,058,000	808,982	249,018	x
Twyckenham Trail-Old Romney Rd/Old 231	R0035	120,000	61,179	58,821	x
Haggerty Lane Road Widening	R0037	2,000,000	1,724,568	275,432	
Manufacturer's Court	R0038	1,356,000	827,414	528,586	
Concord Road Trail Lighting	R0040	166,250	18,760	147,490	x
South Tipp Park	PK019	220,000	219,457	543	x
Zoo Education Building	PK021	31,649	31,649	-	
Loeb Stadium Renovation	PK023	25,000,000	6,040,648	18,959,352	x
Columbian Park Entrance-Pedestrian Crossing	PK025	206,228	206,228	0	
Memorial Island-Columbian Park	PK026	1,300,000	989,964	310,036	x
Softball Complex	PK028	930,000	910,531	19,469	x
McCaw Playground	PK029	10,000	9,081	919	
Tropicanoe Cove Slides	PK030	4,200,000	4,099,910	100,090	
Penguin Exhibit	PK031	2,707,000	2,021,272	685,728	
McAllister Center Playground Equipment	PK032	200,000	137,029	62,971	x
Columbian Park Carousel	PK033	53,000	19,597	33,403	x
Memorial Island Phase 3	PK034	444,000	276,075	167,925	x
Annexation	RD033	26,424	26,424	-	
Trail Development	RD055	250,000	232,468	17,532	x
Upper Berlowitz Master Plan	RD074	110,000	109,256	744	x
General Electric-Road	RD078	2,000,000	1,956,885	43,115	x
Long Center	RD079	1,700,000	1,692,679	7,321	x
Parking Renovations	RD084	1,200,000	1,149,636	50,364	x
Durkee's Run CSO	S0041	4,118,993	4,118,993	-	
Sidewalks N26th Cason to Union	SW002	99,950	72,678	27,272	
Citywide Trail Master Plan	SW003	150,000	58,880	91,120	x
Sidewalk SR38 From Kingsway to Creasy	SW004	300,000	97,752	202,248	x
Tyler Technologies	TYLER	3,000	2,450	550	
VMP & Haggerty Traffic Signal	T0015	130,000	111,599	18,401	x
Police Vehicles 2019	VHP19	700,000	263,255	436,745	
Totals Governmental Funds		\$ 119,423,760	\$ 87,901,488	\$ 31,522,272	

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Project	Total Project Authorized	Expended to December 31, 2019	Committed	Required Future Funding
Enterprise Funds:				
Valley Street Drainage	D0002 \$ 4,500,000	\$ 4,399,080	\$ 100,920	x
Union Street Drainage	D0007 730,000	636,215	93,785	x
11th and Main St Drainage	D0010 100,000	58,373	41,627	x
S 30th St Drainage Improvements	D0011 70,000	65,940	4,060	x
9th & Kossuth St Drainage Improvements	D0012 27,050	3,886	23,164	x
Central & 18th St Drainage Improvements	D0013 18,850	13,195	5,655	x
Loeb Stadium Renovation	PK023 4,367,025	3,842,310	524,715	
Softball Complex	PK028 70,000	63,053	6,947	x
Penguin Exhibit	PK031 7,300	7,266	34	
Sagamore Parkway Reconstruction	R0027 50,360	50,360	-	
Greenbush Street	R0032 340,000	338,587	1,413	
Rome Drive Land	S0006 40,000	1,928	38,072	x
Utility Service Area 21	S0015 8,500,000	2,121,411	6,378,589	x
Solar Power WWTP	S0038 4,000,000	118,149	3,881,851	x
Durkee's Run CSO	S0041 40,000,000	36,285,322	3,714,678	x
Phosphrous	S0050 3,137,600	3,132,975	4,625	x
Elmwood & 27th Street	S0051 2,757,500	2,244,505	512,996	x
Greenbush Sewer Repair	S0057 5,000,000	4,009,834	990,166	x
Greenbush Storage Tank	S0060 31,000,000	27,111,548	3,888,452	x
Odor Control Prairie Oaks LS	S0061 15,000	4,909	10,091	
Williams Street Sewer	S0067 2,096,300	1,966,198	130,102	
9th St Storm Water Pump Station	S0069 7,663,975	4,974,087	2,689,888	x
Pearl River Sewer Relocation	S0071 291,595	100,334	191,261	x
Northeast Area Sewer Relocation	S0072 92,800	53,096	39,704	x
40 & 8 Lift Station	S0073 77,900	17,445	60,455	x
Upgrade Building Automation System		100,000	48,190	51,810
North 9th Wetland Mitigation	STM15 37,950	26,400	11,550	x
North St Phase 2	STM16 2,319,980	2,314,148	5,832	x
Tyler Technologies	TYLER 800,000	763,965	36,035	x
New Wellfield Investigation	W0002 800,000	768,408	31,592	x
Glick Wellfield Generator	W0010 16,856	16,856	-	x
Onsite Chlorine Generation-Glick	W0013 355,000	163,804	191,196	x
SCADA-Water Works	W0024 400,000	396,607	3,393	x
Meter Change Out	W0025 1,800,000	1,616,172	183,828	x
Hydraulic Model	W0034 50,000	1,708	48,293	x
Chemical Pump Replacement	W0036 60,000	58,916	1,084	
Prairie Lane Water Main Replacement	W0037 400,000	310,738	89,262	x
Wabash Ave Water Mains	W0040 60,000	38,237	21,763	
Murdock Park Storage Tank	W0041 11,423,766	3,523,421	7,900,345	x
Vinton Water Main Replacement	W0042 1,332,552	1,292,769	39,783	x
4th St Water Main Replacement	W0043 2,099,778	1,911,523	188,255	x
Wea Ridge Water Tower	W0044 390,120	168,990	221,130	
Teal Road Watermain Replacement	W0045 40,000	17,363	22,638	
Ulen Lane Watermain Replacement	W0046 262,000	14,150	247,850	
Total Enterprise Funds	137,701,257	105,072,368	32,628,889	
Grand Total for CWIP	\$ 257,125,017	\$ 192,973,857	\$ 64,151,160	

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 purchases 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	Economic Development Income Tax	\$ 354,000
TIF Creasy Central Consolidated	Thoroughfare	500,000
General	Federal Grants	6,487
General	Cumulative Capital Development	<u>75</u>
	Total:	<u>\$ 860,562</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 totes, fire equipment, and police vehicles. Future minimum lease payments and present values of the net minimum lease payments under the capital leases at year end are as follows:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Capital Lease	Governmental Activities
2020	\$ 881,265
2021	881,265
2022	407,574
2023	159,713
2024	159,713
2025	159,713
Total Minimum Lease Payments	2,649,243
Less Interest	191,369
PV of Net Minimum Lease Payments	2,457,874
Due within one year	804,490
Due in more than one year	\$ 1,653,384

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

Asset Category	Governmental Activities
Equipment	\$ 2,938,587
Less: Accumulated Depreciation	(1,907,958)
Total	\$ 1,030,629

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:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Governmental Activities

General Obligation Bonds:

2018 Park District General Obligation Bonds

Tropicane Cove Slide, Memorial Island, Zoo Animal Exhibits

Interest rates: 3.0% to 3.5%

Original issue: \$12,720,000

Installments of \$165,000 to \$450,000 plus interest

Maturity: July 15, 2038 \$ 12,555,000

Revenue Bonds:

2010 A Redevelopment Authority Lease Rental Refunding Bonds Econ Dev

North 9th 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 420,000

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: January 15, 2021 505,000

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 1,010,000

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 1,195,000

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 1,925,000

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 570,000

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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	2,320,000
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	3,895,000
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
2017 Economic Development Subordinate Tax Increment Revenue Bonds NCC Project, Intersection Connection Project, GLC Project Interest rate: 2.02% Original issue: \$5,765,000 Installments of \$530,000 to \$605,000 plus interest Maturity: February 1, 2023	4,110,000
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	15,435,000
2019 Economic Development Subordinate Tax Increment Revenue Bonds Star Crossing (Pullman Station) Project Interest rate: 5.39% Original issue: \$1,200,000 Installments of \$33,000 to \$63,000 plus interest Maturity: February 1, 2035	1,200,000
2019 Local Income Tax Revenue Bonds Loeb Stadium Interest rates: 3.0% to 5.00% Original issue: \$17,000,000 Installments of \$205,000 to \$585,000 plus interest Maturity: December 31, 2032	17,000,000
Total governmental activity debt	<u>\$ 67,325,000</u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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: \$4,950,000	
Installments of \$95,000 to \$180,000 plus interest	
Maturity: July 1, 2025	\$ 2,035,000
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	8,205,000
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, 2025	16,235,000
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	16,845,000
2013 Water Pollution Control Refunding 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	29,350,000
2017 Sewage Works Revenue Bonds	
Extensions and improvement to the sewage works	
Interest rate: 3.1%	
Original issue: \$55,000,000	
Installments of \$990,000 to \$1,930,000 plus interest	
Maturity: January 1, 2038	50,990,000
2018 Revenue Waterworks Revenue Bonds	
Extensions and improvement to the sewage works	
Interest rate: 2.5 to 3.5%	
Original issue: \$19,705,000	
Installments of \$265,000 to \$680,000 plus interest	
Maturity: July 1, 2038	18,700,000
Total business-type activity debt	<u><u>\$142,360,000</u></u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Excluded from the governmental activities and the business-type amounts outstanding are total unamortized premiums of \$914,073 and \$6,256,987 respectively.

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

Year	<u>Governmental Activities</u>	
	Principal	Interest
2020	\$ 495,000	\$ 429,643
2021	510,000	414,719
2022	525,000	399,268
2023	540,000	383,368
2024	555,000	367,094
2025-2029	3,035,000	1,573,442
2030-2034	3,550,000	1,039,203
2035-2038	3,345,000	307,800
Totals	\$ 12,555,000	\$ 4,914,537

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

Year	<u>Business-Type Activities</u>	
	Principal	Interest
2020	\$ 5,855,000	\$ 2,992,919
2021	10,740,000	4,817,859
2022	11,155,000	4,401,392
2023	11,620,000	3,932,178
2024	12,120,000	3,439,960
2025-2029	42,310,000	10,879,354
2030-2034	30,285,000	5,631,572
2035-2038	18,275,000	1,227,320
Totals	\$142,360,000	\$ 37,322,554

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Year	<u>Governmental Activities</u>	
	Principal	Interest
2020	\$ 4,030,000	\$ 1,762,140
2021	3,235,000	1,659,923
2022	3,473,000	1,576,024
2023	2,957,000	1,475,603
2024	2,111,000	1,400,742
2025-2029	12,404,000	5,781,341
2030-2034	14,142,000	3,495,188
2035-2039	12,418,000	1,112,083
Totals	\$ 54,770,000	\$ 18,263,044

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 \$925,000.

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

Year	<u>Business-Type Activities</u>	
	Principal	Interest
2020	\$ 74,000	\$ 32,816
2021	77,000	30,119
2022	79,000	27,313
2023	82,000	24,417
2024	85,000	21,430
2025-2029	476,000	58,063
2030-2032	52,000	941
Totals	\$ 925,000	\$ 195,099

I. Notes Payable

Primary Government:

The City currently has no notes payable.

Discretely presented component unit:

The following disclosure provides detail on CityBus debt obligations. At December 31, 2019, CityBus debt consisted of one note payable to Bank of America for \$1,530,131 related to the construction of the CNG Station issued in 2014.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Quarterly payments of \$80,207 began in June 2015. Beginning in 2020, CityBus will pay an additional principal amount of \$112,500 each quarter and will conclude with the final payment due in March 2022. The interest rate on the note is 3.56%. The debt is secured by a first priority security interest in the capital project. There are no financial debt covenants. Interest expense for the year totaled \$59,522 and accrued interest at December 31, 2019 was \$4,539.

Annual debt service requirements to maturity for the note as of December 31, 2019, are as follows:

<u>Discretely Presented Component Unit</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 725,977	\$ 44,852
2021	752,168	18,661
2022	<u>51,986</u>	<u>463</u>
Totals	<u>\$ 1,530,131</u>	<u>\$ 63,976</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:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Name of Bond	Amount
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
Total	<u>\$ 98,138,438</u>

K. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 13,185,000	\$ -	\$ 630,000	\$ 12,555,000	\$ 495,000
Bond premium	49,144	-	2,745	46,399	-
Total general obligation bonds payable	<u>13,234,144</u>	<u>-</u>	<u>632,745</u>	<u>12,601,399</u>	<u>495,000</u>
Revenue bonds	41,060,000	18,200,000	4,490,000	54,770,000	4,030,000
Bond discount	(102,521)	(804,899)	(39,747)	(867,673)	-
Total revenue bonds payable	<u>41,162,521</u>	<u>19,004,899</u>	<u>4,529,747</u>	<u>55,637,673</u>	<u>4,030,000</u>
Capital leases	2,368,349	700,000	610,475	2,457,874	804,490
Total OPEB liability	2,154,311	172,507	-	2,326,818	-
Net pension liabilities	<u>54,877,373</u>	<u>4,562,933</u>	<u>-</u>	<u>59,440,306</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 113,796,698</u>	<u>\$24,440,339</u>	<u>\$ 5,772,967</u>	<u>\$ 132,464,070</u>	<u>\$ 5,329,490</u>
Business-type activities:					
Revenue bonds payable:					
Wastewater Utility	\$ 133,065,000	\$ -	\$ 9,405,000	\$ 123,660,000	\$ 5,480,000
Bond premium	7,279,402	-	988,793	6,290,609	-
Water Utility	19,440,000	-	740,000	18,700,000	375,000
Bond discount	(35,392)	-	(1,770)	(33,622)	-
Total revenue bonds payable	<u>159,749,010</u>	<u>-</u>	<u>11,132,023</u>	<u>148,616,987</u>	<u>5,855,000</u>
Loans payable	996,000	-	71,000	925,000	74,000
Total OPEB liability	4,308,623	345,015	-	4,653,638	-
Net pension liabilities	<u>5,664,298</u>	<u>27,286</u>	<u>-</u>	<u>5,691,584</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 170,717,931</u>	<u>\$ 372,301</u>	<u>\$11,203,023</u>	<u>\$ 159,887,209</u>	<u>\$ 5,929,000</u>
Discretely presented component unit:					
Note payable	<u>\$ 1,790,664</u>	<u>\$ -</u>	<u>\$ (260,533)</u>	<u>\$ 1,530,131</u>	<u>\$ 725,977</u>

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

L. 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 2019:

Beginning Balance, January 1, 2019	\$	5,149,421
Adjustment to beginning balance		(1)
New Loans		777,162
Amount Forgiven		(821,345)
Principal amount paid on loans		(21,500)
		(21,500)
Ending Balance, December 31, 2019	\$	5,083,736

M. Restricted Assets

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

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 service 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.

Capital Outlay

Amounts to be used in the construction and acquisition of designated capital assets are included in this account.

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

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 service 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.

Construction

Unspent bond issue proceeds to be used in the construction of designated capital assets are included in this report.

Customer Deposits

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

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

Asset Type/Account	Governmental Funds					Total
	TIF Alloc McCarty	Redevelopment Authority	TIF Alloc Twyckenham	TIF Alloc Central Consolidated	Economic Dev Income Tax (EDIT)	
Cash and Cash Equivalents:						
Debt service reserve	\$ -	\$ 1,300,703	\$ 356,242	\$ 945,933	\$ -	\$ 2,602,878
Capital outlay	3,409,770	-	-	-	15,199,496	18,609,266
Total restricted assets	\$ 3,409,770	\$ 1,300,703	\$ 356,242	\$ 945,933	\$ 15,199,496	\$ 21,212,144
	Enterprise Funds					
	Water Utility	Wastewater Utility	Total			
Cash and Cash Equivalents:						
Debt service reserve	\$ 1,417,025	\$ 4,112,133	\$ 5,529,158			
Capital outlay	13,318,794	8,474,074	21,792,868			
Customer deposits	144,665	-	144,665			
Subtotal	14,880,484	12,586,207	27,466,691			
Investments:						
Debt service reserve	-	5,927,451	5,927,451			
Total restricted assets	\$ 14,880,484	\$ 18,513,658	\$ 33,394,142			

N. Deficit Fund Balances

The following funds have deficit fund balances at December 31, 2019:

Non-Major Special Revenue funds - Deficit fund balance:	
Park and Recreation Operating	\$ 95,765
Park Nonreverting Operating	6,172
Economic Development	144,202
State Grants	<u>6,916</u>
Total Deficit Fund Balances	<u>\$ 253,055</u>

IV. Other Information

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

In 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 41 governmental entity members. 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 two 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 nominal attachment point of either \$350,000 or \$400,000, depending on risk classification, 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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:

	2019	2018
Unpaid claims, beginning of year	\$ 9,732	\$ 10,483
Incurred claims and changes in estimates	658,965	538,961
Claim payments	(644,410)	(539,712)
Unpaid claims, end of year	\$ 24,287	\$ 9,732

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:

	2019	2018
Unpaid claims, beginning of year	\$ 908	\$ 1,560
Incurred claims and changes in estimates	8,467	6,759
Claim payments	(7,470)	(7,411)
Unpaid claims, end of year	\$ 1,906	\$ 908

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 2019 premiums for the insurance coverages were \$912,951. No amount was due as of the balance sheet date.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

C. Subsequent Events

Reestablishment of the Cumulative Capital Development Fund

With Ordinance 2020-03, the Common Council re-established the tax rate for its Cumulative Capital Development Fund at the maximum allowable \$0.05 per \$100 of assessed valuation. The rate had last been re-established in 2002, and had been administratively reduced since that time to a rate of \$0.02 per \$100 of AV in recent years. Re-establishment of the CCD rate is expected to generate approximately \$900,000 in additional revenue.

Supplemental Income Tax ("LIT") Distribution

Indiana Code Citation IC 6-3.6-9-15 requires the State Budget Agency to provide the amount of supplemental distributions for qualifying counties to the Department of Local Government Finance before May 2nd. The supplemental distribution is disbursed to counties that have a balance in the county trust account exceeding fifteen percent (15%) of the certified distribution to be made to the County in the year of determination. The City's expected amount of the distribution in 2020 is \$1,844,039. The distribution will be deposited into the General Fund and Economic Dev Income Tax (EDIT) Fund.

Nova Tower Project

With Ordinance 2020-07, the Common Council authorized issuance of taxable economic development subordinate revenue bonds in an amount not to exceed One Million Nine Hundred Thousand Dollars (\$1,900,000) to finance a portion of the construction costs of a mixed-use development consisting of approximately seventy-six (76) apartments, six thousand (6,000) square feet of retail/office space and structured parking on South Fourth Street, in or physically connected to the Consolidated Creasy/Central Economic Development Area.

Briarwood Project

With Ordinance 2020-09, the Common Council authorized issuance of economic development revenue bonds in an amount not to exceed Eight Million Dollars (\$8,000,000) to provide funds for the acquisition, construction, renovation, improvement and equipping of a multifamily housing facility known as Briarwood Lafayette Apartments, containing approximately 100 apartment units, together with functionally related facilities such as parking areas, located at 1750 Windemere Drive, in Lafayette, Indiana.

Ellsworth Project

With Ordinance 2020-15, the Common Council authorized issuance of taxable economic development subordinate revenue bonds in an amount not to exceed

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Four Million Five Hundred Thousand Dollars (\$4,500,000) to provide funds to finance a portion of the construction costs of a mixed-use development consisting of approximately ninety-seven (97) market-rate residential units and two thousand (2,000) square feet of retail/office space to be located at 450 – 499 South Street, benefiting the Consolidated Creasy/Central Economic Development Area.

Police Station Project

With Resolution 2020-07, the Common Council declared its intent to reimburse expenditures for costs related to the construction of a new police station, public parking garage, and related improvements. The City reasonably expects to issue debt through its Redevelopment Authority not exceeding Forty Million Dollars (\$40,000,000) in aggregate principal amount for purposes of paying and reimbursing certain costs of the Project, which is to be located at approximately 619 – 649 Columbia Street.

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 \$480,000.

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 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, 2019, the Southeast Industrial TIF Fund had \$2,539,208 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, 2019, the TIF County's South East Fund had \$3,409,770 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, 2019 the City contributed \$208,965 to the plan for current premiums. General employee members pay approximately 100 percent of the total monthly premium of \$678 for retiree only coverage and \$1,355 for retiree spouse coverage on Plan I. The costs for Plan F are \$858 and \$1,715 respectively. Bargaining unit members receiving benefits contributed approximately 90 percent of the total monthly premiums of the health

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 75. The latest actuarial study was done as of December 31, 2019. 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	FY 2019
Total OPEB Liability:	
Total OPEB Liability - beginning of year	\$ 6,462,934
Service cost	349,800
Interest	275,752
Change of benefit terms	-
Changes in assumptions	480,231
Differences between expected and actual experience	(379,296)
Benefits payments	(208,965)
Net change in total OPEB liability	517,522
Total OPEB Liability - end of year	\$ 6,980,456
Plan Fiduciary Net Position:	
Plan fiduciary net position - beginning of year	\$ -
Contributions - employer	208,965
Contributions - active employees	-
Net investment income	-
Benefit Payments	(208,965)
Trust administrative expenses	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - end of year	\$ -
Net OPEB Liability - end of year	\$ 6,980,456
Plan fiduciary net position as % of covered payroll	\$ 37,330,474
Net OPEB liability as % of covered payroll	18.7%

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

OPEB Expense	<u>FY 2019</u>
Discount Rate	
Beginning of year	4.11%
End of year	3.26%
Service cost	\$ 349,800
Interest	275,752
Change of benefit terms	-
Projected earnings on OPEB plan investments	-
Reduction for contributions from active employees	-
OPEB plan administrative expenses	-
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	(212,347)
Changes in assumptions	(18,725)
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>
Total current period recognition	<u>(231,072)</u>
Total OPEB expense	<u>\$ 394,480</u>

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Difference between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual experience of the OPEB plan

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

**CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Deferred Outflows / (Inflows) of Resources

<u>As of December 31, 2019</u>	<u>Initial Balance</u>	<u>Initial Amortization Period</u>	<u>Annual Recognition</u>	<u>Unamortized Balance</u>
Differences between expected and actual experience for FYE	\$ (379,296)	9	\$ (42,144)	\$ (337,152)
Changes in assumptions for FYE	480,231	9	53,359	426,872
Net Difference between projected and actual earnings in OPEB plan investments for FYE	-	N/A	-	-
<u>As of December 31, 2019</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total</u>	
Differences between expected and actual experience	\$ -	\$ (1,528,577)	\$ (1,528,577)	
Changes in assumptions	426,872	(504,590)	(77,718)	
Total	<u>\$ 426,872</u>	<u>\$ (2,033,167)</u>	<u>\$ (1,606,295)</u>	
Net difference between projected and actual earnings in OPEB plan investments	N/A	N/A		

Annual Amortization of Deferred Outflows/(Inflows)

The balances of December 31, 2019 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

<u>FYE</u>	<u>Balance</u>
2020	\$ (231,072)
2021	(231,072)
2022	(231,072)
2023	(231,072)
2024	(231,072)
Thereafter	(450,935)
Total	<u>\$ (1,606,295)</u>

Sensitivity Results

The following presents the net OPEB liability as of December 31, 2019, calculated using the discount rate assumed as what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.26%.
- The 1% decrease in discount rate would be 2.26%.
- The 1% increase in discount rate would be 4.26%.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

<u>As of December 31, 2019</u>	<u>Net OPEB Liability</u>
1% Decrease	\$ 7,586,557
Current Discount Rate	6,980,456
1% Increase	6,418,833

The following presents the net OPEB liability as of December 31, 2019, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 7.50%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.50%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 8.50%, decreasing to an ultimate rate of 5.50%.

<u>As of December 31, 2019</u>	<u>Net OPEB Liability</u>
1% Decrease	\$ 6,157,978
Current Trend Rate	6,980,456
1% Increase	7,952,071

Funding Status and Funding Progress

As of December 31, 2019, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$6,980,456 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of (UAAL) of \$6,980,456. The covered payroll (annual payroll of active employees covered by the plan) was \$37,330,474 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 4.5% after 20 years. All inflation is covered under the health care cost trend rate and assumes a 2.25% 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.

Mortality tables have been updated from SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

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

G. Pension Plans

1. Primary Government

a. Cost Sharing Multiple-Employer Defined Benefit Pension Plans

(1) Public Employees Retirement Fund

Plan Description

The primary government contributes to the Public Employees Retirement Fund (PERF), a defined benefit pension plan administered by the Indiana Public 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 5-10.2-2-11 (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, 2019, 2018, and 2017 were \$2,138,053, \$2,025,904, and \$1,878,322 respectively, which were equal to the required contributions for each year.

Actuarial Assumptions

The total pension liability in the June 30, 2019 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019 valuation were based on census data collected as of June 30, 2018. As a result of the study, inflation remained constant at 2.25%, and future salary increases also remained stable in a table ranging from 2.50% to 4.25%. The mortality tables for healthy members assumes the RP-2014 Total Data Set Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration's 2014 Trustee Report. Disabled members assumes the RP-2014 Disabled Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration's 2014 Trustee Report.

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 geometric real rates of return as of June 30, 2019 for each major asset class are summarized in the following table.

Global Asset Class	Target Allocation	Long-Term Expected Rate of Return (Geometric Basis)
Public equity	22.00%	4.90%
Private equity	14.00%	7.00%
Fixed income – Ex inflation linked	20.00%	2.50%
Fixed income – inflation linked	7.00%	1.30%
Commodities	8.00%	2.00%
Real estate	7.00%	6.70%
Absolute return	10.00%	2.90%
Risk parity	12.00%	5.30%

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

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 was 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	\$ 19,448,424	\$ 12,109,753	\$ 5,988,741

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

At December 31, 2019, the City reported a liability of \$12,109,753 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, 2019 measurement date was 0.0036640.

For the year ended December 31, 2019, the City recognized pension expense of \$2,267,172, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2019, 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>	<u>Total</u>
Differences between expected and actual experience	\$ 320,662	\$ -	\$ 320,662
Net difference between projected and actual earnings on pension plan investments	-	572,397	(572,397)
Changes in assumptions	2,696	1,316,420	(1,313,724)
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>658,519</u>	<u>186</u>	<u>658,333</u>
Total	<u>\$ 981,877</u>	<u>\$ 1,889,003</u>	<u>\$ (907,126)</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2019 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2019. 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:

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

Amortization of Net Deferred Outflows/(Inflows) of Resources

2020	\$	(177,357)
2021		(603,821)
2022		(81,505)
2023		<u>(44,443)</u>
 Total	 \$	 <u>(907,126)</u>

(2) 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 with 20 years of service are entitled to receive monthly benefits. 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 17.5 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Benefits Provided

A member vests after 20 years of service. Members retiring prior to July 1, 2019, having attained age of 52 years, with 20 years of service, are eligible for full retirement benefits equal to 50% 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.

Members who retire after June 30, 2019, having attained age of 52 years, with 20 years of service, are eligible for full retirement benefits equal to 52% 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.

Members with 20 years of service, electing to receive monthly benefit payments prior to age 52, will receive a payment that is actuarially reduced by a factor established by the fund's actuary (IC 36-8-8-11). A retired member electing to receive actuarially reduced benefits may begin receiving benefits on the date the member retires, or the date the member reaches 50 years of age, whichever is later.

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 1.6 percent effective July 1, 2019.

Significant Actuarial Assumptions

The actuarial assumptions used in the June 30, 2019 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019 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, 2017 valuations incorporate member census data as of June 30, 2016, adjusted for certain activity during fiscal year 2017. 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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Global Asset Class	Target Allocation	Long-Term Expected Rate of Return (Geometric Basis)
Public equity	22.00%	4.90%
Private equity	14.00%	7.00%
Fixed income – Ex inflation linked	20.00%	2.50%
Fixed income – inflation linked	7.00%	1.30%
Commodities	8.00%	2.00%
Real estate	7.00%	6.70%
Absolute return	10.00%	2.90%
Risk parity	12.00%	5.30%

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:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

	<u>1% Decrease (5.75%)</u>	<u>Current (6.75%)</u>	<u>1% Increase (7.75%)</u>
1977 Police Officers'	\$ 10,474,675	\$ 94,662	\$ (8,288,568)
1977 Firefighters'	\$ 10,299,273	\$ 93,077	\$ (8,149,773)

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, 2019 were \$1,588,881 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, 2019, the City reported a liability of \$94,662 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, 2019 measurement date was 0.0102715.

For the year ended December 31, 2019, the City recognized pension expense of \$3,251,683 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Police Officers' Plan from the following sources:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

<u>1977 Police Officers' Pension and Disability Fund</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,720,325	\$ 335,865	\$ 1,384,460
Net difference between projected and actual earnings on pension plan investments	-	859,369	(859,369)
Change of Assumptions	-	1,631,830	(1,631,830)
Changes in proportion and differences between City contributions and proportionate share of contributions	34,075	14,272	19,803
Total	<u>\$ 1,754,400</u>	<u>\$ 2,841,336</u>	<u>\$ (1,086,936)</u>

1977 Firefighters' Pension and Disability Fund:

The primary government's contributions to the plan for the year ended December 31, 2019 were \$1,562,270 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, 2019, the City reported a liability of \$93,077 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, 2019 measurement date was 0.0100995.

For the year ended December 31, 2019, the City recognized pension expense of \$3,194,529 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Firefighters' Plan from the following sources:

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1977 Firefighters' Pension and Disability Fund	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience	\$ 1,691,518	\$ 330,241	\$ 1,361,277
Net difference between projected and actual earnings on pension plan investments	-	844,979	(844,979)
Change of Assumptions	-	1,604,505	(1,604,505)
Changes in proportion and differences between City contributions and proportionate share of contributions	19,737	13,140	6,597
Total	<u>\$ 1,711,255</u>	<u>\$ 2,792,865</u>	<u>\$ (1,081,610)</u>

Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions. 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 Resources

	1977 Police Officers' Pension and Disability Fund	1977 Firefighters' Pension and Disability Fund
2020	\$ (117,299)	\$ (118,041)
2021	(667,041)	(658,577)
2022	(539,109)	(532,788)
2023	(240,958)	(239,027)
2024	118,295	115,417
Thereafter	<u>359,176</u>	<u>351,406</u>
Total	<u>\$ (1,086,936)</u>	<u>\$ (1,081,610)</u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

b. Single-Employer Defined Benefit Pension Plans

(1) 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.

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 age 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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, consisted of the following:

	1925 Police Officers' Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving benefits:	48	77.3	\$ 2,568
Terminated employees entitled to but not yet receiving benefits:	-		
Active Plan Members:	-		
Total Membership	48		

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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, are as follows:

<u>NET PENSION LIABILITY</u>	
1925 Police Officers' Pension Plan	
Total Pension Liability	\$ 20,568,954
Plan Fiduciary Net Position	<u>923,164</u>
Net Pension Liability	<u>\$ 19,645,790</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	4.49%

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2019 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.

The actuarial assumptions for the December 31, 2019 valuation were generally unchanged from the prior year, except for a decrease in discount rate from 3.10% used for the December 31, 2018 valuation to 2.13% for the December 31, 2019 valuation. This rate is based on the Barclay’s 20 year Municipal Bond Index as of December 31, 2019.

The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	2.25%
Salary increases	2.50%
Cost-of-living increases Non-converted	2.50%

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Cost-of-living increases Converted	1.60% on July 1, 2019 2.00% thereafter
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Mortality rates were based on the RP-2014 Blue Collar Mortality Table 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 shown in the Social Security Administration's 2014 Trustee Report.

The actuarial cost method used for computing the total pension liability is the Entry Age Normal -Level Percent of Payroll method. The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

Discount Rate

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 2.13% as of December 31, 2019. The discount rate decreased from the 3.10% used for the December 31, 2018 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that the on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at December 31, 2018	\$ 19,459,081	\$ 907,174	\$ 18,551,907
Changes for the year:			
Interest cost	586,414	-	586,414
Plan amendments	131,921	-	131,921
Experience (gains) losses	208,996	-	208,996
Change of Assumptions	1,685,564	-	1,685,564
Projected benefit payments	(1,503,022)	-	(1,503,022)
Non-employer contributing entity contributions	-	1,554,167	(1,554,167)
Actual benefit payments	-	(1,532,287)	1,532,287
Other net changes	-	(5,890)	5,890
Net changes	<u>1,109,873</u>	<u>15,990</u>	<u>1,093,883</u>
Balance at December 31, 2019	<u>\$ 20,568,954</u>	<u>\$ 923,164</u>	<u>\$ 19,645,790</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability of the City, calculated using the discount rate of 2.13%, 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 (1.13%) or 1-percentage point higher (3.13%) than the current rate:

	<u>1% Decrease (1.13%)</u>	<u>Current (2.13%)</u>	<u>1% Increase (3.13%)</u>
Net Pension Liability	\$ 21,717,971	\$ 19,645,790	\$ 17,874,881

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Interest cost	\$ 586,414
Plan amendments	131,921
Experience (gains) losses	208,996
Change of Assumptions	1,685,564
Other net changes	<u>(5,890)</u>
Total Pension Expense	<u>\$ 2,607,005</u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(2) 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.

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

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

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, 2019, consisted of the following:

	1937 Firefighters' Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving benefits:	73	78.6	\$2,819
Terminated employees entitled to but not yet receiving benefits:	-		
Active Plan Members:	-		
Total Membership	73		

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, are as follows:

<u>NET PENSION LIABILITY</u>	
1937 Firefighters' Pension Plan	
Total Pension Liability	\$ 32,265,444
Plan Fiduciary Net Position	923,030
Net Pension Liability	\$ 31,342,414
Plan Fiduciary Net Position as a percentage of Total Pension Liability	2.86%

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2019 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.

The actuarial assumptions for the December 31, 2019 valuation were generally unchanged from the prior year, except for a decrease in the interest rate used from 3.10% used for the December 31, 2018 valuation to 2.13% for the December 31, 2019 valuation. This rate is equal to the Barclay's 20 year Municipal Bond Index as of December 31, 2019.

The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	2.25%
Salary increases	2.50%
Cost-of-living increases Non-converted	2.50%
Cost-of-living increases Converted	1.60% on July 1, 2019 2.00% thereafter

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Mortality rates were based on the RP-2014 Blue Collar Mortality Table 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 shown in the Social Security Administration's 2014 Trustee Report.

The actuarial cost method used for computing the total pension liability is the Entry Age Normal - Level Percent of Payroll method. The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

Discount Rate

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 2.13% as of December 31, 2019. The discount rate decreased from the 3.10% used for the December 31, 2018 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that the on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2018	\$ 30,836,448	\$ 930,479	\$ 29,905,969
Changes for the year:			
Interest cost	920,757	-	920,757
Plan amendments	326,361	-	326,361
Experience (gains) losses	108,512	-	108,512
Change of Assumptions	2,559,636	-	2,559,636
Projected benefit payments	(2,486,270)	-	(2,486,270)
Non-employer contributing entity contributions	-	2,520,426	(2,520,426)
Contributions - other	-	-	-
Actual benefit payments	-	(2,494,041)	2,494,041
Other net changes	-	(33,834)	33,834
Net changes	1,428,996	(7,449)	1,436,445
Balance at December 31, 2019	<u>\$ 32,265,444</u>	<u>\$ 923,030</u>	<u>\$ 31,342,414</u>

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability of the City, calculated using the discount rate of 2.13%, 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 (1.13%) or 1-percentage point higher (3.13%) than the current rate:

	1% Decrease (1.13%)	Current (2.13%)	1% Increase (3.13%)
Net Pension Liability	\$ 34,518,292	\$ 31,342,414	\$ 28,625,382

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Interest cost	\$	920,757
Plan amendments		326,361
Experience (gains)/losses		108,512
Change of Assumptions		2,559,636
Other net changes		(33,834)
Total Pension Expense	\$	3,881,432

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Actuarial Methods</u>		
Contribution rates:		
Government	0%	0%
Plan members	0%	0%
Actuarial valuation date	01-01-2019	01-01-2019
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)	01-01-2005	01-01-2005
Asset valuation method	N/A	N/A
<u>Actuarial Assumptions</u>		
Investment rate of return (Net of Expenses)	2.13%	2.13%
Projected future salary increases	2.50%	2.50%
Cost-of-living adjustments	2.00% & 2.5%	2.00% & 2.5%
Retirement	Based on 1976 Study	Based on 1976 Study

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Schedule of Aggregate Amounts – Single-employer and Cost Sharing Multiple-employer Defined Benefit Pension Plans – Primary Government:

Primary Government:

	Public Employees' Retirement Fund	1977	1925 Police Officers' Pension	1937 Firefighters' Pension	Total
		Police Officers' and Firefighters' Pension and Disability Fund			
Pension liability	\$ 60,734,684	\$ 130,150,360	\$ 20,568,954	\$ 32,265,444	\$ 243,719,442
Pension assets	48,624,931	129,962,621	923,164	923,030	180,433,746
Net pension liability	12,109,753	187,739	19,645,790	31,342,414	63,285,696
Deferred outflows of resources	981,877	3,465,655	-	-	4,447,532
Deferred inflows of resources	1,889,003	5,634,201	-	-	7,523,204
Pension expense (income)	2,267,172	6,446,212	2,607,005	3,881,432	15,201,821

2. Discretely Presented Component Unit

a. Cost Sharing Multiple-Employer Defined Benefit Pension Plans

(1) Public Employees Retirement Fund

Plan Description

The Public Employees' Retirement Fund Defined Benefit (PERF DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to fulltime employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2. and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), the defined contribution component. New employees hired by the State or a participating political subdivision have a one-time election to join either the PERF Hybrid or the PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Hybrid and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have at least one year of service in both PERF DB and the Teachers Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

Retirement benefits provided

A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. Historically, eligible members receive a one-time check (13th check) with the dollar amount tied to years of service.

Disability and survivor benefits provided

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month). If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Contributions

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2019, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members. For PERF MC DC plan members, the political subdivisions were required to contribute a supplemental cost of 7.4 percent of covered payroll as of July 1, 2019, which decreased from 7.8 percent as of July 1, 2018. No member contributions are required.

PERF covered employees are required to contribute 3% of their compensation to the Fund and CityBus is required to contribute amounts, which are actuarially determined, sufficient to fund the retirement benefits. In addition, some employees elect to make additional voluntary contributions to the ASA. The contribution requirement, which was made by CityBus, was \$715,670 and \$686,937 for 2019 and 2018, respectively. These total contributions represent 11.49% and 11.47% of covered payroll for 2019 and 2018, respectively.

The following represents CityBus' annual required contributions for the current year.

<u>Year Ended</u> <u>December 31, 2020</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2019	\$ 715,670	100%
2018	686,937	100%

Significant Actuarial Assumptions

The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Asset valuation date	June 30, 2019
Liability valuation date	June 30 – Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

June 30, 2018 and June 30, 2019. The valuation results from June 30, 2018 were rolled-forward to June 30, 2019 to reflect benefit accruals during the year less benefits paid.

Experience study date	Period of 4 years ended June 30, 2014
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	6.75%
COLA	A 13th check will be paid in the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039
Future salary increases	2.50% - 4.25% (including inflation)
Inflation	2.25%
Mortality (Healthy)	RP-2014 (with MP-2014 improvement removed) Total Data Set mortality table 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
Mortality (Disabled)	RP-2014 (with MP-2014 improvement removed) Disability mortality table 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

Financial Report

INPRS issues a publicly available stand-alone financial report 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 (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

There were no changes in actuarial methods or assumptions for the June 30, 2019 fiscal year.

The long-term return expectation for the defined benefit retirement plan has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation %	Geometric Basis Long-Term Expected Rate of Return
Public equity	22.00%	4.90%
Private equity	14.00%	7.00%
Fixed income – Ex inflation linked	20.00%	2.50%
Fixed income – inflation linked	7.00%	1.30%
Commodities	8.00%	2.00%
Real estate	7.00%	6.70%
Absolute return	10.00%	2.90%
Risk parity	12.00%	5.30%

Discount Rate

Total pension liability for each defined benefit pension plan tier 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.

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

Changes in Assumptions and Benefit Terms

Since the prior measurement date there have been no changes in the assumptions or benefit terms.

Changes Since Measurement Date

There were no changes between the measurement date of the collective net pension liability and the employer's reporting date.

Sensitivity

Net pension liability is sensitive to changes in the discount rate. 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 Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Proportionate share of the Collective Net Pension Liability	\$ 6,353,116	\$ 3,955,831	\$ 1,956,311

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, 2019, CityBus reported a liability of \$3,955,831 for its proportionate share of the net pension liability. CityBus' proportionate share of the net pension liability was based on CityBus' wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2019 measurement date was 0.0011969. The proportionate share

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

at June 30, 2019 has increased 0.0000231 since the prior measurement date.

For the year ended December 31, 2019, CityBus recognized pension expense of \$705,063, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$78,978. At December 31, 2019, CityBus reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,749	\$ -
Net difference between projected and actual earnings on pension plan investments	-	186,982
Changes in assumptions	881	430,028
Changes in proportion and differences between employer contributions and proportionate share of	77,081	71,288
Total that will be recognized in pension expense based on table below	182,711	688,298
Pension contributions subsequent to measurement date	366,274	-
Total	\$ 548,985	\$ 688,298

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2020. 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:

CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

Year Ending December 31	Amount
2020	\$ (155,555)
2021	(295,877)
2022	(39,637)
2023	(14,518)
Total	\$ (505,587)

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.

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

- 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 amount of taxes abated for the year ending December 31, 2019 was \$5,097,270.

I. Coronavirus (COVID-19) pandemic

On March 6, 2020, Indiana Governor Eric Holcomb issued Executive Order 20-02 which declared the Coronavirus Disease 2019 (“COVID-19”) outbreak in Indiana to be a public health emergency, which was extended by Executive Order 20-17, issued on April 3, 2020, Executive Order 20-25, issued on May 1, 2020, and Executive Order 20-30, issued on June 3, 2020. On March 11, 2020, the World Health Organization proclaimed COVID-19 to be a pandemic, and on March 13, 2020, the President of the United States declared a national emergency related to COVID-19. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions affecting business activities and impacting global, state and local commerce and financial markets. The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. To address the social and economic impacts of COVID-19, Governor Holcomb has issued multiple executive orders, including Executive Order 20-05 on March 19,

CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

2020, Executive Order 20-21 on April 15, 2020, Executive Order 20-23 on April 23, 2020, Executive Order 20-26 on May 1, 2020 and Executive Order 20-31 on June 3, 2020. These executive orders provide and allow for taxpayer relief, including an extension of time related to state income tax liabilities, orders counties to waive penalties for 60 days on non-escrowed property taxes, and for 60 days on special assessments and fees that are included on the property tax bills and collected as part of the property tax payment, which are paid after the May 11, 2020 due date, extends deadlines for submitting business personal property returns and property tax incentive applications and provides the Indiana Department of Revenue with the authority to waive any penalties and interest that are directly related to taxes, estimated payment or other amounts due in response to extensions related to COVID-19.

As the federal, state, and local governments, including the City, continue efforts to contain and limit the spread of COVID-19 disease, future tax and other revenue collections may deviate from anticipated and historical collections and may have an adverse impact on the financial position and operations of the City and its ability to fund its debt obligations in accordance with agreed upon terms. The City may apply for available state and federal assistance to offset the financial impact of the pandemic. The City is not able to predict and makes no representations as to the economic impact of the COVID-19 pandemic on the City or its financial position.

J. Upcoming Accounting Pronouncements

Future Adoption of Accounting Pronouncements: GASB has issued Statement No. 83, Certain Asset Retirement Obligations.; Statement No. 84, Fiduciary Activities; Statement No. 87, Leases; Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; and Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61. The City intends to implement these GASB Statements, as applicable, on their respective effective dates.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAFAYETTE
SCHEDULE OF CITY CONTRIBUTIONS
1925 Police Officers' Pension Plan
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 1,532,287	\$ 1,568,733	\$ 1,538,098	\$ 1,484,127	\$ 1,451,763	\$ 1,513,287	\$ 1,438,259	\$ 1,465,342
Contributions in relation to the actuarially determined contributions	\$ 1,532,287	\$ 1,568,733	\$ 1,538,098	\$ 1,484,127	\$ 1,451,763	\$ 1,513,287	\$ 1,438,259	\$ 1,465,342
Contribution excess / (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	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
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
1925 Police Officers' Pension Plan
Single-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability:							
Interest cost	\$ 586,414	\$ 557,287	\$ 622,433	\$ 535,828	\$ 552,149	\$ 832,716	\$ 1,015,686
Plan amendments	131,921	-	-	-	-	-	-
Experience (gains)/losses	208,996	1,019,016	618,361	315,820	63,768	-	29,441
Assumption changes	1,685,564	(604,390)	848,249	(1,198,162)	(62,229)	2,607,220	2,777,858
Projected benefit payments	(1,503,022)	(1,517,588)	(1,472,568)	(1,425,223)	(1,442,779)	(1,422,776)	(1,438,259)
Net change in total pension liability	1,109,873	(545,675)	616,475	(1,771,737)	(889,091)	2,017,160	2,384,726
Total pension liability - beginning	19,459,081	20,004,756	19,388,281	21,160,018	22,049,109	20,031,949	17,647,223
Total pension liability - ending	<u>\$ 20,568,954</u>	<u>\$ 19,459,081</u>	<u>\$ 20,004,756</u>	<u>\$ 19,388,281</u>	<u>\$ 21,160,018</u>	<u>\$ 22,049,109</u>	<u>\$ 20,031,949</u>
Plan fiduciary net position:							
Non employer contributing entity contributions	\$ 1,554,167	\$ 1,583,118	\$ 1,531,472	\$ 1,434,207	\$ 1,533,290	\$ 1,456,071	\$ 1,406,303
Contributions - other	3,200	3,200	-	49,920	-	-	-
Benefit payments	(1,532,287)	(1,568,734)	(1,538,098)	(1,484,127)	(1,451,763)	(1,513,287)	(1,438,259)
Administrative expense	(9,090)	(8,918)	(5,550)	(55,283)	(1,435)	(4,743)	(133,743)
Net change in plan fiduciary net position	15,990	8,666	(12,176)	(55,283)	80,092	(61,959)	(165,699)
Plan fiduciary net position - beginning	907,174	898,508	910,684	965,967	885,875	947,834	1,013,533
Plan fiduciary net position - ending	<u>\$ 923,164</u>	<u>\$ 907,174</u>	<u>\$ 898,508</u>	<u>\$ 910,684</u>	<u>\$ 965,967</u>	<u>\$ 885,875</u>	<u>\$ 947,834</u>
Net pension liability	<u>\$ 19,645,790</u>	<u>\$ 18,551,907</u>	<u>\$ 19,106,248</u>	<u>\$ 18,477,597</u>	<u>\$ 20,194,051</u>	<u>\$ 21,163,234</u>	<u>\$ 19,084,115</u>
Plan fiduciary net position as a percentage of the total pension liability	4.49%	4.66%	4.49%	4.70%	4.57%	4.02%	4.23%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	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
 SCHEDULE OF CITY CONTRIBUTIONS
 1937 Firefighters' Pension Plan
 Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,494,041	2,543,512	2,536,591	2,487,554	2,459,366	2,468,759	2,507,210	2,485,492
Contributions in relation to the actuarially determined contributions	\$ 2,494,041	2,543,512	2,536,591	2,487,554	2,459,366	2,468,759	2,507,210	2,485,492
Contribution excess / (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
1937 Firefighters' Pension Plan
Single-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013
Total pension liability:							
Interest cost	\$ 920,757	\$ 884,183	\$ 1,017,039	\$ 877,359	\$ 915,917	\$ 1,409,480	\$ 1,758,547
Plan amendments	326,361	-	-	-	-	-	-
Experience (gains)/losses	108,512	752,350	467,395	751,240	(656,985)	-	(575,554)
Assumption changes	2,559,636	(945,148)	1,385,872	(1,987,298)	(103,515)	4,448,540	4,698,858
Projected benefit payments	(2,486,270)	(2,509,356)	(2,471,516)	(2,415,498)	(2,451,363)	(2,469,604)	(2,507,210)
Net change in total pension liability	1,428,996	(1,817,971)	398,790	(2,774,197)	(2,295,946)	3,388,416	3,374,641
Total pension liability - beginning	30,836,448	32,654,419	32,255,629	35,029,826	37,325,772	33,937,356	30,562,715
Total pension liability - ending	<u>\$ 32,265,444</u>	<u>\$ 30,836,448</u>	<u>\$ 32,654,419</u>	<u>\$ 32,255,629</u>	<u>\$ 35,029,826</u>	<u>\$ 37,325,772</u>	<u>\$ 33,937,356</u>
Plan fiduciary net position:							
Non employer contributing entity contributions	\$ 2,520,426	\$ 2,574,431	\$ 2,543,572	\$ 2,423,501	\$ 2,450,518	\$ 2,472,934	\$ 2,483,384
Contributions - other	3,200	3,200	-	3,000	8,848	-	23,826
Benefit payments	(2,494,041)	(2,543,512)	(2,536,591)	(2,487,554)	(2,459,366)	(2,468,759)	(2,507,210)
Administrative expense	(9,090)	(44,616)	(15,353)	(15,399)	(15,677)	(7,097)	(1,459)
Net change in plan fiduciary net position	20,495	(10,497)	(8,372)	(76,452)	(15,677)	(2,922)	(1,459)
Plan fiduciary net position - beginning	902,535	913,032	921,404	997,856	1,013,533	1,016,455	1,017,914
Plan fiduciary net position - ending	<u>\$ 923,030</u>	<u>\$ 902,535</u>	<u>\$ 913,032</u>	<u>\$ 921,404</u>	<u>\$ 997,856</u>	<u>\$ 1,013,533</u>	<u>\$ 1,016,455</u>
Net pension liability	<u>\$ 31,342,414</u>	<u>\$ 29,933,913</u>	<u>\$ 31,741,387</u>	<u>\$ 31,334,225</u>	<u>\$ 34,031,970</u>	<u>\$ 36,312,239</u>	<u>\$ 32,920,901</u>
Plan fiduciary net position as a percentage of the total pension liability	2.86%	2.93%	2.80%	2.86%	2.85%	2.72%	3.00%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	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
SCHEDULE OF CITY CONTRIBUTIONS
Public Employees' Retirement Fund
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 2,138,053	\$ 2,025,904	\$ 1,878,322	\$ 1,782,752	\$ 1,702,637	\$ 1,614,615	\$ 1,599,063	\$ 960,581	\$ 936,589	\$ 797,835
Contributions in relation to the actuarially required contribution	<u>2,138,053</u>	<u>2,025,904</u>	<u>1,878,322</u>	<u>1,782,752</u>	<u>1,702,637</u>	<u>1,614,615</u>	<u>1,599,063</u>	<u>960,581</u>	<u>936,589</u>	<u>797,835</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
Covered payroll	\$ 19,089,783	\$ 18,102,583	\$ 16,770,570	\$ 15,924,151	\$ 15,354,135	\$ 14,416,207	\$ 14,536,933	\$ 13,875,392	\$ 13,307,268	\$ 1,388,435
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.0%	6.75%	6.75%	5.75%

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

CITY OF LAFAYETTE
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Public Employees' Retirement Fund
 Last 10 Fiscal Years *

	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.36640%	0.35477%	0.33804%	0.33227%	0.32056%
City's proportionate share of the net pension liability (asset)	\$ 12,109,753	\$ 12,051,697	\$ 15,081,802	\$ 15,079,890	\$ 13,056,095
City's covered payroll	\$ 19,089,783	\$ 18,102,583	\$ 16,770,570	\$ 15,924,151	\$ 15,354,135
City's proportionate share of the net pension liability (asset) as a percentage of its Covered Payroll	63.4%	66.6%	89.9%	94.7%	85.0%

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CITY OF LAFAYETTE
SCHEDULE OF THE CITYBUS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employees' Retirement Fund
Last 10 Fiscal Years *

Discretely presented component unit:	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
CityBus' proportion of the net pension liability	0.0011969	0.0011738	0.0012113	0.0011212
CityBus' proportionate share of the net pension liability	\$ 3,955,831	\$ 3,987,452	\$ 5,404,268	\$ 5,088,504
CityBus' covered payroll	\$ 6,235,889	\$ 5,988,895	\$ 5,812,738	\$ 5,389,320
CityBus' proportionate share of the net pension liability as a percentage of its Covered Payroll	63.44%	66.58%	92.97%	94.42%
Plan fiduciary net position as a percentage of the total pension liability	80.10%	78.90%	76.60%	75.30%
Discretely presented component unit:	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 715,670	\$ 686,937	\$ 649,790	\$ 600,539
Contributions in relation to the statutorily required contribution	<u>(715,670)</u>	<u>(686,937)</u>	<u>(649,790)</u>	<u>(600,539)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CityBus' contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%
CityBus' covered payroll	\$ 6,226,907	\$ 5,989,632	\$ 6,009,655	\$ 5,373,541
Contributions as a percentage of covered payroll	11.49%	11.47%	10.81%	11.18%

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

CITY OF LAFAYETTE
 SCHEDULE OF CITY CONTRIBUTIONS
 1977 Police Officers' Pension and Disability Fund
 Last 10 Fiscal Years *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,588,881	\$ 1,534,277	\$ 1,564,803	\$ 1,493,436	\$ 1,452,580
Contributions in relation to the actuarially determined contribution	<u>1,588,881</u>	<u>1,534,277</u>	<u>1,564,803</u>	<u>1,493,436</u>	<u>1,452,580</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 9,079,398	\$ 8,767,358	\$ 8,439,259	\$ 7,580,954	\$ 7,373,572
Contributions as a percentage of covered payroll	17.5%	17.5%	18.5%	19.7%	19.7%

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

CITY OF LAFAYETTE
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 1977 Police Officers' Pension and Disability Fund
 Last 10 Fiscal Years *

	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	1.02715%	1.04103%	1.04097%	0.98086%	0.98881%
City's proportionate share of the net pension liability (asset)	\$ 94,662	\$ (915,182)	\$ (160,574)	\$ 871,366	\$ (1,460,671)
City's covered payroll	\$ 9,079,398	\$ 8,767,358	\$ 8,439,259	\$ 7,580,954	\$ 7,373,572
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	100.0%	100.0%	104.5%	104.5%	104.5%

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CITY OF LAFAYETTE
SCHEDULE OF CITY CONTRIBUTIONS
1977 Firefighters' Pension and Disability Fund
Last 10 Fiscal Years *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,562,270	\$ 1,492,693	\$ 1,550,332	\$ 1,531,392	\$ 1,478,553
Contributions in relation to the actuarially contribution	<u>1,562,270</u>	<u>1,492,693</u>	<u>1,550,332</u>	<u>1,531,392</u>	<u>1,478,553</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 8,927,334	\$ 8,529,733	\$ 8,334,499	\$ 7,773,626	\$ 7,505,416
Contributions as a percentage of covered payroll	17.5%	17.5%	18.6%	19.7%	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.

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CITY OF LAFAYETTE
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
1977 Firefighters' Pension and Disability Fund
Last 10 Fiscal Years *

	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	1.0100%	1.0128%	1.0281%	1.0058%	1.0065%
City's proportionate share of the net pension liability (asset)	\$ 93,077	\$ (890,373)	\$ (158,581)	\$ 893,513	\$ (1,486,788)
City's covered payroll	\$ 8,927,334	\$ 8,529,733	\$ 8,334,499	\$ 7,773,626	\$ 7,505,416
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	100.0%	100.0%	100.0%	103.1%	100.0%

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CITY OF LAFAYETTE
SCHEDULE OF NET OPEB LIABILITY
LAST 10 YEARS*

	<u>2019</u>	<u>2018</u>
1. Total OPEB Liability	\$ 6,980,456	\$ 6,462,934
2. Plan Fiduciary Net Position	<u>-</u>	<u>-</u>
3. Total Net OPEB Liability	<u>\$ 6,980,456</u>	<u>\$ 6,462,934</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	-	-
5. Covered Payroll	\$ 37,330,474	\$ 35,621,289
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	18.70%	18.14%

Notes to schedule:

* Information presented for those years information is available

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

CITY OF LAFAYETTE
SCHEDULE OF CHANGES IN OPEB LIABILITY
LAST 10 YEARS*

	2019	2018
Total OPEB Liability		
Service cost	\$ 349,800	\$ 452,057
Interest	275,752	292,040
Differences between expected and actual experience	(379,296)	(1,531,831)
Changes in assumptions	480,231	(648,758)
Benefit payments	(208,965)	(273,798)
Net change in Total OPEB Liability	517,522	(1,710,290)
Total OPEB liability - beginning of year	6,462,934	8,173,224
Total OPEB liability - end of year	\$ 6,980,456	\$ 6,462,934

Notes to Schedule:

*Information presented for those years information is available

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

CITY OF LAFAYETTE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 YEARS

OPEB Contributions	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 208,965	\$ 273,798	\$ 221,831	\$ 203,515	\$ 211,122	\$ 193,690	\$ 176,554	\$ 160,504
Actual employer contributions	208,965	273,798	221,831	203,515	211,122	193,690	176,554	160,504
Contribution deficiency (excess)	<u>\$ -</u>							
Covered payroll	\$ 37,330,474	\$ 35,621,289	\$ 34,436,498	\$ 33,433,493	\$ 28,399,797	\$ 27,572,618	\$ 28,411,603	\$ 27,584,081
Contributions as a percentage of covered payroll	0.56%	0.77%	0.64%	0.61%	0.74%	0.70%	0.62%	0.58%

Notes to schedule:

Valuation date:

Valuations are performed every other year. The last valuation was December 31, 2019.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Entry age normal - level percent of salary
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Fair market value
Healthcare cost trend rates	Pre-65 medical costs were trended at 8.0% in the first year, graded down to 4.5% over an eight year period; post-65 medical costs, vision costs, and dental costs were trended at a flat 5.0% per year.
Inflation	2.25%
Mortality	RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018

Other information:

None

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

CITY OF LAFAYETTE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2019

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final	Amounts	
Revenues:				
Taxes:				
Property Taxes	\$ 26,283,173	\$ 26,283,173	\$ 24,491,485	\$ (1,791,688)
Licenses and permits	423,950	423,950	528,386	104,436
Intergovernmental	10,806,670	10,806,670	11,651,394	844,724
Payment In Lieu of Taxes	2,700,000	2,700,000	2,559,500	(140,500)
Charges for services	9,120	9,120	38,045	28,925
Fines and forfeits	160,000	160,000	173,394	13,394
Other	482,000	482,000	761,182	279,182
Interest and investment revenue	-	-	340,340	340,340
Total revenues	<u>40,864,913</u>	<u>40,864,913</u>	<u>40,543,726</u>	<u>(321,187)</u>
Expenditures:				
Current:				
General government:				
Personal Services	2,419,425	2,419,425	2,294,753	124,672
Supplies	240,230	240,230	207,109	33,121
Other Srv & Chrgs	1,225,720	1,225,720	1,343,444	(117,724)
Capital Outlays	18,500	18,500	3,896	14,604
Total general government	<u>3,903,875</u>	<u>3,903,875</u>	<u>3,849,202</u>	<u>54,673</u>
Public safety:				
Personal Services	34,141,000	34,141,000	33,246,789	894,211
Supplies	991,000	991,000	840,504	150,496
Other Srv & Chrgs	450,100	450,100	403,329	46,771
Capital Outlays	130,000	130,000	120,417	9,583
Total public safety	<u>35,712,100</u>	<u>35,712,100</u>	<u>34,611,039</u>	<u>1,101,061</u>
Sanitation:				
Personal Services	2,121,020	2,121,020	2,021,323	99,697
Supplies	351,500	351,500	424,595	(73,095)
Other Srv & Chrgs	14,000	14,000	12,939	1,061
Capital Outlays	-	-	2,350	(2,350)
Total sanitation	<u>2,486,520</u>	<u>2,486,520</u>	<u>2,461,207</u>	<u>25,313</u>
Total expenditures	<u>42,102,495</u>	<u>42,102,495</u>	<u>40,921,448</u>	<u>1,181,047</u>
Transfers Out	-	-	6,562	(6,562)
Net change in fund balances	(1,237,582)	(1,237,582)	(384,284)	853,298
Fund balances - beginning	<u>1,320,428</u>	<u>1,230,561</u>	<u>2,058,481</u>	<u>827,920</u>
Fund balances - ending	<u>\$ 82,846</u>	<u>\$ (7,021)</u>	<u>\$ 1,674,197</u>	<u>\$ 1,681,218</u>

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULE
 Major Special Revenue Funds
 For The Calendar Year Ended December 31, 2019

	Highway Funds (MVH, LRS and Highway Use Tax)				Economic Dev Income Tax (EDIT)			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final	Amounts		Original	Final	Amounts	
Revenues:								
Taxes:								
Property taxes	\$ 2,834,173	\$ 2,834,173	\$ 2,645,676	\$ (188,497)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,871,747	3,871,747	4,992,630	1,120,883	-	-	7,656,673	7,656,673
Payment in lieu of taxes	-	-	-	-	-	-	-	-
Charges for services	30,000	30,000	31,150	1,150	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	99,541	99,541	-	-	151,061	151,061
Interest and investment revenue	-	-	-	-	-	-	169,621	169,621
Total revenues	<u>6,735,920</u>	<u>6,735,920</u>	<u>7,768,997</u>	<u>1,033,077</u>	<u>-</u>	<u>-</u>	<u>7,977,355</u>	<u>7,977,355</u>
Expenditures:								
Current:								
Highways and streets:								
Personal services	4,824,900	4,824,900	5,060,151	(235,251)	-	-	-	-
Supplies	1,131,800	1,131,800	745,673	386,127	-	-	-	-
Other srv & chrgs	1,748,700	1,748,700	1,370,417	378,283	-	-	-	-
Capital outlays	455,000	455,000	390,869	64,131	-	-	-	-
Total highways and streets	<u>8,160,400</u>	<u>8,160,400</u>	<u>7,567,110</u>	<u>593,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic development:								
Supplies	-	-	-	-	830,000	830,000	726,620	103,380
Other srv & chrgs	-	-	-	-	2,295,000	2,295,000	3,188,617	(893,617)
Debt service	-	-	-	-	2,500,000	2,500,000	2,899,918	(399,918)
Capital outlays	-	-	-	-	700,000	700,000	5,373,442	(4,673,442)
Total economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,325,000</u>	<u>6,325,000</u>	<u>12,188,597</u>	<u>(5,863,597)</u>
Total expenditures	<u>8,160,400</u>	<u>8,160,400</u>	<u>7,567,110</u>	<u>593,290</u>	<u>6,325,000</u>	<u>6,325,000</u>	<u>12,188,597</u>	<u>(5,863,597)</u>
Other financing sources and uses:								
Capital lease proceeds	-	-	-	-	-	-	700,000	700,000
Bond proceeds	-	-	-	-	-	-	17,557,879	17,557,879
Premium on sale of bond	-	-	-	-	-	-	804,899	804,899
Transfers in	-	-	-	-	-	-	354,000	354,000
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,416,778</u>	<u>19,416,778</u>
Net change in fund balances	(1,424,480)	(1,424,480)	201,887	1,626,367	(6,325,000)	(6,325,000)	15,205,536	21,530,536
Fund balances - beginning	<u>(89,685)</u>	<u>(726,053)</u>	<u>1,854,127</u>	<u>2,580,180</u>	<u>2,009,629</u>	<u>1,381,987</u>	<u>1,454,478</u>	<u>72,491</u>
Fund balances - ending	<u>\$ (1,514,165)</u>	<u>\$ (2,150,533)</u>	<u>\$ 2,056,014</u>	<u>\$ 4,206,547</u>	<u>\$ (4,315,371)</u>	<u>\$ (4,943,013)</u>	<u>\$ 16,660,014</u>	<u>\$ 21,603,027</u>

Continued on next page

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULE
 Major Special Revenue Funds
 For The Calendar Year Ended December 31, 2019

	Park Bond				Thoroughfare			
	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	\$ 864,281	\$ 864,281	\$ 856,375	\$ (7,906)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	72,003	72,003	-	-	-	-
Other	-	-	224,243	224,243	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-
Total revenues	<u>864,281</u>	<u>864,281</u>	<u>1,152,621</u>	<u>288,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current:								
Highways and streets:								
Capital outlay	-	-	-	-	-	-	547,698	(547,698)
Total highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,698</u>	<u>(547,698)</u>
Culture and Recreation:								
Other srv & chrgs	-	-	-	-	-	-	-	-
Capital outlays	-	-	2,755,633	(2,755,633)	-	-	-	-
Total economic development	<u>-</u>	<u>-</u>	<u>2,755,633</u>	<u>(2,755,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:								
Interest	4,612	298,009	492,747	(194,738)	-	-	-	-
Principal retirement	465,000	630,000	630,000	-	-	-	-	-
Total debt service	<u>469,612</u>	<u>928,009</u>	<u>1,122,747</u>	<u>(194,738)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>469,612</u>	<u>928,009</u>	<u>3,878,380</u>	<u>(2,950,371)</u>	<u>-</u>	<u>-</u>	<u>547,698</u>	<u>(547,698)</u>
Other financing sources and uses:								
Transfers in	-	-	-	-	-	-	500,000	500,000
Net change in fund balances	394,669	(63,728)	(2,725,759)	(2,662,031)	-	-	(47,698)	(47,698)
Fund balances - beginning	(20,118)	(20,118)	12,316,684	12,336,802	(2,224,947)	(2,224,947)	88,032	2,312,979
Fund balances - ending	<u>\$ 374,551</u>	<u>\$ (83,846)</u>	<u>\$ 9,590,925</u>	<u>\$ 9,674,771</u>	<u>\$ (2,224,947)</u>	<u>\$ (2,224,947)</u>	<u>\$ 40,334</u>	<u>\$ 2,265,281</u>

Continued on next page

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULE
 Major Special Revenue Funds
 For The Calendar Year Ended December 31, 2019

	Redevelopment Authority				TIF Creasy Central Consolidated			
	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,239,701	\$ 11,239,701
Other	-	-	3,876,383	3,876,383	-	-	4,657	4,657
Capital contributions	-	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	26,293	26,293
Total revenues	-	-	3,876,383	3,876,383	-	-	11,270,651	11,244,358
Expenditures:								
Current:								
Economic development:								
Other srv & chrgrs	-	-	9,500	(9,500)	-	-	834,215	(834,215)
Capital outlays	-	-	-	-	-	-	6,645,414	(6,645,414)
Total economic development	-	-	9,500	(9,500)	-	-	7,479,629	(7,479,629)
Debt service:								
Interest	-	-	776,685	(776,685)	-	-	347,497	(347,497)
Principal retirement	-	-	2,980,000	(2,980,000)	-	-	2,801,000	(2,801,000)
Total debt service	-	-	3,756,685	(3,756,685)	-	-	3,148,497	(3,148,497)
Total expenditures	-	-	3,766,185	(3,766,185)	-	-	10,628,126	(10,628,126)
Other financing sources and uses								
Bond Proceeds	-	-	-	-	-	-	1,200,000	(1,200,000)
Transfer out	-	-	-	-	-	-	(354,000)	354,000
Total other financing sources and (uses)	-	-	-	-	-	-	846,000	(846,000)
Net change in fund balances	-	-	110,198	(110,198)	-	-	1,488,525	1,462,232
Fund balances - beginning	2,960,641	2,960,641	3,306,145	345,504	(5,504,385)	(6,194,212)	2,352,118	5,546,330
Fund balances - ending	\$ 2,960,641	\$ 2,960,641	\$ 3,416,343	\$ 455,702	\$ (5,504,385)	\$ (6,194,212)	\$ 3,840,643	\$ 7,008,562

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data 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

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

Nonmajor governmental funds:

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

Capital projects funds – cumulative capital improvement, cumulative capital development

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)

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 decreased from 3.10% for the December 31, 2018 valuation to 2.13% for the December 31, 2019 valuation, based on the Barclay’s 20-year Municipal Bond Index rate.
2. For the Public Employees Retirement Fund, in 2019 there were no changes in assumptions.
3. For the 1977 Police Officers’ and Firefighters Pension plans, in 2019, there were no changes in assumptions.

Note 3. OPEB Plan

Cost Method	Entry age normal – level percent of salary
Assumptions	
Discount rate	3.26% per annum
Discount rate basis	20-year tax-exempt general obligation municipal bond index
Inflation rate	2.25% per year
Investment return	Not applicable since the plan is not currently prefunded
Disability	None assumed
Healthcare cost trend rates	Medical/Rx costs were trended at 7.5% in the first year, graded down to 4.5% over a seven year period.
Inflation	2.25%

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)

Healthcare cost trend rate:

<u>Year End</u>	<u>Medical / Rx</u>
2020	7.5%
2021	7.0%
2022	6.5%
2023	6.0%
2024	5.5%
2025	5.0%
2026+	4.5%

OTHER SUPPLEMENTARY INFORMATION

CITY OF LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND - BY DEPARTMENT
For The Year Ended December 31, 2019

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
General government:				
Mayor	\$ 117,540	\$ 117,540	\$ 108,188	\$ 9,352
Controller	180,500	180,500	161,850	18,650
Clerk	116,225	116,225	110,196	6,029
Human Resources	120,020	120,020	138,491	(18,471)
Common Council	133,790	133,790	123,997	9,793
Facilities	1,244,525	1,244,525	1,155,880	88,645
Engineering	1,065,100	1,065,100	1,003,209	61,891
Purchasing	64,375	64,375	43,291	21,084
IT	336,700	336,700	295,616	41,084
Human Relations	1,300	1,300	-	1,300
Board of Works	212,700	212,700	175,030	37,670
Animal Control	311,600	311,600	317,385	(5,785)
Unappropriated	-	-	216,070	(216,070)
Total general government	<u>3,904,375</u>	<u>3,904,375</u>	<u>3,849,203</u>	<u>55,172</u>
Public safety:				
Fire	16,622,100	16,622,100	16,507,098	115,002
Police	19,090,000	19,090,000	18,103,940	986,060
Total public safety	<u>35,712,100</u>	<u>35,712,100</u>	<u>34,611,038</u>	<u>1,101,062</u>
Sanitation	<u>2,486,520</u>	<u>2,486,520</u>	<u>2,461,207</u>	<u>25,313</u>
Total expenditures	<u>\$ 42,102,995</u>	<u>\$ 42,102,995</u>	<u>\$ 40,921,448</u>	<u>\$ 1,181,547</u>

CITY OF LAFAYETTE
NONMAJOR GOVERNMENTAL 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.

LIT Public Safety—To account for expenditures related to projects promoting public safety.

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, 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 reconstruction

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

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

Band—A property tax-supported fund for a citizens' band.

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

Police Training—To account for training expenditures of the City's Police Department.

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

Police Drug Free—To account for law enforcement activities geared toward reducing drug crimes.

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 a 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.

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 assessed valuation of the property before redevelopment.

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.

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2019

	Park and Recreation Operating	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development	LIT Public Safety
<u>Assets</u>						
Cash and cash equivalents	\$ 22,907	\$ 25,733	\$ 58,453	\$ 6,670	\$ 21,943	\$ -
Cash with fiscal agents	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)						
Loans	-	-	-	-	-	-
Taxes	67,883	-	-	-	6,415	-
Accounts	-	-	-	-	-	-
Intergovernmental	39,859	-	-	-	3,760	526,549
Restricted cash, cash equivalents and investments	-	-	-	-	-	-
Total assets	<u>\$ 130,649</u>	<u>\$ 25,733</u>	<u>\$ 58,453</u>	<u>\$ 6,670</u>	<u>\$ 32,118</u>	<u>\$ 526,549</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts Payable	\$ 18,283	\$ 3,605	\$ 308	\$ -	\$ 150,031	\$ -
Accrued payroll and withholding payable	98,784	6,773	-	-	16,114	-
Intergovernmental payable	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-
Unearned revenue	109,347	18,427	-	-	10,175	526,549
Customer deposits payable	-	3,100	-	-	-	-
Total liabilities	<u>226,414</u>	<u>31,905</u>	<u>308</u>	<u>-</u>	<u>176,320</u>	<u>526,549</u>
Fund Balances:						
Restricted	(95,765)	(6,172)	-	-	-	-
Committed	-	-	-	-	(144,202)	-
Assigned	-	-	58,145	6,670	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>(95,765)</u>	<u>(6,172)</u>	<u>58,145</u>	<u>6,670</u>	<u>(144,202)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 130,649</u>	<u>\$ 25,733</u>	<u>\$ 58,453</u>	<u>\$ 6,670</u>	<u>\$ 32,118</u>	<u>\$ 526,549</u>

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

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2019

Federal Grants	Police Continuing Education	Unsafe Building	State Grants	Rainy Day	LOIT Special Distribution	Railroad
\$ 1,467	\$ 269,004	\$ 50,134	\$ (6,916)	\$ 1,501,055	\$ 7,001	\$ 221,619
-	-	-	-	-	-	-
-	-	-	-	4,065,940	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
96,894	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 98,361</u>	<u>\$ 269,004</u>	<u>\$ 50,134</u>	<u>\$ (6,916)</u>	<u>\$ 5,566,995</u>	<u>\$ 7,001</u>	<u>\$ 221,619</u>
\$ 16,635	\$ 1,624	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,500	-	-	-	-
<u>16,635</u>	<u>1,624</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
81,726	-	-	(6,916)	-	7,001	-
-	-	-	-	-	-	221,619
-	267,380	48,634	-	5,566,995	-	-
-	-	-	-	-	-	-
<u>81,726</u>	<u>267,380</u>	<u>48,634</u>	<u>(6,916)</u>	<u>5,566,995</u>	<u>7,001</u>	<u>221,619</u>
<u>\$ 98,361</u>	<u>\$ 269,004</u>	<u>\$ 50,134</u>	<u>\$ (6,916)</u>	<u>\$ 5,566,995</u>	<u>\$ 7,001</u>	<u>\$ 221,619</u>

Continued on next page

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

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2019

	Fire Donations	Band	Police Training	Fire Training (Arns Invstg)	Police Unclaimed Property	Police Drug Free
<u>Assets</u>						
Cash and cash equivalents	\$ 10,851	\$ 17,347	\$ 5,722	\$ 14,775	\$ 541,256	\$ 21,367
Cash with fiscal agents	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)						
Loans	-	-	-	-	-	-
Taxes	-	313	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	183	-	-	-	-
Restricted cash, cash equivalents and investments	-	-	-	-	-	-
Total assets	<u>\$ 10,851</u>	<u>\$ 17,843</u>	<u>\$ 5,722</u>	<u>\$ 14,775</u>	<u>\$ 541,256</u>	<u>\$ 21,367</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts Payable	\$ 4,540	\$ 12,500	\$ -		\$ 2,400	
Accrued payroll and withholding payable	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Customer deposits payable	-	-	-	-	-	-
Total liabilities	<u>4,540</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
Fund Balances:						
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	6,311	5,343	5,722	14,775	538,856	21,367
Unassigned	-	-	-	-	-	-
Total fund balances	<u>6,311</u>	<u>5,343</u>	<u>5,722</u>	<u>14,775</u>	<u>538,856</u>	<u>21,367</u>
Total liabilities and fund balances	<u>\$ 10,851</u>	<u>\$ 17,843</u>	<u>\$ 5,722</u>	<u>\$ 14,775</u>	<u>\$ 541,256</u>	<u>\$ 21,367</u>

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

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2019

HOME - Community Development	CDBG - Community Development	Beautification	TIF McCarty	TIF Twychenham	Total Nonmajor Special Revenue Funds
\$ 23,437	\$ 4,029	\$ 28,908	\$ 1,671,829	\$ 373,994	\$ 4,892,585
-	-	-	2,539,208	-	2,539,208
-	-	-	-	-	4,065,940
32,910	4,031	-	-	-	36,941
-	-	-	34,368	23,243	132,222
17,851	39,535	-	-	-	154,280
-	-	-	70,139	95,483	735,973
-	-	-	3,409,770	356,242	3,766,012
<u>\$ 74,198</u>	<u>\$ 47,595</u>	<u>\$ 28,908</u>	<u>\$ 7,725,314</u>	<u>\$ 848,962</u>	<u>\$ 16,323,161</u>
\$ 18,347	\$ 42,347	\$ -	\$ 28,927	\$ 703,306	\$ 1,002,853
-	-	-	-	-	121,671
-	-	-	3,409,770	-	3,409,770
-	-	-	-	80,901	80,901
-	-	-	152,293	-	152,293
-	-	-	34,368	23,243	722,109
-	-	-	-	-	4,600
<u>18,347</u>	<u>42,347</u>	<u>-</u>	<u>3,625,358</u>	<u>807,450</u>	<u>5,494,197</u>
55,851	5,248	-	4,099,956	41,512	4,182,441
-	-	-	-	-	77,417
-	-	28,908	-	-	6,569,106
-	-	-	-	-	-
<u>55,851</u>	<u>5,248</u>	<u>28,908</u>	<u>4,099,956</u>	<u>41,512</u>	<u>10,828,964</u>
<u>\$ 74,198</u>	<u>\$ 47,595</u>	<u>\$ 28,908</u>	<u>\$ 7,725,314</u>	<u>\$ 848,962</u>	<u>\$ 16,323,161</u>

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

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 For the Year Ended December 31, 2019

	Park and Recreation Operating	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development	LIT Public Safety
<u>Revenues</u>						
General Property Taxes	\$ 3,924,643	\$ -	\$ -	\$ -	\$ 370,859	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	310,483	-	-	-	29,286	-
Charges for services	66,695	1,233,138	-	-	3,400	-
Fines and forfeits	-	-	-	-	-	-
Other	208,137	114,146	105,050	24,312	509	-
Interest and investment revenue	-	-	-	-	-	-
Total revenues	4,509,958	1,347,284	105,050	24,312	404,054	-
<u>Expenditures</u>						
Current:						
General Government	-	-	169,156	-	-	-
Public Safety	-	-	-	24,312	-	-
Highways and Streets	-	-	-	-	-	-
Culture and Recreation	4,344,601	1,321,303	-	-	-	-
Economic Development	-	-	-	-	502,933	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	183,235	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Total expenditures	4,527,836	1,321,303	169,156	24,312	502,933	-
Excess (deficiency) of revenues over (under) expenditures	(17,878)	25,981	(64,106)	-	(98,879)	-
<u>Other financing sources (uses)</u>						
Transfers In	-	-	-	-	-	-
Net change in fund balances	(17,878)	25,981	(64,106)	-	(98,879)	-
Fund balances - beginning	(77,887)	(32,153)	122,251	6,670	(45,323)	-
Fund balances - ending	\$ (95,765)	\$ (6,172)	\$ 58,145	\$ 6,670	\$ (144,202)	\$ -

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

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 For the Year Ended December 31, 2019

Federal Grants	Police Continuing Education	Unsafe Building	State Grants	Rainy Day	LOIT Special Distribution	Railroad
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,500	-	-	-	-
395,874	-	-	-	461,965	-	-
-	97,574	17,514	-	-	-	-
-	17,466	-	-	-	-	-
292	1	-	-	-	-	-
-	-	-	-	101,099	-	14
<u>396,166</u>	<u>115,041</u>	<u>20,014</u>	<u>-</u>	<u>563,064</u>	<u>-</u>	<u>14</u>
-	-	-	-	-	-	-
217,568	156,905	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
180,621	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>398,189</u>	<u>156,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,023)</u>	<u>(41,864)</u>	<u>20,014</u>	<u>-</u>	<u>563,064</u>	<u>-</u>	<u>14</u>
<u>6,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,465	(41,864)	20,014	-	563,064	-	14
<u>77,261</u>	<u>309,244</u>	<u>28,620</u>	<u>(6,916)</u>	<u>5,003,931</u>	<u>7,001</u>	<u>221,605</u>
<u>\$ 81,726</u>	<u>\$ 267,380</u>	<u>\$ 48,634</u>	<u>\$ (6,916)</u>	<u>\$ 5,566,995</u>	<u>\$ 7,001</u>	<u>\$ 221,619</u>

Continued on next page

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

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 For the Year Ended December 31, 2019

	Fire Donations	Band	Police Training	Fire Training (Arns Invstg)	Police Unclaimed Property	Police Drug Free
<u>Revenues</u>						
General Property Taxes	\$ -	\$ 18,092	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,925	-	-	-	-
Charges for services	110	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	112,338	-	2,048	22,413	150,316	34,904
Interest and investment revenue	-	-	-	-	-	-
Total revenues	112,448	20,017	2,048	22,413	150,316	34,904
<u>Expenditures</u>						
Current:						
General Government	-	25,000	-	-	-	-
Public Safety	197,744	-	7,906	14,247	106,058	16,161
Highways and Streets	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Public Safety	328,533	-	-	10,844	-	-
Culture and Recreation	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Total expenditures	526,277	25,000	7,906	25,091	106,058	16,161
Excess (deficiency) of revenues over (under) expenditures	(413,829)	(4,983)	(5,858)	(2,678)	44,258	18,743
<u>Other financing sources (uses)</u>						
Transfers In	-	-	-	-	-	-
Net change in fund balances	(413,829)	(4,983)	(5,858)	(2,678)	44,258	18,743
Fund balances - beginning	420,140	10,326	11,580	17,453	494,598	2,624
Fund balances - ending	\$ 6,311	\$ 5,343	\$ 5,722	\$ 14,775	\$ 538,856	\$ 21,367

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

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 For the Year Ended December 31, 2019

HOME - Community Development	CDBG - Community Development	Beautification	TIF MCCarty	TIF Twychenham	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 2,992,426	\$ 1,343,819	\$ 8,649,839
-	-	-	-	-	2,500
791,758	370,401	-	-	-	2,361,692
-	-	-	-	-	1,418,431
-	-	-	-	-	17,466
29,913	-	-	48,418	-	852,797
-	-	-	-	3,805	104,918
<u>821,671</u>	<u>370,401</u>	<u>-</u>	<u>3,040,844</u>	<u>1,347,624</u>	<u>13,407,643</u>
-	-	-	-	-	194,156
-	-	-	-	-	740,901
-	-	-	-	-	-
-	-	-	-	-	5,665,904
922,572	370,221	-	148,979	14,273	2,139,599
-	-	-	-	173,083	173,083
-	-	-	-	597,000	597,000
-	-	-	-	-	339,377
-	-	-	-	-	183,235
-	-	-	3,122,416	1,375,320	4,497,736
<u>922,572</u>	<u>370,221</u>	<u>-</u>	<u>3,271,395</u>	<u>2,159,676</u>	<u>14,530,991</u>
<u>(100,901)</u>	<u>180</u>	<u>-</u>	<u>(230,551)</u>	<u>(812,052)</u>	<u>(1,123,348)</u>
-	-	-	-	-	6,488
<u>(100,901)</u>	<u>180</u>	<u>-</u>	<u>(230,551)</u>	<u>(812,052)</u>	<u>(1,116,860)</u>
<u>156,752</u>	<u>5,068</u>	<u>28,908</u>	<u>4,330,507</u>	<u>853,564</u>	<u>11,945,824</u>
<u>\$ 55,851</u>	<u>\$ 5,248</u>	<u>\$ 28,908</u>	<u>\$ 4,099,956</u>	<u>\$ 41,512</u>	<u>\$ 10,828,964</u>

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

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Capital Projects Funds
 December 31, 2018

	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 32,553	\$ 458,369	\$ 490,922	\$ 5,383,506
Cash with fiscal agents	-	-	-	2,539,208
Investments	-	-	-	4,065,940
Receivables (net of allowance for uncollectibles)				
Loans	-	-	-	36,941
Taxes	-	10,428	10,428	142,650
Accounts	-	-	-	154,280
Intergovernmental	13,875	6,113	19,988	755,961
Restricted cash, cash equivalents and investments	-	-	-	3,766,012
Total assets	\$ 46,428	\$ 474,910	\$ 521,338	\$ 16,844,498
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ -	\$ 59,491	\$ 59,491	\$ 1,062,343
Accrued payroll and withholding payable	-	-	-	121,671
Intergovernmental payable	-	-	-	3,409,770
Accrued interest payable	-	-	-	80,901
Performance deposits payable	-	3,854	3,854	156,147
Unearned revenue	13,875	16,541	30,416	752,525
Customer deposits payable	-	-	-	4,600
Total liabilities	13,875	79,886	93,761	5,587,957
Fund Balances:				
Restricted	32,553	395,024	427,577	4,610,020
Committed	-	-	-	77,416
Assigned	-	-	-	6,569,105
Total fund balances	32,553	395,024	427,577	11,256,541
Total liabilities and fund balances	\$ 46,428	\$ 474,910	\$ 521,338	\$ 16,844,498

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

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Capital Projects Funds
 For the Year Ended December 31, 2018

	<u>Cumulative Capital Improvement</u>	<u>Cumulative Capital Development</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues</u>				
General Property Taxes	\$ -	\$ 602,871	\$ 602,871	\$ 9,252,710
Licenses and permits	-	-	-	2,500
Intergovernmental	153,393	47,620	201,013	2,562,705
Charges for services	-	-	-	1,418,431
Fines and forfeits	-	-	-	17,466
Other	-	-	-	852,797
Interest and investment revenue	-	-	-	104,918
	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,918</u>
Total revenues	<u>153,393</u>	<u>650,491</u>	<u>803,884</u>	<u>14,211,527</u>
<u>Expenditures</u>				
Current:				
General Government	-	-	-	194,156
Public Safety	-	-	-	740,901
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	-	5,665,904
Economic Development	3,283	150,288	153,571	2,293,170
Debt service:				
Interest	-	-	-	173,083
Principal retirement	-	-	-	597,000
Capital outlay:				
Public Safety	-	-	-	339,377
Culture and Recreation	-	-	-	183,235
Economic Development	<u>135,310</u>	<u>304,086</u>	<u>439,396</u>	<u>4,937,132</u>
Total expenditures	<u>138,593</u>	<u>454,374</u>	<u>592,967</u>	<u>15,123,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,800</u>	<u>196,117</u>	<u>210,917</u>	<u>(912,431)</u>
<u>Other financing sources (uses)</u>				
Transfers In	<u>-</u>	<u>75</u>	<u>75</u>	<u>6,562</u>
Net change in fund balances	14,800	196,192	210,992	(905,869)
Fund balances - beginning	<u>17,753</u>	<u>198,832</u>	<u>216,585</u>	<u>12,162,410</u>
Fund balances - ending	<u>\$ 32,553</u>	<u>\$ 395,024</u>	<u>\$ 427,577</u>	<u>\$ 11,256,541</u>

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

CITY OF LAFAYETTE
NONMAJOR FIDUCIARY FUND DESCRIPTIONS

Police Pension—To account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977.

Fire Pension—To account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977.

CITY OF LAFAYETTE
 COMBINING STATEMENT OF NET POSITION
 Nonmajor Fiduciary Funds
 December 31, 2019

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	<u>\$ 923,164</u>	<u>\$ 923,030</u>	<u>\$ 1,846,194</u>
Net Position			
Held in trust for pension benefits and other purposes	<u>\$ 923,164</u>	<u>\$ 923,030</u>	<u>\$ 1,846,194</u>

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

CITY OF LAFAYETTE
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 Nonmajor Fiduciary Funds
 For the Year Ended December 31, 2019

	Police Pension	Fire Pension	Totals
Additions			
Contributions:			
State Contributions	\$ 1,554,167	\$ 2,520,426	\$ 4,074,593
Miscellaneous revenue	3,200	3,200	6,400
Total contributions	1,557,367	2,523,626	4,080,993
Deductions			
Administration and general	9,090	9,090	18,180
Benefits	1,532,287	2,494,041	4,026,328
Total deductions	1,541,377	2,503,131	4,044,508
Change in net position	15,990	20,495	36,485
Net Position -- beginning of the year	907,174	902,535	1,809,709
Net Position -- end of the year	\$ 923,164	\$ 923,030	\$ 1,846,194

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

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2019

	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	\$ 4,205,308	\$ 4,205,308	\$ 3,924,643	\$ (280,665)	\$ 396,666	\$ 396,666	\$ 370,859	\$ (25,807)
Intergovernmental	83,140	83,140	310,483	227,343	24,444	24,444	29,286	4,842
Charges for services	112,000	112,000	66,695	(45,305)	-	-	3,400	3,400
Other	20,000	20,000	208,137	188,137	30,000	30,000	509	(29,491)
Total revenues	<u>4,420,448</u>	<u>4,420,448</u>	<u>4,509,958</u>	<u>89,510</u>	<u>451,110</u>	<u>451,110</u>	<u>404,054</u>	<u>(47,056)</u>
Expenditures:								
Current:								
Culture and Recreation:								
Personal Services	3,359,950	3,359,950	3,327,836	32,114	-	-	-	-
Supplies	470,000	470,000	374,448	95,552	-	-	-	-
Other Srv & Chrgs	781,400	781,400	642,317	139,083	-	-	-	-
Capital Outlays	19,000	19,000	183,235	(164,235)	-	-	-	-
Total culture and recreation	<u>4,630,350</u>	<u>4,630,350</u>	<u>4,527,836</u>	<u>102,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic development:								
Personal Services	-	-	-	-	510,700	510,700	488,957	21,743
Supplies	-	-	-	-	3,500	3,500	3,099	401
Other srv & chrgs	-	-	-	-	22,750	22,750	10,877	11,873
Total economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,950</u>	<u>536,950</u>	<u>502,933</u>	<u>34,017</u>
Total expenditures	<u>4,630,350</u>	<u>4,630,350</u>	<u>4,527,836</u>	<u>102,514</u>	<u>536,950</u>	<u>536,950</u>	<u>502,933</u>	<u>34,017</u>
Net change in fund balances	(209,902)	(209,902)	(17,878)	192,024	(85,840)	(85,840)	(98,879)	(13,039)
Fund balances - beginning	196,231	144,231	(77,887)	(222,118)	7,303	7,303	(45,322)	(52,625)
Fund balances - ending	<u>\$ (13,671)</u>	<u>\$ (65,671)</u>	<u>\$ (95,765)</u>	<u>\$ (30,094)</u>	<u>\$ (78,537)</u>	<u>\$ (78,537)</u>	<u>\$ (144,201)</u>	<u>\$ (65,664)</u>

Continued on next page

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2019

	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	\$ 2,801,930	\$ 2,801,930	\$ 2,992,426	\$ 190,496	\$ 1,292,490	\$ 1,292,490	\$ 1,343,819	\$ 51,329
Other	-	-	48,418	48,418	-	-	3,805	3,805
Total revenues	2,801,930	2,801,930	\$ 3,040,844	238,914	1,292,490	1,292,490	1,347,624	55,134
Expenditures:								
Current:								
Economic development:								
Other srv & chrgs	330,000	330,000	148,979	181,021	804,163	804,163	14,273	789,890
Capital outlays	3,810,000	3,810,000	3,122,416	687,584	11,888,000	11,888,000	1,375,320	10,512,680
Total economic development	4,140,000	4,140,000	3,271,395	868,605	12,692,163	12,692,163	1,389,593	11,302,570
Debt service:								
Interest	-	-	-	-	-	-	173,083	(173,083)
Principal retirement	-	-	-	-	-	-	597,000	(597,000)
Total debt service	-	-	-	-	-	-	770,083	(770,083)
Total expenditures	4,140,000	4,140,000	3,271,395	868,605	12,692,163	12,692,163	2,159,676	10,532,487
Net change in fund balances	(1,338,070)	(1,338,070)	(230,551)	1,107,519	(11,399,673)	(11,399,673)	(812,052)	10,587,621
Fund balances - beginning	1,849,698	1,849,698	4,330,507	2,480,809	758,347	758,346	853,564	95,218
Fund balances - ending	\$ 511,628	\$ 511,628	\$ 4,099,956	\$ 3,588,328	\$ (10,641,326)	\$ (10,641,327)	\$ 41,512	\$ 10,682,839

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CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2019

	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	\$ -	\$ -	\$ -	\$ -	\$ 644,986	\$ 644,986	\$ 602,871	\$ (42,115)
Intergovernmental	137,637	137,637	153,393	15,756	39,745	39,745	47,620	7,875
Other	-	-	-	-	-	-	75	75
Total revenues	<u>137,637</u>	<u>137,637</u>	<u>153,393</u>	<u>15,756</u>	<u>684,731</u>	<u>684,731</u>	<u>650,566</u>	<u>(34,165)</u>
Expenditures:								
Current:								
Economic development:								
Other srv & chrgs	-	-	3,283	(3,283)	305,000	305,000	150,288	154,712
Capital outlays	140,000	140,000	135,310	4,690	350,000	350,000	304,086	45,914
Total economic development	<u>140,000</u>	<u>140,000</u>	<u>138,593</u>	<u>1,407</u>	<u>655,000</u>	<u>655,000</u>	<u>454,374</u>	<u>200,626</u>
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>138,593</u>	<u>1,407</u>	<u>655,000</u>	<u>655,000</u>	<u>454,374</u>	<u>200,626</u>
Net change in fund balances	(2,363)	(2,363)	14,800	14,349	29,731	29,731	196,192	166,461
Fund balances - beginning	<u>168,303</u>	<u>148,303</u>	<u>17,753</u>	<u>(130,550)</u>	<u>(23,817)</u>	<u>(23,817)</u>	<u>198,832</u>	<u>222,649</u>
Fund balances - ending	<u>\$ 165,940</u>	<u>\$ 145,940</u>	<u>\$ 32,553</u>	<u>\$ (116,201)</u>	<u>\$ 5,914</u>	<u>\$ 5,914</u>	<u>\$ 395,024</u>	<u>\$ 389,110</u>

Continued on next page

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2019

	Band			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 19,350	\$ 19,350	\$ 18,092	\$ (1,258)
Intergovernmental	1,193	1,193	1,925	732
Other	-	-	-	-
Total revenues	<u>\$ 20,543</u>	<u>\$ 20,543</u>	<u>\$ 20,017</u>	<u>\$ (526)</u>
Expenditures:				
Culture and Recreation:				
Other Srv & Chrsg	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total culture and recreation	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	(4,457)	(4,457)	(4,983)	(526)
Fund balances - beginning	<u>11,379</u>	<u>11,379</u>	<u>10,326</u>	<u>(1,053)</u>
Fund balances - ending	<u>\$ 6,922</u>	<u>\$ 6,922</u>	<u>\$ 5,343</u>	<u>\$ (1,579)</u>

STATISTICAL SECTION

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

	2019	2018	2017 (2)	2016	2015 (1)	2014 (1)	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 219,153,654	\$ 209,964,999	\$ 200,313,371	\$ 189,907,832	\$ 172,421,498	\$ 154,609,386	\$ 161,561,118	\$ 150,361,978	\$ 141,133,453	\$ 135,035,618
Restricted	21,212,144	6,194,508	6,014,020	6,056,829	2,050,866	1,713,160	1,858,289	1,165,914	199,807	-
Unrestricted	(55,128,010)	(36,733,801)	(36,000,481)	(27,671,396)	(19,238,638)	35,301,468	20,905,747	29,797,974	5,001,321	10,431,647
Total governmental activities	<u>\$ 185,237,788</u>	<u>\$ 179,425,706</u>	<u>\$ 170,326,910</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 158,831,812	\$ 133,250,741	\$ 104,409,458	\$ 138,610,168	\$ 127,894,536	\$ 112,992,073	\$ 106,883,781	\$ 110,981,625	\$ 100,964,208	\$ 101,628,288
Restricted	33,394,142	26,949,062	46,956,920	8,269,635	8,335,002	8,454,592	5,831,958	5,269,490	4,315,441	-
Unrestricted	12,873,207	30,705,198	24,668,398	21,782,372	26,826,816	36,923,521	36,326,334	30,995,548	32,954,599	27,867,904
Total business-type activities	<u>\$ 205,099,161</u>	<u>\$ 190,905,001</u>	<u>\$ 176,034,776</u>	<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>
Primary government										
Net investment in capital assets	\$ 377,985,466	\$ 343,215,740	\$ 304,722,829	\$ 328,518,000	\$ 300,316,034	\$ 267,601,459	\$ 268,444,899	\$ 261,343,603	\$ 242,097,661	\$ 236,663,906
Restricted	54,606,286	33,143,570	52,970,940	14,326,464	10,385,868	10,167,752	7,690,247	6,435,404	4,515,248	-
Unrestricted	(42,254,803)	(6,028,603)	(11,332,083)	(5,889,024)	7,588,178	72,224,989	57,232,081	60,793,522	37,955,920	38,299,551
Total primary government	<u>\$ 390,336,949</u>	<u>\$ 370,330,707</u>	<u>\$ 346,361,686</u>	<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>

Source - 2019 City of Lafayette Comprehensive Annual Financial Report, 2010-2018 City of Lafayette Audited Financial Statements

- (1) The City implemented the reporting of net pension liability through GASB 68 during 2015. 2014 was restated.
(2) The City implemented the reporting of opeb liability through GASB 75 during 2018. 2017 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$ 5,273,595	\$ 3,999,174	\$ 5,372,471	\$ 3,718,623	\$ 5,494,824	\$ 4,598,931	\$ 4,131,608	\$ 5,613,047	\$ 5,128,906	\$ 4,992,367
Public safety	40,922,977	32,163,964	34,115,434	26,762,483	29,221,205	28,310,091	27,583,781	26,532,846	24,203,644	24,985,993
Highways and streets	10,718,537	12,027,597	9,771,396	9,542,124	9,744,609	9,156,462	7,650,926	7,708,735	7,902,828	7,635,715
Sanitation	2,969,707	2,722,074	2,476,778	2,426,587	2,087,140	2,037,651	2,110,763	2,022,147	1,879,156	1,896,451
Culture and recreation	6,951,852	6,684,389	5,825,264	5,514,340	5,247,735	5,293,836	5,109,955	5,685,888	5,669,544	5,649,119
Economic development	11,729,682	15,348,917	17,140,165	18,668,916	10,854,496	9,237,249	9,707,497	8,378,482	19,221,279	9,066,563
Total governmental activities expenses	78,566,350	72,946,115	74,701,508	66,633,073	62,650,009	58,634,220	56,294,530	55,941,145	64,005,357	54,226,208
Business-type activities:										
Water utility	10,014,821	9,780,490	8,722,564	9,366,084	8,961,667	8,400,547	7,890,298	7,435,934	6,900,252	6,761,292
Wastewater utility	27,322,170	24,383,814	24,635,240	26,486,317	23,663,343	21,660,017	25,063,741	20,916,575	19,931,509	18,078,238
Parking operations	468,008	458,717	385,410	451,504	334,239	237,129	86,535	155,580	156,726	163,917
Community Dev Blk Grant (LHR)	-	17,761	42,541	64,520	73,192	75,512	74,216	80,595	75,965	334,765
Total business-type activities expenses	37,804,999	34,640,782	33,785,755	36,368,425	33,032,441	30,373,205	33,114,790	28,588,684	27,064,452	25,338,212
Total primary government expenses	\$ 116,371,349	\$ 107,586,897	\$ 108,487,263	\$ 103,001,498	\$ 95,682,450	\$ 89,007,425	\$ 89,409,320	\$ 84,529,829	\$ 91,069,809	\$ 79,564,420
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 756,940	\$ 686,818	\$ 605,723	\$ 728,408	\$ 707,752	\$ 763,846	\$ 449,543	\$ 451,708	\$ 447,609	\$ 401,044
Public safety	115,940	72,886	84,689	107,467	164,163	100,794	127,729	120,088	120,666	91,886
Highways and streets	33,260	38,889	33,034	46,131	31,133	3,026,579	2,718,171	2,341,069	2,205,417	2,221,757
Sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,299,184	1,190,482	1,130,758	1,130,853	978,904	886,756	8,356	21,722	9,413	6,907
Economic development	28,649	2,654	38,792	13,541	2,100	8,655	1,002,517	1,444,534	1,166,699	1,293,707
Operating grants and contributions	1,608,219	1,730,401	1,545,839	2,254,635	2,719,778	2,194,428	1,956,023	5,407,377	8,915,457	4,832,881
Capital grants and contributions	-	3,053,686	4,722,960	2,919,780	10,385	39,050	172,965	27,909,900	2,326,873	1,650,608
Total governmental activities program revenues	3,842,192	6,775,816	8,161,795	7,200,815	4,614,215	7,020,108	6,435,304	37,696,398	15,192,134	10,498,790
Business-type activities:										
Charges for services:										
Water utility	10,835,139	8,689,291	7,488,320	7,454,864	7,317,615	7,474,195	7,448,458	7,986,406	7,675,608	7,385,503
Wastewater utility	38,628,756	38,157,341	35,564,862	32,603,704	31,706,401	30,516,869	27,625,118	25,299,461	25,493,837	22,942,360
Parking operations	467,683	435,063	446,297	380,178	328,006	287,114	84,366	76,682	108,884	90,826
Community Dev Blk Grant (LHR)	-	-	-	-	-	62,923	73,997	74,801	53,635	-
Capital grants and contributions	623,868	1,163,554	1,167,195	-	-	-	-	-	-	-
Total business-type activities program revenues	50,555,446	48,445,249	44,666,674	40,438,746	39,352,022	38,341,101	35,231,939	33,437,350	33,331,964	30,418,689
Total primary government program revenues	\$ 54,397,638	\$ 55,221,065	\$ 52,828,469	\$ 47,639,561	\$ 43,966,237	\$ 45,361,209	\$ 41,667,243	\$ 71,133,748	\$ 48,524,098	\$ 40,917,479

Continued on next page

CITY OF LAFAYETTE
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (Expenses)/Revenue										
Governmental activities	\$ (74,724,158)	\$ (66,170,299)	\$ (66,539,713)	\$ (59,432,258)	\$ (58,035,794)	\$ (51,614,112)	\$ (49,859,226)	\$ (18,244,747)	\$ (48,813,223)	\$ (43,727,418)
Business-type activities	12,750,447	13,804,467	10,880,919	4,070,321	6,319,581	7,967,896	2,117,149	4,848,666	6,267,512	5,080,477
Total primary government net expenses	\$ (61,973,711)	\$ (52,365,832)	\$ (55,658,794)	\$ (55,361,937)	\$ (51,716,213)	\$ (43,646,216)	\$ (47,742,077)	\$ (13,396,081)	\$ (42,545,711)	\$ (38,646,941)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 48,582,029	\$ 46,267,559	\$ 44,345,009	\$ 41,894,612	\$ 39,648,908	\$ 39,126,526	\$ 35,613,459	\$ 36,355,229	\$ 33,431,234	\$ 36,383,599
Intergovernmental revenues	25,878,167	23,446,452	21,538,613	25,325,917	18,768,874	15,161,246	14,603,682	15,174,836	12,092,519	13,167,939
Payment in lieu of taxes	2,559,500	2,503,000	1,930,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Investment earnings	959,236	357,699	122,044	46,835	39,986	19,277	30,833	35,782	45,980	49,883
Other	2,557,308	2,635,630	2,651,846	2,524,964	2,590,125	1,509,494	1,416,608	1,658,545	2,101,809	2,245,623
Transfers	-	58,755	-	-	-	-	-	(2,688,353)	(691,003)	(818,911)
Total governmental activities	80,536,240	75,269,095	70,587,512	72,492,328	63,747,893	58,516,543	54,364,582	53,236,039	49,680,539	53,728,133
Business-type activities:										
Investment earnings	1,333,170	875,010	322,048	141,449	149,674	250,039	59,490	73,419	87,536	457,215
Other	110,543	249,503	197,941	217,122	202,741	8,359	121,808	13,462	1,485	16,608
Transfers	-	(58,755)	-	-	-	-	-	2,688,353	691,003	818,911
Contributed capital	-	-	-	1,176,923	1,090,107	858,847	1,372,650	1,388,516	1,690,520	692,948
Total business-type activities	1,443,713	1,065,758	519,989	1,535,494	1,442,522	1,117,245	1,553,948	4,163,750	2,470,544	1,985,682
Total primary government	\$ 81,979,953	\$ 76,334,853	\$ 71,107,501	\$ 74,027,822	\$ 65,190,415	\$ 59,633,788	\$ 55,918,530	\$ 57,399,789	\$ 52,151,083	\$ 55,713,815
Change in Net Position										
Governmental activities	\$ 5,812,082	\$ 9,098,796	\$ 4,047,799	\$ 13,060,070	\$ 5,712,099	\$ 6,902,431	\$ 4,505,356	\$ 34,991,292	\$ 867,316	\$ 10,000,715
Business-type activities	14,194,160	14,870,225	11,400,908	5,605,815	7,762,103	9,085,141	3,671,097	9,012,416	8,738,056	7,066,159
Total primary government	\$ 20,006,242	\$ 23,969,021	\$ 15,448,707	\$ 18,665,885	\$ 13,474,202	\$ 15,987,572	\$ 8,176,453	\$ 44,003,708	\$ 9,605,372	\$ 17,066,874

Source - 2019 City of Lafayette Comprehensive Annual Financial Report, 2010-2018 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011 (A)	2010
General Fund										
Unassigned fund balance	\$ 1,674,197	\$ 2,058,481	\$ 4,040,415	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868	\$ (510,470)	\$ -
Unrestricted	-	-	-	-	-	-	-	-	-	512,350
Total general fund	<u>1,674,197</u>	<u>2,058,481</u>	<u>4,040,415</u>	<u>4,417,376</u>	<u>2,739,793</u>	<u>603,525</u>	<u>(420,734)</u>	<u>368,868</u>	<u>(510,470)</u>	<u>512,350</u>
All Other Governmental Funds										
Restricted fund balance	19,713,636	23,094,771	13,545,811	16,568,759	28,250,624	42,849,878	28,569,046	37,092,660	7,980,254	-
Committed fund balance	19,117,555	2,528,401	5,137,701	5,456,093	8,181,841	7,214,809	8,997,955	5,359,577	551,112	-
Assigned fund balance	2,462,629	7,910,822	2,253,160	3,108,625	1,696,153	1,555,337	4,060,365	4,293,273	463,444	-
Unassigned fund balance	5,566,994	-	4,041,613	4,004,302	2,804,302	2,869,203	-	-	3,146,026	-
Unrestricted	-	-	-	-	-	-	-	-	-	13,929,427
Total all other governmental funds	<u>46,860,814</u>	<u>33,533,994</u>	<u>24,978,285</u>	<u>29,137,779</u>	<u>40,932,920</u>	<u>54,489,227</u>	<u>41,627,366</u>	<u>46,745,510</u>	<u>12,140,836</u>	<u>13,929,427</u>
Total all funds	<u>\$ 48,535,011</u>	<u>\$ 35,592,475</u>	<u>\$ 29,018,700</u>	<u>\$ 33,555,155</u>	<u>\$ 43,672,713</u>	<u>\$ 55,092,752</u>	<u>\$ 41,206,632</u>	<u>\$ 47,114,378</u>	<u>\$ 11,630,366</u>	<u>\$ 14,441,777</u>

Source - 2019 City of Lafayette Comprehensive Annual Financial Report, 2010-2018 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
General property taxes	\$ 48,485,947	\$ 46,306,216	\$ 44,441,315	\$ 41,862,955	\$ 39,850,718	\$ 40,375,053	\$ 36,403,124	\$ 35,637,505	\$ 31,720,278	\$ 39,282,536
Licenses and permits	530,886	480,045	484,553	563,600	476,710	495,789	216,641	222,808	190,281	150,452
Intergovernmental	26,935,405	23,550,856	23,297,277	30,070,457	21,476,415	20,318,529	19,114,725	19,384,917	17,522,149	18,358,803
Payment in lieu of taxes	2,559,500	2,503,000	1,930,000	2,700,000	2,700,000	-	-	-	-	-
Charges for services	1,487,626	1,309,088	1,260,153	1,313,281	1,346,138	1,247,357	1,627,977	1,946,896	1,677,357	1,900,788
Fines and forfeits	190,860	201,592	112,899	149,868	190,064	316,875	180,493	163,926	159,252	149,309
Other revenues	6,611,036	6,171,459	7,614,381	9,140,721	8,161,662	9,627,723	9,069,551	12,685,433	14,835,524	11,851,890
Total revenues	86,801,260	80,522,256	79,140,578	85,800,882	74,201,707	72,381,326	66,612,511	70,041,485	66,104,841	71,693,778
Expenditures										
General government	4,043,358	3,823,345	3,506,567	3,288,082	3,265,011	3,143,929	2,915,054	4,280,052	3,536,843	3,483,153
Public safety	35,231,523	33,808,238	32,324,941	31,031,660	29,330,561	28,497,785	27,293,929	26,439,852	24,138,135	25,670,931
Highways and streets	7,176,241	8,285,375	6,119,345	5,927,796	6,387,429	5,017,832	4,500,052	4,616,737	5,214,428	4,938,531
Sanitation	2,461,207	2,229,784	1,993,828	1,931,983	1,910,382	1,903,624	1,917,286	1,972,727	1,819,195	1,667,735
Culture and recreation	5,665,904	5,781,165	5,006,618	4,666,881	5,486,737	5,355,635	5,199,586	5,537,324	5,389,623	5,432,906
Economic development	7,052,122	6,339,593	7,467,531	13,556,675	23,167,009	20,309,626	20,171,964	19,142,600	26,867,353	21,454,849
Capital outlay	20,235,338	16,668,642	19,682,257	23,903,197	21,807,505	15,393,255	10,984,480	5,994,188	5,685,212	8,825,788
Debt service										
Principal	9,494,227	9,004,205	11,975,043	11,188,078	-	-	-	-	-	-
Interest	2,203,703	1,375,908	1,365,904	1,206,495	-	-	-	-	-	-
Total expenditures	93,563,623	87,316,255	89,442,034	96,700,847	91,354,634	79,621,686	72,982,351	67,983,480	72,650,789	71,473,893
Excess of revenues over (under) expenditures	(6,762,363)	(6,793,999)	(10,301,456)	(10,899,965)	(17,152,927)	(7,240,360)	(6,369,840)	2,058,005	(6,545,948)	219,885
Other Financing Sources (Uses)										
Transfers in	860,562	4,536,755	9,599,188	1,550,000	4,501,626	74,053	-	436,175	336,600	-
Transfers out	(860,562)	(4,978,000)	(9,599,188)	(1,550,000)	(4,501,626)	(74,053)	-	(1,647,785)	(1,027,605)	-
Bond issue proceeds	18,200,000	12,841,559	5,765,000	750,210	4,420,000	21,126,480	14,970,477	9,713,417	-	26,965,396
Premium on sale of bond	804,899	48,841	-	-	-	-	-	-	-	-
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	-
Capital lease proceeds	700,000	918,618	-	-	1,312,888	-	-	-	-	-
Total other financing sources (uses)	19,704,899	13,367,773	5,765,000	782,402	5,732,888	21,126,480	462,094	22,418,443	(41,005)	(374,604)
Net change in fund balances	\$ 12,942,536	\$ 6,573,774	\$ (4,536,456)	\$ (10,117,563)	\$ (11,420,039)	\$ 13,886,120	\$ (5,907,746)	\$ 24,476,448	\$ (6,586,953)	\$ (154,719)
Debt service as a percentage of noncapital expenditures (a)	15.9%	14.7%	19.1%	17.0%						

Source - 2019 City of Lafayette Comprehensive Annual Financial Report, 2010-2018 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.

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

Fiscal Year	General Property	License Excise	Wheel	Financial Institution	CVET	COIT	CEDIT	Total
2019	\$ 32,918,193	\$ 1,909,129	\$ 927,030	\$ 489,619	\$ 203,687	\$ 9,499,137	\$ 7,618,145	\$ 53,564,940
2018	32,855,109	1,963,861	921,540	375,015	167,324	8,182,634	6,593,862	51,059,345
2017	31,571,808	1,825,592	936,602	396,773	172,503	7,664,262	6,202,642	48,770,182
2016	31,013,758	1,820,132	894,396	440,947	177,916	6,868,751	5,583,378	46,799,278
2015	29,388,808	1,563,772	903,786	409,028	199,722	6,524,892	5,319,034	44,309,042
2014	28,035,956	1,742,572	874,404	385,745	177,841	6,448,037	5,455,096	43,119,651
2013	25,664,330	1,605,494	853,375	400,849	189,882	5,606,328	4,446,630	38,766,888
2012	25,585,023	1,548,269	866,208	404,532	189,539	5,322,352	4,645,154	38,561,077
2011	24,242,804	1,386,005	850,552	398,660	188,984	4,384,399	3,896,425	35,347,829
2010	25,580,617	1,428,135	853,989	401,302	186,007	5,103,091	4,453,068	38,006,209

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 TEN FISCAL YEARS

<u>Tax Collections Measurement:</u>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Tax Levy	\$ 35,248,477	\$ 34,670,087	\$ 33,290,398	\$ 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	2,372,491	2,165,737	1,868,196	1,505,375	1,664,486	1,584,752	1,483,207	1,424,486	1,475,662	898,527
Adjusted Current Tax Levy	32,875,986	32,504,350	31,422,202	30,560,831	29,080,498	27,657,790	26,807,747	26,231,030	26,306,372	25,293,665
Current Tax Collections	32,686,457	32,855,109	30,727,037	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	92.7%	94.8%	92.3%	90.9%	88.5%	83.2%	76.8%	78.3%	73.3%	87.6%
Delinquent Tax Collections	1,382,587	750,724	679,909	1,863,588	2,183,483	3,701,908	3,925,878	3,927,671	3,878,423	2,629,742
Total Tax Collections	34,069,044	33,605,834	31,406,946	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	103.6%	103.4%	100.0%	101.5%	101.1%	101.4%	95.7%	97.5%	92.2%	101.1%
Outstanding Delinquent Taxes	2,079,148	733,501	2,104,199	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	6.3%	2.3%	6.7%	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
LAST TEN FISCAL YEARS

Fiscal Year	Actual Value	Assessed Valuation	Assessed Valuation Percent Increase	Assessed Valuation Percent of Actual	Total Direct Tax Rate
2019	5,711,201,787	\$ 3,224,929,218	2.3%	56.5%	1.0930
2018	5,518,887,453	3,153,546,131	-0.6%	57.1%	1.0994
2017	5,343,681,608	3,174,141,686	2.5%	59.4%	1.0488
2016	5,194,766,034	3,096,090,188	1.7%	59.6%	1.0357
2015	5,032,933,928	3,043,153,744	3.1%	60.5%	1.0103
2014	4,970,655,230	2,950,513,823	5.7%	59.4%	0.9911
2013	4,725,260,097	2,790,860,693	2.9%	59.1%	1.0137
2012	4,634,505,003	2,712,920,917	-0.2%	58.5%	1.0194
2011	4,789,280,121	2,717,069,303	-6.9%	56.7%	1.0225
2010	4,923,281,070	2,918,350,046	-2.5%	59.3%	0.8975
Average Annual Rate of Increase (Decrease)			0.8%		

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 PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
(rate per \$100 of net assessed value)

Fiscal Year	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
2019	\$ 0.8150	\$ -	\$ -	\$ 0.0123	\$ 0.0200	\$ 0.0006	\$ 0.0879	\$ 0.1304	\$ 0.0268	\$ 1.0930
2018	0.8168	-	-	0.0120	0.0200	0.0007	0.0990	0.1235	0.0274	1.0994
2017	0.7896	-	-	0.0146	0.0200	0.0007	0.0819	0.1165	0.0255	1.0488
2016	0.7822	-	-	0.0141	0.0200	0.0007	0.0802	0.1099	0.0286	1.0357
2015	0.7810	-	-	0.0095	0.0200	0.0007	0.0707	0.1072	0.0212	1.0103
2014	0.7557	-	-	0.0143	0.0200	0.0008	0.0652	0.1106	0.0245	0.9911
2013	0.7362	-	-	0.0150	0.0200	0.0006	0.0833	0.1215	0.0371	1.0137
2012	0.7644	-	-	0.0140	0.0200	0.0009	0.0879	0.1142	0.0180	1.0194
2011	0.7509	-	-	0.0147	0.0200	0.0002	0.0729	0.1109	0.0529	1.0225
2010	0.6543	-	-	0.0114	0.0200	0.0006	0.0825	0.0971	0.0316	0.8975

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).

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

CITY OF LAFAYETTE
 COMPARATIVE SCHEDULE OF DISTRICT CERTIFIED TAX RATES
 LAST TEN FISCAL YEARS
(rate per \$100 of net assessed value)

	Year Taxes Payable									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total District Certified Tax Rate (1)										
Lafayette - Fairfield Twp. - LSC - B	\$ 2.6608	\$ 2.5899	\$ 2.5415	\$ 2.4224	\$ 2.5474	\$ 2.5183	\$ 2.6016	\$ 2.6077	\$ 2.5792	\$ 2.3952
Lafayette - Fairfield Twp. - TSC - B	2.5195	2.5255	2.4641	2.4742	2.4109	2.4686	2.5896	2.6068	2.5894	2.4006
Lafayette - Wea Twp. - LSC	2.6646	2.5941	2.5463	2.4278	2.5518	2.5215	2.6076	2.6088	2.5890	2.3969
Lafayette - Wea Twp. - TSC	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956	2.6079	2.5992	2.4023
Lafayette - Sheffield Twp. - TSCB	2.5139	2.5200	2.4583	2.4686	2.4053	2.4633	2.5833	2.6014	2.5896	2.3921
Lafayette - Wea Twp. - TSC - B Annex	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956	2.6079	2.5992	2.4023
Lafayette - Perry Twp. - TSC	2.5092	2.5150	2.4543	2.4650	2.4018	2.4593	2.5803	2.5962	2.5862	2.3892

(1) Includes certified tax rates of overlapping taxing units

CITY OF LAFAYETTE
 DETAIL OF NET ASSESSED VALUATION
 (Assessment for the Year 2018 Payable in 2019)

	Lafayette Fairfield Twp-LSC-B	Lafayette Fairfield Twp-TSC-B	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	\$ 335,409,700	\$ 28,858,300	\$ 78,158,700	\$ 104,466,700	\$ 12,371,800	\$ 6,683,000	\$ 6,112,500	\$ 572,060,700	
Value of Improvements	2,236,538,000	304,030,700	334,825,400	644,379,100	79,945,400	27,614,700	94,487,300	3,721,820,600	
Total value of real estate	2,571,947,700	332,889,000	412,984,100	748,845,800	92,317,200	34,297,700	100,599,800	4,293,881,300	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(596,084,033)	(11,790,949)	(176,789,318)	(240,758,496)	(14,902,013)	-	(13,913,787)	(1,054,238,596)	
Tax-exempt property	(157,776,978)	(12,799,600)	(6,384,200)	(10,994,400)	-	(6,110,100)	(41,404,000)	(235,469,278)	
Tax increment financing	(387,353,710)	(123,877,796)	(44,228,158)	(115,773,539)	(31,036,767)	(11,239,388)	(12,443,913)	(725,953,271)	
Tax abatements	-	-	-	-	-	-	-	-	
Net value of real estate	1,430,732,979	184,420,655	185,582,424	381,319,365	46,378,420	16,948,212	32,838,100	2,278,220,155	69.68%
Business Personal Property	624,885,030	92,033,610	2,946,900	238,695,917	431,050,470	2,565,850	25,142,710	1,417,320,487	
Less: Tax-exempt property	(103,731,224)	(2,621,940)	(425,110)	(74,233,500)	(286,442,330)	(40,919)	(21,722,130)	(489,217,153)	
Net value of personal property	521,153,806	89,411,670	2,521,790	164,462,417	144,608,140	2,524,931	3,420,580	928,103,334	28.39%
Net value of railroads and utilities	47,068,670	5,345,370	4,712,300	5,260,740	54,330	189,650	122,350	62,753,410	1.92%
Total net assessed valuation	\$ 1,998,955,455	\$ 279,177,695	\$ 192,816,514	\$ 551,042,522	\$ 191,040,890	\$ 19,662,793	\$ 36,381,030	\$ 3,269,076,899	100.00%
Percentage of Total	61.15%	8.54%	5.90%	16.86%	5.84%	0.60%	1.11%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total Value	\$ 4,293,881,300	\$ 1,480,073,897	\$ 5,773,955,197	100.00%
Deduction & exemptions	(1,054,238,596)	-	(1,054,238,596)	-18.26%
Tax exempt property	(235,469,278)	(489,217,153)	(724,686,431)	-12.55%
Tax increment financing	(725,953,271)	-	(725,953,271)	-12.57%
Total net assessed valuation	\$ 2,278,220,155	\$ 990,856,744	\$ 3,269,076,899	56.62%
Percent	69.69%	30.31%	100.00%	

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

CITY OF LAFAYETTE
PROPERTY TAX COLLECTIONS - CASH BASIS
2010-2019

Fund Name	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual
General	\$ 24,491,485	\$ 24,328,872	\$ 23,726,260	\$ 23,377,466	\$ 22,690,077	\$ 21,331,402	\$ 18,635,832	\$ 19,182,698	\$ 17,801,131	\$ 16,696,417
MVH	2,645,676	2,953,801	2,464,162	2,402,210	2,054,084	1,845,575	2,109,816	2,206,919	1,729,006	2,106,504
Park and Recreation	3,924,643	3,685,277	3,504,305	3,290,322	3,114,037	3,130,488	3,077,342	2,867,237	2,630,271	2,479,292
Park Bond	864,567	872,878	814,022	900,254	652,140	733,581	939,666	451,929	1,254,656	806,855
Economic Development	370,859	358,588	439,742	422,796	276,347	405,333	379,809	351,500	348,647	291,081
Band	18,092	20,919	21,085	20,991	20,362	22,676	15,197	22,596	4,744	15,320
Cumulative Capital Development	602,871	597,499	602,232	599,720	581,760	566,900	506,558	502,143	474,350	510,668
Total	\$ 32,918,193	\$ 32,817,834	\$ 31,571,808	\$ 31,013,759	\$ 29,388,807	\$ 28,035,955	\$ 25,664,220	\$ 25,585,022	\$ 24,242,805	\$ 22,906,137

Source: City's tax collection records

CITY OF LAFAYETTE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR

Taxpayer	2018/2019 Net Assessed Value	Percentage of Total City Taxable Assessed Value (1)	Type of Business
Subaru of Indiana Automotive, Inc. (SIA) (2)	\$ 239,638,087	7.43%	Automotive manufacturer
Caterpillar, Inc.	227,414,060	7.05%	Manufacturing diesel engines
Tate & Lyle Ingredients America, Inc. (2)	165,444,410	5.13%	Food Manufacturing
Wabash National Corporation (2)	62,588,220	1.94%	Manufacturing
ARCP MT LLC	55,853,200	1.73%	Real Estate
Arconic (2)	52,427,220	1.63%	Manufacturing
Simon Property Group LP	49,769,300	1.54%	Real Estate
Fairfield Manufacturing Company	48,931,930	1.52%	Manufacturing
Nanshan America Advanced Aluminum Technologies LLC	41,828,910	1.30%	Manufacturing
Hawthorne Holdings LLC	33,205,720	1.03%	Real Estate and Apartments
Total	<u>\$ 977,101,057</u>	30.30%	

- (1) The total net assessed valuation of the City is \$3,224,929,218 for taxes payable in 2019, according to the Tippecanoe County Auditor's Office.
- (2) Tax abatements have been granted
- (3) Formerly known as the Aluminum Co. of America (ALCOA). The company split into two independent companies (ARCONIC and ALOCA) in 2016. The net assessed value of ALOCA is \$13,033,063.

Source: County Auditor's office and the DLGF.

CITY OF LAFAYETTE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

<u>Legal Debt Margin Calculation for Fiscal Year 2019</u>	
Market value	\$ 1,097,201,689
Applicable percentage	<u>2%</u>
Debt limit	<u>\$ 21,944,034</u>
Debt applicable to limit:	
Total bonded debt	209,685,000
Less:	
Tax increment bonds	(34,375,000)
Enterprise fund debt	<u>(142,360,000)</u>
Legal debt margin	<u>\$ 32,950,000</u>

Legal Debt Margin Calculation for Fiscal Years 2010 Through 2019

<u>Fiscal Year</u>	<u>Population</u>	<u>Debt Limit</u>	<u>Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Amount of Debt Applicable to Debt Limit</u>	<u>Net Debt Applicable to Limit Per Capita</u>
2019	75,402	\$ 21,944,034	\$ 17,000,000	32,950,000	77.47%	\$ 225
2018	75,306	21,793,846	15,955,377	5,838,469	73.21%	\$ 212
2017	74,352	21,160,945	12,670,945	8,490,000	59.88%	170
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

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019

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	\$ 92,143,500	100.00%	\$ 92,143,500			
Tippecanoe County Public Library	6,214,980	32.41%	2,014,275			
Tippecanoe County	25,658,500	29.88%	7,666,760			
Greater Lafayette Public Transportation Corp	1,684,347	36.91%	621,692			
Tippecanoe School Corporation	200,799,197	14.38%	<u>28,874,925</u>			
Subtotal, overlapping debt			<u>131,321,152</u>	\$ 1,744	4.02%	4.67%
City direct debt						
General obligation bonds	12,601,399	100%	12,601,399			
Redevelopment bonds	55,637,673	100%	55,637,673			
Capital leases	2,457,874	100%	<u>2,457,874</u>			
Subtotal, city direct debt			<u>70,696,946</u>	\$ 939	2.16%	2.52%
Total direct and overlapping debt			<u>\$ 202,018,098</u>	\$ 2,683	6.18%	7.19%

(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 the by the Indiana Gateway Portal.

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, 2019

Year	Governmental Activities			Business-Type Activities				Total Government	Estimated Population	Debt Per Capita	Estimated Personal Income	Debt Percent of Income
	General Obligation Bonds	Redevelopment Bonds	Capital Leases	Sewer Revenue Bonds	Water Revenue Bonds	Parking Revenue Bonds	Loans and Capital Leases					
2019	\$ 12,601,399	\$ 55,637,673	\$ 2,457,874	\$ 123,660,000	\$ 18,700,000	\$ -	\$ 925,000	\$ 213,981,946	75,402	\$ 2,838	\$ 3,013,742,538	7.1%
2018	13,234,144	41,162,521	2,368,349	140,344,402	19,404,608	-	996,000	217,510,024	75,306	2,888	2,809,591,554	7.7%
2017	1,385,606	45,187,023	1,693,522	150,433,195	-	-	1,920,000	200,619,346	74,352	2,698	2,668,301,000	7.5%
2016	2,295,909	44,755,711	2,110,733	103,066,990	-	-	2,791,000	155,020,343	71,189	2,178	2,551,612,000	6.1%
2015	3,191,212	50,941,466	1,780,472	109,745,883	-	-	3,610,000	169,269,033	71,111	2,380	2,497,418,000	6.8%
2014	4,076,515	52,777,221	1,022,598	117,029,212	-	-	3,757,000	172,279,598	70,873	2,431	2,449,017,000	7.0%
2013	4,956,818	37,182,177	1,550,458	113,242,850	-	-	3,897,000	154,222,458	70,804	2,178	2,377,244,000	6.5%
2012	5,882,117	41,382,317	2,137,145	52,675,894	-	-	48,362,080	151,389,225	69,978	2,163	2,341,744,000	6.5%
2011	6,370,000	44,632,535	1,443,117	54,386,130	340,000	1,327,000	51,877,080	161,412,197	69,807	2,312	2,270,124,000	7.1%
2010	7,195,000	47,757,751	1,396,885	56,063,600	1,138,742	1,492,000	54,196,970	170,305,855	68,904	2,472	2,104,742,000	8.1%

CITY OF LAFAYETTE
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
AS OF DECEMBER 31, 2019

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	EDIT Bonds	Total		
2019	\$ 12,601,399	\$ 21,125,036	\$ 33,726,435	1.0%	\$ 447.29
2018	13,234,144	5,113,678	18,347,822	0.6%	243.64
2017	1,385,606	7,046,974	8,432,580	0.3%	113.41
2016	2,295,909	9,160,270	11,456,179	0.4%	160.93
2015	3,191,212	11,218,566	14,409,778	0.5%	202.64
2014	4,076,515	13,221,862	17,298,377	0.6%	244.08
2013	4,956,818	15,180,158	20,136,976	0.7%	284.40
2012	5,882,117	10,346,512	16,228,629	0.6%	231.91
2011	6,370,000	11,554,274	17,924,274	0.7%	256.77
2010	7,195,000	12,112,036	19,307,036	0.7%	280.20

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	
2019	\$ 38,324,785	\$ 22,131,499	16,193,286	\$ 9,405,000	\$ 4,829,960	14,234,960	1.14
2018	37,748,323	18,952,538	18,795,785	9,100,000	5,157,768	14,257,768	1.32
2017	35,564,862	19,366,865	16,197,997	6,645,000	2,828,069	9,473,069	1.71
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

Water Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage %
				Principal	Interest	Total	
2019	\$ 10,850,514	\$ 9,482,639	\$ 1,367,875	\$ 740,000	\$ 603,519	\$ 1,343,519	1.02
2018	8,704,340	7,984,410	719,930	265,000	222,000	487,000	1.48

CITY OF LAFAYETTE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate (%)
2019	75,402	\$ 3,013,743	\$ 39,969	2.6%
2018	75,306	2,809,592	37,309	3.2%
2017	74,352	2,701,506	36,334	2.7%
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%

CITY OF LAFAYETTE
PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	Type of Business	2019		
		Employees	Rank	Percentage of Total (%)
Purdue University	Education	18,585	1	80.05%
Subaru (SIA)	Automotive Manufacturing	5,600	2	24.12%
Wabash National	Manufacturing	3,200	3	13.78%
Franciscan-St. E Health	Health Care	2,100	4	9.04%
IU Health Arnett	Health Care	1,808	5	7.79%
Caterpillar	Manufacturing	1,800	6	7.75%
IU Health Arnett	Health Care	1,783	7	7.68%
Lafayette School Corp.	Education	1,250	8	5.38%
Tippecanoe School Corp.	Education	1,015	9	4.37%
Arconic, Inc.	Manufacturing	950	10	4.09%
Total Number of Employees		19,506		84.01%
Total Employees - Lafayette Area Labor Force (Employers >300 Employees)		23,218		100.00%

Sources: Greater Lafayette Commerce begreaterlafayette.com

CITY OF LAFAYETTE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2019

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	28	28	26	24	24	23	23	24	25	28
Public Safety										
Police	184	185	187	183	174	171	168	166	164	164
Fire	149	147	150	145	142	141	136	143	142	145
Highways and Streets	62	63	63	58	56	57	58	57	56	60
Sanitation	27	27	23	24	23	23	23	23	24	25
Culture and Recreation	39	40	39	33	34	33	35	36	36	37
Economic Development	5	5	5	5	5	5	5	5	5	6
Urban redevelopment and housing	-	-	-	-	2	3	3	3	3	3
City Utilities										
Water Utility	53	52	54	52	50	50	50	47	47	47
Wastewater Utility	99	98	97	91	85	85	85	77	75	63
Total	<u>646</u>	<u>645</u>	<u>644</u>	<u>615</u>	<u>595</u>	<u>591</u>	<u>586</u>	<u>581</u>	<u>577</u>	<u>578</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, 2019

Function/program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Physical arrests	8714	9,409	8,244	6,810	6,268	4,927	5,199	5,574	5,850	5,514
Parking violations	60	103	89	98	104	410	259	174	352	302
Traffic violations	12737	17,468	18,932	17,883	14,201	12,752	13,198	15,849	17,586	15,115
Fire										
Emergency responses	5675	7,651	7,645	7,333	7,406	5,844	6,260	6,042	5,903	5,415
Fires extinguished	261	281	346	269	256	321	376	316	294	302
Inspections	4122	3,320	3,430	3,011	4,629	4,095	3,327	3,059	4,423	2,785
Refuse collection										
Refuse collected (tons/month)	1,712	1,577	1,551	1,550	1,583	1,743	1,649	1,616	1,646	1,681
Recycling collected (tons/month)	322	406	423	415	385	389	354	391	302	256
Other public works										
Street Maintained (miles)	289	289	303	303	268	268	265	264	261	260
Potholes repaired (tonnage)	2151	1,497	2,322	2,014	1,977	1,873	1,636	1,106	1,555	1,778
Crack Sealing (tons used)	21	26	27	25	26	31	18	23	11	18
Parks and recreation										
Zoo Education Programs	2,414	2,462	2,526	2,208	1,981	1,857	1,933	1,720	1,554	1,635
Zoo Education Participation	45,196	43,567	53,672	43,363	38,017	33,233	37,540	25,147	24,635	34,564
Kids Camp Participation	9,327	10,254	9,956	11,475	9,471	8,947	10,051	10,089	8,845	8,326
Camp Participation Hours	74,616	82,032	76,768	91,800	72,768	71,576	80,592	80,712	70,780	70,696
Water										
New billable housing starts	214	195	218	99	87	81	83	95	96	92
Water mains breaks	57	70	52	60	59	92	79	59	62	75
Average daily consumption (millions of gallons)	8.7	9.27	9.01	8.77	8.50	7.40	8.23	9.32	9.04	9.86
Wastewater										
Average daily sewage treatment (thousands of gallons)	20,200	19,300	19,950	18,660	19,970	18,570	18,420	17,650	20,650	18,370
Sources - Various city departments										

CITY OF LAFAYETTE
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2019

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Training Center	1	1	1	1	1	1	1	1	-	-
Patrol Units	105	102	90	90	66	66	66	45	45	45
Fire										
Fire Stations	8	8	8	8	8	8	8	8	8	8
Training Center	1	1	1	1	1	1	1	1	1	1
Fire Trucks	17	16	15	15	15	15	15	15	16	16
Refuse Collection										
Collection Trucks	24	23	23	23	24	21	21	23	19	17
Highways and Streets										
Traffic Signals	110	110	110	110	107	107	106	108	108	108
Miles of Streets	307.12	307.11	307.05	306.36	268.41	268.20	264.57	264.36	260.78	259.91
Culture and Recreation										
Acreage	700	700	700	700	700	700	700	700	700	700
Playgrounds	16	16	16	16	16	16	16	15	15	15
Baseball/Softball Diamonds	12	12	11	11	11	11	11	11	11	11
Soccer/Football Fields	8	8	8	8	8	8	8	8	8	8
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Community Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	343.84	342.34	341.07	341.07	340.17	339.13	337.47	336.46	335.43	332.55
Fire Hydrants	3,388	3,385	3,368	3,368	3,360	3,347	3,332	3,285	3,209	3,184
Storage Capacity (thousand of gallons)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Wastewater										
Sanitary Sewers (miles)	311.26	310.99	309.72	309.72	309.09	308.33	307.54	307.03	306.14	304.79
Storm Sewers (miles)	166.84	166.79	166.77	166.77	166.43	166.02	165.59	165.33	164.85	164.12
Treatment Capacity (thousand of gallons)	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000

Sources - Various city departments

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LAFAYETTE, INDIANA

FISCAL YEAR END
DECEMBER 31, 2019

