



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 29, 2022

To: The Officials of the City of Lafayette
City of Lafayette
20 N 6th Street
Lafayette, IN 47901

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City of Lafayette. We have reviewed the Annual Comprehensive Financial and Single Audit Reports which have been opined by RSM US, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the Annual Comprehensive Financial Report present fairly the financial condition of City of Lafayette, as of December 31, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, RSM US, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the reports. The findings appear on pages 9-11 of the Single Audit Report, which is included after the Annual Comprehensive Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the reports.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2020

CITY OF LAFAYETTE, INDIANA

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

CITY OF LAFAYETTE, INDIANA

Prepared by the Office of the Controller

INTRODUCTORY SECTION

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TONY ROSWARSKI, MAYOR

THE OFFICE OF THE CONTROLLER

February 28, 2022

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 (“annual report”) of the City of Lafayette, Indiana (“City”) for the year ended December 31, 2020 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 annual report 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), 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 OF LAFAYETTE ACFR

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

Lafayette continues to be one of the fastest growing areas of Indiana, despite the national economic and social setbacks due to the COVID-19 pandemic. In these uncertain times, 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, low employment and consistent growth, Lafayette residents enjoy both high quality of life, and low cost of living with affordable housing and high-performing schools as some its most attractive features.

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 dating back to 1986. 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 Greater Lafayette and one of the fastest growing auto companies in the world. SIA continues to invest in its Lafayette facility, investing annually as much as \$1 billion in capital improvements to increase production capacity and expand product lines, which currently include the Impreza, Legacy, Outback, and Ascent as well as a new engine assembly and parts division. The Lafayette SIA facility is the sole site for global production of these popular vehicles. SIA employs over 6,000 associates with plans for further expansion and job additions in 2021.

The appealing factors that have brought success to local economic anchors like SIA have also drawn businesses that supply them and other manufacturers/companies.

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Heartland Automotive and its 557 employees, Toyota Tsusho's recent \$6 million investment and 350,000 sq. ft. warehouse facility, and Sanoh America – Lafayette plants are examples of businesses locating in Lafayette to benefit from proximity to customers like SIA. These companies continue to grow along with SIA, experiencing record employment and production levels.

To capitalize on this and to draw other industrial development, adjacent and nearby properties are being developed for additional industrial expansion. The 300 acre Steele Site is the latest being actively planned and developed for this purpose. Across from SIA and along the I65 corridor, it attracts much attention. A local consortium with private developers is creating a plan of action for infrastructure to develop this site. Several companies have shortlisted the site for consideration of their near-term expansion plans.

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 close to 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. Though the pandemic has hurt the airline industry, GE has chosen Lafayette to consolidate and assemble other lines of aircraft engines thereby maintaining employment at this facility. Arconic, a mainstay of manufacturing in Lafayette, has added a lithium alloy division catering to the aircraft industry. The new division 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 their Lafayette operations and expand 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. Caterpillar is one of the areas' leading employers maintaining steady employment and growth that provide high paying quality jobs. 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 2020, Kirby Risk completed a new 100,000 sq. ft. expansion to add needed manufacturing capacity.

Technology and innovation are being supported by MatchBOX Coworking Studio, which is home to nearly 300 members (a record and still growing) representing tech and innovation startups as well as traditional companies. These members represent 150 businesses, some engaged with commercializing Purdue intellectual property, and many otherwise having ties to Purdue University while working to promote their own

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ideas. Despite the pandemic, retention rates for members has been over 80% far outpacing comparable coworking facilities across the country. MatchBOX has pivoted during the pandemic to offer programs and assistance online to support entrepreneurship and small business development. This along with its prototyping space, The Lab, is giving local residents alternative ways to obtain income and employment opportunities. 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. In 2020, the Antique Candle Co., broke through to become a successful multi-million dollar business. With nearly 100% online sales and over 100,000 followers on social media, Antique Candle Co. is a local business that thrived during the pandemic. They are on target to exceed \$5M in sales next year, have purchased a 20,000 sq. ft. facility that will open in early 2021, and are planning to purchase a neighboring facility for additional expansion.

Downtown is realizing new investments as developers see the area as a promising location for both commerce and residence. The 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 that was finished and opened in spring of 2020 and is leasing up rapidly. 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. Its construction on S. 4th Street site began in early 2020, and the project will be a key development at the southern gateway to downtown in 2021. The Ellsworth broke ground late this fall and will be a five-story mixed use building with 91 apartments, 2,000 sq. ft. of retail/office space and 125 parking spaces, which will occupy a vacant infill site at the corner of South and 5th Streets. Late this year in 2020, approval was given for Luna to be located at 631 Main Street, which will be a five-story building with 99 apartments, 20,000 sq. ft. of retail/office space and 150 parking spaces. These latter two combined represent over \$35 million of new investments. The historic Haywood printing building is being renovated for 20 apartments and first floor commercial space, which will house the Shook/Coldwell Banker Agency – the area’s largest residential and commercial real estate firm. In late October of this year, the City transferred a nearly three acre site on the edge of downtown for private development and investments that will feature commercial/office space, rental housing, duplexes, townhomes and single family owner occupied housing that entail an investment over \$20 million putting once vacant land back into productive tax producing facilities. Other projects are in the conceptual stage and planned for future development.

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. Other developers are looking to construct similar projects in and around downtown.

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The City of Lafayette continues to make significant investments to improve the quality of life for residents and visitors. For 2019 through 2020, the City of Lafayette completed an additional \$5 million of streetscape investments in areas along 3rd Street and the east end of downtown on Main Street. 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 recently purchased the Lafayette Theatre to complement the growing and vibrant community arts and entertainment sector. Plans are being made for at least \$5 million in improvements over the coming years. With opening of the Marq building, Lafayette completed its first major project through the Wabash River Enhancement Corporation for development of the Wabash River Corridor. The Riverfront Promenade opened to great fanfare in the summer of 2020 and is a pedestrian walkway and overlook that connects citizens and visitors to the Wabash River.

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 and safety.

As a partner in the newly created Wabash Heartland Innovation Network (WHIN), Lafayette has joined with Tippecanoe County and nine other surrounding counties to position the region as the epicenter for the internet of things (IOT) in next generation manufacturing and digital agriculture. The network's ambitious plans are being funded by a nearly \$40M grant from the Lilly Endowment and includes Purdue University and Ivy Tech Community College as major partners.

In 2020, the City of Lafayette embarked on planning and designing a new municipal police station with a 450 space-parking garage for city employees and public parking. Anticipated cost is \$50 million with construction planned to begin in 2021 with an estimated completion date 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 three million-gallon underground water tank. The station will have a daily pumping capacity of six 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 safely handle wastewater flow during flood events. The city and its utilities continue to invest in upgrades and new facilities to meet current needs and those that come with future growth.

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Several new hotels have recently opened or are under construction, including a 180 room \$15 million Drury Inn expected to open in late 2021. Though the pandemic has significantly slowed the hospitality industry throughout the country, it is gradually coming back. Growth in this sector, though delayed, is expected to pick back up in the latter half of 2021. 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 point to our success. The Northend Community Center serves 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 that has over 20,000 members in spite of the pandemic. The YMCA is one of kind in that it features among Y's 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 and the private sector 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 skills.

Lafayette boasts a great parks system, with a zoo, waterpark, and a baseball stadium undergoing complete reconstruction. The new stadium is a \$22 million investment that will be completed by the end of 2021 and will include a synthetic playing surface, suites, party areas, modern concessions and restrooms, and other features that will allow the stadium to host a variety of events and activities. The stadium is intended to not only serve as the home field for Lafayette Jefferson High School and the local Prospect League team, the Aviators, but also as a multi-use event space for other sporting activities, concerts and entertainment. This facility broke ground in 2019 and will be open for use in the first quarter of 2021. More than \$10 million in total is being invested in Columbian Park for key parts of its Master Plan including upgrades to Memorial Island and surrounding lagoons, new water slides at Tropicanoe Cove, an indoor carousel, penguin and other animal exhibits, and many other attractions and improvements. Lafayette is adding more multi-use trails throughout the city and currently has more than 30 miles of trails.

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The pandemic was an economic and social setback that no one could have anticipated. Lafayette was not immune but with an economic foundation of established advanced manufacturing businesses, Purdue University, and good local governance, we have weathered this better than many. However, it has forced us to pivot and do things that we have never done before in new and innovative ways. We also had to shift priorities to maintain the highest level of health and safety for our citizens as well as help them through their own personal economic difficulties. We took the necessary steps to help small businesses through a special loan/grant program, partnered with many to promote and help them to meet health and safety guidelines and open and grow online sales and virtual events. We have stayed in close contact with major industry to understand their needs and help best position them for growth and employment when circumstances change. Locally we teamed together with West Lafayette, Tippecanoe County and Purdue University to Protect Greater Lafayette www.protectgreaterlafayetteind.org for information and resources to slow the spread of COVID but more importantly to show solidarity in the fight against the virus and its devastating effects. These are other steps are necessary to maintain our 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 GAAP basis) which is adopted by the Common Council or Redevelopment Commission (depending on the fund) and then reviewed and approved by the State of Indiana Department of Local Government Finance (DLGF). Activities of the general fund, special revenue funds, capital projects funds, enterprise funds, internal service funds 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

CITY OF LAFAYETTE ACFR

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.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Lafayette for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the second consecutive year the City has received this prestigious award. Preparation of the annual report 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,



Jeremy J. Diehl
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

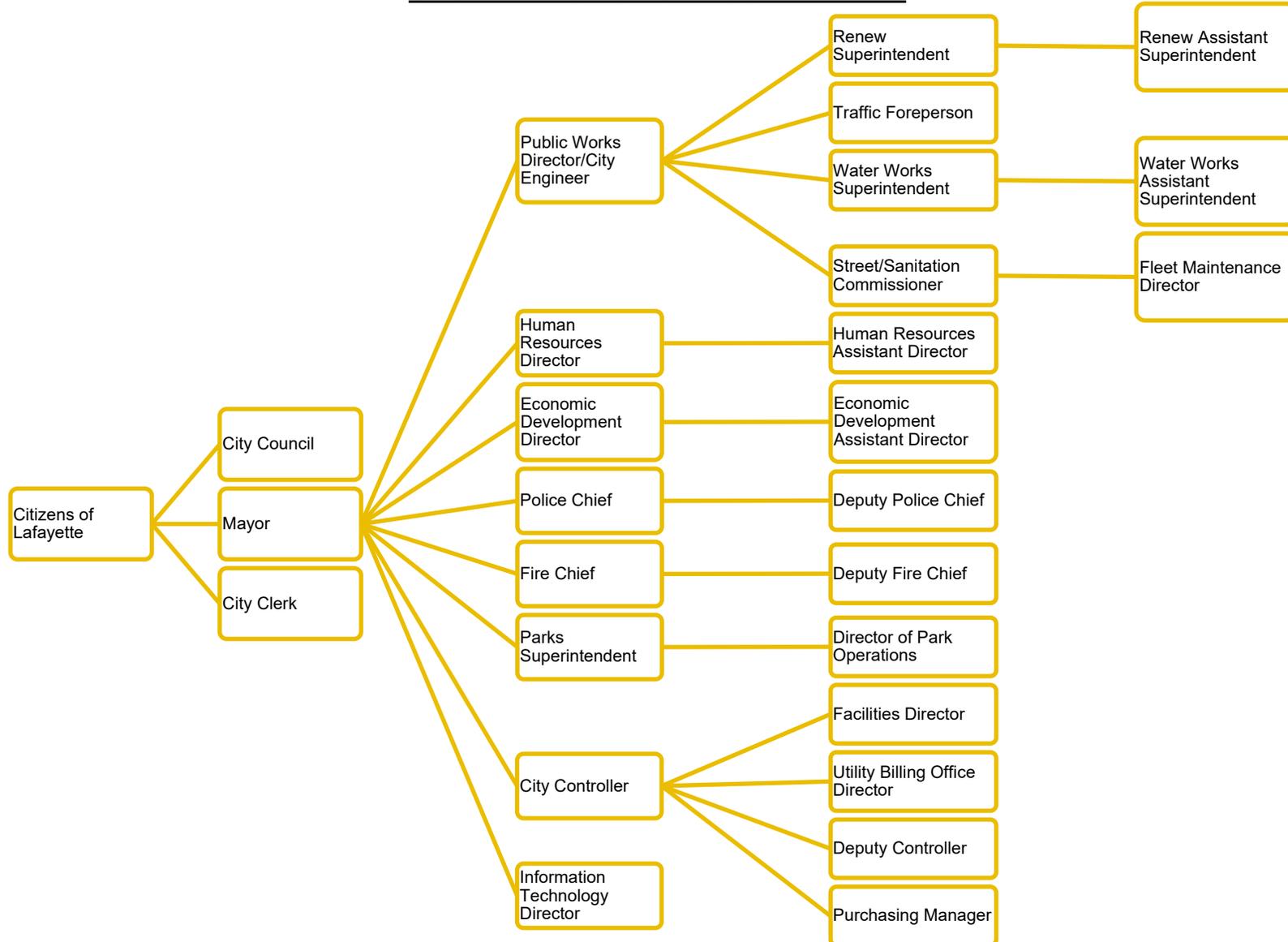
December 31, 2019

Christopher P. Morill

Executive Director/CEO



ORGANIZATION OF CITY GOVERNMENT





Listing of Elected Officials
December 31, 2020

Name	Office	Years of Service	Current Term
Tony Roswarski	Mayor	Eighteen Years	1/1/2020-12/31/2023
Cindy Murray	City Clerk	Eighteen Years	1/1/2020-12/31/2023

Listing of City Councilors
December 31, 2020

Name	Position	District	Current Term
Jerry Reynolds	City Councilor	District 1	1/1/2020-12/31/2023
Ronald B. Campbell	City Councilor	District 2	1/1/2020-12/31/2023
Perry E. Brown	City Councilor	District 3	1/1/2020-12/31/2023
Lauren Ahlersmeyer	City Councilor	District 4	1/1/2020-12/31/2023
Melissa Williamson	President	District 5	1/1/2020-12/31/2023
Bob Downing	City Councilor	District 6	1/1/2020-12/31/2023
Lon Heide	City Councilor	At-Large	1/1/2020-12/31/2023
Kevin Klinker	City Councilor	At-Large	1/1/2020-12/31/2023
Nancy Nargi	City Councilor	At-Large	1/1/2020-12/31/2023



Listing of Appointed Positions

December 31, 2020

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
Steve Moore	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, 2020**

Board of Public Works &

Safety

Norm Childress
Gary Henriott
Amy Moulton
Cindy Murray
Ron Shriner

Board of Parks &

Recreation

Patricia Corey
Maurice Denney
Dave Mecklenburg
Matt Metzger

**Redevelopment
Commission**

James Foster
Shelly Henriott
Jos Holman
Josh Loggins
Dave Moulton
Jim Terry
T.J. Thieme

Redevelopment Authority

Rick Davis
Grant Gernhart
Amy Moulton

Board of Zoning Appeals

Jackson Bogan
Bob Metzger
Dick Murray
Carlynn Smith
Dave Williams

Parking Commission

Scott Anderson
John Collier
Jeremy Grenard
Ken McCammon
Andrew Muffett
Cindy Murray
T.J. Thieme
Scott Trzaskus

**Economic Development
Commission**

David Bathe
Jody Hamilton
Steve Snyder
Scott Walker
Dave Zimmerman

**Human Relations
Commission**

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

Tree Advisory Committee

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

Housing Authority

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

**Historic Preservation
Commission**

John Burns
Julie Ginn
Kevin Klinker
Sean Lutes
Shawna McCully
Patti Morgan
Amy Paget
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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette (City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Greater Lafayette Public Transportation Corporation or the Lafayette Housing Authority, which represent 100% of the total assets, net position, and revenues of the discretely presented component units. 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 Greater Lafayette Public Transportation Corporation and the Lafayette Housing Authority, 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 standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note IV K of the financial statements, the January 1, 2020, net position of the Governmental Activities, Business-type Activities, Water Utility major fund, Wastewater Utility major fund and fund balances of the General major fund, Motor Vehicle Highway major fund, TIF Creasy Central Consolidate major fund and the Nonmajor governmental funds, which is a component of the aggregate remaining fund information, have been restated, for the correction of errors. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including management's discussion and analysis (pages 20-32), pension plan schedules of changes in the city's proportionate share of the net pension liabilities and related ratios, schedules of proportionate share of net pension liability, schedule of total OPEB liability, schedule of changes in OPEB liability and schedules of pension and OPEB plan employer contributions and budgetary comparison schedules and related notes (pages 113-132) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lafayette's basic financial statements. The accompanying supplementary information such as schedules of expenditures – budget and actual general fund, nonmajor governmental fund descriptions, combining financial statements – nonmajor governmental funds, nonmajor proprietary fund description, combining financial statements – nonmajor proprietary funds, nonmajor fiduciary fund descriptions, combining financial statements – nonmajor fiduciary funds, budgetary comparison schedules – other nonmajor governmental funds, and other information, including the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the City of Lafayette'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 City of Lafayette'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 of Lafayette's internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
February 28, 2022



Management 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, 2020.

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 Annual Comprehensive Financial Report (ACFR).

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 \$433,463,788 as of December 31, 2020, an increase of \$43,126,839 or 11.1% over FY 2019, when including the restatement.
- Governmental Activity net position was \$205,257,867 as of December 31, 2020.
- Governmental Activity net position increased \$20,020,079 including restatement or 10.8% in FY 2020.
- Business-type activity net position was \$228,205,921 as of December 31, 2020.
- Business-type activity net position increased \$23,106,760 or 11.3% in FY 2020.
- Government wide assets as of December 31, 2020 were \$776,535,757, an increase of \$72,860,545 or 10.4% as compared to December 31, 2019.
- Government wide deferred outflows were \$8,530,624 as of December 31, 2020, as compared to \$4,874,404 as of December 31, 2019.
- Government wide liabilities were \$293,423,740 as of December 31, 2020, as compared to \$308,656,295 as of December 31, 2019.
- Government wide deferred inflows were \$58,178,853 as of December 31, 2020, as compared to \$9,556,373 as of December 31, 2019.
- Government wide Revenue totaled \$150,541,219 in FY 2020, an increase of \$14,163,628 or 10.4% as compared to FY 2019.
- Government wide Expenses totaled \$111,297,854 in FY 2020 compared to \$116,371,349 in FY 2019 a decrease of 4.4%.

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.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

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, 2020. 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, 2020. Changes in net position are recorded in the period in which the underlying event takes place, which may differ significantly from the period in which cash is received or disbursed. The statement of activities displays the expenses of the City's various programs net of the related revenues, as well as a separate presentation of revenue available for general purposes including property taxes, fees for services, and other miscellaneous revenue sources.
- The government wide financial statements distinguish between functions of the City that are primarily supported by taxes and intergovernmental revenue (hereinafter referred to as "governmental activities") and other functions and services of the government that are intended to recover all or the majority of their costs through user fees and charges (hereinafter referred to as "business type activities"). The major government activities of the City include: general administration, public safety, road construction and maintenance, parks and recreation, and community development services consisting of planning, zoning, and other engineering functions. The business-type activities of the City include: water, wastewater, 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) and the Lafayette Housing Authority, which are legally separate units 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 as well as Lafayette Housing Authority 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.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

- **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, Park and Recreation, Economic Development Income Tax (EDIT), Park Bond, 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 Proprietary Funds. The Parking Operations Fund is the sole non-major enterprise fund.
 - Internal service fund is 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. These services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide 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's two Pension Trust Funds account 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 ACFR 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 ACFR report.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

Government-wide Financial Analysis

The following analysis focuses on the statement of net position and the statement of changes in net position for both the City's government and business type activities. At the close of 2020, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$433,463,788 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 \$411,849,145 or 95% of the 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.

Amounts for 2019 reflected in the following tables of net position and statement of activities do not reflect the current year restatements.

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 Units	
	2020	2019	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 109,493	\$ 64,991	\$ 67,361	\$ 80,055	\$ 176,854	\$ 145,046	\$ 11,991	\$ 9,913
Capital assets (net)	287,726	264,534	311,956	294,094	599,682	558,628	27,432	27,973
Total assets	397,219	329,525	379,317	374,149	776,536	703,674	39,423	37,886
Deferred outflows	6,791	4,128	1,740	746	8,531	4,874	904	549
Current liabilities	17,883	15,814	14,761	13,595	32,644	29,409	1,683	1,597
Noncurrent liabilities	125,807	125,288	134,973	153,958	260,780	279,246	3,868	4,908
Total liabilities	143,690	141,102	149,734	167,553	293,424	308,655	5,551	6,505
Deferred inflows	55,062	7,313	3,117	2,243	58,179	9,556	850	688
Net position	\$ 205,258	\$ 185,238	\$ 228,206	\$ 205,099	\$ 433,464	\$ 390,337	\$ 33,926	\$ 31,242
Net investment in capital assets:								
Restricted	\$ 228,069	\$ 219,154	\$ 183,781	\$ 158,832	\$ 411,850	\$ 377,986	\$ 26,490	\$ 26,443
Unrestricted	18,297	21,212	18,518	33,394	36,815	54,606	2,040	2,208
	(41,108)	(55,128)	25,907	12,873	(15,201)	(42,255)	5,396	2,591
Total net position	\$ 205,258	\$ 185,238	\$ 228,206	\$ 205,099	\$ 433,464	\$ 390,337	\$ 33,926	\$ 31,242

A portion of the City's net position, approximately 8.5% in FY 2020, represents resources that are subject to external restrictions and are therefore not available for general activities. At the close of fiscal year 2020, the City is able to report a positive net position for governmental activities, business-type activities, and government-wide activities. In 2020, the government-wide net position with restatement increased by \$43,126,839 or 11.1%.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

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 Units	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues:								
Program revenues:								
Charges for services	\$ 1,594	\$ 2,234	\$ 49,036	\$ 49,932	\$ 50,630	\$ 52,166	\$ 3,178	\$ 3,944
Operating grants and contributions	4,825	1,608	-	-	4,825	1,608	16,172	13,338
Capital grants and contributions	816	-	3,701	624	4,517	624	2,117	1,428
General revenues:								
Property taxes	51,083	48,582	-	-	51,083	48,582	2,878	2,814
Intergovernmental revenues	29,233	25,878	-	-	29,233	25,878	767	730
Payment in lieu of taxes	2,560	2,560	-	-	2,560	2,560	-	-
Investment earnings	300	959	519	1,333	819	2,292	29	56
Other	5,927	2,557	948	110	6,875	2,667	379	335
Total revenues	96,338	84,378	54,204	51,999	150,542	136,377	25,520	22,645
Expenses:								
General government	\$ 3,729	\$ 5,273	\$ -	\$ -	\$ 3,729	\$ 5,273	\$ -	\$ -
Public safety	33,588	40,923	-	-	33,588	40,923	-	-
Highways and streets	10,603	10,718	-	-	10,603	10,718	-	-
Sanitation	3,139	2,970	-	-	3,139	2,970	-	-
Culture and recreation	6,174	6,952	-	-	6,174	6,952	-	-
Economic development	18,181	11,730	-	-	18,181	11,730	-	-
Water Utility	-	-	9,336	10,015	9,336	10,015	-	-
Wastewater Utility	-	-	26,081	27,322	26,081	27,322	-	-
Parking Operations	-	-	468	468	468	468	-	-
Lafayette Housing Authority	-	-	-	-	-	-	7,808	7,451
City Bus	-	-	-	-	-	-	15,067	15,667
Total expenses	75,414	78,566	35,885	37,805	111,299	116,371	22,875	23,118
Change in net position	20,924	5,812	18,319	14,194	39,243	20,006	2,645	(473)
Net position, beginning	185,238	179,426	205,099	190,905	390,337	370,331	31,281	31,754
Prior period adjustment	(904)	-	4,788	-	3,884	-	-	-
Net Position, ending	\$ 205,258	\$ 185,238	\$ 228,206	\$ 205,099	\$ 433,464	\$ 390,337	\$ 33,926	\$ 31,281

Governmental Activities

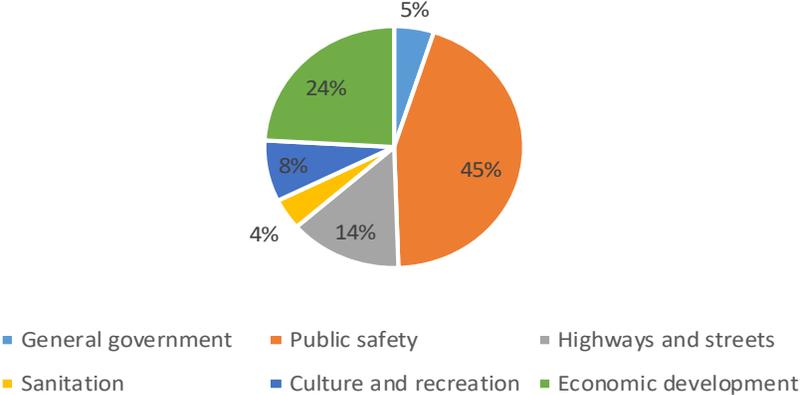
Governmental Activities increased the City's net position by \$20,020,079 in 2020, net of prior period adjustment. General Property and Other Tax revenue received represented 83.4% of total Governmental revenues. Charges for services totaled \$1,594,216 in 2020, representing 1.65% of total Governmental revenues. Expenses totaled \$75,413,387 for governmental activities.

Key factors leading to the increase in the City's net position were an increase in general property and intergovernmental revenues of approximately \$5.86 million, and \$4.03 million in grants and contributions for both operating and capital purposes.

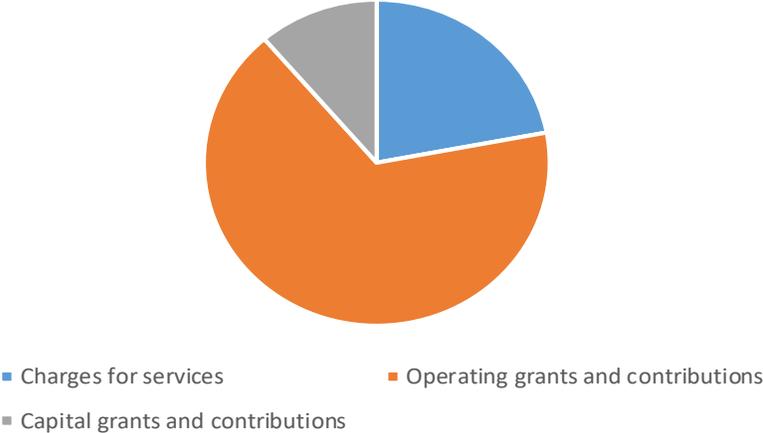
A reduction in governmental activities expenses of \$3.2 million due to budget control initiatives implemented upon the outbreak of COVID-19.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

Expenses



Revenue

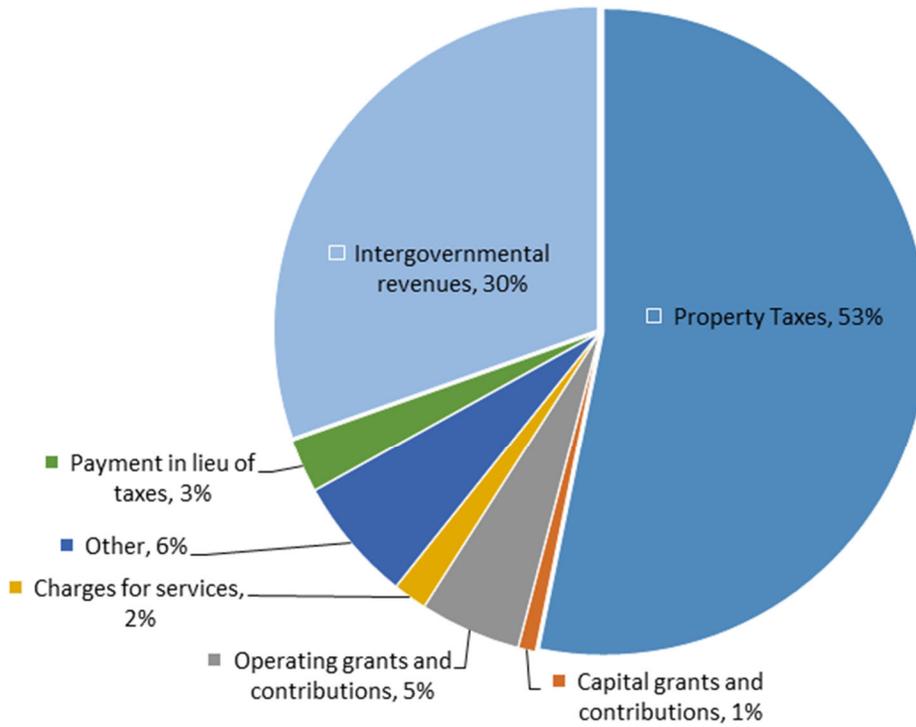


City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

Expenses & Program Revenues – Governmental Activities

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

Revenues By Source - Governmental Activities

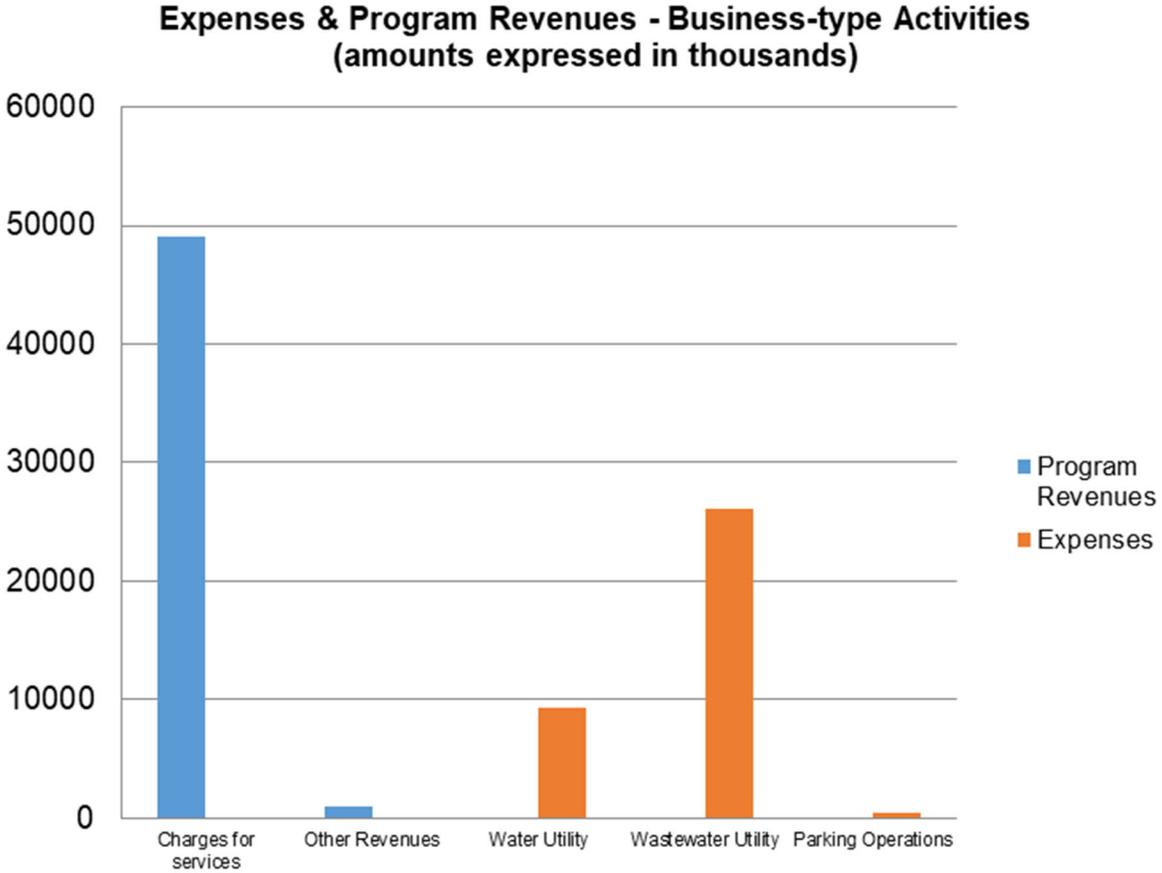


Business-type Activities

Business-type activities increased the City's net position \$23,106,760 in 2020, net of prior period adjustment, compared to an increase of \$14,194,160 for FY 2019. A key factor leading to the increase is primarily attributable to capital contributions of water and wastewater infrastructure.

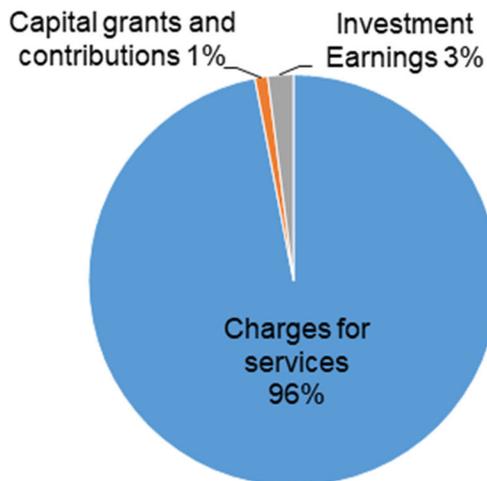
City of Lafayette
 Management Discussion and Analysis
 For the Year Ended December 31, 2020
 (Continued)

The following chart illustrates the expenses and program revenues of the City's Business-type Activities for FY 2020:



The following chart displays the revenue composition for the City's Business-type Activities for FY 2020:

Revenues by Source - Business-type Activities



City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(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 \$39,258,105 a decrease of 19.1% from FY 2019. The General Fund balance of \$10,507,728 comprises 26.8% of the total funds balance. As of December 31, 2020, the General Funds unassigned fund balance of \$10,507,728 represented an increase of \$3,044,917 or 40.8% from FY 2019. Overall, the activity within the General Fund was consistent with the prior year. Both revenues and expenses decreased, with the primary difference being a decrease in public safety expenditures. This is a result of reclassifying the Rainy Day fund, and Railroad fund to be presented as General for the purpose of the 2020 report. The 2020 balance of the Rainy Day fund is \$6,123,965. The balance of Railroad fund is \$221,619. The remaining balance belongs to the General fund of \$4,162,144.

The non-major governmental fund balance of \$7,230,435 is 18.4% of total governmental fund balances and includes a restricted balance of \$6,932,399, a committed fund balance of \$378,746, and an assigned fund balance of (\$80,710). The Motor Vehicle Highway Fund balance of \$2,832,807 is 7.2% of total governmental fund balances and the entire fund balance for this fund is restricted. The Motor Vehicle Highway Fund balance increased by \$1,339,924 primarily as a result of more property tax income. The Economic Development Income Tax (EDIT) Fund balance of \$7,808,786 is 19.8% of total governmental fund balance and \$4,789,889 of the restricted fund balance is for the completion of the Loeb Stadium project which represents the major decrease. The Park Bond Fund balance of \$2,905,463 comprises 7.4% 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 Redevelopment Authority Fund balance of \$2,904,919 is 7.4% 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 \$511,424. The TIF Creasy Central Consolidated Fund balance of \$4,415,874 is 11.2% of total governmental fund balances and the entire fund balance for this fund is restricted. The TIF Creasy Central Consolidated Fund balance increase of \$916,339 was the result of unspent bond proceeds remaining at year end.

The following table reflects the fund balance for Governmental Funds:

City of Lafayette
FUND BALANCES FOR GOVERNMENTAL FUNDS
(amounts expressed in thousands)

	2020		2019	
General	\$ 10,508	10.6%	\$ 1,674	3.5%
Motor vehicles	2,833	7.2%	2,056	4.2%
Park & Rec operating	652	1.7%	-	-
EDIT	7,809	19.8%	16,660	34.4%
Park bond	2,905	7.4%	9,591	19.8%
Redevelopment Authority	2,905	7.4%	3,416	7.0%
TIF alloc central consolidated	4,416	11.4%	3,841	7.9%
Other	7,230	34.5%	11,257	23.2%
Total governmental funds	\$ 39,258	100.0%	\$ 48,495	100.0%

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

As shown in the preceding table for Revenues by Source – Governmental Activities fiscal year 2020, property taxes and other local taxes accounted for 83.4% 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 \$10,507,728. 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 \$10,507,728 represents 27.9% of the total General Fund expenditures in FY 2020. The total cash and investment balance of the governmental funds increased by \$7,817,015 due to the aforementioned reclassification of the Rainy Day fund and the Railroad fund.

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 \$(10,637,416) and \$35,942,297 respectively, at the end of the fiscal year. Total net position in the Water Utility Fund increased \$3,965,011. In 2020, water charges for service were \$11,002,682, which exceeded operating expenses of \$8,176,478. Total net position in the Wastewater Utility Fund increased \$19,203,727, including prior period restatement. The increase in net position was primarily due to increase in charges for services and reductions in operating expenses. Other business-type activities decreased the City's net position by \$61,978.

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 BUDGETORY HIGHLIGHTS
(amounts expressed in thousands)

	Original	Final	Actual Budgetary Basis	Variance
Revenues	\$ 41,208	\$ 41,208	\$ 40,176	\$ (1,032)
Expenditures	42,010	42,010	37,688	(4,322)
Surplus (deficit)	<u>\$ (802)</u>	<u>\$ (802)</u>	<u>\$ 2,488</u>	<u>\$ 3,290</u>

General Fund revenue was originally budgeted at \$41,208,424 for fiscal year 2020. 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 2020.

During 2020, the General Fund collected \$40,176,303 in revenue on a budgetary basis, which was \$1,032,121 less than the original budget. The decrease resulted from less property tax revenue than originally budgeted.

General Fund expenditures were originally budgeted at \$42,010,360 for fiscal year 2020. During the year, the General Fund expenditure budget was unchanged. Actual expenditures for fiscal year 2020 were \$37,688,358, which was \$4,322,002 less than the final budgeted amount.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

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, 2020, the City's government-wide capital assets were valued at \$599,682,372 net of accumulated depreciation, an increase of \$41,054,329 or 7.3%, over values on December 31, 2019. The aggregate value of capital assets related to governmental activities amounted to \$287,726,185, net of depreciation, while the aggregate value of capital assets related to business type activities totaled \$311,956,187.

Construction in Progress totaled \$160,625,828, a decrease of \$32,348,028 from the prior year end, as the City continued to make and complete significant infrastructure improvements including performance on the following projects:

- Murdock Park water storage tank and booster station
- Loeb Stadium renovations
- Columbian Park
- 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 \$439,056,544, an increase of \$73,402,357, net of depreciation, since December 31, 2019.

At December 31, 2020, the net value of Infrastructure \$293,352,349 was the major asset class, followed by buildings \$30,159,384 and machinery and equipment \$28,343,550.

Total depreciation expense was \$15,845,464 for 2020, compared to \$15,279,477 for 2019. Depreciation expense was \$7,093,186 for governmental activities and \$8,752,278 for business-type activities in 2020.

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	
	2020	2019	2020	2019	2020	2019
Land	\$ 73,539	\$ 71,388	\$ 3,285	\$ 3,223	\$ 76,824	\$ 74,611
Buildings	33,792	33,792	19,289	19,289	53,081	53,081
Improvements other than buildings	7,592	7,592	573	574	8,165	8,166
Machinery and equipment	11,092	6,806	83,656	81,803	94,748	88,609
Vehicles	19,874	18,738	5,495	5,352	25,369	24,090
Infrastructure	194,422	155,381	229,490	189,846	423,912	345,227
Construction in progress	70,812	87,901	89,814	105,072	160,626	192,973
Less: accumulated depreciation	(123,397)	(117,064)	(119,646)	(111,065)	(243,043)	(228,129)
Total capital assets	<u>\$ 287,726</u>	<u>\$ 264,534</u>	<u>\$ 311,956</u>	<u>\$ 294,094</u>	<u>\$ 599,682</u>	<u>\$ 558,628</u>

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

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

Long-term debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$70,342,113 related to governmental activities and \$137,950,964 related to business-type activities. Of this amount, \$12,103,957 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 12,104	\$ 12,601	\$ -	\$ -	\$ 12,104	\$ 12,601
Capital leases	1,562	2,458	-	-	1,562	2,458
Notes & loans payable	-	-	851	925	851	925
Revenue bonds	56,676	55,638	137,100	148,617	193,776	204,255
Total long-term debt	\$ 70,342	\$ 70,697	\$ 137,951	\$ 149,542	\$ 208,293	\$ 220,239

The City's long-term debt for governmental activities decreased by \$354,833 during FY 2020. The City's new long-term debt issued of \$5,108,000 was offset by principal payments of \$5,420,648 of other long-term debt issues. Additional information of the City's long-term debt can be found in Note III B. 10.

Political Factors and Budgets

Property tax revenue remains the principal source of revenue for the funding of governmental activities within the City of Lafayette. Senate Bill 1 enacted in 2004 took \$3,450,000 of maximum levy from the City of Lafayette. Additionally, the State of Indiana General Assembly enacted property tax reform legislation during the 2008 session. The reforms included limiting property tax bills to 1% of gross assessed value for residential homesteads, 2% for commercial properties, and 3% for all other real and personal property. Under the current system, taxable properties within the City are assessed based on market values. Each year properties are trended up or down by the County Assessor's Office. Property values are assessed by comparing properties to current sales trends in their respective neighborhoods. The property tax reforms of 2008 combined with the national housing recession has produced large "circuit breaker credits" borne by all taxing units in a district. This combination of legislation and poor market performance has produced extensive reduction in property taxes available to the City since 2010. In 2020, the City lost approximately \$2,582,877 in property tax levy due to circuit breaker credits. Since 2010 the City has realized approximately \$19,025,796 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 and towns participating is 48. 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.

City of Lafayette
Management Discussion and Analysis
For the Year Ended December 31, 2020
(Continued)

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents - unrestricted	\$ 29,084,008	\$ 41,205,144	\$ 70,289,152	\$ 5,254,558
Cash and cash equivalents - restricted	-	-	-	116,862
Cash with fiscal agent	5,670,376	-	5,670,376	-
Receivables, net:				
Loans	417,770	-	417,770	-
Taxes	51,059,011	-	51,059,011	-
Accounts	763,976	6,542,506	7,306,482	3,702,782
Intergovernmental	4,970,617	-	4,970,617	-
Inventories	620,313	895,019	1,515,332	477,591
Prepaid items	817,840	200,400	1,018,240	155,469
Total current assets	<u>93,403,911</u>	<u>48,843,069</u>	<u>142,246,980</u>	<u>9,707,262</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	16,088,501	12,422,794	28,511,295	2,283,159
Investments	-	6,095,110	6,095,110	-
Total restricted assets	<u>16,088,501</u>	<u>18,517,904</u>	<u>34,606,405</u>	<u>2,283,159</u>
Capital assets:				
Land, improvements and construction in progress	144,350,805	93,099,231	237,450,036	1,826,772
Other capital assets, net of depreciation	143,375,380	218,856,956	362,232,336	25,605,714
Total capital assets	<u>287,726,185</u>	<u>311,956,187</u>	<u>599,682,372</u>	<u>27,432,486</u>
Total noncurrent assets	<u>303,814,686</u>	<u>330,474,091</u>	<u>634,288,777</u>	<u>29,715,645</u>
Total assets	<u>397,218,597</u>	<u>379,317,160</u>	<u>776,535,757</u>	<u>39,422,907</u>
<u>Deferred outflows of resources</u>				
Pension items	6,288,987	736,332	7,025,319	904,363
OPEB items	501,769	1,003,536	1,505,305	-
Total deferred outflows of resources	<u>6,790,756</u>	<u>1,739,868</u>	<u>8,530,624</u>	<u>904,363</u>

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Liabilities</u>				
Current liabilities:				
Accounts Payable	\$ 6,526,853	\$ 574,749	\$ 7,101,602	\$ 394,650
Contracts payable	-	1,366,632	1,366,632	-
Accrued payroll and withholding payable	435,792	124,818	560,610	131,193
Intergovernmental payable	4,036,798	-	4,036,798	-
Taxes payable	-	43,157	43,157	68,067
Accrued interest payable	686,561	427,200	1,113,761	-
Performance deposits payable	1,478,329	1,059,388	2,537,717	-
Unearned revenue	9,500	-	9,500	-
Customer deposits	130,723	173,334	304,057	-
General obligation bonds payable	510,000	-	510,000	-
Revenue bonds payable	3,235,000	10,915,000	14,150,000	-
Notes and loans payable	-	77,000	77,000	-
Capital lease obligations	833,229	-	833,229	-
Accrued compensated absences	-	-	-	174,459
Other liabilities	-	-	-	914,841
Total current liabilities	17,882,785	14,761,278	32,644,063	1,683,210
Noncurrent liabilities:				
General obligation bonds payable, net	11,593,957	-	11,593,957	-
Revenue bonds payable, net	53,440,930	124,101,929	177,542,859	-
Notes and loans payable	-	774,000	774,000	-
Capital lease obligations	728,997	-	728,997	-
Loan liability	-	-	-	185,319
Accrued compensated absences	-	-	-	5,408
Total OPEB liability	2,440,118	4,880,232	7,320,350	-
Net pension liability	57,602,964	5,216,550	62,819,514	3,677,330
Total noncurrent liabilities	125,806,966	134,972,711	260,779,677	3,868,057
Total liabilities	143,689,751	149,733,989	293,423,740	5,551,267
<u>Deferred inflows of resources</u>				
Deferred inflows related to pensions	4,296,510	1,156,952	5,453,462	849,533
Deferred inflows related to OPEB	980,082	1,960,166	2,940,248	-
Deferred inflows related to property taxes	49,785,143	-	49,785,143	-
Total deferred inflows of resources	55,061,735	3,117,118	58,178,853	849,533
<u>Net position</u>				
Net investment in capital assets	228,068,537	183,780,608	411,849,145	26,489,906
Restricted for:				
Debt service	2,254,972	11,697,623	13,952,595	-
Capital outlay	16,042,542	6,681,793	22,724,335	1,808,289
Housing services	-	-	-	231,711
Customer deposits	-	138,488	138,488	-
Unrestricted	(41,108,184)	25,907,409	(15,200,775)	5,396,564
Total net position	\$ 205,257,867	\$ 228,205,921	\$ 433,463,788	\$ 33,926,470

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

CITY OF LAFAYETTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,729,426	\$ 622,104	\$ -	\$ 9,268	\$ (3,098,054)	\$ -	\$ (3,098,054)	\$ -
Public safety	33,588,132	151,571	3,022,163	-	(30,414,398)	-	(30,414,398)	-
Highways and streets	10,602,940	26,453	-	806,999	(9,769,488)	-	(9,769,488)	-
Sanitation	3,138,626	-	-	-	(3,138,626)	-	(3,138,626)	-
Culture and recreation	6,173,582	753,896	790	-	(5,418,896)	-	(5,418,896)	-
Economic development	18,180,681	40,192	1,801,809	-	(16,338,680)	-	(16,338,680)	-
Total governmental activities	<u>75,413,387</u>	<u>1,594,216</u>	<u>4,824,762</u>	<u>816,267</u>	<u>(68,178,142)</u>	<u>-</u>	<u>(68,178,142)</u>	<u>-</u>
Business-type activities:								
Parking operations	467,635	405,007	-	-	-	(62,628)	(62,628)	-
Wastewater utility	26,080,627	37,628,248	-	2,343,976	-	13,891,597	13,891,597	-
Water utility	9,336,205	11,002,682	-	1,356,649	-	3,023,126	3,023,126	-
Total business-type activities	<u>35,884,467</u>	<u>49,035,937</u>	<u>-</u>	<u>3,700,625</u>	<u>-</u>	<u>16,852,095</u>	<u>16,852,095</u>	<u>-</u>
Total primary government	<u>\$ 111,297,854</u>	<u>\$ 50,630,153</u>	<u>\$ 4,824,762</u>	<u>\$ 4,516,892</u>	<u>(68,178,142)</u>	<u>16,852,095</u>	<u>(51,326,047)</u>	<u>-</u>
Component unit	<u>\$ 22,875,698</u>	<u>\$ 3,178,216</u>	<u>\$ 16,171,905</u>	<u>\$ 2,117,274</u>				<u>(1,408,303)</u>
General revenues:								
Property taxes					51,083,433	-	51,083,433	2,877,613
Intergovernmental revenues					29,232,560	-	29,232,560	767,303
Payment in lieu of taxes					2,559,500	-	2,559,500	-
Other revenues					5,927,422	947,995	6,875,417	378,817
Investment earnings					299,545	518,957	818,502	29,705
Total general revenues					<u>89,102,460</u>	<u>1,466,952</u>	<u>90,569,412</u>	<u>4,053,438</u>
Change in net position					<u>20,924,318</u>	<u>18,319,047</u>	<u>39,243,365</u>	<u>2,645,135</u>
Net position - beginning					185,237,788	205,099,161	390,336,949	31,281,335
Prior period adjustment (Note IV.K)					(904,239)	4,787,713	3,883,474	-
Total net position - beginning restated					<u>184,333,549</u>	<u>209,886,874</u>	<u>394,220,423</u>	<u>31,281,335</u>
Net position - ending					<u>\$ 205,257,867</u>	<u>\$ 228,205,921</u>	<u>\$ 433,463,788</u>	<u>\$ 33,926,470</u>

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

CITY OF LAFAYETTE
BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2020

	General	Motor Vehicle Highway	Park and Recreation Operating	Economic Dev Income Tax (EDIT)	Park Bond	Redevelopment Authority	TIF Creasy Central Consolidate	Total Nonmajor Funds	Total Governmental Funds
Assets									
Cash and cash equivalents - unrestricted	\$ 10,612,750	\$ 2,232,318	\$ 708,512	\$ 5,751,381	\$ 77,682	\$ 662,071	\$ 5,048,181	\$ 3,414,054	\$ 28,506,949
Cash and cash equivalents - restricted	-	-	-	4,789,889	5,116,998	1,109,249	949,443	4,122,922	16,088,501
Cash with fiscal agents	-	-	-	-	-	1,399,521	-	4,270,855	5,670,376
Receivables, net:									
Loans	-	-	-	-	-	-	347,355	70,415	417,770
Taxes	25,333,238	2,893,058	4,019,395	-	904,521	488,259	12,705,975	4,714,569	51,059,015
Accounts	230,470	17,476	-	-	-	-	70,459	445,523	763,928
Intergovernmental	1,838,123	766,497	50,022	1,265,522	9,328	-	-	761,244	4,690,736
Due from other funds	299,921	-	-	-	-	-	-	-	299,921
Total assets	\$ 38,314,502	\$ 5,909,349	\$ 4,777,929	\$ 11,806,792	\$ 6,108,529	\$ 3,659,100	\$ 19,121,413	\$ 17,799,582	\$ 107,497,196
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts payable	\$ 191,062	\$ 21,257	\$ 27,975	\$ 2,013,091	\$ 1,828,309	\$ -	\$ 1,767,201	\$ 548,713	\$ 6,397,608
Accrued payroll and withholding payable	355,546	45,232	28,444	-	-	-	-	6,570	435,792
Due to other funds	-	-	-	-	-	-	-	299,921	299,921
Intergovernmental payable	-	-	-	-	-	-	-	4,036,798	4,036,798
Accrued interest payable	-	-	-	1,188	192,177	265,922	135,774	91,500	686,561
Performance deposits payable	15,000	78,262	-	745,440	268,731	-	86,589	284,307	1,478,329
Customer deposits	117,423	-	-	-	-	-	10,000	3,300	130,723
Total liabilities	679,031	144,751	56,419	2,759,719	2,289,217	265,922	1,999,564	5,271,109	13,465,732
Deferred Inflows of Resources:									
Unavailable revenue	27,127,743	2,931,791	4,069,417	1,238,287	913,849	488,259	12,705,975	5,298,038	54,773,359
Fund Balances:									
Restricted	-	2,832,807	652,093	7,808,786	2,905,463	2,904,919	4,415,874	6,932,399	28,452,341
Committed	-	-	-	-	-	-	-	378,746	378,746
Unassigned	10,507,728	-	-	-	-	-	-	(80,710)	10,427,018
Total fund balances	10,507,728	2,832,807	652,093	7,808,786	2,905,463	2,904,919	4,415,874	7,230,435	39,258,105
Total liabilities and fund balances	\$ 38,314,502	\$ 5,909,349	\$ 4,777,929	\$ 11,806,792	\$ 6,108,529	\$ 3,659,100	\$ 19,121,413	\$ 17,799,582	\$ 107,497,196

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, 2020

Fund Balance Reported in the Governmental Funds	\$ 39,258,105
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.	287,726,185
Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,124,008
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.	6,790,756
City and state collections that are not available until the next calendar year are recognized as revenue in government-wide funds but are deferred in the fund balance.	5,257,806
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(70,342,113)
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.	(60,043,082)
Deferred inflows of resources do not present a claim on current financial resources and are not reported in the funds.	(5,276,592)
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.	762,794
Net Position of Governmental Activities	<u>\$ 205,257,867</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, 2020

	General	Motor Vehicle Highway	Park and Recreation Operating	Economic Dev Income Tax (EDIT)	Park Bond	Redevelopment Authority	TIF Creasy Central Consolidate	Total Nonmajor Funds	Total Governmental Funds
Revenues:									
General property taxes	\$ 24,154,488	\$ 3,482,133	\$ 4,496,642	\$ -	\$ 909,918	\$ -	\$ 11,363,054	\$ 6,232,914	\$ 50,639,149
Licenses and permits	446,452	-	-	-	-	-	-	1,400	447,852
Intergovernmental	12,486,402	5,630,927	381,212	7,874,418	62,899	-	-	5,600,095	32,035,953
Payment in lieu of taxes	2,559,500	-	-	-	-	-	-	-	2,559,500
Charges for services	37,271	22,293	74,547	-	-	-	-	821,239	955,350
Fines and forfeits	141,629	-	-	-	-	-	-	10,091	151,720
Other	747,104	119,514	48,921	179,735	-	2,631,572	24,256	2,981,959	6,733,061
Capital contributions	9,268	-	-	-	-	-	-	-	9,268
Interest and investment revenue	151,161	-	-	54,953	34,923	-	4,935	1,384	247,356
Total revenues	40,733,275	9,254,867	5,001,322	8,109,106	1,007,740	2,631,572	11,392,245	15,649,082	93,779,209
Expenditures:									
Current:									
General government	3,163,038	-	-	-	-	-	-	176,635	3,339,673
Public safety	31,934,747	-	-	-	-	-	-	4,014,877	35,949,624
Highways and streets	-	7,252,628	-	-	-	-	-	13,282	7,265,910
Sanitation	2,563,177	-	-	-	-	-	-	6,862	2,570,039
Culture and recreation	-	-	4,225,499	-	-	-	-	736,619	4,962,118
Economic development	-	-	-	3,555,410	-	7,500	1,796,976	3,062,273	8,422,159
Debt Service:									
Interest	-	-	-	589,118	420,382	650,496	328,467	206,256	2,194,719
Principal retirement	-	-	-	950,353	495,000	2,485,000	2,838,500	1,273,295	8,042,148
Capital Outlay:									
Public safety	27,396	-	-	-	-	-	-	641,774	669,170
Highways and streets	-	662,315	-	-	-	-	-	16,984	679,299
Culture and recreation	-	-	27,965	-	6,777,820	-	-	-	6,805,785
Economic development	-	-	-	12,219,453	-	-	10,265,963	3,873,817	26,359,233
Total expenditures	37,688,358	7,914,943	4,253,464	17,314,334	7,693,202	3,142,996	15,229,906	14,022,674	107,259,877
Excess (deficiency) of revenues over (under) expenditures	3,044,917	1,339,924	747,858	(9,205,228)	(6,685,462)	(511,424)	(3,837,661)	1,626,408	(13,480,668)
Other financing sources (uses):									
Issuance of debt	-	-	-	-	-	-	5,108,000	-	5,108,000
Transfers in	-	-	-	354,000	-	-	-	-	354,000
Transfer out	-	-	-	-	-	-	(354,000)	-	(354,000)
Total other financing sources (uses)	-	-	-	354,000	-	-	4,754,000	-	5,108,000
Net change in fund balances	3,044,917	1,339,924	747,858	(8,851,228)	(6,685,462)	(511,424)	916,339	1,626,408	(8,372,668)
Fund Balances - beginning, as restated	7,462,811	1,492,883	(95,765)	16,660,014	9,590,925	3,416,343	3,499,535	5,604,027	47,630,773
Fund Balances - ending	\$ 10,507,728	\$ 2,832,807	\$ 652,093	\$ 7,808,786	\$ 2,905,463	\$ 2,904,919	\$ 4,415,874	\$ 7,230,435	\$ 39,258,105

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

CITY OF LAFAYETTE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For year ended December 31, 2020

Net change in fund balances - total governmental funds (statement of revenues, expenditures and changes in fund balances).	\$	(8,372,668)
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.		20,067,756
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		716,205
The net effect of various miscellaneous transaction involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		3,541,434
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.		354,833
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		4,567,471
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds is reported with governmental activities.		<u>49,287</u>
Change in net position of governmental activities (statement of activities)	<u>\$</u>	<u>20,924,318</u>

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

CITY OF LAFAYETTE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	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 - unrestricted					
Operating cash	\$ 996,038	\$ 19,501,243	\$ 632,197	\$ 21,129,478	\$ 577,057
Depreciation cash	347,436	13,566,370	-	13,913,806	-
Bond and Interest cash	246,499	5,915,361	-	6,161,860	-
Accounts receivable, net	967,626	5,567,493	7,387	6,542,506	48
Inventories	300,955	594,064	-	895,019	314,145
Prepaid items	95,200	105,200	-	200,400	-
Total current assets	2,953,754	45,249,731	639,584	48,843,069	891,250
Noncurrent assets:					
Cash, cash equivalents and investments - restricted:					
Cash and cash equivalents	264,199	-	-	264,199	-
Customer deposits	138,488	-	-	138,488	-
Revenue bond covenant accounts	7,839,600	4,180,507	-	12,020,107	-
Investments	-	6,095,110	-	6,095,110	-
Total restricted assets	8,242,287	10,275,617	-	18,517,904	-
Capital assets:					
Land, improvements, and construction in progress	18,588,345	73,826,905	683,981	93,099,231	-
Other capital assets, net of depreciation	33,249,739	183,764,354	1,842,863	218,856,956	-
Total capital assets	51,838,084	257,591,259	2,526,844	311,956,187	-
Total noncurrent assets	60,080,371	267,866,876	2,526,844	330,474,091	-
Total assets	63,034,125	313,116,607	3,166,428	379,317,160	891,250
Deferred Outflows of Resources					
Deferred outflows related to pensions	282,000	454,332	-	736,332	-
Deferred outflows related to OPEB	501,768	501,768	-	1,003,536	-
Total deferred outflows of resources	783,768	956,100	-	1,739,868	-
Liabilities					
Current liabilities:					
Accounts payable	179,550	393,443	1,756	574,749	128,456
Contracts payable	53,892	1,312,740	-	1,366,632	-
Accrued payroll and withholding payable	44,261	77,436	3,121	124,818	-
Taxes payable	43,157	-	-	43,157	-
Accrued interest payable	-	427,200	-	427,200	-
Performance deposits payable	682,625	376,763	-	1,059,388	-
Customer deposits payable	141,155	-	32,179	173,334	-
Revenue bonds payable	775,000	10,140,000	-	10,915,000	-
Notes and loans payable	-	77,000	-	77,000	-
Total current liabilities	1,919,640	12,804,582	37,056	14,761,278	128,456
Noncurrent liabilities:					
Revenue bonds payable	17,138,148	106,963,781	-	124,101,929	-
Notes and loans payable	-	774,000	-	774,000	-
Total OPEB liability	2,440,116	2,440,116	-	4,880,232	-
Net pension obligation	1,997,829	3,218,721	-	5,216,550	-
Total noncurrent liabilities	21,576,093	113,396,618	-	134,972,711	-
Total liabilities	23,495,733	126,201,200	37,056	149,733,989	128,456
Deferred Inflows of Resources					
Deferred inflows related to pensions	443,088	713,864	-	1,156,952	-
Deferred inflows related to OPEB	980,083	980,083	-	1,960,166	-
Total deferred inflows of resources	1,423,171	1,693,947	-	3,117,118	-
Net Position					
Net investment in capital assets	41,294,118	139,959,646	2,526,844	183,780,608	-
Restricted for:					
Debt service	1,422,283	10,275,340	-	11,697,623	-
Capital Outlay	6,681,516	277	-	6,681,793	-
Customer Deposits	138,488	-	-	138,488	-
Unrestricted	(10,637,416)	35,942,297	602,528	25,907,409	762,794
Total net position	\$ 38,898,989	\$ 186,177,560	\$ 3,129,372	\$ 228,205,921	\$ 762,794

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, 2020

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental
	Water Utility	Wastewater Utility	Total Nonmajor Funds		Internal Service Funds
Operating revenues:					
Metered water revenue:					
Residential	\$ 4,568,514	\$ -	\$ -	\$ 4,568,514	\$ -
Commercial	2,825,035	-	-	2,825,035	-
Industrial	1,164,391	-	-	1,164,391	-
Fire protection	2,147,068	-	-	2,147,068	-
Measured revenue:					
Residential	-	10,081,060	-	10,081,060	-
Commercial	-	6,381,763	-	6,381,763	-
Industrial	-	16,705,301	-	16,705,301	-
Stormwater	-	3,819,161	-	3,819,161	-
Parking	-	-	405,007	405,007	-
Other	297,674	640,963	-	938,637	550,000
Total operating revenues	11,002,682	37,628,248	405,007	49,035,937	550,000
Operating expenses:					
Supplies and services	1,168,301	-	-	1,168,301	-
Water treatment	256,566	-	-	256,566	-
Transmission and distribution	1,233,205	-	-	1,233,205	-
Pumping	79,661	-	-	79,661	-
Collection system	-	2,427,019	-	2,427,019	-
Treatment and disposal	-	4,014,694	-	4,014,694	-
Customer accounts	735,623	826,308	-	1,561,931	-
Administration and general	3,575,159	4,655,262	95	8,230,516	526,306
Stormwater operations and maintenance	-	1,577,051	-	1,577,051	-
Parking operations and maintenance	-	-	376,258	376,258	-
Bad debt	18,652	39,488	-	58,140	-
Depreciation and amortization	1,237,252	7,423,744	91,282	8,752,278	-
Change in pension, opeb and pension related	(127,941)	(240,461)	-	(368,402)	-
Total operating expenses	8,176,478	20,723,105	467,635	29,367,218	526,306
Operating income (loss)	2,826,204	16,905,143	(62,628)	19,668,719	23,694
Nonoperating revenues (expenses):					
Interest and investment revenue	54,506	464,451	-	518,957	-
Miscellaneous revenue	262,743	684,602	650	947,995	25,593
Interest expense	(586,726)	(3,427,522)	-	(4,014,248)	-
Miscellaneous expense	(573,000)	(1,930,000)	-	(2,503,000)	-
Total nonoperating revenues (expenses)	(842,477)	(4,208,469)	650	(5,050,296)	25,593
Income (loss) before contributions and transfers	1,983,727	12,696,674	(61,978)	14,618,423	49,287
Capital contributions	1,356,649	2,343,976	-	3,700,625	-
Change in net position	3,340,376	15,040,650	(61,978)	18,319,048	49,287
Total net position - beginning	34,933,978	166,973,833	3,191,350	205,099,161	713,507
Prior period adjustment (Note IV.K)	624,635	4,163,077	-	4,787,712	-
Total net position - beginning restated	35,558,613	171,136,910	3,191,350	209,886,873	713,507
Total net position - ending	\$ 38,898,989	\$ 186,177,560	\$ 3,129,372	\$ 228,205,921	\$ 762,794

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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 11,100,326	\$ 38,055,686	\$ 434,908	\$ 49,590,920	\$ 549,952
Payments to employees	(3,678,854)	(6,734,218)	(309,885)	(10,722,957)	-
Payments to suppliers	(4,684,836)	(7,588,692)	(72,772)	(12,346,300)	(558,946)
Net cash provided (used) by operating activities	<u>2,736,636</u>	<u>23,732,776</u>	<u>52,251</u>	<u>26,521,663</u>	<u>(8,994)</u>
Cash flows from noncapital financing activities:					
Nonoperating revenue	-	-	-	-	25,593
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>25,593</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(7,619,878)	(15,753,116)	-	(23,372,994)	-
Principal paid on capital debt	(755,000)	(10,302,750)	-	(11,057,750)	-
Interest paid on capital debt	(584,956)	(4,491,758)	-	(5,076,714)	-
Net cash provided (used) by capital and related financing activities	<u>(8,959,834)</u>	<u>(30,547,624)</u>	<u>-</u>	<u>(39,507,458)</u>	<u>-</u>
Cash flows from investing activities:					
Sale of investments	-	15,500,000	-	15,500,000	-
Interest received	54,506	464,451	-	518,957	-
Net cash provided (used) by investing activities	<u>54,506</u>	<u>15,964,451</u>	<u>-</u>	<u>16,018,957</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(6,741,692)	7,219,603	52,251	530,162	16,599
Balances - beginning of year	16,573,952	35,943,878	579,946	53,097,776	560,458
Balances - end of the year	<u>\$ 9,832,260</u>	<u>\$ 43,163,481</u>	<u>\$ 632,197</u>	<u>\$ 53,627,938</u>	<u>\$ 577,057</u>
Reconciliation of operating income (loss) to net cash provided (used)					
by operating activities:					
Operating income (loss)	\$ 2,826,204	\$ 16,905,143	\$ (62,628)	\$ 19,668,719	\$ 23,694
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,237,252	7,423,744	91,282	8,752,278	-
Changes in assets and liabilities:					
Accounts receivable	88,604	350,064	(208)	438,460	(48)
Inventories	(45,001)	10,293	-	(34,708)	(22,837)
Customer deposits payable	6,177	-	29,458	35,635	-
Pension and OPEB related deferred outflow	(464,739)	(529,065)	-	(993,804)	-
Accounts payable	(42,711)	(119,746)	(693)	(163,150)	(9,803)
Contracts payable	(1,474,832)	(2,014,018)	-	(3,488,850)	-
Accrued wages payable	(105,553)	(182,799)	(5,611)	(293,963)	-
OPEB liability	113,297	113,297	-	226,594	-
Net pension liability	(181,927)	(293,107)	-	(475,034)	-
Pension and OPEB related deferred inflow	405,428	468,414	-	873,842	-
Other payable	374,437	1,600,556	651	1,975,644	-
Net cash provided (used) by operating activities	<u>\$ 2,736,636</u>	<u>\$ 23,732,776</u>	<u>\$ 52,251</u>	<u>\$ 26,521,663</u>	<u>\$ (8,994)</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets from private contractors	\$ 1,356,649	\$ 2,343,976	\$ -	\$ 3,700,625	\$ -

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

CITY OF LAFAYETTE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	<u>Pension Trust Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,855,491
Accounts receivables	-
	-
Total cash	1,855,491
	-
Total assets	\$ 1,855,491
<u>Liabilities</u>	
Accounts payable	\$ -
Customer deposits payable	-
	-
Total liabilities	\$ -
<u>Net Position</u>	
Restricted for pensions	\$ 1,855,491
Total net position	\$ 1,855,491

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

CITY OF LAFAYETTE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2020

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
State contributions	\$ 3,994,382
Donations	-
Miscellaneous revenue	7,335
	4,001,717
Total additions	4,001,717
 <u>Deductions</u>	
Administration and general	19,132
Supplies	-
Benefits	3,973,288
Other services	-
	3,992,420
Total deductions	3,992,420
Net increase (decrease) in fiduciary net position	9,297
Net position - beginning of the year	1,846,194
	1,855,491
Net position - end of the year	\$ 1,855,491

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

Notes to Financial Statements

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 Units:	Greater Lafayette Public Transportation Corporation and Lafayette Housing Authority

Blended Component Units

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

The 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 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.

City of Lafayette

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

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

The Housing Authority of the City of Lafayette (Lafayette Housing Authority) is a political subdivision established to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. Lafayette Housing Authority is governed by a seven-member Board of Commissioners, all of which are appointed by the City of Lafayette Mayor. The Authority is primarily dependent upon the U.S. Department of Housing and Urban Development (HUD) for funding of its operations.

Lafayette Housing Authority prepares an annual budget that is adopted by their Board of Commissioners but is not a legally authorized budget. The budget represents budgetary execution and management by its board.

All amounts reported for Lafayette Housing Authority as a discretely presented component unit represent their financial condition as of March 31, 2020.

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

Lafayette Housing Authority
2601 Greenbush Street
Lafayette, IN 47904

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 units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

I Summary of Significant Accounting Policies (Continued)

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, pension, OPEB, are recorded only when payment is due.

Property taxes, charges for services, utilities, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash. Internally dedicated resources are reported as general revenues rather than as program revenues.

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. Classified as major fund for public purpose.

The Park and Recreation Operating fund accounts 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 and user fees. Classified as major fund for public purpose.

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.

I Summary of Significant Accounting Policies (Continued)

The Park Bond fund is a property Tax-supported fund to account for the payment of principal and interest of a general obligation bond. Classified as major fund for public purpose.

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. Classified as major fund for public purpose.

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

The Internal Service fund accounts for self-insurance and other services provided to other departments on a cost-reimbursement basis. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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.

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.

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

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

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

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement. Investments are reported 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). The outstanding balances result from a time lag between the dates that grant expenditures occur and the grant reimbursement is received resulting in negative cash balances which led to the interfund payables and receivables between the general and non-major funds. 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."

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Cares IFA Fund	\$ 234,141
General Fund	Federal Grant Fund	41,250
General Fund	State Grant Fund	7,331
General Fund	CDBG Community Devlpmt	17,199
	Total	\$ 299,921

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statutes (IC 6 1.1 17 16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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, 2020. 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 2020 net certified levy amounts are recognized as receivables on the fund's financial statements with an offset to deferred revenue, since these amounts are not considered available.

Inventories and Prepaid Items

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

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

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

5. Restricted Assets

Certain proceeds of the governmental funds have constraints placed on their use by either external groups such as laws, rules or regulations, are classified as restricted assets on the Balance Sheet.

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 and the proprietary fund 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, including Land Improvements	\$ 1	N/ A	N/ A
Buildings	5,000	Straight- line	40-60 yrs.
Building Components (HVAC system, roof)	5,000	Straight- line	10-15 yrs.
Vehicles	5,000	Straight- line	5 yrs.
Police Vehicles	5,000	Straight- line	3 yrs.
Outdoor Equipment (Playground, etc.)	5,000	Straight- line	25 yrs.
Traffic Signals	5,000	Straight- line	25 yrs.
Treatment Equipment	5,000	Straight- line	20 yrs.
Heavy Vehicles/ Equipment	5,000	Straight- line	10 yrs.
Pump Equipment	5,000	Straight- line	10 yrs.
Furniture	5,000	Straight- line	10 yrs.
Grounds Equipment	5,000	Straight- line	5 yrs.
Office Equipment	5,000	Straight- line	5 yrs.
Communication Equipment	5,000	Straight- line	5 yrs.
Computer Equipment	5,000	Straight- line	3 yrs.
Infrastructure	5,000	Straight- line	50 yrs.
Mains and Collection Lines	5,000	Straight- line	60 yrs.
Pump and Lift Stations	5,000	Straight- line	45 yrs.
Structure & Improvements	5,000	Straight- line	40 yrs.

I Summary of Significant Accounting Policies (Continued)

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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. Post Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been based on an actuary report. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms.

9. 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. Additionally, the City is reporting in its governmental funds deferred inflows of resources for unavailable revenues attributable to taxes receivable for the certified levy that is approved in 2020 for the 2021 budget year, as well as other certain intergovernmental receivables.

10. 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.

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

11. 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of incurrence.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

12. Fund Equity

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

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

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

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

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

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

The City has a formal minimum fund balance policy.

I Summary of Significant Accounting Policies (Continued)

13. 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 which is included in the General 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 \$6,123,965 is at 14.6%. 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.

14. 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.

15. Adopted Accounting Policies

During the year, the City implemented Government Accounting Standards Board No.84 Fiduciary Activities. The adoption did not have a significant impact on the City's financial statements and resulted in agency funds moving to governmental funds with no impact on net position.

Notes to Financial Statements

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:

- 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	\$ 73,538,987
Construction in progress	70,811,818
Capital assets, being depreciated (net of depreciation):	
Buildings	18,019,010
Improvements other than buildings	1,408,887
Machinery and equipment	5,347,048
Vehicles	7,043,317
Infrastructure	<u>111,557,118</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 287,726,185</u></u>

- Another element of that reconciliation explains that “Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this difference are as follows:

Inventories	\$ 306,168
Prepaid items	<u>817,840</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 1,124,008</u></u>

- Another element of that reconciliation explains that “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.” The details of this difference are as follows:

Deferred outflows - pension and OPEB	<u>\$ 6,790,756</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 6,790,756</u></u>

- Another element of that reconciliation explains that “City and state collections that are not available until the next calendar year are recognized as revenue in government-wide funds but are unavailable in the fund balance.” The details of this difference are as follows:

Unavailable revenue	<u>\$ 5,257,807</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 5,257,807</u></u>

Notes to Financial Statements

II Reconciliation of Government-Wide and Fund Financial Statements (Continued)

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. 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”. The details of this difference are as follows:

General obligation bonds payable	\$ (12,103,957)
Revenue bonds payable	(56,675,930)
Capital lease obligations	(1,562,226)
	<u>(70,342,113)</u>
Total OPEB liability	(2,440,118)
Net pension liability	(57,602,964)
	<u>(60,043,082)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (130,385,195)</u>

6. Another element of that reconciliation explains that “Deferred inflows of resources used in governmental activities are not available to pay for current period expenditures and therefore are not reported in the funds.” The details of this difference are as follows:

Deferred inflows - pension and OPEB	<u>\$ (5,276,592)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (5,276,592)</u>

7. Another element of that reconciliation explains that “Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position”. The details of this difference are as follows:

Operating Cash	\$ 577,057
Bond and interest cash	48
Accounts receivable, net	314,145
Accounts payable	(128,456)
	<u>762,794</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 762,794</u>

Notes to Financial Statements

II Reconciliation of Government-Wide and Fund Financial Statements (Continued)

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:

- 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	\$ 27,160,942
Depreciation expense	<u>(7,093,186)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 20,067,756</u>

- Another element of the reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.” The details of this difference are as follows:

Property taxes	\$ 470,028
Unavailable taxes	<u>246,177</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 716,205</u>

- Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. The details of his are as follows:

Loss on sale of assets	\$ (388,058)
Donation of capital assets	<u>3,929,492</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 3,541,434</u>

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

Principal repayments:	
General obligation bonds	\$ 495,000
Revenue bonds	4,030,000
Capital leases	895,648
Net amortization of bond discount/ premium	42,185
Debt incurred:	
Issuance of bonds	<u>(5,108,000)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 354,833</u>

City of Lafayette

Notes to Financial Statements

II Reconciliation of Government-Wide and Fund Financial Statements (Continued)

5. 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 pension liabilities and related deferred outflows and inflows of resources	\$ 4,623,651
Change in OPEB liabilities and related deferred outflows and inflows of resources	<u>(56,180)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 4,567,471</u>

6. Another element of the reconciliation states that “Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.” The details of this difference are as follows:

Internal service fund net income	<u>\$ 49,287</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 49,287</u>

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 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, 2020, the City had deposit balances in the amount of \$111,056,038. 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, 2020, the City had the following investments:

Investment Type	Business-type	Investment in Maturities	
	Activities	(In Years)	
	Fair Value	Less Than 1	1-5
Certificates of deposit	\$ 253,207	\$ -	\$ 253,207
Federal agency securities	4,113,658	1,036,250	3,077,408
U. S. Bonds & Notes	1,728,245	354,188	1,374,057
	<u>\$ 6,095,110</u>	<u>\$ 1,390,438</u>	<u>\$ 4,704,672</u>

III Detailed Notes on All Funds (Continued)

Investment Policies

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the Federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% 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, 2020, the City held investments in certificates of deposit in the amount of \$253,207. The certificates of deposit were held in the City's name. Investments held in U.S. government agency securities were \$5,841,903. 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 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.

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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. The distribution of securities with credit ratings is summarized below.

Investment Type	Standard & Poor's Rating	Fair Value
Certificates of Deposit	NR	\$ 253,207
Federal Agency Securities	AAA	4,113,658
U. S. Bonds & Notes	AAA	1,728,245
Total		\$ 6,095,110

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 securities are exempt from this policy requirement. Concentrations of federal agency securities include federal home loan bank (34%), federal national mortgage association (50%) and federal farm credit bank (16%).

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 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.

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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, 2020:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Certificates of deposit	\$ 253,207	\$ -	\$ 253,207	\$ -
Federal agency securities	4,113,658	-	4,113,658	-
U. S. Bonds & Notes	1,728,245	1,728,245	-	-
	\$ 6,095,110	\$ 1,728,245	\$ 4,366,865	\$ -

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, 2020, component unit CityBus had deposit balances of \$7,262,075 and Lafayette Housing Authority had deposit balances of \$392,504. At December 31, 2020, component unit CityBus had bank balances of \$7,283,800 and Lafayette Housing Authority had deposit balances of \$401,801. 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

III Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 71,387,972	\$ 2,539,965	\$ (388,950)	\$ 73,538,987
Construction in progress	87,901,488	25,290,287	(42,379,957)	70,811,818
Total capital assets, not being depreciated	159,289,460	27,830,252	(42,768,907)	144,350,805
Capital assets, being depreciated:				
Buildings	33,792,098	-	-	33,792,098
Improvements other than buildings	7,591,761	-	-	7,591,761
Machinery and equipment	6,805,922	4,314,568	(28,144)	11,092,346
Vehicles	18,737,980	1,930,309	(793,894)	19,874,395
Infrastructure	155,381,135	39,041,132	-	194,422,267
Total capital assets, being depreciated	222,308,896	45,286,009	(822,038)	266,772,867
Less accumulated depreciation for:				
Buildings	15,030,822	742,266	-	15,773,088
Improvements other than buildings	5,829,414	353,460	-	6,182,874
Machinery and equipment	5,006,145	767,297	(28,145)	5,745,297
Vehicles	11,748,344	1,814,533	(731,798)	12,831,079
Infrastructure	79,449,519	3,415,630	-	82,865,149
Total accumulated depreciation	117,064,244	7,093,186	(759,943)	123,397,487
Total capital assets, being depreciated, net	105,244,652	38,192,823	(62,095)	143,375,380
Total governmental activity capital assets, net	\$ 264,534,112	\$ 66,023,075	\$ (42,831,002)	\$ 287,726,185

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Business Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,223,321	\$ 61,900	\$ -	\$ 3,285,221
Construction in progress	105,072,368	22,168,031	(37,426,389)	89,814,010
Total capital assets, not being depreciated	108,295,689	22,229,931	(37,426,389)	93,099,231
Capital assets, being depreciated:				
Buildings	19,288,881	-	-	19,288,881
Improvements other than buildings	573,443	-	-	573,443
Machinery and equipment	81,802,588	1,985,779	(132,772)	83,655,595
Vehicles	5,351,843	181,236	(37,743)	5,495,336
Infrastructure	189,846,415	39,643,977	-	229,490,392
Total capital assets, being depreciated	296,863,170	41,810,992	(170,515)	338,503,647
Less accumulated depreciation for:				
Buildings	6,730,312	418,195	-	7,148,507
Improvements other than buildings	314,137	45,244	-	359,381
Machinery and equipment	56,695,033	4,096,832	(132,772)	60,659,093
Vehicles	3,331,624	490,668	(37,743)	3,784,549
Infrastructure	43,993,822	3,701,339	-	47,695,161
Total accumulated depreciation	111,064,928	8,752,278	(170,515)	119,646,691
Total capital assets, being depreciated, net	185,798,242	33,058,714	-	218,856,956
Total governmental activity capital assets, net	\$ 294,093,931	\$ 55,288,645	\$ (37,426,389)	\$ 311,956,187

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Discretely presented component units	Beginning Balance	Increases	Decreases	Ending Balance
Non- depreciable capital assets:				
Land	\$ 926,471	\$ 193,900	\$ -	\$ 1,120,371
Construction in progress	339,146	736,384	(369,129)	706,401
Total non- depreciable capital assets	1,265,617	930,284	(369,129)	1,826,772
Depreciable capital assets:				
Revenue equipment	33,481,908	2,176,078	(133,889)	35,524,097
Support vehicles	470,369	36,264	-	506,633
Building and structure	21,067,211	143,073	(193,900)	21,016,384
Equipment shop and garage	917,313	6,821	-	924,134
Revenue collection fareboxes	1,743,999	-	-	1,743,999
Communication equipment	3,094,191	318,234	-	3,412,425
Office equipment and furnishings	967,338	72,999	(735)	1,039,602
Total depreciable capital assets	61,742,329	2,753,469	(328,524)	64,167,274
Less accumulated depreciation:				
Revenue equipment	(19,124,832)	(2,474,418)	133,889	(21,465,361)
Support vehicles	(359,406)	(33,299)	-	(392,705)
Building and structure	(9,828,064)	(808,565)	-	(10,636,629)
Equipment shop and garage	(612,603)	(75,261)	-	(687,864)
Revenue collection fareboxes	(1,377,339)	(63,248)	-	(1,440,587)
Communication equipment	(2,939,178)	(132,429)	-	(3,071,607)
Office equipment and furnishings	(793,712)	(73,830)	735	(866,807)
Total accumulated depreciation	(35,035,134)	(3,661,050)	134,624	(38,561,560)
Total capital assets, being depreciated, net	26,707,195	(907,581)	(193,900)	25,605,714
Total governmental activity capital assets, net	\$ 27,972,812	\$ 22,703	\$ (563,029)	\$ 27,432,486

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

Governmental activities:	
General government	\$ 362,158
Public safety	1,626,905
Highways and streets	3,728,505
Sanitation	568,587
Culture and recreation	785,578
Economic development	21,453
Total depreciation expense - governmental activities	7,093,186
Business-type activities:	
Water	1,237,252
Wastewater	7,423,744
Other	91,282
Total depreciation expense - business- type activities	8,752,278
Grand Total	\$ 15,845,464

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

C. Construction Commitments

The City of Lafayette has entered into many contracts for various construction projects. Remaining contract payments as of December 31, 2020 are as follows:

Governmental Activities	\$ 22,304,518
Enterprise Funds	<u>15,520,488</u>
	<u>\$ 37,825,006</u>

Major projects included in Governmental Activities are Loeb Stadium renovation, Old Romney Road reconstruction, and Columbian Park Memorial Island. Major projects included in Enterprise Funds are Durkee's Run Combined Sewer Overflow, Murdock Park Storage Tank, and Utility Service Area 21.

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	<u>\$ 354,000</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

E. Leases

1. 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:

<u>Capital Lease</u>	<u>Governmental Activities</u>
2021	\$ 881,265
2022	309,550
2023	159,713
2024	159,713
2025	159,713
Total minimum lease payments	1,669,954
Less Interest	<u>(107,728)</u>
PV of net minimum lease payments	1,562,226
Due within one year	833,229
Due in more than one year	<u><u>\$ 728,997</u></u>

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

<u>Asset Category</u>	<u>Governmental Activities</u>
Equipment	\$ 2,107,762
Vehicles	1,315,546
Less: accumulated depreciation	<u>(2,628,746)</u>
	<u><u>\$ 794,562</u></u>

F. Long-Term Debt

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

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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:

Governmental activities:

General Obligation Bonds:

2018 Park District General Obligation Bonds:

Tropicane Cove Slide, Memorial Island, Zoo Animal Exhibits

Interest rates: 3.0% to 4.0%

Original issue: \$12,720,000

Installments of \$250,000 to \$450,000 plus interest

Maturity: July 15, 2038 \$ 12,060,000

Revenue Bonds:

2010 A Redevelopment Authority Lease Rental Refunding Bonds Econ Dev

North 9th Street and Duncan Road projects

Interest rate: 3.5%

Original issue: \$2,485,000

Installment of \$145,000 plus interest

Maturity: January 15, 2021 145,000

2010 B Redevelopment Authority Lease Rental Refunding Bonds Econ Dev

Fire Station 5 Union Street

Interest rate: 3.25%

Original issue: \$3,005,000

Installment of \$170,000 plus interest

Maturity: January 15, 2021 170,000

2013 A Redevelopment Authority Lease Rental Consolidated TIF Refunding Bonds

Greenbush/Pavilions

Interest rate: 1.75%

Original issue: \$7,300,000

Installments of \$75,000 to \$80,000 plus interest

Maturity: February 1, 2026 860,000

2012 Redevelopment District Consolidated TIF Refunding Revenue Bonds

Parking garage/ Renaissance Place

Interest rate: 1.64%

Original issue: \$3,870,000

Installments of \$105,000 to \$115,000 plus interest

Maturity: February 1, 2025 985,000

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

2010 C Redevelopment Authority Lease Rental Twyckenham TIF Refunding Bond Twyckenham Infrastructure Interest rates: 3.5% to 3.7% Original issue: \$5,710,000 Installments of \$270,000 to \$290,000 plus interest Maturity: January 15, 2023	\$ 1,400,000
2013 B Redevelopment Authority Lease Rental Refunding Bonds Consolidated TIF Railroad Relocation/ Depot/ Brady Lane Interest rate: 2.0% Original issue: \$6,505,000 Installments of \$165,000 to \$195,000 plus interest Maturity: January 15, 2026	1,990,000
2015 Economic Development Subordinate Consolidated TIF Revenue Bonds One Main Street- Marq Interest rate: 3.8% Original issue: \$4,420,000 Installments of \$95,000 to \$165,000 plus interest Maturity: February 1, 2035	3,705,000
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 \$580,000 to \$605,000 plus interest Maturity: February 1, 2023	2,965,000
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 \$150,000 to \$555,000 plus interest Maturity: August 1, 2039	15,135,000
2019 Economic Development Subordinate Tax Increment Revenue Bonds Star Crossing Project (Pullman Station) 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

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

2019 Local Income Tax Revenue Bonds

Loeb Stadium

Interest rates: 3.00% to 5.00%

Original issue: \$17,000,000

Installments of \$205,000 to \$715,000 plus interest

Maturity: December 31, 2038

\$ 17,000,000

2020 Taxable Economic Development Subordinate Revenue Bonds

Nova Tower Project

Interest rate: 4.0%

Original issue: \$1,673,000

Installments of \$55,000 to \$87,000 plus interest

Maturity: February 1, 2035

1,673,000

2020 Taxable Economic Development Subordinate Revenue Bonds

Ellsworth Project

Interest rate: 4.0%

Original issue: \$3,435,000

Installments of \$81,000 to \$147,000 plus interest

Maturity: August 1, 2039

3,435,000

Total governmental activity debt

\$ 67,908,000

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Business-type Activities:

Revenue Bonds:

2008 Water Pollution Control Revenue Bonds	
Construction and installation of energy conservation measures	
Interest rates: 3.875% to 4.0%	
Original issue: \$4,950,000	
Installments of \$160,000 to \$190,000 plus interest	
Maturity: July 1, 2025	\$ 1,725,000
2014 Water Pollution Control Revenue Bonds	
Extensions and improvements to the sewage works	
Interest rates: 3.0% to 3.75%	
Original issue: \$10,515,000	
Installments of \$220,000 to \$345,000 plus interest	
Maturity: January 1, 2035	7,765,000
2016 Water Pollution Control Refunding Revenue Bonds	
Pumping Station and elimination sewer	
Interest rates: 4.0% to 5.0%	
Original issue: \$18,560,000	
Installments of \$480,000 to \$3,320,000 plus interest	
Maturity: January 1, 2025	15,295,000
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	15,850,000
2013 Water Pollution Control Refunding Revenue Bonds	
Extensions and improvements to the sewage works	
Interest rates: 4.0% to 5.0%	
Original issue: \$58,205,000	
Installments of \$2,530,000 to \$4,235,000 plus interest	
Maturity: July 1, 2026	24,345,000
2017 Sewage Works Revenue Bonds	
Extensions and improvement to the sewage works	
Interest rate: 3.1%	
Original issue: \$55,000,000	
Installments of \$1,040,000 to \$1,930,000 plus interest	
Maturity: January 1, 2038	48,905,000
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 \$380,000 to \$680,000 plus interest	
Maturity: July 1, 2038	17,945,000
Total business-type activity debt	<u>\$ 131,830,000</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Excluded from the governmental activities and the business-type amounts outstanding are total unamortized premiums of \$871,887 and \$5,269,964, respectively.

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

Year:	Governmental Activities	
	Principal	Interest
2021	\$ 510,000	\$ 414,719
2022	525,000	399,268
2023	540,000	383,368
2024	555,000	367,094
2025	570,000	350,293
2026-2030	3,130,000	1,480,093
2031-2035	3,675,000	908,259
2036-2038	2,555,000	181,800
	<u>\$ 12,060,000</u>	<u>\$ 4,484,894</u>

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

Year:	Business-Type Activities	
	Principal	Interest
2021	\$ 10,915,000	\$ 4,638,892
2022	11,320,000	4,201,719
2023	9,275,000	3,786,140
2024	12,195,000	3,351,277
2025	16,670,000	2,743,538
2026-2030	31,590,000	8,892,839
2031-2035	29,025,000	4,194,576
2036-2038	10,840,000	469,674
	<u>\$ 131,830,000</u>	<u>\$ 32,278,655</u>

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

Year:	Governmental Activities	
	Principal	Interest
2021	\$ 3,235,000	\$ 1,869,780
2022	3,473,000	1,780,344
2023	2,877,000	1,679,923
2024	2,300,000	1,601,742
2025	2,450,000	1,525,470
2026-2030	14,524,000	6,108,125
2031-2035	16,152,000	3,438,532
2036-2039	10,837,000	808,045
	<u>\$ 55,848,000</u>	<u>\$ 18,811,961</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

G. Loans Payable

The Wastewater Utility has entered into a loan from the State Revolving Loan Fund with an interest rate of 3.7%. At year end the loan balance was \$851,000.

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

Year:	Business-Type Activities	
	Principal	Interest
2021	\$ 77,000	\$ 30,119
2022	79,000	27,313
2023	82,000	24,417
2024	85,000	21,430
2025	89,000	18,317
2026-2030	439,000	40,687
	<u>\$ 851,000</u>	<u>\$ 162,283</u>

H. Notes Payable

Discretely presented component unit:

The following disclosure provides details on CityBus and Lafayette Housing Authority debt obligations.

At December 31, 2020, CityBus debt consisted of one note payable to Bank of America for \$804,153 related to the construction of the CNG Station issued in 2014. 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 \$42,699 and accrued interest at December 31, 2020 was \$2,386.

At March 31, 2020, Lafayette Housing Authority consisted of one note payable to Security Federal Savings Bank for \$138,427 related to the purchase of their office building. Monthly payments of \$939 began in December 2017 and will conclude in November 2037. The debt is secured by the property located at 2601 Greenbush Street. The interest rate on the note is 4.375%. Interest expense for the year totaled \$6,160.

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity for the notes as of December 31, 2020, are as follows:

Discretely presented component units:			
Year	Principal	Interest	Total
2021	\$ 757,261	\$ 24,604	\$ 782,098
2022	57,778	6,170	63,715
2023	5,810	5,458	11,268
2024	6,069	5,199	11,268
2025	6,339	4,929	11,268
2026-2030	36,196	20,144	56,340
2031-2035	45,019	11,321	56,340
2036-2039	28,108	1,940	30,048
Totals	<u>\$ 942,580</u>	<u>\$ 79,765</u>	<u>\$ 1,022,345</u>

I. 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:

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
	<u>\$ 98,138,438</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

J. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 12,555,000	\$ -	\$ 495,000	\$ 12,060,000	\$ 510,000
Bond premium	46,399	-	2,442	43,957	-
Total general obligation bonds payable	12,601,399	-	497,442	12,103,957	510,000
Revenue bonds	54,770,000	5,108,000	4,030,000	55,848,000	3,235,000
Bond premium	867,673	-	39,743	827,930	-
Total revenue bonds payable	55,637,673	5,108,000	4,069,743	56,675,930	3,235,000
Capital leases	2,457,874	-	895,648	1,562,226	833,229
Total OPEB liability	2,326,818	113,300	-	2,440,118	-
Net pension liabilities	59,440,306	-	1,837,342	57,602,964	-
Total governmental activities long-term liabilities	\$ 132,464,070	\$ 5,221,300	\$ 7,300,175	\$ 130,385,195	\$ 4,578,229
Business- type activities:					
Revenue bonds payable:					
Wastewater utility	\$ 123,660,000	\$ -	\$ 9,775,000	\$ 113,885,000	\$ 10,140,000
Bond premium	4,256,871	-	1,038,090	3,218,781	-
Water utility	18,700,000	-	755,000	17,945,000	775,000
Bond discount	(33,622)	-	(1,770)	(31,852)	-
Total revenue bonds payable	146,583,249	-	11,566,320	135,016,929	10,915,000
Loans payable	925,000	-	74,000	851,000	77,000
Total OPEB liability	4,653,638	226,594	-	4,880,232	-
Net pension liabilities	5,691,584	-	475,034	5,216,550	-
Total business- type activities long-term liabilities	\$ 157,853,471	\$ 226,594	\$ 12,115,354	\$ 145,964,711	\$ 10,992,000
Discretely presented component units:					
Note payable	\$ 1,673,655	\$ -	\$ 731,075	\$ 942,580	\$ 757,261
Total discretely presented component units long-term liabilities	\$ 1,673,655	\$ -	\$ 731,075	\$ 942,580	\$ 757,261

The major governmental funds – General, Motor Vehicle Highway, and Park and Recreation Operating, 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.

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

K. Contingent Receivable – Forgivable Loans

The City has contingent receivables resulting from rehabilitation and improvement loans made through various Community Development Block Grant and Home Investment Partnership Programs. The loans become receivable only if recipients do not meet occupancy or other requirements. Loans balances are systematically "forgiven" (reduced without cash payment) each year the recipient meets the requirements. The receivable is contingent upon the recipient not meeting the requirements and the amount of the receivable is not known until that time. The following schedule shows the changes in this contingent receivable for 2020:

Beginning balance, January 1, 2020	\$ 5,083,736
New loans	257,781
Amount forgiven	(247,787)
Principal amount paid on loans	(34,637)
Ending balance, December 31, 2020	<u>\$ 5,059,093</u>

L. Restricted Assets

- The City has restricted and committed 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% 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.

TIF

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action by the Lafayette Redevelopment Commission for TIF Funds. This formal action is the passage of a resolution by the Commission specifying the purposes for which the funds can be used. The Lafayette Redevelopment Commission in the highest level of decision-making authority for TIF Funds.

- 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% 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

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

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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

Asset Type/Account	Governmental Funds						Total
	TIF Alloc McCarty	Redevelopment Authority	Park Bond	TIF Alloc Central Consolidated	TIF Twychenham	Economic Dev Income Tax (EDIT)	
Cash and cash equivalents:							
Debt service reserve	\$ -	\$ 1,109,249	\$ -	\$ 949,443		\$ -	\$ 2,058,692
Capital outlay	4,036,798	-	5,116,998	-	86,124	4,789,889	14,029,809
Total restricted assets	\$ 4,036,798	\$ 1,109,249	\$ 5,116,998	\$ 949,443	\$ 86,124	\$ 4,789,889	\$ 16,088,501

	Enterprise Funds		
	Water Utility	Wastewater Utility	Total
Cash and cash equivalents:			
Debt service reserve	\$ 264,199	\$ -	\$ 264,199
Revenue bond covenant accounts	7,839,600	4,180,507	12,020,107
Customer deposits	138,488	-	138,488
Subtotal	8,242,287	4,180,507	12,422,794
Investments	-	6,095,110	6,095,110
Total restricted assets	\$ 8,242,287	\$ 10,275,617	\$ 18,517,904

M. Fund Balance Classification

The City's governmental fund balances as of December 31, 2020 are classified as below:

	General Fund	Motor Vehicle Highway	Parks and Recreation	Economic Dev Income Tax (EDIT)	Park Bond	Redevelopment Authority	TIF Creasy Central Consolidated	Nonmajor Funds	Total
Fund Balances:									
Restricted:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,904,919	\$ -	\$ -	\$ 2,904,919
General administration	-	-	-	-	-	-	-	66,730	66,730
Public safety	-	-	-	-	-	-	-	1,600,398	1,600,398
Street maintenance	-	2,832,807	-	-	-	-	-	7,001	2,839,808
Economic development	-	-	-	7,808,786	-	-	4,415,874	5,258,270	17,482,930
Parks maintenance	-	-	652,093	-	2,905,463	-	-	-	3,557,556
Total Restricted	-	2,832,807	652,093	7,808,786	2,905,463	2,904,919	4,415,874	6,932,399	28,452,341
Committed:									
Public safety	-	-	-	-	-	-	-	298,358	298,358
Culture recreation	-	-	-	-	-	-	-	28,908	28,908
Economic development	-	-	-	-	-	-	-	51,480	51,480
Total Committed	-	-	-	-	-	-	-	378,746	378,746
Unassigned	10,507,728	-	-	-	-	-	-	(80,710)	10,427,018
Total fund balances	\$ 10,507,728	\$ 2,832,807	\$ 652,093	\$ 7,808,786	\$ 2,905,463	\$ 2,904,919	\$ 4,415,874	\$ 7,230,435	\$ 39,258,105

N. Deficit Fund Balances

The following funds have deficit fund balances at December 31, 2020:

Non-major special revenue funds - deficit fund balance:

Park nonreverting operating	\$ 15,618
Economic development	57,761
State grants	7,331
	<u>\$ 80,710</u>

Notes to Financial Statements

IV Other Information

A. Risk Management

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

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

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

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 48 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 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:

	2020	2019
Unpaid claims, beginning of year	\$ 24,287	\$ 9,732
Incurred claims and changes in estimates	374,200	658,965
Claim payments	(392,938)	(644,410)
Unpaid claims, end of year	\$ 5,549	\$ 24,287

Notes to Financial Statements

IV Other Information (Continued)

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:

	2020	2019
Unpaid claims, beginning of year	\$ 1,905	\$ 908
Incurred claims and changes in estimates	29,009	8,467
Claim payments	(19,064)	(7,470)
Unpaid claims, end of year	<u>\$ 11,850</u>	<u>\$ 1,905</u>

B. Related-Party Transactions

During the period in which financial statements are presented, the City had material transactions with Gary Henriott, Board of Works member in relation to the following types of insurance coverage: Business Auto, General Liability, Umbrella, Inland Marine, Professional Liability and Commercial Property. The 2020 premiums for the insurance coverages were \$954,345. No amount was due as of the balance sheet date.

C. Subsequent Events

Police Officers Contract

With Resolution 2021-01, the Common Council approved a four-year agreement between the City of Lafayette and Lafayette Police Department Sworn Police Officers of Lafayette Arman Lodge #49, Fraternal Order of Police. Effective January 1, 2021 – December 31, 2024, the agreement establishes rights and obligations of both parties, officer salary and benefits, as well as procedures for discipline, grievances and termination.

Police Station Project

With Ordinance 2021-11, the Common Council authorized an amendment to the Lease Agreement with the City of Lafayette Redevelopment Authority, establishing maximum annual lease rental payment of Four Million Dollars (\$4,000,000). The amended lease rental amount was made necessary due to an increase in the estimated cost of construction for the new municipal police station and parking garage. Original Lease Agreement stipulating maximum annual lease rental payment of Three Million Four Hundred Thousand (\$3,400,000) was established with Council Ordinance 2020-35. Lease Rental Revenue Bonds Series, 2021A for \$45,000,000 and Lease Rental Bonds, Series 2021B for \$9,275,000 where issued on March 1, 2021 to fund the Police Station Project.

Notes to Financial Statements

IV Other Information (Continued)

Luna Project

With Ordinance 2021-12, the Common Council authorized issuance of its Taxable Economic Development Subordinate Revenue and Refunding Revenue Bonds, Series 2021. Taxable economic development subordinate revenue bonds, were authorized to finance a portion of the construction costs of a mixed-use, five story, 170,000 square feet development consisting of 10,000 square feet of first floor retail space, 112 interior structured parking spaces, and 98 apartments located at 631 Main Street, in the Consolidated Creasy/Central Economic Development Area.

Refunded Revenue Bonds

With Ordinance 2021-12, the Common Council authorized issuance of its Taxable Economic Development Subordinate Revenue and Refunding Revenue Bonds, Series 2021. In addition to partially financing the Luna Project, this bond issuance also generated proceeds used to refund prior debt issuances including Economic Development Subordinate Tax Increment Revenue Bonds, Series 2015, Taxable Economic Development Subordinate Revenue Bonds of 2019, and Taxable Economic Development Subordinate Revenue Bonds of 2020 (Nova Tower Project). The refunding of these obligations generated a savings to the City.

With Ordinance 2021-12, the City Council authorized bond issuances not to exceed \$11,000,000.

American Recovery Plan Act – State and Local Fiscal Recovery Funds

The American Rescue Recovery Plan Act of 2021 was signed into law on March 11, 2021 by President Joe Biden. With Ordinance 2021-28, the Common Council authorized the Mayor and/or his designees, to devise a plan in accordance with §603(C) of the ARPA and US Treasury issued guidance. In June of 2021, the City was notified it was allocated a total of \$15,881,059, and received the first payment in the amount of \$7,940,530 on June 17th 2021. The second installment is expected to arrive in 2022.

Utility Projects:

Refunded Revenue Bonds

With Ordinance 2020-36, the Common Council authorized issuance of its Sewage Works Refunding Revenue Bonds Series, 2021A. This issuance refunds the Sewage Works Revenue Bonds of 2008. The refunding of this obligation generated a savings to the City.

With Ordinance 2020-36, the Common Council authorized issuance of its Sewage Works Refunding Revenue Bonds Series 2021B. This issuance refunded the Sewage Works Revenue Bonds of 2019 and partially refunded the Sewage Works Revenue Bonds of 2013, Sewage Works Refunding Revenue Bonds Series 2013, and Sewage Works Revenue Bonds of 2014. The refunding of these obligations generated a savings to the City.

The Sewage Works Refunding Revenues Bonds Series 2021A and 2021, were issues for an aggregate principal amount not to exceed \$42,000,000.

Pearl River Lift Station CSO Storage Facility (CSO LTCP-Phase II-C)

The City of Lafayette's (City) approved Combined Sewer Overflow Long Term Control Plan (CSO LTCP) requires a level of control of four (4) CSO overflows per year. To achieve this level of control, the recommended plan was divided into four sub-phases (Phase II-A, II-B, II-C and II-D).

As a component of Phase II-C, the City is required to plan, design and construct a 1.5 million gallon (MG) CSO storage facility by CSO 006 in the area near the Pearl River Lift Station by 2024. The CSO Storage Facility at Pearl River Lift Station (PRLS) is needed to store wet weather flow when the Lafayette Wastewater Treatment Plant (WWTP) is operating at maximum treatment capacity, and then drain to the PRLS when the WWTP has capacity, thereby improving the water quality in the Wabash River by reducing the discharge of E.coli, solids and floatables in the river due to CSOs.

IV Other Information (Continued)

Major project elements include an underground HDPE pipe storage facility will be installed to collect overflow from the CSO 006 Pearl River and 007 Williams Street Diversion Structures. The storage facility will be sized for 1.5 MG of storage. The Pearl River Lift Station electrical room will house electrical and SCADA components. An improved backflow prevention device will be installed at CSO 009 and the existing backflow prevention maintained at the CSO Storage Facility outfall structure to prevent river water from entering the existing collection system during high river levels. A SCADA control system will be installed to monitor and control operations of the screening structure and storage tank as well as a 391 kw solar panel system that will provide for 90% of the Pearl River Lift Station power needs.

With Ordinance 2021-20, the Common Council authorized issuance of its Sewage Works Revenue Bonds, Series 2021C in the amount of \$10,950,000 to cover costs associated with the Pearl River Lift Station CSO Storage Facility Project.

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 \$360,000.

E. City/County Interlocal Agreement

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

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

The County has pledged one-half of the actual TIF proceeds from the Southeast Industrial Expansion District for the agreed upon public improvements which will be constructed and owned by the City. The City has pledged one-half of the actual TIF proceeds from the McCarty 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, 2020, the Southeast Industrial TIF Fund had \$4,270,855 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, 2020, the TIF County's South East Fund had \$4,036,798 held for these capital projects.

Notes to Financial Statements

IV Other Information (Continued)

F. Other Postemployment Benefits

Multiple Employer Welfare Arrangement (MEWA)

Plan Description

The City of Lafayette Retiree Healthcare Plan is a single employer defined benefit OPEB plan which utilizes a Multiple Employer Welfare Arrangement (MEWA). The MEWA is a pool of employers 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, 2020 the City contributed \$229,647 to the plan for current premiums. General employee members pay approximately 100% of the total monthly premium of \$684 for retiree only coverage and \$1,369 for retiree spouse coverage on Plan I. The costs for Plan F are \$866 and \$1,732, respectively. Bargaining unit members receiving benefits contributed approximately 90% of the total monthly premiums of the health plans. This contribution moves to approximately 100% after four years, the same as the General employee members.

Annual OPEB Cost and Total OPEB Obligation

The City of Lafayette offers other postemployment benefits (OPEB) to qualified individuals via a single-employer plan. The City's annual 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 actuarial study is a stand-alone report. The latest report was done as of December 31, 2020. 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 City's actuarial report of other postemployment benefits is available by contacting the City of Lafayette Controller's office.

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

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 total OPEB obligation to the plan.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>FY 2020</u>
Total OPEB liability:	
Total OPEB liability - beginning of year	<u>\$ 6,980,456</u>
Service cost	399,841
Interest	236,885
Changes in assumptions	1,273,266
Differences between expected and actual experience	(1,340,451)
Benefits payments	<u>(229,647)</u>
Net change in total OPEB liability	<u>339,894</u>
Total OPEB liability - end of year	<u><u>\$ 7,320,350</u></u>
Plan fiduciary net position:	
Plan fiduciary net position - beginning of year	<u>\$ -</u>
Contributions - employer	229,647
Benefit Payments	<u>(229,647)</u>
Net change in plan fiduciary net position	<u>-</u>
Plan fiduciary net position - end of year	<u><u>\$ -</u></u>
Total OPEB liability - end of year	<u><u>\$ 7,320,350</u></u>
Plan fiduciary net position as % of covered payroll	\$ 37,811,665
Total OPEB liability as % of covered payroll	19.4%
OPEB expense	<u>FY 2020</u>
Discount rate:	
Beginning of year	3.26%
End of year	2.12%
Service cost	\$ 399,841
Interest	236,885
Current period recognition of deferred outflows/(inflows) of resources:	
Differences between expected and actual experience	(361,286)
Changes in assumptions	<u>122,749</u>
Total current period recognition	<u>(238,537)</u>
Total OPEB expense	<u><u>\$ 398,189</u></u>

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

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.

Deferred Outflows/(Inflows) of Resources

As of December 31, 2020	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance
Differences between expected and actual experience for FYE	\$ (3,251,578)	9	\$ (361,286)	\$ (2,507,742)
Changes in assumptions for FYE	1,104,739	9	122,749	1,072,799
Net difference between projected and actual earnings in OPEB plan investments for FYE	-	N/A	-	-
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total</u>	
Governmental activities:				
Differences between expected and actual experience	\$ -	\$ (827,555)	\$ (827,555)	
Changes in assumptions	501,769	(152,527)	349,242	
Total	<u>\$ 501,769</u>	<u>\$ (980,082)</u>	<u>\$ (478,313)</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total</u>	
Business-type activities:				
Differences between expected and actual experience	\$ -	\$ (1,680,187)	\$ (1,680,187)	
Changes in assumptions	1,003,536	(279,979)	723,557	
Total	<u>\$ 1,003,536</u>	<u>\$ (1,960,166)</u>	<u>\$ (956,630)</u>	

Notes to Financial Statements

IV Other Information (Continued)

Annual Amortization of Deferred Outflows/(Inflows)

The balances of December 31, 2020 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

	<u>Balance</u>
Year:	
2021	\$ (238,537)
2022	(238,537)
2023	(238,537)
2024	(238,537)
2025	(238,537)
Thereafter	(242,258)
	<u>\$ (1,434,943)</u>

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2020, 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 2.12%.
- The 1% decrease in discount rate would be 1.12 %.
- The 1% increase in discount rate would be 3.12 %.

<u>As of December 31, 2020</u>	<u>Total OPEB Liability</u>
1% Decrease	\$ 7,980,603
Current discount rate	7,320,350
1% Increase	6,707,833

The following presents the total OPEB liability as of December 31, 2020, 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 8.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

<u>As of December 31, 2020</u>	<u>Total OPEB Liability</u>
1% Decrease	\$ 6,471,391
Current discount rate	7,320,350
1% Increase	8,324,156

Notes to Financial Statements

IV Other Information (Continued)

Funding Status and Funding Progress

As of December 31, 2020, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$7,320,350 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of (UAAL) of \$7,320,350. The covered payroll (annual payroll of active employees covered by the plan) was \$37,811,665 and the ratio to UAAL was 19.4%.

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

Actuarial Methods and Assumptions

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

In the December 31, 2020, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.0% 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 table has been updated from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to the following:

- a. General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
- b. Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
- c. Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

The impact of this change was an increase in liabilities.

Notes to Financial Statements

IV Other Information (Continued)

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.

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% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 11.2% 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, 2020 were \$2,221,877 which were equal to the required contributions for each year.

Notes to Financial Statements

IV Other Information (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.75% to 8.75% including inflation
Investment rate of return	6.75% net of pension plan investment expense, including inflation
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables (amount-weighted) with a fully generational projection of mortality improvements using SOA scale

The actuarial assumptions used in the June 30, 2020 valuation were based on census data collected as of June 30, 2019. As a result of the study, inflation remained constant at 2.25%, and future salary increases also remained stable in a table ranging from 2.75% to 8.75%. The mortality tables for healthy members assumes the General Employee table with a 3-year set forward for males and a 1 year set forward for females. The mortality tables for Retirees assumes the General Retiree table with a 3-year set forward for males and a 1 year set forward for females. The mortality tables for Beneficiaries assume the Contingent Survivor table with no set forward for males and a 2-year set forward for females. Disabled members assumes the General Disabled table with a 140% load.

The long-term return expectation for the INPRS defined benefit retirement plans 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. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

Global Asset Class	Target Allocation	Long- Term Expected Rate of Return
Public equity	22.00%	4.40%
Private equity	14.00%	7.60%
Fixed income - ex inflation linked	20.00%	1.90%
Fixed income - inflation linked	7.00%	0.50%
Commodities	8.00%	1.60%
Real estate	7.00%	5.80%
Absolute return	10.00%	2.90%
Risk parity	12.00%	5.50%

Notes to Financial Statements

IV Other Information (Continued)

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75%. 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%). 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%, 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:

	1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
PERF	\$ 18,095,215	\$ 11,099,043	\$ 5,239,180

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, 2020, the City reported a liability of \$11,099,043 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, 2020 measurement date was 0.0036747.

Notes to Financial Statements

IV Other Information (Continued)

For the year ended December 31, 2020, the City recognized pension expense of \$1,198,972, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the PERF Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 196,643	\$ 149,019
Net difference between projected and actual earnings on pension plan investments	949,899	-
Changes in assumptions	-	2,312,577
Changes in proportion and differences between City contributions and proportionate share of contributions	420,123	-
	<u>\$ 1,566,665</u>	<u>\$ 2,461,596</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2020 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2021. 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:

2021	\$ (828,204)
2022	(303,868)
2023	(166,354)
2024	403,495
	<u>\$ (894,931)</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.

Notes to Financial Statements

IV Other Information (Continued)

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% 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% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of INPRS.

Benefits Provided

A member vests after 20 years of service. Members retiring prior to July 1, 2020, 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, 2020, 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%. There was a COLA increase of 2.1% effective July 1, 2020.

Significant Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% per year
Salary increases	2.75% - 8.75% based on service per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables (amount-weighted) with a fully generational projection of mortality improvements using SOA scale

IV Other Information (Continued)

The actuarial assumptions used in the June 30, 2020 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.

The long-term return expectation for the INPRS defined benefit retirement plans 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. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

Notes to Financial Statements

IV Other Information (Continued)

Asset Class	Target Allocation	Geometric Basis Long-Term Expected Rate of Return
Public equity	22.00%	4.40%
Private equity	14.00%	7.60%
Fixed income - ex inflation linked	20.00%	1.90%
Fixed income - inflation linked	7.00%	0.50%
Commodities	8.00%	1.60%
Real estate	7.00%	5.80%
Absolute return	10.00%	2.90%
Risk parity	12.00%	5.50%

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75%. 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%). 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%, 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:

	1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
1977 Police Officers	\$ 12,582,128	\$ 2,362,447	\$ (5,917,620)
1977 Firefighters	\$ 12,677,434	\$ 2,380,342	\$ (5,962,445)

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.

Notes to Financial Statements

IV Other Information (Continued)

1977 Police Officers' Pension and Disability Fund: The primary government's contributions to the plan for the year ended December 31, 2020 were \$1,578,890 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, 2020, the City reported a liability of \$2,362,447 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, 2020 measurement date was 0.0097297.

For the year ended December 31, 2020, the City recognized pension expense of \$1,538,477 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Police Officers' Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,474,803	\$ 241,419
Net difference between projected and actual earnings on pension plan investments	1,200,793	-
Changes in assumptions	19,433	1,196,204
Changes in proportion and differences between City contributions and proportionate share of contributions	29,965	66,109
	<u>\$ 2,724,994</u>	<u>\$ 1,503,732</u>

1977 Firefighters' Pension and Disability Fund

The primary government's contributions to the plan for the year ended December 31, 2020 were \$1,590,842 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, 2020, the City reported a liability of \$2,380,342 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, 2020 measurement date was 0.0098034.

Notes to Financial Statements

IV Other Information (Continued)

For the year ended December 31, 2020, the City recognized pension expense of \$1,550,969 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Firefighters' Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,485,975	\$ 243,247
Net difference between projected and actual earnings on pension plan investments	1,209,889	-
Changes in assumptions	19,580	1,205,265
Changes in proportion and differences between City contributions and proportionate share of contributions	18,216	39,620
	<u>\$ 2,733,660</u>	<u>\$ 1,488,132</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 will be recognized as reductions of the net pension liability in the year ended December 31, 2021. 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:

	1977 Police Officers' Pension and Disability Fund	1977 Firefighters' Pension and Disability Fund
Year:		
2021	\$ (104,191)	\$ (104,140)
2022	16,992	17,961
2023	299,520	303,183
2024	639,804	647,261
2025	195,587	199,744
Thereafter	173,550	181,519
	<u>\$ 1,221,262</u>	<u>\$ 1,245,528</u>

Notes to Financial Statements

IV Other Information (Continued)

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 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.

IV Other Information (Continued)

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

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

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

Deferred Retirement Option Plan

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

Notes to Financial Statements

IV Other Information (Continued)

Plan Membership

Plan membership at December 31, 2020, consisted of the following:

	1925 Police Officers' Pension	Average Age	Average Monthly Benefit
Retired members, beneficiaries and benefits	46	78.00	\$ 2,732
Total membership	46		

Contributions

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

Actuarial valuations are performed annually for the 1925 Police Officers' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees. Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the State of Indiana to the Pension Relief Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

Investments

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

Net Pension Liability

The components of the Net Pension Liability for the 1925 Police Officers' Pension Plan as of December 31, 2020, are as follows:

Total pension liability	\$ 19,752,527
Plan fiduciary net position	(916,764)
Net pension liability	\$ 18,835,763

Plan fiduciary net position as a percentage of total pension liability	4.64%
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Notes to Financial Statements

IV Other Information (Continued)

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2020 valuation were selected and approved by the INPRS Board of Trustees and are consistent with the results of an experience study which covered the period beginning July 1, 2015 and ending June 30, 2019, for the Indiana Public Retirement System and adopted by their Board in June 2020 for the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

The actuarial assumptions for the January 1, 2020 valuation were generally unchanged from the prior year, except for a decrease in discount rate from 2.13% used for the December 31, 2019 valuation to 1.49% for the December 31, 2020 valuation. This rate is based on the Barclay's 20 year Municipal Bond Index as of December 31, 2020.

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.25% per year
Salary increases	2.75% per year
Cost-of-living increases non-converted	2.75%
Cost-of-living increases converted	2.10% on July 1, 2021 2.00% thereafter

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

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 1.49% as of December 31, 2020. The discount rate decreased from the 2.13% used for the December 31, 2019 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

IV Other Information (Continued)

Schedule of Changes in Net Pension Liability (Assets)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2019	\$ 20,568,954	\$ 923,164	\$ 19,645,790
Changes for the year:			
Interest cost	433,761	-	433,761
Plan amendments	-	-	-
Experience (gains) losses	554,487	-	554,487
Change of assumptions	(286,555)	-	(286,555)
Projected benefit payments	(1,518,120)	-	(1,518,120)
Non- employer contributing entity contributions	-	1,547,051	(1,547,051)
Actual benefit payments	-	(1,547,720)	1,547,720
Other net changes	-	(5,731)	5,731
Net changes	(816,427)	(6,400)	(810,027)
Balance at December 31, 2020	\$ 19,752,527	\$ 916,764	\$ 18,835,763

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 1.49%, 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 (0.49%) or 1-percentage point higher 2.49% than the current rate:

	1% Decrease (0.49%)	Current (1.49%)	1% Increase (2.49%)
Net pension liability	\$ 20,756,023	\$ 18,835,763	\$ 17,189,118

Pension Expense

Interest cost	\$ 433,761
Experience (gains) losses	554,487
Change of assumptions	(286,555)
Other net changes	(5,731)
Total pension expense	\$ 695,962

IV Other Information (Continued)

(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 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.

Notes to Financial Statements

IV Other Information (Continued)

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

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

Deferred Retirement Option Plan

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

Plan Membership

Plan membership at December 31, 2020, consisted of the following:

	1937 Firefighters’ Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving benefits	69	79.60	\$ 2,930
Active plan members	<u>69</u>		

Contributions

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

Notes to Financial Statements

IV Other Information (Continued)

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

Investments

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

Net Pension Liability

The components of the Net Pension Liability for the 1937 Firefighters' Pension Plan as of December 31, 2020, are as follows:

Net Pension Liability 1937 Firefighters' Pension Plan	
Total pension liability	\$ 29,080,646
Plan fiduciary net position	(938,727)
Net pension liability	\$ 28,141,919
Plan fiduciary net position as a percentage of total pension liability	3.23%

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of the actuarial experience study, which covered the period beginning July 1, 2015 and ending June 30, 2019, for the Indiana Public Retirement System and adopted by their Board in June 2020 for the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

The actuarial assumptions for the January 1, 2020 valuation were generally unchanged from the prior year, except for a decrease in the interest rate used from 2.13% used for the December 31, 2019 valuation to 1.49% for the December 31, 2020 valuation. This rate is equal to the Barclay's 20-year Municipal Bond Index as of December 31, 2020.

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.25% per year
Salary increases	2.75% per year
Cost-of-living increases non-converted	2.75% on July 1, 2021
Cost-of-living increases converted	2.10% on July 1, 2020 2.10% thereafter

Notes to Financial Statements

IV Other Information (Continued)

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

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 1.49% as of December 31, 2020. The discount rate decreased from the 2.13% used for the December 31, 2019 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 (Assets)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2019	\$ 32,265,444	\$ 923,030	\$ 31,342,414
Changes for the year:			
Interest cost	647,198	-	647,198
Plan amendments	-	-	-
Experience (gains) losses	(660,790)	-	(660,790)
Change of assumptions	(731,646)	-	(731,646)
Projected benefit payments	(2,439,560)	-	(2,439,560)
Non-employer contributing entity contributions	-	2,447,331	(2,447,331)
Contributions - other	-	-	-
Actual benefit payments	-	(2,425,568)	2,425,568
Other net changes	-	(6,066)	6,066
Net changes	(3,184,798)	15,697	(3,200,495)
Balance at December 31, 2020	\$ 29,080,646	\$ 938,727	\$ 28,141,919

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 1.49%, 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 (0.49%) or 1-percentage point higher 2.49% than the current rate:

	1% Decrease (0.49%)	Current (1.49%)	1% Increase (2.49%)
Net pension liability	\$ 30,875,294	\$ 28,141,919	\$ 25,794,498

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

Interest cost	\$ 647,198
Experience (gains) losses	(660,790)
Change of assumptions	(731,646)
Other net changes	(6,066)
Total pension expense	\$ (751,304)

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Actuarial Methods</u>		
Contribution rates:		
Government	0%	0%
Plan members	0%	0%
Actuarial valuation date	01-01-2020	01-01-2021
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)	1.49%	1.49%
Projected future salary increases	2.75%	2.75%
Cost-of-living adjustments	2.10% & 2.75%	2.10% & 2.75%
Retirement	Based on 1976 Study	Based on 1976 Study

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Assets:			
Cash and cash equivalents	\$ 916,764	\$ 938,727	\$ 1,855,491
Total assets	\$ 916,764	\$ 938,727	\$ 1,855,491
Net Position:			
Restricted for pensions	\$ 916,764	\$ 938,727	\$ 1,855,491
Total net position	\$ 916,764	\$ 938,727	\$ 1,855,491

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Additions:			
Contributions:			
State contributions	\$ 1,547,051	\$ 2,447,331	\$ 3,994,382
Miscellaneous revenue	3,835	3,500	7,335
Total contributions	<u>1,550,886</u>	<u>2,450,831</u>	<u>4,001,717</u>
Deductions:			
Administration and general	9,566	9,566	19,132
Benefits	1,547,720	2,425,568	3,973,288
Total deductions	<u>1,557,286</u>	<u>2,435,134</u>	<u>3,992,420</u>
Change in net position	(6,400)	15,697	9,297
Net position - beginning of the year	<u>923,164</u>	<u>923,030</u>	<u>1,846,194</u>
Net position - end of the year	<u>\$ 916,764</u>	<u>\$ 938,727</u>	<u>\$ 1,855,491</u>

	1977				Total
	Public Employees' Retirement Fund	Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension	1937 Firefighters' Pension	
Pension liability	\$ 59,830,561	\$ 132,543,960	\$ 19,752,527	\$ 29,080,646	\$ 241,207,694
Pension assets	\$ 48,731,518	\$ 127,801,171	\$ 916,764	\$ 938,727	\$ 178,388,180
Net pension liability	\$ 11,099,043	\$ 4,742,789	\$ 18,835,763	\$ 28,141,919	\$ 62,819,514
Deferred outflows of resources	\$ 1,566,665	\$ 5,458,654	\$ -	\$ -	\$ 7,025,319
Deferred inflows of resources	\$ 2,461,596	\$ 2,991,864	\$ -	\$ -	\$ 5,453,460
Pension expense (income)	\$ 1,198,972	\$ 3,089,446	\$ 695,962	\$ (751,304)	\$ 4,233,076

	Governmental Activities	Business-type Activities	Total
	Net pension liability	\$ 57,602,964	\$ 5,216,550
Deferred outflow of resources	\$ 6,288,987	\$ 736,332	\$ 7,025,319
Deferred inflow of resources	\$ 4,296,510	\$ 1,156,952	\$ 5,453,462
Pension expense	\$ 3,809,768	\$ 423,308	\$ 4,233,076

IV Other Information (Continued)

2. Discretely Presented Component Unit

a. Cost Sharing Multiple-Employer Defined Benefit Pension Plans

(1) Public Employees Retirement Fund

The Lafayette Housing Authority's participation in the plan is through the City of Lafayette which includes the Authority's employees and their contributions. While CityBus participates in the same plan, their contributions are not included with those of City of Lafayette.

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 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% of full benefit at age 50, increasing 5% per year up to 89% 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% (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.

Notes to Financial Statements

IV Other Information (Continued)

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% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Contributions

Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2020, all participating employers were required to contribute 11.2% of covered payroll for Hybrid members

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 \$747,019 for 2020. These total contributions represent 11.37%.

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

Year Ended December 31, 2020	Annual Required Contribution	Percentage Contributed
2020	\$ 747,019	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, 2020
Liability valuation date	June 30 – Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. The valuation results from June 30, 2019 were rolled-forward to June 30, 2020 to reflect benefit accruals during the year less benefits paid.
Experience study date	Period of 5 years ended June 30, 2019
Actuarial cost method	Entry age normal (level percent of payroll)

Notes to Financial Statements

IV Other Information (Continued)

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	2.75% - 8.75% based on service
Inflation	2.25%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019 <i>Healthy Employees</i> – General Employee table with a 3 year set forward for males and a 1 year set forward for females. <i>Retirees</i> – General Retiree table with a 3 year set forward for males and a 1 year set forward for females. <i>Beneficiaries</i> – Contingent Survivor table with no set forward for males and a 2 year set forward for females. Disabled – General Disabled table with a 140% load

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.

There were no changes in actuarial methods or assumptions for the June 30, 2020 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.

Notes to Financial Statements

IV Other Information (Continued)

Asset Class	Target Allocation	Geometric Basis Long- Term Expected Rate of Return
Public equity	22.00%	4.40%
Private equity	14.00%	7.60%
Fixed income - ex inflation linked	20.00%	1.90%
Fixed income - inflation linked	7.00%	0.50%
Commodities	8.00%	1.60%
Real estate	7.00%	5.80%
Absolute return	10.00%	2.90%
Risk parity	12.00%	5.50%

Discount Rate

Total pension liability for each defined benefit pension plan tier was calculated using the discount rate of 6.75%. 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%). 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.

Changes in Assumptions and Benefit Terms

Since the prior measurement date for the June 30, 2020 fiscal year, the experience study was updated which resulted in changes in the assumptions, including changes in future salary increases and mortality, retirement, terminations, disability, and marital assumptions. 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%, 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:

Notes to Financial Statements

IV Other Information (Continued)

	1% Decrease (5.75)	Current (6.75%)	1% Increase (7.75%)
Proportionate share of the collective net pension liability	\$ 5,995,299	\$ 3,677,330	\$ 1,735,843

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, 2020, CityBus reported a liability of \$3,677,330 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, 2020 measurement date was 0.0012175. The proportionate share at June 30, 2020 has increased 0.0000206 since the prior measurement date.

For the year ended December 31, 2020, CityBus recognized pension expense of \$313,953, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$17,801. At December 31, 2020, 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	\$ 65,152	\$ 49,373
Net difference between projected and actual earnings on pension plan investments	314,720	-
Changes in assumptions	-	766,202
Changes in proportion and differences between City contributions and proportionate share of contributions	104,288	33,958
Total that will be recognized in pension expense based on table below	484,160	849,533
Pension contributions subsequent to measurement date	380,290	-
	<u>\$ 864,450</u>	<u>\$ 849,533</u>

Notes to Financial Statements

IV Other Information (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2021. 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:

	Amount
Year Ending December 31:	
2021	\$ (358,617)
2022	(98,489)
2023	(41,953)
2024	133,686
	\$ (365,373)

H. Tax Abatements

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

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

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

- Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business.
- Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
- Preference will be given to firms that diversify and fill in gaps in our local economy rather than those that compete for business in the local economy with existing firms.
- Products that are sold outside our local community and bring value to the local economy will be given a high priority.
- Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
- Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
- Projects that involve retail or are primarily office operations will be considered only in the locations described unless the office operations are technology related.
- The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
- The level of wages and benefits will be an important consideration for all applications.

IV Other Information (Continued)

- 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, 2020 was \$5,074,443.

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. 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, subsequent mutation of the causal virus and its spread is an evolving issue.

The COVID-19 public health crisis has affected individuals, businesses and communities with varying degrees of severity. 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. 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

The Governmental Accounting Standards Board (GASB) has issued the following statements and implementation guides which were not required to be implemented by the Government during the current fiscal year.

- Statement No. 87, *Leases*. This statement will become effective for fiscal years beginning after June 15, 2021.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2020.
- Statement No.91, *Conduit Debt Obligations*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2020.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020, except for paragraphs 11b, 13, and 14, which are effective for the fiscal years beginning after June 15, 2021.

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 & 84, and a supersession of GASB Statement No. 32*. The requirements in paragraphs 6-9 are effective for fiscal years beginning after June 15, 2021. All other requirements are effective for reporting periods beginning after June 15, 2021.
- Implementation Guide No. 2019-1.

The City intends to implement these GASB Statements, as applicable, on their respective effective dates.

K. Restatement:

The City’s net position has been restated as of January 1, 2020. This resulted from the corrections in errors related to water and wastewater utility revenue recognition, cutoff of expenditures included in accounts payable, fund type classifications, and bond premium amortization method.

The following tables reflects the restatement of January 1, 2020, fund balances and net positions:

	Motor Vehicle Highway	TIF Creasy Central Consolidated	Governmental Activities	Water Utility	Wastewater Utility	Business-Type Activities	General Fund	Nonmajor Governmental Aggregate remaining fund information
Net position/fund balance, as previously reported	\$ 2,056,014	\$ 3,840,643	\$ 185,237,788	\$ 34,933,978	\$ 166,973,833	\$ 205,099,161	\$ 1,674,197	\$ 11,256,541
Accounts payable adjustment	(563,131)	(341,108)	(904,239)	-	-	-	-	-
Utility revenue adjustment	-	-	-	624,635	2,129,339	2,753,974	-	-
Rainy day and Railroad fund classification	-	-	-	-	-	-	5,788,614	(5,788,614)
Bond premium amortization	-	-	-	-	2,033,738	2,033,738	-	-
Net position/ fund balance, as restated	<u>\$ 1,492,883</u>	<u>\$ 3,499,535</u>	<u>\$ 184,333,549</u>	<u>\$ 35,558,613</u>	<u>\$ 171,136,910</u>	<u>\$ 209,886,873</u>	<u>\$ 7,462,811</u>	<u>\$ 5,467,927</u>
Change in net position/fund balance, as restated	\$ (361,244)	\$ 1,147,417	\$ 4,907,843	\$ 1,673,581	\$ 12,804,253	\$ 14,478,618	\$ 178,794	\$ (1,468,947)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2020</u>	<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	\$ 1,547,051	\$ 1,554,167	\$ 1,583,118	\$ 1,531,472	\$ 1,434,207	\$ 1,533,290	\$ 1,456,071	\$ 1,406,303	\$ 1,465,342
Contributions in relation to the actuarially determined contributions	\$ 1,547,051	\$ 1,554,167	\$ 1,583,118	\$ 1,531,472	\$ 1,434,207	\$ 1,533,290	\$ 1,456,071	\$ 1,406,303	\$ 1,465,342
Contribution excess / (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee 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, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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*

	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability:								
Interest cost	\$ 433,761	\$ 586,414	\$ 557,287	\$ 622,433	\$ 535,828	\$ 552,149	\$ 832,716	\$ 1,015,686
Plan amendments	-	131,921	-	-	-	-	-	-
Experience (gains)/losses	554,487	208,996	1,019,016	618,361	315,820	63,768	-	29,441
Assumption changes	(286,555)	1,685,564	(604,390)	848,249	(1,198,162)	(62,229)	2,607,220	2,777,858
Projected benefit payments	(1,518,120)	(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	(816,427)	1,109,873	(545,675)	616,475	(1,771,737)	(889,091)	2,017,160	2,384,726
Total pension liability - beginning	20,568,954	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	\$ 19,752,527	\$ 20,568,954	\$ 19,459,081	\$ 20,004,756	\$ 19,388,281	\$ 21,160,018	\$ 22,049,109	\$ 20,031,949
Plan fiduciary net position:								
Non employer contributing entity contributions	\$ 1,547,051	\$ 1,554,167	\$ 1,583,118	\$ 1,531,472	\$ 1,434,207	\$ 1,533,290	\$ 1,456,071	\$ 1,406,303
Contributions - other	3,835	3,200	3,200	-	49,920	-	-	-
Benefit payments	(1,547,720)	(1,532,287)	(1,568,734)	(1,538,098)	(1,484,127)	(1,451,763)	(1,513,287)	(1,438,259)
Administrative expense	(9,566)	(9,090)	(8,918)	(5,550)	(55,283)	(1,435)	(4,743)	(133,743)
Net change in plan fiduciary net position	(6,400)	15,990	8,666	(12,176)	(55,283)	80,092	(61,959)	(165,699)
Plan fiduciary net position - beginning	923,164	907,174	898,508	910,684	965,967	885,875	947,834	1,013,533
Plan fiduciary net position - ending	\$ 916,764	\$ 923,164	\$ 907,174	\$ 898,508	\$ 910,684	\$ 965,967	\$ 885,875	\$ 947,834
Net pension liability	\$ 18,835,763	\$ 19,645,790	\$ 18,551,907	\$ 19,106,248	\$ 18,477,597	\$ 20,194,051	\$ 21,163,234	\$ 19,084,115
Plan fiduciary net position as a percentage of the total pension liability	4.64%	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, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
1937 Firefighters' Pension Plan
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,447,331	\$ 2,520,426	\$ 2,574,431	\$ 2,543,572	\$ 2,423,501	\$ 2,450,518	\$ 2,472,934	\$ 2,483,384	\$ 2,485,492
Contributions in relation to the actuarially determined contributions	\$ 2,447,331	\$ 2,520,426	\$ 2,574,431	\$ 2,543,572	\$ 2,423,501	\$ 2,450,518	\$ 2,472,934	\$ 2,483,384	\$ 2,485,492
Contribution excess / (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee 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, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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*

	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability:								
Interest cost	\$ 647,198	\$ 920,757	\$ 884,183	\$ 1,017,039	\$ 877,359	\$ 915,917	\$ 1,409,480	\$ 1,758,547
Plan amendments	-	326,361	-	-	-	-	-	-
Experience (gains)/losses	(660,790)	108,512	752,350	467,395	751,240	(656,985)	-	(575,554)
Assumption changes	(731,646)	2,559,636	(945,148)	1,385,872	(1,987,298)	(103,515)	4,448,540	4,698,858
Projected benefit payments	(2,439,560)	(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	(3,184,798)	1,428,996	(1,817,971)	398,790	(2,774,197)	(2,295,946)	3,388,416	3,374,641
Total pension liability - beginning	32,265,444	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>\$ 29,080,646</u>	<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	\$ 2,447,331	\$ 2,520,426	\$ 2,574,431	\$ 2,543,572	\$ 2,423,501	\$ 2,450,518	\$ 2,472,934	\$ 2,483,384
Contributions - other	3,500	3,200	3,200	-	3,000	8,848	-	23,826
Benefit payments	(2,425,568)	(2,494,041)	(2,543,512)	(2,536,591)	(2,487,554)	(2,459,366)	(2,468,759)	(2,507,210)
Administrative expense	(9,566)	(9,090)	(44,616)	(15,353)	(15,399)	(15,677)	(7,097)	(1,459)
Net change in plan fiduciary net position	15,697	20,495	(10,497)	(8,372)	(76,452)	(15,677)	(2,922)	(1,459)
Plan fiduciary net position - beginning	923,030	902,535	913,032	921,404	997,856	1,013,533	1,016,455	1,017,914
Plan fiduciary net position - ending	<u>\$ 938,727</u>	<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>\$ 28,141,919</u>	<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	3.23%	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							

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
Public Employees' Retirement Fund
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 2,221,877	\$ 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
Contributions in relation to the actuarially required contribution	2,221,877	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
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$ 19,838,203	\$ 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
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.0%	6.75%	6.75%

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

CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.36747%	0.36640%	0.35477%	0.33804%	0.33227%	0.32056%
City's proportionate share of the net pension liability (asset)	\$ 11,099,043	\$ 12,109,753	\$ 12,051,697	\$ 15,081,802	\$ 15,079,890	\$ 13,056,095
City's covered payroll	\$ 19,838,203	\$ 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	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%
Plan fiduciary net position as a percentage of total pension liability	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

Discretely presented component unit:	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Citybus' proportion of the net pension liability	0.0012175	0.0011969	0.0011738	0.0012113	0.0011212
Citybus' proportionate share of the net pension liability	\$ 3,677,330	\$ 3,955,831	\$ 3,987,452	\$ 5,404,268	\$ 5,088,504
Citybus' covered payroll	\$ 6,572,671	\$ 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	55.95%	63.44%	66.58%	92.97%	94.42%
Plan fiduciary net position as a percentage of the total pension liability	81.45%	80.10%	78.90%	76.60%	75.30%
Discretely presented component unit:	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 747,019	\$ 715,670	\$ 686,937	\$ 649,790	\$ 600,539
Contributions in relation to the statutorily required contribution	<u>(747,019)</u>	<u>(715,670)</u>	<u>(686,937)</u>	<u>(649,790)</u>	<u>(600,539)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>				
CityBus' contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%
CityBus' covered payroll	\$ 6,570,752	\$ 6,226,907	\$ 5,989,632	\$ 6,009,655	\$ 5,373,541
Contributions as a percentage of covered payroll	11.37%	11.49%	11.47%	10.81%	11.18%

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

CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,578,890	\$ 1,588,881	\$ 1,534,277	\$ 1,564,803	\$ 1,493,436	\$ 1,452,580
Contributions in relation to the actuarially determined contribution	<u>1,578,890</u>	<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	\$ 9,022,273	\$ 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%	17.5%	18.5%	19.7%	19.7%

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.97297%	1.02715%	1.04103%	1.04097%	0.98086%	0.98881%
City's proportionate share of the net pension liability (asset)	\$ 2,362,447	\$ 94,662	\$ (915,182)	\$ (160,574)	\$ 871,366	\$ (1,460,671)
City's covered payroll	\$ 9,022,273	\$ 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	26.18%	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	38.8%	100.0%	100.0%	104.5%	104.5%	104.5%

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,590,842	\$ 1,562,270	\$ 1,492,693	\$ 1,550,332	\$ 1,531,392	\$ 1,478,553
Contributions in relation to the actuarially contribution	<u>1,590,842</u>	<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	\$ 9,090,574	\$ 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%	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, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.98034%	1.01000%	1.0128%	1.0281%	1.0058%	1.0065%
City's proportionate share of the net pension liability (asset)	\$ 2,380,342	\$ 93,077	\$ (890,373)	\$ (158,581)	\$ 893,513	\$ (1,486,788)
City's covered payroll	\$ 9,090,574	\$ 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	26.18%	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	39.4%	100.0%	100.0%	100.0%	103.1%	100.0%

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOTAL OPEB LIABILITY
LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
1. Total OPEB Liability	\$ 7,320,350	\$ 6,980,456	\$ 6,462,934
2. Plan Fiduciary Net Position	-	-	-
3. Total OPEB Liability	<u>\$ 7,320,350</u>	<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	\$ 37,811,665	\$ 37,330,474	\$ 35,621,289
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	19.36%	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, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOTAL OPEB LIABILITY
LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
1. Total OPEB Liability	\$ 7,320,350	\$ 6,980,456	\$ 6,462,934
2. Plan Fiduciary Net Position	-	-	-
3. Total OPEB Liability	<u>\$ 7,320,350</u>	<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	\$ 37,811,665	\$ 37,330,474	\$ 35,621,289
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	19.36%	18.70%	18.14%

Notes to schedule:

* Information presented for those years information is available

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years

OPEB Contributions	<u>2020</u>	<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	\$ 229,647	\$ 208,965	\$ 273,798	\$ 221,831	\$ 203,515	\$ 211,122	\$ 193,690	\$ 176,554	\$ 160,504
Actual employer contributions	<u>229,647</u>	<u>208,965</u>	<u>273,798</u>	<u>221,831</u>	<u>203,515</u>	<u>211,122</u>	<u>193,690</u>	<u>176,554</u>	<u>160,504</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered payroll	\$ 37,811,665	\$ 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	0.61%	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, 2020.

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
Discount Rate	2.12% as of 12/31/20; 3.26% as of 1/1/20
Payroll Growth	2.75% average, per year
Asset valuation method	Fair market value
Healthcare cost trend rates	8.0% initially, reduced by decrements to an ultimate rate of 4.5% after 7 years
Inflation	2.25% per year
Mortality	General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

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

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2020

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final
	Original	Final	Amounts	Budget
Revenues:				
Property taxes	\$ 26,136,059	\$ 26,136,059	\$ 24,154,488	\$ (1,981,571)
Licenses and permits	383,050	383,050	446,452	63,402
Intergovernmental	11,498,365	11,498,365	11,974,900	476,535
Payment in lieu of taxes	2,503,000	2,503,000	2,559,500	56,500
Charges for services	2,000	2,000	37,271	35,271
Fines and forfeits	70,950	70,950	141,629	70,679
Other	465,000	465,000	756,372	291,372
Interest and investment revenue	150,000	150,000	105,691	(44,309)
Total revenues	41,208,424	41,208,424	40,176,303	(1,032,121)
Expenditures:				
Current:				
General government:				
Mayor	\$ 123,100	\$ 123,100	\$ 115,917	(7,183)
Controller	168,100	168,100	156,113	(11,987)
Clerk	121,000	121,000	115,294	(5,706)
Human Resources	122,150	122,150	116,545	(5,605)
Common Council	138,100	138,100	123,888	(14,212)
Facilities	613,415	613,415	527,370	(86,045)
Engineering	1,037,400	1,037,400	981,775	(55,625)
Purchasing	46,975	46,975	41,853	(5,122)
IT	311,650	311,650	288,743	(22,907)
Human Relations	1,300	1,300	-	(1,300)
Board of Works	212,700	212,700	200,856	(11,844)
Animal Control	324,700	324,700	274,148	(50,552)
Unappropriated	-	-	220,536	220,536
Total general government	3,220,590	3,220,590	3,163,038	(57,552)
Public safety:				
Fire	16,715,890	16,715,890	14,864,392	(1,851,498)
Police	19,514,100	19,514,100	17,097,751	(2,416,349)
Total public safety	36,229,990	36,229,990	31,962,143	(4,267,847)
Sanitation:	2,559,780	2,559,780	2,563,177	3,397
Total expenditures	42,010,360	42,010,360	37,688,358	(4,322,002)
Net change in fund balances	(801,936)	(801,936)	2,487,945	3,289,881
Fund balances - beginning	82,846	(7,021)	1,674,197	1,681,218
Fund balances - ending	\$ (719,090)	\$ (808,957)	\$ 4,162,142	\$ 4,971,099

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

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
Major Special Revenue Funds
For The Calendar Year Ended December 31, 2020

	Motor Vehicle Highway				Economic Dev Income Tax (EDIT)			
	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:								
Property taxes	\$ 3,772,179	\$ 3,772,179	\$ 3,482,133	\$ (290,046)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,702,766	4,702,766	5,630,927	928,161	-	-	7,874,418	7,874,418
Charges for services	30,000	30,000	22,293	(7,707)	-	-	-	-
Other	-	-	119,514	119,514	-	-	179,735	179,735
Interest and investment revenue	-	-	-	-	-	-	54,953	54,953
Total revenues	8,504,945	8,504,945	9,254,867	749,922	-	-	8,109,106	8,109,106
Expenditures:								
Current:								
Highways and streets:								
Personal services	4,947,350	4,947,350	4,732,225	(215,125)	-	-	-	-
Supplies	1,082,800	1,082,800	1,790,210	707,410	-	-	-	-
Other services and charges	1,557,525	1,557,525	730,193	(827,332)	-	-	-	-
Capital outlays	567,500	567,500	662,315	94,815	-	-	-	-
Total highways and streets	8,155,175	8,155,175	7,914,943	(240,232)	-	-	-	-
Economic development:								
Supplies	-	-	-	-	871,500	871,500	7,279	(864,221)
Other services and charges	-	-	-	-	2,659,248	2,659,248	3,468,590	809,342
Debt service	-	-	-	-	2,219,252	2,219,252	1,539,471	(679,781)
Capital outlays	-	-	-	-	850,000	850,000	12,298,995	11,448,995
Total economic development	-	-	-	-	6,600,000	6,600,000	17,314,335	10,714,335
Total expenditures	8,155,175	8,155,175	7,914,943	(240,232)	6,600,000	6,600,000	17,314,335	10,714,335
Other financing sources and uses:								
Transfers in	-	-	-	-	-	-	354,000	354,000
Total other financing sources and (uses)	-	-	-	-	-	-	354,000	354,000
Net change in fund balances	349,770	349,770	1,339,924	990,154	(6,600,000)	(6,600,000)	(8,851,229)	(2,251,229)
Fund balances - beginning	(1,514,165)	(2,150,533)	1,492,883	4,206,547	(4,318,371)	(4,943,013)	16,660,014	21,603,027
Fund balances - ending	\$ (1,164,395)	\$ (1,800,763)	\$ 2,832,807	\$ 5,196,701	\$ (10,918,371)	\$ (11,543,013)	\$ 7,808,785	\$ 19,351,798

Continued on next page

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
Major Special Revenue Funds
For The Calendar Year Ended December 31, 2020

	Park Bond				Park and Recreation Operating			
	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:								
Property taxes	\$ -	\$ -	\$ 909,918	\$ 909,918	\$ 4,871,576	\$ 4,871,576	\$ 4,496,642	\$ (374,934)
Intergovernmental	-	-	62,899	62,899	289,534	289,534	381,212	91,678
Charges for services	-	-	-	-	57,000	57,000	74,547	17,547
Other	-	-	34,923	34,923	75,000	75,000	48,921	(26,079)
Total revenues	-	-	1,007,740	1,007,740	5,293,110	5,293,110	5,001,322	(291,788)
Expenditures:								
Current:								
Culture and recreation:								
Personal services	-	-	-	-	3,428,055	3,428,055	3,217,225	(210,830)
Supplies	-	-	-	-	427,850	427,850	285,127	(142,723)
Other srv & chrgs	-	-	-	-	762,728	762,728	723,147	(39,581)
Capital outlays	-	-	6,777,820	6,777,820	-	-	27,965	27,965
Total economic development	-	-	6,777,820	6,777,820	4,618,633	4,618,633	4,253,464	(365,169)
Debt service:								
Interest	4,612	298,009	420,382	122,373	-	-	-	-
Principal retirement	465,000	630,000	495,000	(135,000)	-	-	-	-
Total debt service	469,612	928,009	915,382	(12,627)	-	-	-	-
Total expenditures	469,612	928,009	7,693,202	6,765,193	4,618,633	4,618,633	4,253,464	(365,169)
Net change in fund balances	(469,612)	(928,009)	(6,685,462)	(5,757,453)	674,477	674,477	747,858	73,381
Fund balances - beginning	374,551	(83,846)	9,590,925	9,674,771	(13,671)	(65,671)	(95,765)	(30,094)
Fund balances - ending	<u>\$ (95,061)</u>	<u>\$ (1,011,855)</u>	<u>\$ 2,905,463</u>	<u>\$ 3,917,318</u>	<u>\$ 660,806</u>	<u>\$ 608,806</u>	<u>\$ 652,093</u>	<u>\$ 43,287</u>

Continued on next page

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

CITY OF LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
Major Special Revenue Funds
For The Calendar Year Ended December 31, 2020

	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:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,363,054	\$ 11,363,054
Other	-	-	2,631,572	2,631,572	12,566,241	12,566,241	24,256	(12,541,985)
Interest and investment revenue	-	-	-	-	-	-	4,935	4,935
Total revenues	-	-	2,631,572	2,631,572	12,566,241	12,566,241	11,392,245	(1,173,996)
Expenditures:								
Current:								
Economic development:								
Other services and charges	-	-	7,500	7,500	861,250	861,250	1,796,976	935,726
Capital outlays	-	-	-	-	8,217,000	8,217,000	10,196,129	1,979,129
Total economic development	-	-	7,500	7,500	9,078,250	9,078,250	11,993,105	2,914,855
Debt service:								
Interest	-	-	650,496	650,496	-	-	328,467	328,467
Principal retirement	-	-	2,485,000	2,485,000	3,487,991	3,487,991	2,838,500	(649,491)
Total debt service	-	-	3,135,496	3,135,496	3,487,991	3,487,991	3,166,967	(321,024)
Total expenditures	-	-	3,142,996	3,142,996	12,566,241	12,566,241	15,160,072	2,593,831
Other financing sources and uses								
Bond Proceeds	-	-	-	-	-	-	5,108,000	5,108,000
Transfer out	-	-	-	-	-	-	(354,000)	(354,000)
Total other financing sources and (uses)	-	-	-	-	-	-	4,754,000	4,754,000
Net change in fund balances	-	-	(511,424)	(511,424)	-	-	986,173	986,173
Fund balances - beginning	2,960,641	2,960,641	3,416,343	455,702	(5,504,385)	(6,194,212)	3,499,535	9,693,747
Fund balances - ending	\$ 2,960,641	\$ 2,960,641	\$ 2,904,919	\$ (55,722)	\$ (5,504,385)	\$ (6,194,212)	\$ 4,485,708	\$ 10,679,920

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

City of Lafayette

Notes to Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

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

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

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

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

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

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

Major funds:

General fund

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

Nonmajor governmental funds:

Special revenue funds – Cares IFA, park non-reverting, health and wellness, police donations, economic development, LIT public safety, federal grants, safe recovery site, police continuing ed, COVID emergency, unsafe building, state grants, LOIT special distribution, fire donations, band, police training, fire training, police unclaimed property, police drug free, HOME, CDBG, beautification, tif mccarty, tif twyckenham

Capital projects funds – cumulative capital improvement, cumulative capital development

Pension trust funds – police pension, fire pension

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

Expenditures did not exceed appropriations for any funds or any departments within the General Fund which required legally approved budgets, with the exception of the sanitation department.

City of Lafayette

Notes to Required Supplementary Information

Note 2. Financial Reporting – Pension Plans

A. Change of assumptions

1. The interest rate for the 1925 Police Officers' and 1937 Firefighters' Pension plans increased from 2.13% for the December 31, 2019 valuation to 1.49% for the December 31, 2020 valuation, based on the Barclay's 20-year Municipal Bond Index rate.
2. For the Public Employees Retirement Fund, in 2020 there were no changes in assumptions.
3. For the 1977 Police Officers' and Firefighters Pension plans, in 2020, there were no changes in assumptions.

Note 3. OPEB Plan

Cost Method Assumptions	Entry age normal level percent of salary
Discount rate	2.12% 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 8.0% in the first year, graded down to 4.5% over a 20 year period.
Payroll growth rate	2.75%

Healthcare cost trend rate:

<u>FYE</u>	<u>Medical / Rx</u>
2021	8.0%
2022	7.5%
2023	7.0%
2024	6.5%
2025	6.0%
2026	5.5%
2027	5.0%
2028	4.5%

OTHER SUPPLEMENTARY INFORMATION

CITY OF LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2020

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final	Amounts	
General government:				
Mayor	\$ 123,100	\$ 123,100	\$ 115,917	\$ 7,183
Controller	168,100	168,100	156,113	11,987
Clerk	121,000	121,000	115,294	5,706
Human Resources	122,150	122,150	116,545	5,605
Common Council	138,100	138,100	123,888	14,212
Facilities	613,415	613,415	527,370	86,045
Engineering	1,037,400	1,037,400	981,775	55,625
Purchasing	46,975	46,975	41,853	5,122
IT	311,650	311,650	288,743	22,907
Human Relations	1,300	1,300	-	1,300
Board of Works	212,700	212,700	200,856	11,844
Animal Control	324,700	324,700	274,148	50,552
Unappropriated	-	-	220,536	(220,536)
Total general government	<u>3,220,590</u>	<u>3,220,590</u>	<u>3,163,038</u>	<u>57,552</u>
Public safety:				
Fire	16,715,890	16,715,890	14,864,392	1,851,498
Police	<u>19,514,100</u>	<u>19,514,100</u>	<u>17,097,751</u>	<u>2,416,349</u>
Total public safety	<u>36,229,990</u>	<u>36,229,990</u>	<u>31,962,143</u>	<u>4,267,847</u>
Sanitation	<u>2,559,780</u>	<u>2,559,780</u>	<u>2,563,177</u>	<u>(3,397)</u>
Total expenditures	<u>\$ 42,010,360</u>	<u>\$ 42,010,360</u>	<u>\$ 37,688,358</u>	<u>\$ 4,322,002</u>

CITY OF LAFAYETTE
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Special Revenue Funds

Cares IFA—To account for and report financial resources from the Coronavirus Relief Fund federal grant that is restricted to expenditures related to response to the Coronavirus.

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 Local Income Tax (LIT) distributions allocated explicitly to public safety uses.

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

Safe Recovery Site— To account for funds related to the Coroanvirus Relief Fund federal grant the City received as a pass-through from the Indiana Family and Social Services Administration.

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

COVID Emergency—To account for federal grant funds received through U.S. Department of Justice for the purchase of protective equipment and supplies in order to combat the spread of the COVID-19 virus.

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.

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

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.

Thoroughfare fund—To account for resources received through agreements with governmental agencies and spent to refurbish and upgrade sections of the City's roads.

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, 2020

<u>Assets</u>	<u>CARES IFA</u>	<u>Park Nonreverting Operating</u>	<u>Health and Wellness</u>	<u>Police Donations</u>	<u>Economic Development</u>	<u>LIT Public Safety</u>	<u>Federal Grants</u>
Cash and cash equivalents - unrestricted	\$ -	\$ 1,470	\$ 24,845	\$ 16,430	\$ 96,064	\$ 980,573	\$ -
Cash, cash equivalents and investments - restricted	-	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-
Receivables, net:							
Loans	-	-	-	-	-	-	-
Taxes	-	-	-	-	13,854	-	-
Accounts	234,141	-	-	-	-	-	114,900
Intergovernmental	-	-	-	-	5,949	547,996	-
Total assets	<u>\$ 234,141</u>	<u>\$ 1,470</u>	<u>\$ 24,845</u>	<u>\$ 16,430</u>	<u>\$ 115,867</u>	<u>\$ 1,528,569</u>	<u>\$ 114,900</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ -	\$ 4,211	\$ 386	\$ 9,760	\$ 148,832	\$ 63,983	\$ 6,920
Accrued payroll and withholding payable	-	1,577	-	-	4,993	-	-
Due to other funds	234,141	-	-	-	-	-	41,250
Intergovernmental payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	10,599	-
Performance deposits payable	-	-	-	-	-	-	-
Customer deposits	-	1,800	-	-	-	-	-
Total liabilities	<u>234,141</u>	<u>7,588</u>	<u>386</u>	<u>9,760</u>	<u>153,825</u>	<u>74,582</u>	<u>48,170</u>
Deferred Inflows or Resources:							
Unavailable revenue	-	9,500	-	-	19,803	547,996	-
Fund Balances:							
Restricted	-	-	-	-	-	905,991	66,730
Committed	-	-	24,459	6,670	-	-	-
Unassigned	-	(15,618)	-	-	(57,761)	-	-
Total fund balances	<u>-</u>	<u>(15,618)</u>	<u>24,459</u>	<u>6,670</u>	<u>(57,761)</u>	<u>905,991</u>	<u>66,730</u>
Total liabilities and fund balances	<u>\$ 234,141</u>	<u>\$ 1,470</u>	<u>\$ 24,845</u>	<u>\$ 16,430</u>	<u>\$ 115,867</u>	<u>\$ 1,528,569</u>	<u>\$ 114,900</u>

Continued on next page

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	Safe Recovery Site Fund	Police Continuing Education	COVID Emergency Funding	Unsafe Building	State Grants	LOIT Special Distribution
<u>Assets</u>						
Cash and cash equivalents - unrestricted	\$ 128,466	\$ 254,473	\$ 108,650	\$ 51,534	\$ -	\$ 7,001
Cash, cash equivalents and investments - restricted	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-
Receivables, net:						
Loans	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>\$ 128,466</u>	<u>\$ 254,473</u>	<u>\$ 108,650</u>	<u>\$ 51,534</u>	<u>\$ -</u>	<u>\$ 7,001</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 128,466	\$ 1,450	\$ -	\$ -	\$ -	\$ -
Accrued payroll and withholding payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	7,331	-
Intergovernmental payable	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-
Customer deposits	-	-	-	1,500	-	-
Total liabilities	<u>128,466</u>	<u>1,450</u>	<u>-</u>	<u>1,500</u>	<u>7,331</u>	<u>-</u>
Deferred Inflows or Resources:						
Unavailable revenue	-	-	-	-	-	-
Fund Balances:						
Restricted	-	-	108,650	-	-	7,001
Committed	-	253,023	-	50,034	-	-
Unassigned	-	-	-	-	(7,331)	-
Total fund balances	<u>-</u>	<u>253,023</u>	<u>108,650</u>	<u>50,034</u>	<u>(7,331)</u>	<u>7,001</u>
Total liabilities and fund balances	<u>\$ 128,466</u>	<u>\$ 254,473</u>	<u>\$ 108,650</u>	<u>\$ 51,534</u>	<u>\$ -</u>	<u>\$ 7,001</u>

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	Fire Donations	Band	Police Training	Fire Training (Arsn Invstg)	Police Unclaimed Property	Police Drug Free
Assets						
Cash and cash equivalents - unrestricted	\$ 2,015	\$ 27,956	\$ 1,446	\$ 11,837	\$ 561,460	\$ 15,569
Cash, cash equivalents and investments - restricted	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-
Receivables, net:						
Loans	-	-	-	-	-	-
Taxes	-	551	-	-	-	-
Accounts	-	-	-	354	-	16,821
Intergovernmental	-	237	-	-	-	-
Total assets	<u>\$ 2,015</u>	<u>\$ 28,744</u>	<u>\$ 1,446</u>	<u>\$ 12,191</u>	<u>\$ 561,460</u>	<u>\$ 32,390</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,092
Accrued payroll and withholding payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,092</u>
Deferred Inflows or Resources:						
Unavailable revenue	-	788	-	-	-	-
Fund Balances:						
Restricted	-	27,956	-	-	561,460	24,298
Committed	2,015	-	1,446	12,191	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,015</u>	<u>27,956</u>	<u>1,446</u>	<u>12,191</u>	<u>561,460</u>	<u>24,298</u>
Total liabilities and fund balances	<u>\$ 2,015</u>	<u>\$ 28,744</u>	<u>\$ 1,446</u>	<u>\$ 12,191</u>	<u>\$ 561,460</u>	<u>\$ 32,390</u>

Continued on next page

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	HOME - Community Development	CDBG - Community Development	Beautification	Thoroughfare	TIF McCarty	TIF Twychenham	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents - unrestricted	\$ 30,199	\$ -	\$ 21,639	\$ 23,350	\$ 320,533	\$ 90,416	\$ 2,775,926
Cash, cash equivalents and investments - restricted	-	-	-	-	4,036,798	86,124	4,122,922
Cash with fiscal agents	-	-	-	-	4,270,855	-	4,270,855
Receivables, net:							
Loans	30,437	39,978	-	-	-	-	70,415
Taxes	-	-	-	-	1,700,160	1,477,289	3,191,854
Accounts	12,729	59,309	7,269	-	-	-	445,523
Intergovernmental	-	-	-	-	72,809	114,466	741,457
Total assets	\$ 73,365	\$ 99,287	\$ 28,908	\$ 23,350	\$ 10,401,155	\$ 1,768,295	\$ 15,618,952
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 12,747	\$ 40,982	\$ -	\$ -	\$ 22,957	\$ 89,183	\$ 537,969
Accrued payroll and withholding payable	-	-	-	-	-	-	6,570
Due to other funds	-	17,199	-	-	-	-	299,921
Intergovernmental payable	-	-	-	-	4,036,798	-	4,036,798
Accrued interest payable	-	-	-	-	-	80,901	91,500
Performance deposits payable	-	-	-	-	284,307	-	284,307
Customer deposits	-	-	-	-	-	-	3,300
Total liabilities	12,747	58,181	-	-	4,344,062	170,084	5,260,365
Deferred Inflows or Resources:							
Unavailable revenue	-	-	-	-	1,700,160	1,477,289	3,755,536
Fund Balances:							
Restricted	60,618	41,106	-	23,350	4,356,933	120,922	6,305,015
Committed	-	-	28,908	-	-	-	378,746
Unassigned	-	-	-	-	-	-	(80,710)
Total fund balances	60,618	41,106	28,908	23,350	4,356,933	120,922	6,603,051
Total liabilities and fund balances	\$ 73,365	\$ 99,287	\$ 28,908	\$ 23,350	\$ 10,401,155	\$ 1,768,295	\$ 15,618,952

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Capital Project Funds
 December 31, 2020

	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds
<u>Assets</u>			
Cash and cash equivalents - unrestricted	\$ 90,089	\$ 548,039	\$ 638,128
Cash, cash equivalents and investments - restricted	-	-	-
Cash with fiscal agents	-	-	-
Receivables, net:			
Loans	-	-	-
Taxes	-	1,522,715	1,522,715
Accounts	-	-	-
Intergovernmental	13,027	6,760	19,787
Total assets	\$ 103,116	\$ 2,077,514	\$ 2,180,630
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ -	\$ 10,744	\$ 10,744
Accrued payroll and withholding payable	-	-	-
Due to other funds	-	-	-
Intergovernmental payable	-	-	-
Performance deposits payable	-	-	-
Customer deposits	-	-	-
Total liabilities	-	10,744	10,744
Deferred Inflows or Resources:			
Unavailable revenue	13,027	1,529,475	1,542,502
Fund Balances:			
Restricted	90,089	537,295	627,384
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	90,089	537,295	627,384
Total liabilities and fund balances	\$ 103,116	\$ 2,077,514	\$ 2,180,630

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	CARES IFA	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development	LIT Public Safety	Federal Grants
<u>Revenues</u>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 535,478	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	45,333	3,136,609	475,848
Charges for services	-	679,349	-	-	900	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	2,575,543	29,029	111,259	18,883	16	-	-
Interest and investment revenue	-	-	-	-	-	-	-
Total revenues	2,575,543	708,378	111,259	18,883	581,727	3,136,609	475,848
<u>Expenditures</u>							
Current:							
General government	31,690	-	144,945	-	-	-	-
Public safety	2,517,233	-	-	18,883	-	881,175	273,684
Highways and streets	13,282	-	-	-	-	-	-
Sanitation	6,862	-	-	-	-	-	-
Culture and recreation	6,059	717,824	-	-	-	-	-
Economic development	417	-	-	-	495,286	-	217,160
Debt service:							
Interest	-	-	-	-	-	33,174	-
Principal retirement	-	-	-	-	-	676,295	-
Capital outlay:							
Public safety	-	-	-	-	-	639,974	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total expenditures	2,575,543	717,824	144,945	18,883	495,286	2,230,618	490,844
Excess (deficiency) of revenues over (under) expenditures	-	(9,446)	(33,686)	-	86,441	905,991	(14,996)
Net change in fund balances	-	(9,446)	(33,686)	-	86,441	905,991	(14,996)
Fund balances - beginning	-	(6,172)	58,145	6,670	(144,202)	-	81,726
Fund balances - ending	\$ -	\$ (15,618)	\$ 24,459	\$ 6,670	\$ (57,761)	\$ 905,991	\$ 66,730

Continued on next page

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	Safe Recovery Site Fund	Police Continuing Education	COVID Emergency Funding	Unsafe Building	State Grants	LOIT Special Distribution
<u>Revenues</u>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	1,400	-	-
Intergovernmental	40,553	-	110,000	-	7,500	-
Charges for services	-	140,891	-	-	-	-
Fines and forfeits	-	10,091	-	-	-	-
Other	-	5	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-
Total revenues	40,553	150,987	110,000	1,400	7,500	-
<u>Expenditures</u>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	163,543	1,350	-	7,500	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	40,553	-	-	-	415	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Public safety	-	1,800	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	40,553	165,343	1,350	-	7,915	-
Excess (deficiency) of revenues over (under) expenditures	-	(14,356)	108,650	1,400	(415)	-
Net change in fund balances	-	(14,356)	108,650	1,400	(415)	-
Fund balances - beginning	-	267,379	-	48,634	(6,916)	7,001
Fund balances - ending	\$ -	\$ 253,023	\$ 108,650	\$ 50,034	\$ (7,331)	\$ 7,001

Continued on next page

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	<u>Fire Donations</u>	<u>Band</u>	<u>Police Training</u>	<u>Fire Training (Arsn Invstg)</u>	<u>Police Unclaimed Property</u>	<u>Police Drug Free</u>
<u>Revenues</u>						
Property taxes	\$ -	\$ 21,306	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,307	-	-	-	-
Charges for services	99	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	9,750	-	3,437	12,373	72,263	67,965
Interest and investment revenue	-	-	-	-	-	-
Total revenues	<u>9,849</u>	<u>22,613</u>	<u>3,437</u>	<u>12,373</u>	<u>72,263</u>	<u>67,965</u>
<u>Expenditures</u>						
Current:						
General government	-	-	-	-	-	-
Public safety	14,145	-	7,713	14,958	49,659	65,034
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>14,145</u>	<u>-</u>	<u>7,713</u>	<u>14,958</u>	<u>49,659</u>	<u>65,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,296)</u>	<u>22,613</u>	<u>(4,276)</u>	<u>(2,585)</u>	<u>22,604</u>	<u>2,931</u>
Net change in fund balances	(4,296)	22,613	(4,276)	(2,585)	22,604	2,931
Fund balances - beginning	<u>6,311</u>	<u>5,343</u>	<u>5,722</u>	<u>14,776</u>	<u>538,856</u>	<u>21,367</u>
Fund balances - ending	<u>\$ 2,015</u>	<u>\$ 27,956</u>	<u>\$ 1,446</u>	<u>\$ 12,191</u>	<u>\$ 561,460</u>	<u>\$ 24,298</u>

Continued on next page

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2020

	HOME - Community Development	CDBG - Community Development	Beautification	Thoroughfare	TIF McCarty	TIF Twychenham	Total Nonmajor Special Revenue Funds
<u>Revenues</u>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,618,874	\$ 1,448,729	\$ 5,624,387
Licenses and permits	-	-	-	-	-	-	1,400
Intergovernmental	482,391	1,103,463	-	-	-	-	5,403,004
Charges for services	-	-	-	-	-	-	821,239
Fines and forfeits	-	-	-	-	-	-	10,091
Other	35,166	-	12,736	-	33,534	-	2,981,959
Interest and investment revenue	-	-	-	-	-	1,384	1,384
Total revenues	517,557	1,103,463	12,736	-	3,652,408	1,450,113	14,843,464
<u>Expenditures</u>							
Current:							
General government	-	-	-	-	-	-	176,635
Public safety	-	-	-	-	-	-	4,014,877
Highways and streets	-	-	-	-	-	-	13,282
Sanitation	-	-	-	-	-	-	6,862
Culture and recreation	-	-	12,736	-	-	-	736,619
Economic development	512,791	1,067,605	-	-	195,450	47,278	2,576,955
Debt service:							
Interest	-	-	-	-	-	173,083	206,257
Principal retirement	-	-	-	-	-	597,000	1,273,295
Capital outlay:							
Public safety	-	-	-	-	-	-	641,774
	-	-	-	16,984	-	-	16,984
Economic development	-	-	-	-	3,199,981	553,342	3,753,323
Total expenditures	512,791	1,067,605	12,736	16,984	3,395,431	1,370,703	13,416,863
Excess (deficiency) of revenues over (under) expenditures	4,766	35,858	-	(16,984)	256,977	79,410	1,426,601
Net change in fund balances	4,766	35,858	-	(16,984)	256,977	79,410	1,426,601
Fund balances - beginning	55,852	5,248	28,908	40,334	4,099,956	41,512	5,176,450
Fund balances - ending	\$ 60,618	\$ 41,106	\$ 28,908	\$ 23,350	\$ 4,356,933	\$ 120,922	\$ 6,603,051

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES
 Nonmajor Governmental Funds - Capital Project Funds
 December 31, 2020

	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds
<u>Revenues</u>			
Property taxes	\$ -	\$ 608,527	\$ 608,527
Licenses and permits	-	-	-
Intergovernmental	145,576	51,515	197,091
Charges for services	-	-	-
Fines and forfeits	-	-	-
Other	-	-	-
Interest and investment revenue	-	-	-
Total revenues	<u>145,576</u>	<u>660,042</u>	<u>805,618</u>
<u>Expenditures</u>			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Culture and recreation	-	-	-
Economic development	22,316	463,003	485,319
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Public safety	-	-	-
Highways and streets	-	-	-
Economic development	65,724	54,768	120,492
Total expenditures	<u>88,040</u>	<u>517,771</u>	<u>605,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57,536</u>	<u>142,271</u>	<u>199,807</u>
Net change in fund balances	57,536	142,271	199,807
Fund balances - beginning	<u>32,553</u>	<u>395,024</u>	<u>427,577</u>
Fund balances - ending	<u>\$ 90,089</u>	<u>\$ 537,295</u>	<u>\$ 627,384</u>

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds and Capital Projects Funds
 December 31, 2020

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and cash equivalents - unrestricted	\$ 2,775,926	\$ 638,128	\$ 3,414,054
Cash, cash equivalents and investments - restricted	4,122,922	-	4,122,922
Cash with fiscal agents	4,270,855	-	4,270,855
Receivables, net:			
Loans	70,415	-	70,415
Taxes	3,191,854	1,522,715	4,714,569
Accounts	445,523	-	445,523
Intergovernmental	<u>741,457</u>	<u>19,787</u>	<u>761,244</u>
Total assets	<u>\$ 15,618,952</u>	<u>\$ 2,180,630</u>	<u>\$ 17,799,582</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 537,969	\$ 10,744	\$ 548,713
Accrued payroll and withholding payable	6,570	-	6,570
Due to other funds	299,921	-	299,921
Intergovernmental payable	4,036,798	-	4,036,798
Accrued interest payable	91,500	-	91,500
Performance deposits payable	284,307	-	284,307
Customer deposits	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Total liabilities	<u>5,260,365</u>	<u>10,744</u>	<u>5,271,109</u>
Deferred Inflows or Resources:			
Unavailable revenue	<u>3,755,536</u>	<u>1,542,502</u>	<u>5,298,038</u>
Fund Balances:			
Restricted	6,305,015	627,384	6,932,399
Committed	378,746	-	378,746
Unassigned	<u>(80,710)</u>	<u>-</u>	<u>(80,710)</u>
Total fund balances	<u>6,603,051</u>	<u>627,384</u>	<u>7,230,435</u>
Total liabilities and fund balances	<u>\$ 15,618,952</u>	<u>\$ 2,180,630</u>	<u>\$ 17,799,582</u>

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds and Capital Projects Funds
 December 31, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 5,624,387	\$ 608,527	\$ 6,232,914
Licenses and permits	1,400	-	1,400
Intergovernmental	5,403,004	197,091	5,600,095
Charges for services	821,239	-	821,239
Fines and forfeits	10,091	-	10,091
Other	2,981,959	-	2,981,959
Interest and investment revenue	1,384	-	1,384
	<u>14,843,464</u>	<u>805,618</u>	<u>15,649,082</u>
Total revenues			
Expenditures:			
Current:			
General government	176,635	-	176,635
Public safety	4,014,877	-	4,014,877
Highways and streets	13,282	-	13,282
Sanitation	6,862	-	6,862
Culture and recreation	736,619	-	736,619
Economic development	2,576,954	485,319	3,062,273
Debt service:			
Interest	206,257	-	206,257
Principal retirement	1,273,295	-	1,273,295
Capital outlay:			
Public safety	641,774	-	641,774
Highways and streets	16,984	-	16,984
Economic development	3,753,324	120,492	3,873,816
	<u>13,416,863</u>	<u>605,811</u>	<u>14,022,674</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	1,426,601	199,807	1,626,408
Net change in fund balances	1,426,601	199,807	1,626,408
Fund balances - beginning	<u>5,176,450</u>	<u>427,577</u>	<u>5,604,027</u>
Fund balances - ending	<u>\$ 6,603,051</u>	<u>\$ 627,384</u>	<u>\$ 7,230,435</u>

CITY OF LAFAYETTE
NONMAJOR FIDUCIARY FUND DESCRIPTIONS

Pension Trust Funds

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
 Fiduciary Funds
 December 31, 2020

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 916,764	\$ 938,727	\$ 1,855,491
Accounts receivables	-	-	-
Total assets	\$ 916,764	\$ 938,727	\$ 1,855,491
Liabilities			
Accounts payable	-	-	-
Customer deposits payable	-	-	-
Total liabilities	\$ -	\$ -	\$ -
Net Position			
Restricted for pensions	916,764	938,727	1,855,491
Total net position	\$ 916,764	\$ 938,727	\$ 1,855,491

CITY OF LAFAYETTE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Fiduciary Funds
 For the Year Ended December 31, 2020

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Additions			
Contributions:			
State contributions	\$ 1,547,051	\$ 2,447,331	\$ 3,994,382
Donations	-	-	-
Miscellaneous revenue	3,835	3,500	7,335
Total contributions	<u>1,550,886</u>	<u>2,450,831</u>	<u>4,001,717</u>
Deductions			
Administration and general	9,566	9,566	19,132
Supplies	-	-	-
Benefits	1,547,720	2,425,568	3,973,288
Other services	-	-	-
Total deductions	<u>1,557,286</u>	<u>2,435,134</u>	<u>3,992,420</u>
Change in net position	(6,400)	15,697	9,297
Net Position -- beginning of the year	<u>923,164</u>	<u>923,030</u>	<u>1,846,194</u>
Net Position -- end of the year	<u><u>\$ 916,764</u></u>	<u><u>\$ 938,727</u></u>	<u><u>\$ 1,855,491</u></u>

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Economic Development				TIF McCarty			
	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:								
Property taxes	\$ 579,322	\$ 579,322	\$ 535,478	\$ (43,844)	\$ 3,210,370	\$ 3,210,370	\$ 3,618,874	\$ 408,504
Intergovernmental	27,362	27,362	45,333	17,971	-	-	-	-
Charges for services	-	-	915	915	-	-	-	-
Other	-	-	-	-	-	-	33,534	33,534
Total revenues	606,684	606,684	581,726	(24,958)	3,210,370	3,210,370	3,652,408	442,038
Expenditures:								
Current:								
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Economic development:								
Personal services	520,750	520,750	476,307	(44,443)	-	-	-	-
Supplies	3,000	3,000	4,937	1,937	-	-	-	-
Other services and charges	19,950	19,950	14,042	(5,908)	329,000	329,000	195,449	(133,551)
Capital outlays	-	-	-	-	2,535,000	2,535,000	3,199,981	664,981
Total economic development	543,700	543,700	495,286	(48,414)	2,864,000	2,864,000	3,395,430	531,430
Total expenditures	543,700	543,700	495,286	(48,414)	2,864,000	2,864,000	3,395,430	531,430
Net change in fund balances	62,984	62,984	86,440	23,456	346,370	346,370	256,978	(89,392)
Fund balances - beginning	(78,537)	(78,537)	(144,201)	(65,664)	511,628	511,628	4,099,956	3,588,328
Fund balances - ending	\$ (15,553)	\$ (15,553)	\$ (57,761)	\$ (42,208)	\$ 857,998	\$ 857,998	\$ 4,356,934	\$ 3,498,936

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CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	TIF Twyckenham				Cumulative Capital Improvement			
	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:								
Property taxes	\$ 1,357,470	\$ 1,357,470	\$ 1,448,729	\$ 91,259	\$ 159,970	\$ 159,970	\$ 145,576	\$ (14,394)
Other	-	-	1,384	1,384	-	-	-	-
Total revenues	<u>1,357,470</u>	<u>1,357,470</u>	<u>1,450,113</u>	<u>92,643</u>	<u>159,970</u>	<u>159,970</u>	<u>145,576</u>	<u>(14,394)</u>
Expenditures:								
Current:								
Economic development:								
Other services and charges	31,000	31,000	47,278	16,278	-	-	-	-
Capital outlays	1,275,076	1,275,076	553,342	(721,734)	140,000	140,000	88,040	(51,960)
Total economic development	<u>1,306,076</u>	<u>1,306,076</u>	<u>600,620</u>	<u>(705,456)</u>	<u>140,000</u>	<u>140,000</u>	<u>88,040</u>	<u>(51,960)</u>
Debt service:								
Interest	176,163	173,083	173,083	-	-	-	-	-
Principal retirement	597,000	597,000	597,000	-	-	-	-	-
Total debt service	<u>773,163</u>	<u>770,083</u>	<u>770,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,079,239</u>	<u>2,076,159</u>	<u>1,370,703</u>	<u>(705,456)</u>	<u>140,000</u>	<u>140,000</u>	<u>88,040</u>	<u>(51,960)</u>
Net change in fund balances	(721,769)	(718,689)	79,410	798,099	19,970	19,970	57,536	37,566
Fund balances - beginning	<u>(10,641,326)</u>	<u>(10,641,327)</u>	<u>41,512</u>	<u>10,682,839</u>	<u>165,940</u>	<u>145,940</u>	<u>32,553</u>	<u>(116,201)</u>
Fund balances - ending	<u>\$ (11,363,095)</u>	<u>\$ (11,360,016)</u>	<u>\$ 120,922</u>	<u>\$ 11,480,938</u>	<u>\$ 185,910</u>	<u>\$ 165,910</u>	<u>\$ 90,089</u>	<u>\$ (78,635)</u>

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CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Cumulative Capital Development				Band			
	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:								
Property taxes	\$ 658,321	\$ 658,321	\$ 608,527	\$ (49,794)	\$ 23,041	\$ 23,041	\$ 21,306	\$ (1,735)
Intergovernmental	44,563	44,563	51,515	6,952	1,351	1,351	1,307	(44)
Total revenues	702,884	702,884	660,042	(42,842)	24,392	24,392	22,613	(1,779)
Expenditures:								
Current:								
Economic development:								
Supplies	-	-	80	80	-	-	-	-
Other services and charges	280,000	280,000	462,923	182,923	25,000	25,000	-	(25,000)
Capital outlays	390,000	390,000	54,768	(335,232)	-	-	-	-
Total economic development	670,000	670,000	517,771	(152,229)	25,000	25,000	-	(25,000)
Total expenditures	670,000	670,000	517,771	(152,229)	25,000	25,000	-	(25,000)
Net change in fund balances	32,884	32,884	142,271	109,387	(608)	(608)	22,613	23,221
Fund balances - beginning	5,914	5,914	395,024	389,110	6,922	6,922	5,343	(1,579)
Fund balances - ending	\$ 38,798	\$ 38,798	\$ 537,295	\$ 498,497	\$ 6,314	\$ 6,314	\$ 27,956	\$ 21,642

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CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	LIT Public Safety				Police Continuing Education			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 3,159,291	\$ 3,159,291	\$ 3,159,291	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	100,000	100,000	150,987	50,987
Total revenues	<u>\$ 3,159,291</u>	<u>\$ 3,159,291</u>	<u>\$ 3,159,291</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 150,987</u>	<u>\$ 50,987</u>
Expenditures:								
Current:								
Public Safety:								
Personal services	130,370	130,370	210,775	80,405	-	-	-	-
Supplies	-	-	-	-	-	-	60,091	60,091
Other services and charges	451,000	451,000	117,371	(333,629)	55,000	55,000	103,452	48,452
Capital outlays	1,705,574	1,705,574	1,215,685	(489,889)	45,000	45,000	1,800	(43,200)
Total public safety	<u>2,286,944</u>	<u>2,286,944</u>	<u>1,543,831</u>	<u>(743,113)</u>	<u>100,000</u>	<u>100,000</u>	<u>165,343</u>	<u>65,343</u>
Culture and recreation:								
Other services and charges	-	-	-	-	-	-	-	-
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:								
Interest	46,190	46,190	33,174	(13,016)	-	-	-	-
Principal retirement	691,866	691,866	676,295	(15,571)	-	-	-	-
Total debt service	<u>738,056</u>	<u>738,056</u>	<u>709,469</u>	<u>(28,587)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,025,000</u>	<u>3,025,000</u>	<u>2,253,300</u>	<u>(771,700)</u>	<u>100,000</u>	<u>100,000</u>	<u>165,343</u>	<u>65,343</u>
Net change in fund balances	134,291	134,291	905,991	771,700	-	-	(14,356)	(14,356)
Fund balances - beginning	-	-	-	-	-	-	267,379	267,379
Fund balances - ending	<u>\$ 134,291</u>	<u>\$ 134,291</u>	<u>\$ 905,991</u>	<u>\$ 771,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,023</u>	<u>\$ 253,023</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

	2020	2019	2018	2017 (2)	2016	2015 (1)	2014 (1)	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 228,068,537	\$ 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
Restricted	18,297,514	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	(41,061,899)	(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
Total governmental activities	\$ 205,304,152	\$ 185,237,788	\$ 179,425,706	\$ 170,326,910	\$ 168,293,265	\$ 155,233,726	\$ 191,624,014	\$ 184,325,154	\$ 181,325,866	\$ 146,334,581
Business-type activities										
Net investment in capital assets	\$ 183,780,608	\$ 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
Restricted	18,517,904	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	25,907,409	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
Total business-type activities	\$ 228,205,921	\$ 205,099,161	\$ 190,905,001	\$ 176,034,776	\$ 168,662,175	\$ 163,056,354	\$ 158,370,186	\$ 149,042,073	\$ 147,246,663	\$ 138,234,248
Primary government										
Net investment in capital assets	\$ 411,849,145	\$ 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
Restricted	36,815,418	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	(15,154,490)	(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
Total primary government	\$ 433,510,073	\$ 390,336,949	\$ 370,330,707	\$ 346,361,686	\$ 336,955,440	\$ 318,290,080	\$ 349,994,200	\$ 333,367,227	\$ 328,572,529	\$ 284,568,829

Source - 2020 City of Lafayette Annual Comprehensive Financial Report, 2011-2019 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 3,729,426	\$ 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
Public safety	33,588,132	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
Highways and streets	10,602,940	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
Sanitation	3,138,626	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
Culture and recreation	6,173,582	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
Economic development	18,180,681	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
Total governmental activities expenses	75,413,387	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
Business-type activities:										
Water utility	9,336,205	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
Wastewater utility	26,080,627	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
Parking operations	467,635	468,008	458,717	385,410	451,504	334,239	237,129	86,535	155,580	156,726
Community Dev Blk Grant (LHR)	-	-	17,761	42,541	64,520	73,192	75,512	74,216	80,595	75,965
Total business-type activities expenses	35,884,467	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
Total primary government expenses	\$ 111,297,854	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 622,104	\$ 756,940	\$ 686,818	\$ 605,723	\$ 728,408	\$ 707,752	\$ 763,846	\$ 449,543	\$ 451,708	\$ 447,609
Public safety	151,571	115,940	72,886	84,689	107,467	164,163	100,794	127,729	120,088	120,666
Highways and streets	26,453	33,260	38,889	33,034	46,131	31,133	3,026,579	2,718,171	2,341,069	2,205,417
Sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	753,896	1,299,184	1,190,482	1,130,758	1,130,853	978,904	886,756	8,356	21,722	9,413
Economic development	40,192	28,649	2,654	38,792	13,541	2,100	8,655	1,002,517	1,444,534	1,166,699
Operating grants and contributions	4,824,762	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
Capital grants and contributions	816,267	-	3,053,686	4,722,960	2,919,780	10,385	39,050	172,965	27,909,900	2,326,873
Total governmental activities program revenues	7,235,245	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
Business-type activities:										
Charges for services:										
Water utility	11,002,682	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
Wastewater utility	37,628,248	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
Parking operations	405,007	467,683	435,063	446,297	380,178	328,006	287,114	84,366	76,682	108,884
Community Dev Blk Grant (LHR)	-	-	-	-	-	-	62,923	73,997	74,801	53,635
Capital grants and contributions	3,700,625	623,868	1,163,554	1,167,195	-	-	-	-	-	-
Total business-type activities program revenues	52,736,562	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
Total primary government program revenues	\$ 59,971,807	\$ 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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (Expenses)/Revenue											
Governmental activities	\$ (68,178,142)	\$ (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	16,852,095	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	\$ (51,326,047)	\$ (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	\$ 51,083,433	\$ 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	29,232,560	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	2,559,500	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	299,545	959,236	357,699	122,044	46,835	39,986	19,277	30,833	35,782	45,980	49,883
Other	5,927,422	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	89,102,460	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	947,995	1,333,170	875,010	322,048	141,449	149,674	250,039	59,490	73,419	87,536	457,215
Other	518,957	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	1,466,952	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	\$ 90,569,412	\$ 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	\$ 20,924,318	\$ 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	18,319,047	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	\$ 39,243,365	\$ 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 - 2020 City of Lafayette ACFR, 2011-2019 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 (A)
General Fund										
Unassigned fund balance	\$ 10,507,728	\$ 1,674,197	\$ 2,058,481	\$ 4,040,415	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868	\$ (510,470)
Total general fund	10,507,728	1,674,197	2,058,481	4,040,415	4,417,376	2,739,793	603,525	(420,734)	368,868	(510,470)
All Other Governmental Funds										
Restricted fund balance	28,452,341	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	378,746	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	(80,710)	5,566,994	-	4,041,613	4,004,302	2,804,302	2,869,203	-	-	3,146,026
Total all other governmental funds	28,750,377	46,860,814	33,533,994	24,978,285	29,137,779	40,932,920	54,489,227	41,627,366	46,745,510	12,140,836
Total all funds	\$ 39,258,105	\$ 48,535,011	\$ 35,592,475	\$ 29,018,700	\$ 33,555,155	\$ 43,672,713	\$ 55,092,752	\$ 41,206,632	\$ 47,114,378	\$ 11,630,366

Source - 2020 City of Lafayette Comprehensive Annual Financial Report, 2011-2019 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
General property taxes	\$ 50,639,149	\$ 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
Licenses and permits	447,852	530,886	480,045	484,553	563,600	476,710	495,789	216,641	222,808	190,281
Intergovernmental	32,035,953	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
Payment in lieu of taxes	2,559,500	2,559,500	2,503,000	1,930,000	2,700,000	2,700,000	2,700,000			
Charges for services	955,350	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
Fines and forfeits	151,720	190,860	201,592	112,899	149,868	190,064	316,875	180,493	163,926	159,252
Other revenues	6,989,685	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
Total revenues	93,779,209	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
Expenditures										
General government	3,339,673	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
Public safety	35,949,624	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
Highways and streets	7,265,910	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
Sanitation	2,570,039	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
Culture and recreation	4,962,118	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
Economic development	8,422,159	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
Capital outlay	34,513,487	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
Debt service										
Principal	8,042,148	9,494,227	9,004,205	11,975,043	11,188,078	-	-	-	-	-
Interest	2,194,719	2,203,703	1,375,908	1,365,904	1,206,495	-	-	-	-	-
Total expenditures	107,259,877	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
Excess of revenues over (under) expenditures	(13,480,668)	(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)
Other Financing Sources (Uses)										
Transfers in	354,000	860,562	4,536,755	9,599,188	1,550,000	4,501,626	74,053	-	436,175	336,600
Transfers out	(354,000)	(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	5,108,000	18,200,000	12,841,559	5,765,000	750,210	4,420,000	21,126,480	14,970,477	9,713,417	-
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)	-
Loans proceeds	-	-	-	-	-	-	-	46,399	1,279,545	650,000
Capital lease proceeds	-	700,000	918,618	-	-	1,312,888	-	-	-	-
Total other financing sources (uses)	5,108,000	19,704,899	13,367,773	5,765,000	782,402	5,732,888	21,126,480	462,094	22,418,443	(41,005)
Net change in fund balances	\$ (8,372,668)	\$ 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)
Debt service as a percentage of noncapital expenditures (a)	14.1%	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	Public Safety	Total
2020	\$ 34,200,299	\$ 2,173,914	\$ 974,259	\$ 531,648	\$ 193,711	\$ 9,776,923	\$ 7,874,418	\$ 3,159,291	\$ 58,884,463
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

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>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Tax Levy	\$ 37,050,306	\$ 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
Circuit Breaker Levy Reduction	2,582,877	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
Adjusted Current Tax Levy	34,467,429	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
Current Tax Collections	33,472,206	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
Percent of Current Tax Levy Collected	90.3%	92.7%	94.8%	92.3%	90.9%	88.5%	83.2%	76.8%	78.3%	73.3%
Delinquent Tax Collections	728,093	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
Total Tax Collections	34,200,299	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
Percent of Total Tax Collections of Current Tax Levy	99.2%	103.6%	103.4%	100.0%	101.5%	101.1%	101.4%	95.7%	97.5%	92.2%
Outstanding Delinquent Taxes	3,138,048	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
Percent of Delinquent Taxes to Current Tax Levy	9.1%	6.3%	2.3%	6.7%	2.9%	7.4%	9.7%	15.6%	16.4%	16.4%

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

CITY OF LAFAYETTE
ACTUAL AND ASSESSED VALUE OF TAXABLE PROPERTY

Fiscal Year	Actual Value	Assessed Valuation	Assessed Valuation Percent Increase	Assessed Valuation Percent of Actual	Total Direct Tax Rate
2020	\$ 5,958,320,732	\$ 3,291,605,068	2.1%	55.2%	1.1256
2019	5,773,955,197	3,224,929,218	2.3%	55.9%	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
Average Annual Rate of Increase (Decrease)			1.3%		

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	Redevelopment General Rate	Cumulative Capital Development Rate	Band Rate	Motor Vehicle Highway Rate	Park And Recreation Rate	Park Bond Rate	(A) Total City
2020	0.7971	0.0176	0.0200	0.0007	0.1146	0.1480	0.0276	1.1256
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

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total District Certified Tax Rate (1)										
Lafayette - Fairfield Twp. -LSC - B	\$ 2.6529	\$ 2.6608	\$ 2.5899	\$ 2.5415	\$ 2.4224	\$ 2.5474	\$ 2.5183	\$ 2.6016	\$ 2.6077	\$ 2.5792
Lafayette - Fairfield Twp. -TSC - B	2.5848	2.5195	2.5255	2.4641	2.4742	2.4109	2.4686	2.5896	2.6068	2.5894
Lafayette -Wea Twp. - LSC	2.6562	2.6646	2.5941	2.5463	2.4278	2.5518	2.5215	2.6076	2.6088	2.5890
Lafayette -Wea Twp. - TSC	2.5881	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956	2.6079	2.5992
Lafayette - Sheffield Twp. - TSCB	2.5793	2.5139	2.5200	2.4583	2.4686	2.4053	2.4633	2.5833	2.6014	2.5896
Lafayette - Wea Twp. -TSC -B Annex	2.5881	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956	2.6079	2.5992
Lafayette -Perry Twp. - TSC	2.5739	2.5092	2.5150	2.4543	2.4650	2.4018	2.4593	2.5803	2.5962	2.5862

(1) Includes certified tax rates of overlapping taxing units

CITY OF LAFAYETTE
 DETAIL OF NET ASSESSED VALUATION
 (Assessment for the Year 2019 Payable in 2020)

	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	\$ 335,092,000	\$ 31,836,900	\$ 78,090,200	\$ 104,570,200	\$ 13,118,500	\$ 8,186,900	\$ 8,567,600	\$ 579,462,300	
Value of Improvements	2,326,805,130	318,253,300	353,609,300	675,388,700	81,542,400	33,528,100	101,416,900	3,890,543,830	
Total value of real estate	2,661,897,130	350,090,200	431,699,500	779,958,900	94,660,900	41,715,000	109,984,500	4,470,006,130	
Less: Mortgage, veterans, blind, age 65 & other deductions	(617,163,969)	(11,836,821)	(182,485,808)	(209,588,712)	-	-	-	(1,021,075,310)	
Tax-exempt property	(159,934,212)	(18,120,054)	(6,471,200)	(13,758,920)	-	(12,221,820)	(41,484,040)	(251,990,246)	
Tax increment financing	(422,399,489)	(132,270,968)	(47,776,146)	(126,207,121)	(31,442,374)	(12,622,394)	(16,736,916)	(789,455,408)	
Tax abatements	(1,253,015)	-	-	(29,000,105)	(14,098,676)	-	(18,104,524)	(62,456,320)	
Net value of real estate	1,461,146,445	187,862,357	194,966,346	401,404,042	49,119,850	16,870,786	33,659,020	2,345,028,846	70.64%
Business Personal Property	630,488,242	94,402,300	3,285,440	237,887,590	426,499,900	2,865,980	28,564,980	1,423,994,432	
Less: Enterprise zone deductions	(6,996,461)	(3,310,110)	-	-	-	-	-	(10,306,571)	
Tax-exempt property	(36,435,301)	(422,840)	(23,650)	(436,540)	-	(684,310)	(23,247,170)	(61,249,811)	
Tax increment financing	(8,542,880)	-	(370,180)	(1,029,140)	(46,341,380)	(18,792)	-	(56,302,372)	
Tax abatements	(74,355,380)	-	-	(75,607,510)	(234,298,500)	-	(1,837,970)	(386,099,360)	
Net value of personal property	504,158,220	90,669,350	2,891,610	160,814,400	145,860,020	2,162,878	3,479,840	910,036,318	27.42%
Net value of railroads and utilities	48,662,970	5,200,760	4,759,530	5,325,220	51,240	189,390	131,060	64,320,170	1.94%
Total net assessed valuation	\$ 2,013,967,635	\$ 283,732,467	\$ 202,617,486	\$ 567,543,662	\$ 195,031,110	\$ 19,223,054	\$ 37,269,920	\$ 3,319,385,334	100.00%
Percentage of Total	60.67%	8.55%	6.10%	17.10%	5.88%	0.58%	1.12%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total Value	\$ 4,470,006,130	\$ 1,488,314,602	\$ 5,958,320,732	100.00%
Deduction & exemptions	(1,021,075,310)	(10,306,571)	(1,031,381,881)	-17.31%
Tax exempt property	(251,990,246)	(61,249,811)	(313,240,057)	-5.26%
Tax increment financing	(789,455,408)	(56,302,372)	(845,757,780)	-14.19%
Tax abatements	(62,456,320)	(386,099,360)	(448,555,680)	-7.53%
Total net assessed valuation	\$ 2,345,028,846	\$ 974,356,488	\$ 3,319,385,334	55.71%
Percent	70.65%	29.35%	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
2011-2020

Fund Name	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2009 Actual
General	\$ 24,154,488	\$ 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	\$ 17,675,555
MVH	3,482,133	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	1,484,096
Park and Recreation	4,496,642	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	2,433,801
Park Bond	901,726	864,567	872,878	814,022	900,254	652,140	733,581	939,666	451,929	1,254,656	900,332
Economic Development	535,478	370,859	358,588	439,742	422,796	276,347	405,333	379,809	351,500	348,647	278,813
Band	21,305	18,092	20,919	21,085	20,991	20,362	22,676	15,197	22,596	4,744	20,330
Cumulative Capital Development	608,527	602,871	597,499	602,232	599,720	581,760	566,900	506,558	502,143	474,350	580,860
Total	\$ 34,200,299	\$ 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	\$ 23,373,787

Source: City's tax collection records

CITY OF LAFAYETTE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR

Taxpayer	2019/2020 Net Assessed Value	Percentage of Total City Taxable Assessed Value (1)	Type of Business
Subaru of Indiana Automotive, Inc. (SIA) (2)	\$ 269,813,454	8.20%	Automotive manufacturer
Caterpillar, Inc. (2)	205,113,330	6.23%	Manufacturing diesel engines
Tate & Lyle Ingredients America, Inc. (2)	148,325,690	4.51%	Food Manufacturing
Arconic (2)	75,101,754	2.28%	Manufacturing
Wabash National LP (2)	66,191,700	2.01%	Manufacturing
ARCP MT LLC	56,841,100	1.73%	Real Estate
Fairfield Manufacturing Company	49,069,000	1.49%	Manufacturing
Nanshan America Advanced Aluminum Technologies LLC (2)	47,398,920	1.44%	Manufacturing
Simon Property Group LP	35,186,250	1.07%	Real Estate
Hawthorne Holdings LLC	<u>34,028,120</u>	<u>1.03%</u>	Real Estate and Apartments
Total	<u>\$ 987,069,318</u>	29.99%	

(1) The total net assessed valuation of the City is \$3,291,605,068 for taxes payable in 2020, according to the Tippecanoe County Auditor's Office.

(2) Tax abatements have been granted

Source: County Auditor's office and the DLGF.

CITY OF LAFAYETTE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2020

Subtotal	\$	1,097,201,689
Statutory debt limit rate		<u>2%</u>
Debt limit	\$	21,944,034
 Total bonded debt		 205,879,851
Less:		
RDA Lease rental structured debt		(19,745,022)
Tax increment bonds		(19,206,500)
Park District debt		(12,103,957)
Enterprise fund debt		<u>(137,099,964)</u>
 Debt applicable to limit (A)	 \$	 <u>17,724,408</u>
 Legal Debt Margin	 \$	 <u><u>4,219,626</u></u>

Legal Debt Margin Calculation for Fiscal Years 2011 Through 2020

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2020	74,624	\$ 21,944,034	\$ 17,724,409	4,219,625	80.77%	\$ 238
2019	75,402	21,499,528	17,000,000	4,499,528	79.07%	225
2018	75,306	21,023,641	15,955,377	5,068,264	75.89%	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

CITY OF LAFAYETTE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2020

Certified net assessed valuation	\$	3,291,605,068
divided by 3		
Subtotal	\$	1,097,201,689
Statutory debt limit rate		<u>2%</u>
Debt limit	\$	21,944,034
Debt applicable to limit (A)		<u>17,724,409</u>
Legal Debt Margin	\$	<u><u>4,219,625</u></u>

Legal Debt Margin Calculation for Fiscal Years 2011 Through 2020

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2020	74,624	\$ 21,944,034	\$ 17,724,409	4,219,625	80.77%	\$ 238
2019	75,402	21,499,528	17,000,000	4,499,528	79.07%	225
2018	75,306	21,023,641	15,955,377	5,068,264	75.89%	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

(A) All other outstanding debt of the City is structured as tax increment district bonds or as lease rental transactions. Neither of these types of obligations are subject to the 2% debt limitation shown above. Currently, the only outstanding debt subject to the City's statutory limit are the Local Income Tax Revenue Bonds, Series 2019. The Park District may also issue general obligation debt subject to its own 2% limit. As of 12/31/2020, the Park District had \$12,103,957 outstanding Park District Bonds subject to this limit.

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020

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	\$ 173,036,111	100.00%	\$ 173,036,111			
Tippecanoe County Public Library	5,681,276	31.87%	1,810,583			
Tippecanoe County	41,167,931	29.42%	12,113,046			
Greater Lafayette Public Transportation Corp	1,363,519	36.53%	498,046			
Tippecanoe School Corporation	206,580,801	14.64%	<u>30,242,396</u>			
Subtotal, overlapping debt			<u>217,700,182</u>	\$ 2,917	6.56%	7.38%
City direct debt						
General obligation bonds	12,103,957	100%	12,103,957			
Redevelopment bonds	56,675,931	100%	56,675,931			
Capital leases	1,562,226	100%	<u>1,562,226</u>			
Subtotal, city direct debt			<u>70,342,114</u>	\$ 943	2.12%	2.38%
Total direct and overlapping debt			<u>\$ 288,042,296</u>	\$ 3,860	8.68%	9.77%

(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, 2020

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					
2020	\$ 12,103,957	\$ 56,675,930	\$ 1,562,226	\$ 117,103,781	\$ 17,913,148	\$ -	\$ 851,000	\$ 206,210,042	74,624	\$ 2,763	\$ 2,949,513,600	7.0%
2019	12,601,399	55,637,673	2,457,874	129,950,609	18,666,378	-	925,000	220,238,933	75,402	2,921	3,013,742,538	7.3%
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%

CITY OF LAFAYETTE
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
AS OF DECEMBER 31, 2020

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	EDIT Bonds	Total		
2020	\$ 12,103,957	\$ 19,861,498	\$ 31,965,455	1.0%	428.35
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

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	
2020	\$ 37,839,980	\$ 13,299,361	24,540,619	\$ 9,775,000	\$ 4,458,943	14,233,943	1.72
2019	38,324,785	15,100,325	23,224,460	9,405,000	4,829,960	14,234,960	1.63
2018	37,748,323	11,914,429	25,833,894	9,100,000	5,157,768	14,257,768	1.81
2017	35,564,862	12,404,376	23,160,486	6,645,000	2,828,069	9,473,069	2.44
2016	32,556,664	11,564,379	20,992,285	6,965,000	3,890,038	10,855,038	1.93
2015	31,706,401	11,566,087	20,140,314	6,790,000	4,204,735	10,994,735	1.83
2014	30,510,429	10,700,859	19,809,570	6,445,000	4,155,679	10,600,679	1.87
2013	27,624,802	11,909,693	15,715,109	5,932,000	3,861,796	9,793,796	1.60
2012	25,285,883	10,459,760	14,826,123	5,260,000	3,959,464	9,219,464	1.61
2011	25,488,412	9,513,200	15,975,212	5,147,340	4,104,666	9,252,006	1.73

Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: * Operating Expenses	Net Available Revenue	Debt Service			Coverage %
				Principal	Interest	Total	
2020	\$ 11,002,682	\$ 6,939,226	\$ 4,063,456	\$ 755,000	\$ 584,596	\$ 1,339,596	3.03
2019	10,850,514	7,597,867	3,252,647	740,000	603,519	1,343,519	2.42
2018	8,704,340	6,756,542	1,947,798	265,000	222,000	487,000	4.00

* Operating Expenses from 2011-2019 for Wastewater and 2018-2019 for Water have been adjusted to eliminate Depreciation Expense from the calculation.

CITY OF LAFAYETTE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate (%)
2020	74,624	\$ 2,949,514	\$ 39,525	3.6%
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%

CITY OF LAFAYETTE
PRINCIPAL EMPLOYERS
CURRENT YEAR

2020

Employer	Type of Business	Employees	Rank	Percentage of Total (%)
Purdue University	Education	18,385	1	86.73%
Subaru (SIA)	Automotive Manufacturing	5,600	2	26.42%
Wabash National	Manufacturing	3,200	3	15.10%
Franciscan-St. E Health	Health Care	2,100	4	9.91%
Caterpillar	Manufacturing	1,800	5	8.49%
IU Health Arnett	Health Care	1,783	6	8.41%
Lafayette School Corp.	Education	1,250	7	5.90%
Tippecanoe School Corp.	Education	1,015	8	4.79%
Oerlikon Fairfield Mfg Corp	Manufacturing	765	9	3.61%
Arconic, Inc.	Manufacturing	723	10	3.41%
Total Number of Employees		<u>18,236</u>		<u>86.03%</u>
Total Employees - Lafayette Area Labor Force (Employers >300 En		<u>21,198</u>		<u>100.00%</u>

Sources: Greater Lafayette Commerce begreaterlafayette.com

CITY OF LAFAYETTE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2020

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	32	28	28	26	24	24	23	23	24	25
Public Safety										
Police	182	184	185	187	183	174	171	168	166	164
Fire	145	149	147	150	145	142	141	136	143	142
Highways and Streets	60	62	63	63	58	56	57	58	57	56
Sanitation	27	27	27	23	24	23	23	23	23	24
Culture and Recreation	37	39	40	39	33	34	33	35	36	36
Economic Development	5	5	5	5	5	5	5	5	5	5
Urban redevelopment and housing	0	0	-	-	-	2	3	3	3	3
City Business-type Activities										
Parking Operations	5	5	4	3	3	2	2	-	-	-
Water Utility	55	53	52	54	52	50	50	50	47	47
Wastewater Utility	94	94	94	94	88	83	83	85	77	75
Total	642	646	645	644	615	595	591	586	581	577

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, 2020

Function/program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Physical arrests	6,813	8714	9,409	8,244	6,810	6,268	4,927	5,199	5,574	5,850
Parking violations	35	60	103	89	98	104	410	259	174	352
Traffic violations	18,297	12737	17,468	18,932	17,883	14,201	12,752	13,198	15,849	17,586
Fire										
Emergency responses	5,188	5675	7,651	7,645	7,333	7,406	5,844	6,260	6,042	5,903
Fires extinguished	262	261	281	346	269	256	321	376	316	294
Inspections	4,953	4122	3,320	3,430	3,011	4,629	4,095	3,327	3,059	4,423
Refuse collection										
Refuse collected (tons/month)	1,436	1,712	1,577	1,551	1,550	1,583	1,743	1,649	1,616	1,646
Recycling collected (tons/month)	303	322	406	423	415	385	389	354	391	302
Other public works										
Street Maintained (miles)	289	289	289	303	303	268	268	265	264	261
Potholes repaired (tonnage)	2,178	2151	1,497	2,322	2,014	1,977	1,873	1,636	1,106	1,555
Crack Sealing (tons used)	-	21	26	27	25	26	31	18	23	11
Parks and recreation										
Zoo Education Programs	619	2,414	2,462	2,526	2,208	1,981	1,857	1,933	1,720	1,554
Zoo Education Participation	12,180	45,196	43,567	53,672	43,363	38,017	33,233	37,540	25,147	24,635
Kids Camp Participation	3,842	9,327	10,254	9,956	11,475	9,471	8,947	10,051	10,089	8,845
Camp Participation Hours	30,736	74,616	82,032	76,768	91,800	72,768	71,576	80,592	80,712	70,780
Water										
New billable housing starts	175	214	195	218	99	87	81	83	95	96
Water mains breaks	54	57	70	52	60	59	92	79	59	62
Average daily consumption (millions of gallons)	8.7	8.7	9.27	9.01	8.77	8.50	7.40	8.23	9.32	9.04
Wastewater										
Average daily sewage treatment (thousands of gallons)	17,200	20,200	19,300	19,950	18,660	19,970	18,570	18,420	17,650	20,650

Sources - Various city departments

CITY OF LAFAYETTE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
AS OF DECEMBER 31, 2020

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Training Center	1	1	1	1	1	1	1	1	1	-
Patrol Units	120	105	102	90	90	66	66	66	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	17	16	15	15	15	15	15	15	16
Refuse Collection										
Collection Trucks	25	24	23	23	23	24	21	21	23	19
Highways and Streets										
Traffic Signals	110	110	110	110	110	107	107	106	108	108
Miles of Streets	307.13	307.12	307.11	307.05	306.36	268.41	268.20	264.57	264.36	260.78
Culture and Recreation										
Acreage	700	700	700	700	700	700	700	700	700	700
Playgrounds	17	16	16	16	16	16	16	16	15	15
Baseball/Softball Diamonds	14	12	12	11	11	11	11	11	11	11
Soccer/Football Fields	9	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)	343.91	343.84	342.34	341.07	341.07	340.17	339.13	337.47	336.46	335.43
Fire Hydrants	3,386	3,388	3,385	3,368	3,368	3,360	3,347	3,332	3,285	3,209
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)	314.03	311.26	310.99	309.72	309.72	309.09	308.33	307.54	307.03	306.14
Storm Sewers (miles)	168.24	166.84	166.79	166.77	166.77	166.43	166.02	165.59	165.33	164.85
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

City of Lafayette

Compliance Report
December 31, 2020

Contents

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

City Council
City of Lafayette, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information the City of Lafayette (City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Greater Lafayette Public Transportation Corporation and the Lafayette Housing Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also contains and emphasis of matter paragraph for the restatements of errors. Our opinions are not modified with respect to these matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, 2020-004, and 2020-005 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-006 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The City's responses were not subject to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

RSM US LLP

Chicago, Illinois
February 28, 2022



RSM US LLP

**Report on Compliance for the Major Federal Program; Report on
Internal Control Over Compliance; and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

City Council
City of Lafayette, Indiana

Report on Compliance for the Major Federal Program

We have audited the City of Lafayette, Indiana's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
February 28, 2022

City of Lafayette

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Provided To Subrecipient	Total Federal Awards Expended
Department of Housing and Urban Development:					
CDBG-Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218	B18-MC-18008	\$ -	\$ 260,590
		14.218	B19-MC-18008	90,065	723,316
		14.218	B20-MC-18008	51,481	80,268
Total - CDBG-Entitlement Grants Cluster				<u>141,546</u>	<u>1,064,174</u>
HOME Investment Partnerships Program					
HOME Investment Partnerships Program	Direct Grant	14.239	M18-DC-180212	106,089	106,089
		14.239	M19-DC-180212	302,246	355,757
		14.239	M20-DC-180212	677	20,545
Total -HOME Investment Partnerships Program				<u>409,012</u>	<u>482,391</u>
Continuum of Care Program					
Continuum of Care Program	Indiana Housing and Community Development Authority	14.267	SC-019-0155-1	-	82,009
		14.267	SC-020-0155-1	-	122,683
Total - Continuum of Care Program				<u>-</u>	<u>204,692</u>
Total - Department of Housing and Urban Development				<u>550,558</u>	<u>1,751,257</u>
Department of Justice:					
COVID-19: Coronavirus Emergency Supplemental Funding Program	Direct grant	16.034	2020-VD-BX-0313	-	1,350
Bulletproof Vest Partnership	Direct grant	16.607	2019BUBX17088035	-	2,002
Public Safety Partnership and Community Policing Grants					
COPS Hiring Program	Direct grant	16.710	2017UMWX0032	-	175,089
Edward Byrne Memorial Justice Assistance Grant Program(JAG)					
Byrne Grant	Direct grant	16.738	2019-DJ-BX-0018	-	28,870
		16.738	2019-DJ-BX-0374	-	34,248
Total - Edward Byrne Memorial Justice Assistance Grant Program				<u>-</u>	<u>63,118</u>
Equitable Sharing Program					
K-9	Direct grant	16.922	I5-19-0057	-	13,200
Total - Department of Justice				<u>-</u>	<u>254,759</u>
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	A249-18-L170142	-	174,123
		20.205	A249-19-L190021	-	37,754
		20.205	INDOT DES# 1900482 L190151	-	76,112
		20.205	A249-15-L140036	-	298,674
Total - Highway Planning and Construction				<u>-</u>	<u>586,663</u>

(Continued)

City of Lafayette

Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Provided To Subrecipient	Total Federal Awards Expended
National Highway Traffic Safety Administration					
State and Community Highway Safety (Click it to Live it & ADMIN)	Indiana Criminal Justice Institute	20.600	38799	\$ -	\$ 42,899
		20.600	47202	-	1,572
Total - State and Community Highway Safety				-	44,471
Total - Highway Planning and Construction Cluster				-	631,134
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Indiana Criminal Justice Institute	20.608	38799	-	4,311
Total - Department of Transportation				-	635,445
Department of Treasury					
Coronavirus Relief Fund					
COVID-19: Cares Act Funds	Indiana Finance Authority	21.019	None	-	2,575,543
COVID-19: Safe Recovery Site	Indiana Family and Social Services Administration	21.019	42636	-	40,553
Total - Coronavirus Relief Fund				-	2,616,096
Total - Department of the Treasury				-	2,616,096
Department of Health and Human Services					
Maternal and Child Health Services Block Grant to the States					
Wabash Avenue Pedestrian Crosswalk	Indiana Department of Health	93.994	B04-MC-30611	10,000	10,000
Total - Department of Health and Human Services				10,000	10,000
Total federal awards expended				\$ 560,558	\$ 5,267,557

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

City of Lafayette

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

City of Lafayette

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? X Yes No
 - Significant deficiency(ies) identified? X Yes None reported
3. Noncompliance material to the financial statements noted? Yes X No

B. Federal Awards

1. Internal control over federal major programs:
 - Material weakness(es) identified? Yes X No
 - Significant deficiency(ies) identified? Yes X None reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
 - Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes X No
3. Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes No

(Continued)

City of Lafayette

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

II. FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Unbilled usage for Water and WasteWater Utility

Criteria: Internal controls in place did not capture unbilled receivables and revenue for billing cycles of water and wastewater utility which include services provided in both the current and subsequent fiscal year.

Condition: Accounts receivable should be recorded for the services provided during the current year as part of the year-end process that are included in the end of the fiscal year billing cycles which include services provided in both the current and subsequent fiscal year.

Cause: Year-end billing cycles which included services provided in both current and subsequent fiscal years were not reviewed for proper financial statement cut-off and recognition.

Effect: The restatement of opening net positions was required to properly record year-end unbilled usage for Water and WasteWater Utility, in the amounts of \$624,635 and \$2,129,339, respectively. Current year adjustments for unbilled usage for Water and WasteWater Utility, totaled \$606,485 and \$1,917,607, respectively.

Recommendation: We recommend that policies and procedures including internal controls be implemented to ensure year-end unbilled usage for water and wastewater utility receivables are properly captured and recorded.

Views of responsible officials: The City's management agrees with the aforementioned finding. See management's corrective action plan.

Finding 2020-002: Capital Assets and Accounts Payable Cutoff

Criteria: Accounts payable and related capital asset additions and expenditures should be recorded when incurred. Internal controls were not in place to ensure transactions were recorded in the period when the service or goods were provided.

Condition: Accounts payable and related capital asset additions and expenditures were not properly reported in the period the service or goods were provided.

Cause: Due to timing of the receipt of approved invoices between departments, or timing of documentation supporting project completion in accordance with contract terms, certain accounts payable and related capital assets additions and expenditures were not reviewed and captured in the period which the services or goods were provided.

Effect: Material adjustments were required to properly record year-end accounts payable and capital asset additions and expenditures. This resulted in restatements to opening net position/fund balance of \$563,131, \$341,108, and \$904,239, to the Motor Vehicle Highway, TIF Creasy Central Consolidate, and Governmental Activities, respectively, as well as in adjustments in the current year of \$662,256, \$133,851 and \$796,107 to the TIF Creasy Central Consolidate, TIF McCarty (nonmajor governmental fund), and Governmental Activities, respectively.

Recommendation: We recommend that policies and, procedures and internal controls be implemented to ensure the timely review, approval and receipt of invoices between departments in order to properly capture year-end accounts payable and capital asset additions and expenditures.

Views of responsible officials: The City's management agrees with the aforementioned finding. See management's corrective action plan.

City of Lafayette

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

II. Financial Statement Findings (Continued)

Finding 2020-003: Property Tax Levy Receivable and Deferred Inflow of Resources

Criteria: Internal controls were not in place to ensure property tax receivables are recognized in the period when an enforceable legal claim to the assets arise and the related deferred inflows are recognized when resources are reported before the period for which property taxes are levied.

Condition: In Indiana, the enforceable legal claim date occurs in the year prior to the year for which property taxes are levied. Therefore, property tax receivables and the related deferred inflows of resources should be recognized for the property tax levy that is passed in December 2020 for the following year.

Cause: Improper implementation of GASB 33, Accounting and Financial Reporting for Nonexchange Transactions. Subsequent guidance issued by the Indiana State Board of Accounts, in accordance with Governmental Accounting Standards Board (GASB), clarified the position on reporting of taxes receivable and related revenues and deferred inflows of resources for taxes collected by the State of Indiana.

Effect: Material adjustments were required to properly record year-end property tax receivables and deferred inflows of resources for the tax levy passed in December of 2020, in the amount of \$49,785,143.

Recommendation: We recommend policies, procedures, and internal controls, be implemented to ensure that management annually reviews and records a receivable and related deferral for each property tax levy impacting the City's financial statements.

Views of responsible officials: The City's management agrees with the aforementioned finding. See management's corrective action plan.

Finding 2020-004: Fund Balance Classification and Presentation

Criteria: Controls were not in place to properly classify certain fund types and fund balance classifications in accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Condition: The Rainy day fund (stabilization fund) and Railroad fund were incorrectly classified as special revenue funds and the related fund balances for those funds were not properly classified.

Cause: Improper implementation of GASB 54. Subsequent guidance issued by the Indiana State Board of Accounts, in accordance with GASB, suggested the review of funds created by Indiana code, such as the Rainy day fund, or through local ordinances or resolutions, and the need for additional analysis to make final determination of the proper reporting of those funds in accordance with generally accepted accounting principles in the United States of America (GAAP).

Effect: The opening fund balance of the General fund was restated in the amount of \$5,788,614 to reflect the combining of the Rainy day and Railroad funds within the General fund.

Recommendation: We recommend policies, procedures, and internal controls, be implemented to ensure that management reviews all existing and new fund classifications and presentation for proper reporting in accordance with GASB 54.

Views of responsible officials: The City's management agrees with the aforementioned finding. See management's corrective action plan.

City of Lafayette

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

II. Financial Statement Findings (Continued)

Finding 2020-005: Bond Premium and Discount Amortization

Criteria: Controls were not in place to ensure bond premium and discount amortization was calculated using the effective interest method.

Condition: GASB 62 requires bond premiums and discounts be amortized using the effective interest method, but the City was amortizing bond premiums and discounts on a straight-line method over the life of the bonds.

Cause: Historical bond premium and discount amortization schedules were not reviewed by management to ensure calculation methods were in accordance with GAAP.

Effect: The opening net position of the WasteWater Utility fund and Business Type Activities were restated by \$2,033,738 to adjust to unamortized bond premium and discounts balances using the effective interest method.

Recommendation: We recommend policies, procedures, and related controls be implemented to ensure bond premium and discount amortization is calculated using the effective interest method.

Views of responsible officials: The City's management agrees with the aforementioned finding. See management's corrective action plan.

Finding 2020-006: Employer Contributions to Pension Plan Subsequent to Measurement Date

Criteria: Controls were not in place to ensure employer contributions subsequent to the measurement date of the net pension liability for three cost sharing multiple-employer plans with annual valuations as of June 30, were reported as a deferred outflow of resources related to pensions.

Condition: Contributions to a pension plan, from the employer, subsequent to the measurement date of the net pension liability and before the end of the reporting period, should be reported as a deferred outflow of resources related to pensions in accordance with GASB 68.

Cause: Year-end adjustments to record pension contributions subsequent to measurement date as deferred outflows of resources related to pensions were not captured.

Effect: Year-end deferred outflows of resources related to pensions could be misstated if contributions subsequent to the measurement date are not properly identified and captured in the financial statements.

Recommendation: We recommend appropriate controls be implemented to ensure any employer contributions subsequent to the measurement date of the net pension liability and before the end of the reporting period are identified and properly reported.

Views of responsible officials: The City's management agrees with the aforementioned finding. See management's corrective action plan.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters to report.

City of Lafayette

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020**

There were no findings reported in the prior year.



Finding 2020-001: Unbilled usage for Water and WasteWater Utility

OFFICE OF THE CONTROLLER

Corrective Action Plan:

The City has adopted additional year-end processes to analyze all bill sets generated by the Utility Billing Office for which the billed service period crosses the end of the City's fiscal year. Accounts receivable will be recorded and related revenues recognized in the appropriate fiscal period for billing cycles which cross fiscal years.

Individual Responsible:

Jeremy Diehl, Controller

Anticipated date of completion:

March 2022

Finding 2020-002: Capital Assets and Accounts Payable Cutoff

Corrective Action Plan:

Policies and procedures will be reinforced to ensure the timely receipt and review of invoices and documentation to support project completion dates to contract deliverables. The City has pursued increased communication with, and education of department staff concerning year-end procedures, and stressed importance of timely submission of invoices allocable to expiring year in order to capture year-end accounts payable and capital asset additions and expenditures.

Individual Responsible:

Jeremy Diehl, Controller

Anticipated date of completion:

March 2022

Finding 2020-003: Property Tax Levy receivable and deferral recognition

Corrective Action Plan:

The City has adopted additional year-end processes to annually review and recognize levied property taxes as imposed nonexchange revenues in the year levied. City will record property tax receivable along with related deferral for each property tax levy impacting the City's financial statements.

Individual Responsible:

Jeremy Diehl, Controller

Anticipated date of completion:

March 2022



Finding 2020-004: Fund Balance Classification and Presentation
OFFICE OF THE CONTROLLER

Corrective Action Plan:

The City has adopted additional year-end processes to annually review and approve existing and new fund classifications and presentations for proper reporting in accordance with GASB 54.

Individual Responsible:

Jeremy Diehl, Controller

Anticipated date of completion:

March 2022

Finding 2020-005: Bond Premium and Discount Amortization

Corrective Action Plan:

The City has adopted additional processes to ensure prior bond premium and discount amortizations schedules and future bond issuance premiums and discounts are calculated using the effective interest method.

Individual Responsible:

Jeremy Diehl, Controller

Anticipated date of completion:

March 2022

Finding 2020-006: Employer Contributions to Pension Plan Subsequent to Measurement Date

Corrective Action Plan:

The City has adopted additional year-end processes to annually review and record any employer contributions made subsequent to the measurement date of the net pension liability and before the end of the reporting period in the City's financial statements as deferred outflows of resources related to pensions.

Individual Responsible:

Jeremy Diehl, Controller

Anticipated date of completion:

March 2022