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May 17, 2023

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, 2021 to December 31, 2021. 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, 2021, 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 report. The findings appear on pages 10-12 of the Single Audit Report (Compliance 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 report.

In addition to the report presented herein, a Supplemental Report for the City of Lafayette was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA
Deputy State Examiner



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING ON DECEMBER 31, 2021

CITY OF LAFAYETTE, INDIANA

Tony Roswarski, Mayor
Jeremy Diehl, City Controller
Jenna Karle, Deputy Controller
Cindy Murray, Clerk

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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

April 12, 2023

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 annual comprehensive financial report (“annual report”) of the City of Lafayette, Indiana (“City”) for the year ended December 31, 2021 is submitted herewith. 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 70,835 residents and roughly 44,672 live in nearby West Lafayette, Indiana. The City sits alongside Interstate 65, approximately 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 599,999). 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, maintenance of city parks and provision of 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

Despite the many adverse impacts brought by the COVID-19 pandemic, Lafayette and the surrounding area have proven resilient, and continue to be one of the fastest growing communities in Indiana. The Indiana Chamber of Commerce celebrated Greater Lafayette as the 2021 community of the year! 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 benefits from its proximity to these economic generators. With these beneficial factors, low unemployment 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. 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 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. Despite global microchip shortages, which have impacted the auto industry, SIA has maintained a workforce of over 5,600 associates. In 2021, SIA broke ground on a \$58 million, 500,000 sq. ft. warehouse that will help smooth the supply chain of parts and

CITY OF LAFAYETTE ACFR

materials to ensure timely delivery. The project will create an additional 65 jobs when complete.

The appealing factors that have brought success to local economic anchors like SIA have also drawn businesses that supply them and other manufacturers/companies. Heartland Automotive and its 225 employees, Toyota Tsusho and others are examples of businesses locating in Lafayette to benefit from proximity to customers like SIA. Most recently Ryder Integrated Logistics announced a \$5 million expansion to support operations for SIA that will add 80 new jobs when complete in 2022. 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 already is attracting 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 business operations. 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. With its 1,900 employees, Caterpillar is another one of the areas' largest employers maintaining steady employment and growth that provides 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.

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Technology and innovation are being supported by MatchBOX Coworking Studio, which is home to nearly 300 members 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 ideas. MatchBOX has pivoted during the pandemic to offer programs and assistance online to support entrepreneurship and small business development. Other tech related startups such as Passageways have successfully established locations in downtown Lafayette. The Antique Candle Co., with an almost exclusively online customer base and large social media following, became a successful multi-million dollar business during the pandemic. Antique Candle Co. exceeded \$5 million in sales in 2021 and has purchased a 20,000 sq. ft. facility to enable further 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, and 99 luxury apartments. Pullman Station is a \$12 million mixed-use development with 77 apartments and 7,900 sq. ft. of commercial space. 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. Its situation on S. 4th Street site makes it a key development at the southern gateway to downtown. The Ellsworth, with its 91 apartments and 2,000 sq. ft. of retail/office space, broke ground in 2021 and opened in fall of 2022. The Luna, to be located at 631 Main Street, is another mixed-use project with 99 apartments, 20,000 sq. ft. of retail/office space and 150 parking spaces. The historic Haywood printing building was 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 2021, the City transferred a nearly three-acre site on the edge of downtown for private development and investment that will feature commercial/office space, rental housing, duplexes, townhomes and single-family owner-occupied housing. This investment of over \$12 million puts the once vacant land back into productive use. Former portions of abandoned rail corridor are being solicited for development of single-family owner-occupied homes and infill development. Other projects are in the conceptual stage and planned for subsequent years.

In addition to new construction, several historic landmark buildings are finding new lives as adaptive reuse projects such as the historic Journal & Courier building, originally constructed in 1921, now converted into The Press Apartments, comprising 56 residential rental units along with first floor commercial space. Other developers are looking to construct similar projects in and around downtown.

The City of Lafayette continues to make significant investments to improve the quality of life for residents and visitors. For 2019 through 2021, the City of Lafayette is completing an additional \$7 million of streetscape investment in areas such as along 3rd Street and the east end of downtown on Main Street as well as 8th and Main Streets. The streetscape improvements bring an enhanced pedestrian and consumer experience and have proven to raise property values. The city has completed renovations to the Myers

CITY OF LAFAYETTE ACFR

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 \$10 million in improvements over the coming years. With the 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 \$40 million grant from the Lilly Endowment and includes Purdue University and Ivy Tech Community College as major partners.

In 2020, the City of Lafayette embarked on planning and designing the new municipal public safety building with a 465 space-parking garage for city employees and public parking. At a cost of approximately \$52 million, it is slated to be complete in the first quarter of 2023. In 2019, the city commenced construction on the \$10.5 million Murdock Park water storage tank and pump station. This project adds 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.

To meet a growing residential base and its housing needs, the City of Lafayette is looking to expand its water and wastewater network to open up over 4,000 acres of land for future housing. Lafayette is also participating in a region wide housing study to find creative ways to encourage more housing and more housing types to meet demand and provide a range of options and affordability.

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Several new hotels have recently opened or are under construction including a 180 room \$15 million Drury Inn that opened in late 2021 and Home Away 2 and Residence Inn which opened 2019 on the east side of Lafayette. Though the pandemic has significantly slowed the hospitality industry throughout the country, business is back to pre-pandemic levels in Lafayette, with a new Tru Hotel planned for the east side that will open in 2023. 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. In 2018, the Northend Community Center opened to serve the north end of Lafayette with comprehensive recreational, meeting, and social service space. A \$15 million project, the center has over a dozen partners that provide services for infants to senior citizens in a variety of ways to help all reach and attain their potential. In addition, a new \$30 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. The YMCA is one of a kind in that it features among peer 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.

Greater Lafayette including the City of Lafayette was awarded by the State of Indiana a \$30 million READI grant for economic and talent attraction and retention efforts. Projects include a new \$25 million regional airport terminal and runway improvements, several workforce development initiatives, expansion of childcare services, housing planning and development and infrastructure improvements.

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 park and recreation system, with a zoo, waterpark, and a baseball stadium that was complete reconstructed. The new stadium is a \$20 million investment that was completed in 2021 and features 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 the local Prospect League team, the Aviators, but also as a multi-use event space for other sporting activities, concerts and entertainment. More

CITY OF LAFAYETTE ACFR

than \$40 million in total is being invested in Columbian Park for key parts of its Master Plan including upgrades and new water slides added at Tropicanae 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.

Lafayette has a strong foundation for economic growth. Cooperation between the City and its local partners, the City of West Lafayette, Tippecanoe County, and Purdue University, has strengthened that foundation, and provides an environment for commerce to thrive, and residents to live enriched lives. City leaders remain engaged with both major industry and small businesses, especially during challenging times, to understand their needs and help best position them for success. The City of Lafayette is continuously seeking to improve its services, facilities, and reputation as a premier community offering 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 for either approval or acknowledgment. Additional appropriations for funds approved by the Redevelopment Commission do not require DLGF approval. The deadline for

CITY OF LAFAYETTE ACFR

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%.

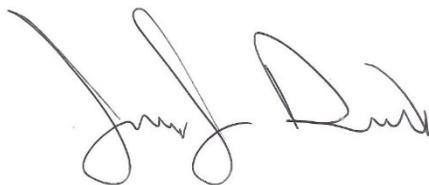
In March 2008, the State of Indiana General Assembly enacted property tax reform legislation which made significant changes in the property tax system by capping the amount of property taxes at 1% of grossed assessed value for residential homesteads, 2% for agricultural/rental properties, and 3% for all other real and personal property. This legislation was phased in over a two-year period beginning in 2009. The loss of property tax revenue due to this legislation has been offset by cost savings and by local option income taxes adopted by the City to enable continued provision of essential services to City residents, 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, 2020. This was the third consecutive year the City has received this prestigious award.

Successful preparation of this report would not have been possible without the dedication and supportive leadership of Mayor Tony Roswarski, city officials, council members, department directors and their fiscal officers, and staff of the Controller's Office. Special appreciation is extended to Deputy Controller, Jenna Karle, and Accounting Manager, Rebecca Conner for their extraordinary efforts.

Sincerely,



Jeremy J. Diehl
City Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lafayette
Indiana**

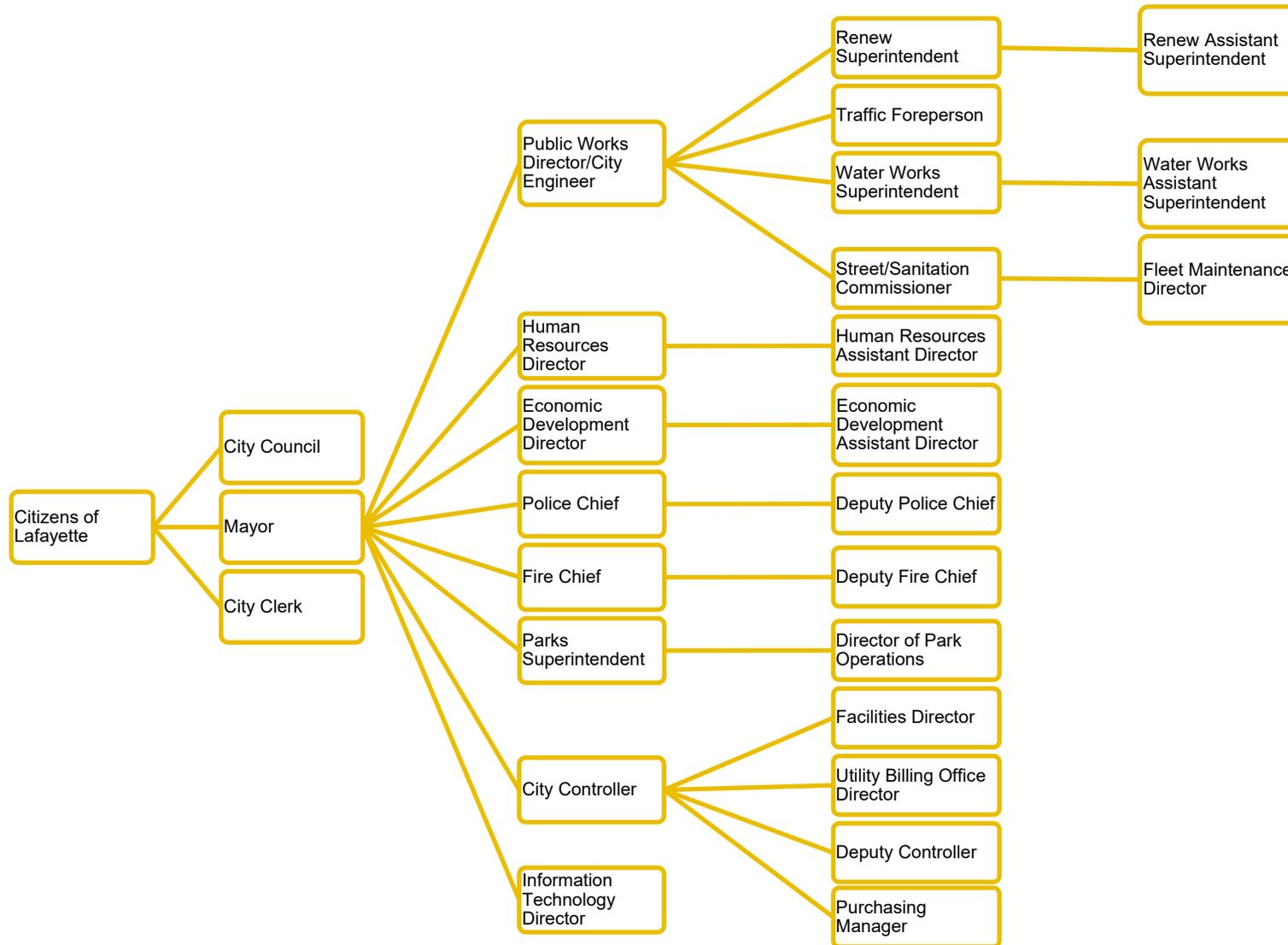
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATION OF CITY GOVERNMENT





Listing of Elected Officials

December 31, 2021

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

Listing of City Councilors

December 31, 2021

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, 2021

Name	Position
Pat Flannelly	Police Chief
Richard Doyle	Fire Chief
Jeremy J. Diehl	Controller
Jenna Karle	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
Kurt Sinks	Police Pension Secretary
Michael Moran	Fire Pension Secretary



**Boards, Commissions, and Committees
December 31, 2021**

**Board of PublicWorks &
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
Jake Gray
Bob Metzger
Dick Murray
Carlynn Smith
Dave Williams

Parking Commission

Scott Anderson
John Collier
Jeromy 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
Kara Boyles
Susan Brouillette
Michelle Reynolds
Stephen Smith
Cassie Wade
Joel Wright
Chad Young
Nohemi Lugo

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

RSM US LLP

Officials of the City of Lafayette
Tippecanoe County, Indiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lafayette (City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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 unit, each major fund, and the aggregate remaining fund information of the City of Lafayette, as of December 31, 2021, 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.

We did not audit the financial statements of Greater Lafayette Public Transportation Corporation, which represents 100% of the total assets, net position, and revenues of the discretely presented component unit as of December 31, 2021. 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 Greater Lafayette Public Transportation Corporation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note IV J of the financial statements, the January 1, 2021, net position of the Governmental Activities, Business-type Activities, Water Utility major fund, Wastewater Utility major fund, and the fund balance of the TIF Creasy Central Consolidate major fund, and aggregate remaining fund information, have been restated, for the correction of errors. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis (pages 20-32), pension plan schedules of changes in the city's and discretely presented component unit'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 109-126) be presented to supplement basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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, fiduciary fund descriptions, combining financial statements – fiduciary funds, budgetary comparison schedules – other nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
April 12, 2023



Management's Discussion and Analysis

The Management of the City of Lafayette, Indiana (City) provides herewith this Management's Discussion & Analysis (MD&A) of the financial activities and the general condition of the City for the fiscal year (FY) ended December 31, 2021.

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 \$485,907,269 as of December 31, 2021, an increase of \$52,443,481 or 12% over FY 2020, when including the restatement.
- Governmental Activity net position was \$239,980,032 as of December 31, 2021.
- Governmental Activity net position increased \$33,722,165 including restatement or 16.4% in FY 2021.
- Business-type activity net position was \$246,927,237 as of December 31, 2021.
- Business-type activity net position increased \$18,721,316 or 8.2% in FY 2021.
- Government wide assets as of December 31, 2021 were \$888,237,955 an increase of \$111,702,198 or 14.3% as compared to December 31, 2020.
- Government wide deferred outflows were \$18,889,486 as of December 31, 2021, as compared to \$8,530,624 as of December 31, 2020.
- Government wide liabilities were \$340,664,944 as of December 31, 2021, as compared to \$293,423,740 as of December 31, 2020.
- Government wide deferred inflows were \$80,555,228 as of December 31, 2021, as compared to \$58,178,853 as of December 31, 2020.
- Government wide Revenue totaled \$149,966,644 in FY 2021, compared to \$150,541,219 as of December 31, 2020 a decrease of .3%.
- Government wide Expenses totaled \$107,787,656 in FY 2021 compared to \$111,297,854 in FY 2020 a decrease of 3.1%.

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's Discussion and Analysis
For the Year Ended December 31, 2021
(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, 2021. 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, 2021. 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 or CityBus), which is a legally separate unit for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(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, 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. Cost of 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's Discussion and Analysis
For the Year Ended December 31, 2021
(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 2021, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$485,907,269 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 \$438,866,504 or 90.3% 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 2020 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 177,272	\$ 109,493	\$ 75,236	\$ 67,361	\$ 252,508	\$ 176,854	\$ 11,990	\$ 11,521
Capital assets (net)	319,426	287,726	316,304	311,956	635,730	599,682	29,220	27,066
Total assets	496,698	397,219	391,540	379,317	888,238	776,536	41,210	38,587
Deferred outflows	14,147	6,791	4,742	1,740	18,889	8,531	1,296	864
Current liabilities	25,929	17,883	16,034	14,761	41,963	32,644	950	1,625
Noncurrent liabilities	169,822	125,807	128,880	134,973	298,702	260,780	1,524	3,729
Total liabilities	195,751	143,690	144,914	149,734	340,665	293,424	2,474	5,354
Deferred inflows	76,114	55,062	4,441	3,117	80,555	58,179	5,421	849
Net position	\$ 238,980	\$ 205,258	\$ 246,927	\$ 228,206	\$ 485,907	\$ 433,464	\$ 34,611	\$ 33,248
Net investment in capital assets:	\$ 241,099	\$ 228,069	\$ 197,767	\$ 183,781	\$ 438,866	\$ 411,850	\$ 29,168	\$ 26,262
Restricted	78,410	18,297	22,598	18,518	101,008	36,815	1,082	1,808
Unrestricted	(80,529)	(41,108)	26,562	25,907	(53,967)	(15,201)	4,361	5,178
Total net position	\$ 238,980	\$ 205,258	\$ 246,927	\$ 228,206	\$ 485,907	\$ 433,464	\$ 34,611	\$ 33,248

A portion of the City's net position, approximately 15.1% in FY 2021, represents resources that are subject to external restrictions and are therefore not available for general activities. At the close of fiscal year 2021, the City is able to report a positive net position for governmental activities, business-type activities, and government-wide activities. In 2021, the government-wide net position with restatement increased by \$52,443,481 or 12%.

City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

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

City of Lafayette
CHANGES IN NET POSITION
(amounts expressed in thousands)

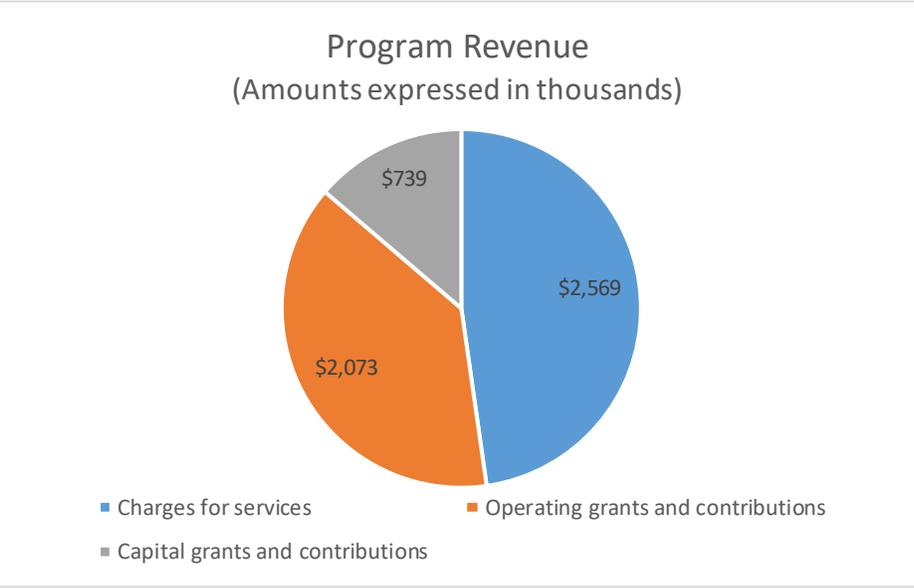
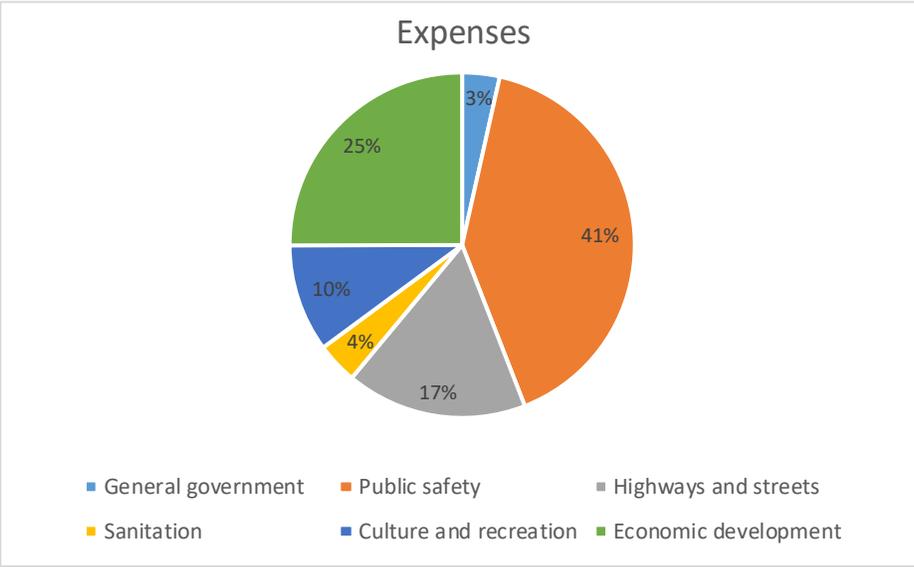
	Governmental Activities		Business-type Activities		Total		Component Units	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues:								
Program revenues:								
Charges for services	\$ 2,569	\$ 1,594	\$ 50,860	\$ 49,036	\$ 53,429	\$ 50,630	\$ 3,309	\$ 3,178
Operating grants and contributions	2,073	4,825	-	-	2,073	4,825	6,703	8,715
Capital grants and contributions	739	816	3,037	3,701	3,776	4,517	4,202	2,117
General revenues:								
Property taxes	56,504	51,083	-	-	56,504	51,083	2,811	2,654
Intergovernmental revenues	29,365	29,233	-	-	29,365	29,233	978	991
Payment in lieu of taxes	2,560	2,560	-	-	2,560	2,560	-	-
Investment earnings	66	300	9	519	75	819	13	29
Other	1,532	5,927	651	948	2,183	6,875	27	-
Total revenues	95,408	96,338	54,557	54,204	149,965	150,542	18,043	17,684
Expenses:								
General government	\$ 2,551	\$ 3,729	\$ -	\$ -	\$ 2,551	\$ 3,729	\$ -	\$ -
Public safety	29,569	33,588	-	-	29,569	33,588	-	-
Highways and streets	12,360	10,603	-	-	12,360	10,603	-	-
Sanitation	2,812	3,139	-	-	2,812	3,139	-	-
Culture and recreation	7,338	6,174	-	-	7,338	6,174	-	-
Economic development	18,230	18,181	-	-	18,230	18,181	-	-
Water Utility	-	-	9,349	9,336	9,349	9,336	-	-
Wastewater Utility	-	-	25,560	26,081	25,560	26,081	-	-
Parking Operations	-	-	492	468	492	468	-	-
City Bus	-	-	-	-	-	-	16,680	15,067
Total expenses	72,860	75,414	35,401	35,885	108,261	111,299	16,680	15,067
Change in net position	22,548	20,924	19,156	18,319	41,704	39,243	1,363	2,617
Net position, beginning	205,258	185,238	228,206	205,099	433,464	390,337	33,248	30,631
Prior period adjustment	11,174	(904)	(435)	4,788	10,739	3,884	-	-
Net Position, ending	\$ 238,980	\$ 205,258	\$ 246,927	\$ 228,206	\$ 485,907	\$ 433,464	\$ 34,611	\$ 33,248

Governmental Activities

Governmental Activities increased the City's net position by \$33,722,165 in 2021, net of prior period adjustment. General Property and Other Tax revenue received represented 90% of total Governmental revenues. Charges for services totaled \$2,569,239 in 2021, representing 2.6% of total Governmental revenues. Expenses totaled \$72,388,457 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 \$5.55 million, \$2.83 million decrease in grants and contributions for both operating and capital purposes, and a reduction in governmental activities expenses of \$3.03 million attributable to continued budget control initiatives and difficulties in staffing and procurement.

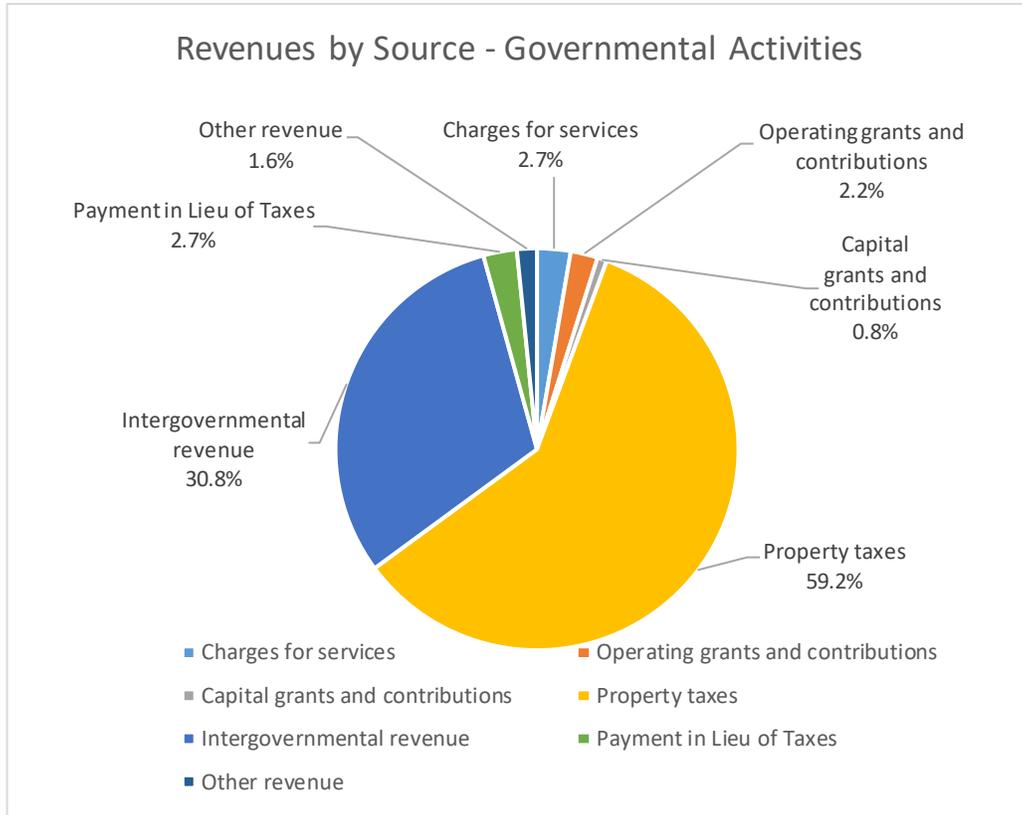
City of Lafayette
 Management's Discussion and Analysis
 For the Year Ended December 31, 2021
 (Continued)



City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Expenses & Program Revenues – Governmental Activities

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

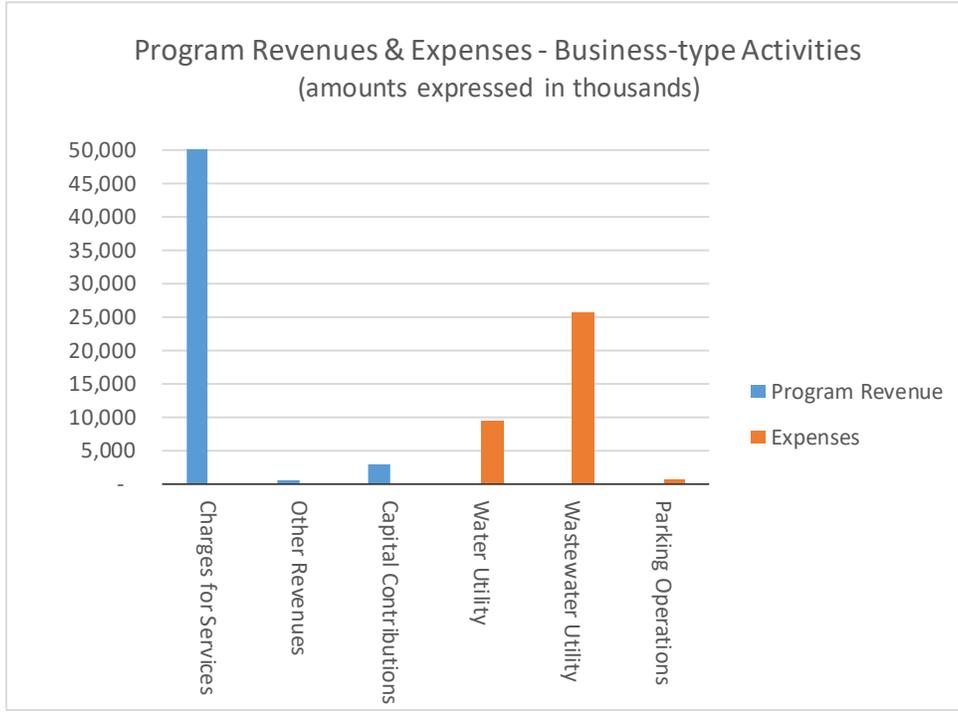


Business-type Activities

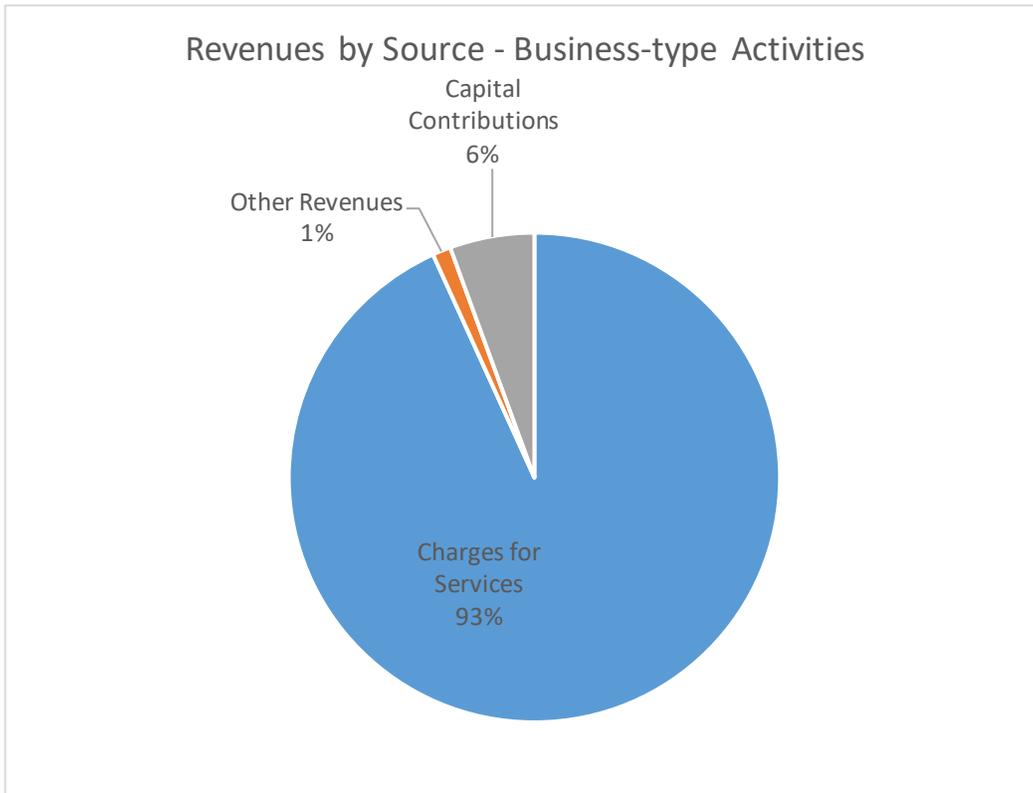
Business-type activities increased the City's net position \$18,721,316 in 2021, net of prior period adjustment, compared to an increase of \$23,106,760 for FY 2020. A key factor leading to the increase is primarily attributable to capital contributions of water and wastewater infrastructure.

City of Lafayette
 Management's Discussion and Analysis
 For the Year Ended December 31, 2021
 (Continued)

The following chart illustrates the expenses and program revenues of the City's Business-type Activities for FY 2021:



The following chart displays the revenue composition for the City's Business-type Activities for FY 2021:



City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(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 \$86,300,538 an increase of 131.6% from FY 2020. The General Fund balance of \$13,412,134 comprises 15.5% of the total funds balance. As of December 31, 2021, the General Funds unassigned fund balance of \$13,412,134 represented an increase of \$2,904,406 or 27.6% from FY 2020. Overall, the activity within the General Fund was reasonably consistent with the prior year. Both revenues and expenses increased, with property tax revenue growth outpacing increased public safety expenditures. The Rainy Day Fund, and Railroad Fund are presented as part of the General Fund for purposes of the 2021 report. The 2021 balance of the Rainy Day Fund is \$6,289,212. The balance of Railroad fund is \$221,619. The remaining balance of \$6,901,303 belongs to the General fund.

The non-major governmental fund balance of \$23,462,848 is 27.1% of total governmental fund balances and includes a restricted balance of \$22,996,544, a committed fund balance of \$479,661, and an assigned fund balance of (\$13,357). The Redevelopment Authority Fund balance of \$42,978,151 is 49.6% of total governmental fund balances and the entire fund balance for this fund is restricted. The Redevelopment Authority Fund balance increased by \$40,073,232 primarily as a result of bonds issued for construction of a new public safety building. The Consolidated Central TIF Fund balance of \$6,447,455 is 7.4% of total governmental fund balance and the entire balance is restricted. The Consolidated Central TIF balance increased by \$2,437,831 as a result of increased property tax revenues. The Consolidated Central TIF funds many economic development projects.

The following table reflects the fund balance for Governmental Funds:

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

	2021		2020	
General	\$ 13,412	15.5%	\$ 10,508	26.8%
Redevelopment Authority	42,978	49.8%	2,905	7.4%
TIF Creasy Central Consolidated	6,447	7.5%	4,416	11.2%
Other	23,463	27.2%	21,429	54.6%
Total governmental funds	\$ 86,300	100.0%	\$ 39,258	100.0%

As shown in the preceding table for Revenues by Source – Governmental Activities fiscal year 2021, property taxes and other local taxes accounted for 79.2% of total revenues and served as the primary sources of revenue while capital outlays, personal services and other services and charges were the largest expenditures by object classification. The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund stood at \$13,412,134. 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 \$13,412,134 represents 33.4% of the total General Fund expenditures in FY 2021. The total cash and investment balance of the governmental funds increased by \$47,448,734 which includes substantial bond proceeds for the new Public Safety Building, and the impact of aforementioned staff shortages.

City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

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 \$(5,512,150) and \$31,423,122, respectively, at the end of the fiscal year. Total net position in the Water Utility Fund increased \$5,106,492, including prior period restatement. In 2021, water charges for service were \$11,566,885, which exceeded operating expenses of \$8,203,896. Total net position in the Wastewater Utility Fund increased \$12,594,423, 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 increased the City's net position by \$1,020,401.

General Fund Budgetary Highlights

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

City of Lafayette
GENERAL FUND BUDGETARY HIGHLIGHTS
(amounts expressed in thousands)

	Original	Final	Actual Budgetary Basis	Variance
Revenues	\$ 41,208	\$ 41,208	\$ 43,014	\$ 1,806
Expenditures	41,697	41,697	40,110	(1,587)
Surplus (deficit)	<u>\$ (489)</u>	<u>\$ (489)</u>	<u>\$ 2,904</u>	<u>\$ 3,393</u>

General Fund revenue was originally budgeted at \$41,208,424 for fiscal year 2021. 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 2021.

During 2021, the General Fund collected \$43,014,593 in revenue on a budgetary basis, which was \$1,806,169 more than originally budgeted revenue. The increase was a result of greater property tax and intergovernmental revenue than originally budgeted.

General Fund expenditures were originally budgeted at \$41,696,794 for fiscal year 2021. During the year, the General Fund expenditure budget was unchanged. Actual expenditures for fiscal year 2021 were \$40,110,187, which was \$1,586,607 less than the final expenditure budget amount.

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

City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Capital Asset and Debt Administration

As of December 31, 2021, the City's government-wide capital assets were valued at \$635,729,342 net of accumulated depreciation, an increase of \$36,046,970 or 6%, over values on December 31, 2020. The aggregate value of capital assets related to governmental activities amounted to \$319,425,833, net of depreciation, while the aggregate value of capital assets related to business type activities totaled \$316,303,509.

Construction in Progress totaled \$103,733,187, a decrease of \$56,892,641 from the prior year end, as the City continued to progress and complete significant infrastructure improvements throughout the City.

Capital assets in land, buildings and systems, improvements, machinery and equipment, and infrastructure including roads and highways, totaled \$452,475,714, an increase of \$13,419,170, net of depreciation, since December 31, 2020.

At December 31, 2021, the net value of Infrastructure \$381,630,976 was the major asset class, followed by buildings \$35,895,609 and machinery and equipment \$24,328,533.

Total depreciation expense was \$19,343,932 for 2021, compared to \$15,845,464 for 2020. Depreciation expense was \$8,806,453 for governmental activities and \$10,537,479 for business-type activities in 2021.

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	
	2021	2020	2021	2020	2021	2020
Land	\$ 75,863	\$ 73,539	\$ 3,658	\$ 3,285	\$ 79,521	\$ 76,824
Buildings	39,625	33,792	20,439	19,289	60,064	53,081
Improvements other than buildings	8,720	7,592	609	573	9,329	8,165
Machinery and equipment	11,529	11,092	85,453	83,656	96,982	94,748
Vehicles	20,358	19,874	5,950	5,495	26,308	25,369
Infrastructure	239,868	194,422	290,024	229,490	529,892	423,912
Construction in progress	58,861	70,812	44,872	89,814	103,733	160,626
Less: accumulated depreciation	<u>(135,398)</u>	<u>(123,397)</u>	<u>(134,701)</u>	<u>(119,646)</u>	<u>(270,099)</u>	<u>(243,043)</u>
Total capital assets	<u>\$ 319,426</u>	<u>\$ 287,726</u>	<u>\$ 316,304</u>	<u>\$ 311,956</u>	<u>\$ 635,730</u>	<u>\$ 599,682</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's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Long-term debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$123,334,523 related to governmental activities and \$136,085,979 related to business-type activities. Of this amount, \$11,588,171 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 11,588	\$ 12,104	\$ -	\$ -	\$ 11,588	\$ 12,104
Capital leases	729	1,562	-	-	729	1,562
Notes & loans payable	-	-	-	851	-	851
Revenue bonds	111,017	56,676	135,619	137,100	246,636	193,776
Total long-term debt	\$ 123,334	\$ 70,342	\$ 135,619	\$ 137,951	\$ 258,953	\$ 208,293

The City's long-term debt for governmental activities increased by \$52,992,410 during FY 2021. The City's new long-term debt issued of \$64,185,000 was offset by principal payments of \$4,587,228 of other long-term debt issues. Additional information of the City's long-term debt can be found in Note III E.

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 2021, the City lost approximately \$2,799,444 in property tax levy due to circuit breaker credits. Since 2010 the City has realized approximately \$21,825,240 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. As the trust grows, so should cost savings resulting from economies of scale, affording the City and other trust participants more affordable healthcare coverage for 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 budget impact of potential fuel price volatility has been moderated.

City of Lafayette
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Economic Trends

The City's future growth will depend on continued economic growth. The City and the Tippecanoe County area one of the fastest growing areas 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 a moderate increase in the 2021 budget, with a goal of 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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 47,983,770	\$ 44,558,587	\$ 92,542,357	\$ 5,015,801
Cash with fiscal agent	8,106,237	-	8,106,237	-
Receivables, net:				
Loans	41,453	-	41,453	-
Taxes	52,533,295	-	52,533,295	2,913,675
Accounts	687,654	6,927,896	7,615,550	135,310
Intergovernmental	4,654,684	-	4,654,684	1,713,284
Inventories	489,110	951,535	1,440,645	494,197
Prepaid items	826,923	200,400	1,027,323	161,314
Total current assets	<u>115,323,126</u>	<u>52,638,418</u>	<u>167,961,544</u>	<u>10,433,581</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	50,522,716	16,609,926	67,132,642	1,557,187
Investments	-	5,987,738	5,987,738	-
Net pension asset	11,426,689	-	11,426,689	-
Total restricted assets	<u>61,949,405</u>	<u>22,597,664</u>	<u>84,547,069</u>	<u>1,557,187</u>
Capital assets:				
Land and construction in progress	134,723,762	48,529,865	183,253,627	5,331,748
Other capital assets, net of depreciation	184,702,071	267,773,644	452,475,715	23,888,382
Total capital assets	<u>319,425,833</u>	<u>316,303,509</u>	<u>635,729,342</u>	<u>29,220,130</u>
Total noncurrent assets	<u>381,375,238</u>	<u>338,901,173</u>	<u>720,276,411</u>	<u>30,777,317</u>
Total assets	<u>496,698,364</u>	<u>391,539,591</u>	<u>888,237,955</u>	<u>41,210,898</u>
<u>Deferred outflows of resources</u>				
Deferred outflows related to pensions	13,183,316	1,729,623	14,912,939	1,295,817
Deferred outflows related to OPEB	785,855	592,838	1,378,693	-
Deferred charge on refunding	177,850	2,420,004	2,597,854	-
Total deferred outflows of resources	<u>14,147,021</u>	<u>4,742,465</u>	<u>18,889,486</u>	<u>1,295,817</u>
Total assets and deferred outflows of resources	<u>510,845,385</u>	<u>396,282,056</u>	<u>907,127,441</u>	<u>42,506,715</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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Liabilities</u>				
Current liabilities:				
Accounts Payable	\$ 5,056,997	\$ 1,012,377	\$ 6,069,374	\$ 331,685
Contracts payable	-	659,459	659,459	-
Accrued payroll and withholding payable	1,752,844	150,924	1,903,768	324,094
Intergovernmental payable	4,188,689	-	4,188,689	-
Accrued interest payable	1,050,196	358,000	1,408,196	-
Performance deposits payable	1,503,746	1,114,137	2,617,883	-
Unearned revenue	7,958,788	-	7,958,788	-
Customer deposits	141,407	179,428	320,835	-
General obligation bonds payable	525,000	-	525,000	-
Revenue bonds payable	3,468,000	12,560,000	16,028,000	-
Notes and loans payable	-	-	-	51,985
Capital lease obligations	283,513	-	283,513	-
Accrued compensated absences	-	-	-	210,420
Other liabilities	-	-	-	32,260
Total current liabilities	<u>25,929,180</u>	<u>16,034,325</u>	<u>41,963,505</u>	<u>950,444</u>
Noncurrent liabilities:				
General obligation bonds payable, net	11,063,171	-	11,063,171	-
Revenue bonds payable, net	107,549,355	123,058,859	230,608,214	-
Capital lease obligations	445,484	-	445,484	-
Total OPEB liability	4,424,726	3,337,952	7,762,678	-
Net pension liability	46,339,017	2,482,875	48,821,892	1,524,278
Total noncurrent liabilities	<u>169,821,753</u>	<u>128,879,686</u>	<u>298,701,439</u>	<u>1,524,278</u>
Total liabilities	<u>195,750,933</u>	<u>144,914,011</u>	<u>340,664,944</u>	<u>2,474,722</u>
<u>Deferred inflows of resources</u>				
Deferred inflows related to property tax	51,673,872	-	51,673,872	2,913,675
Deferred inflows related to pensions	22,967,857	3,329,829	26,297,686	2,507,303
Deferred inflows related to OPEB	1,472,691	1,110,979	2,583,670	-
Total deferred inflows of resources	<u>76,114,420</u>	<u>4,440,808</u>	<u>80,555,228</u>	<u>5,420,978</u>
<u>Net position</u>				
Net investment in capital assets	241,099,438	197,767,066	438,866,504	29,168,145
Restricted for:				
Debt service	2,351,224	14,978,588	17,329,812	-
Capital outlay	41,672,326	7,477,522	49,149,848	1,082,317
Economic Development	23,746,219	-	23,746,219	-
Public Safety	1,906,285	-	1,906,285	-
Street Maintenance	3,277,395	-	3,277,395	-
Parks Maintenance	1,491,645	-	1,491,645	-
Other	284,484	-	284,484	-
Pension	3,680,103	-	3,680,103	-
Customer deposits	-	141,831	141,831	-
Unrestricted	<u>(80,529,087)</u>	<u>26,562,230</u>	<u>(53,966,857)</u>	<u>4,360,553</u>
Total net position	<u>\$ 238,980,032</u>	<u>\$ 246,927,237</u>	<u>\$ 485,907,269</u>	<u>\$ 34,611,015</u>

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

CITY OF LAFAYETTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

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	2,550,714	626,356	235,128	13,500	(1,675,730)	-	(1,675,730)	-
Public safety	29,568,765	210,416	219,988	-	(29,138,361)	-	(29,138,361)	-
Highways and streets	12,360,367	23,113	-	398,228	(11,939,026)	-	(11,939,026)	-
Sanitation	2,812,287	-	-	-	(2,812,287)	-	(2,812,287)	-
Culture and recreation	7,338,389	1,687,894	-	327,674	(5,322,821)	-	(5,322,821)	-
Economic development	18,230,169	21,460	1,617,921	-	(16,590,788)	-	(16,590,788)	-
Total governmental activities	<u>72,860,691</u>	<u>2,569,239</u>	<u>2,073,037</u>	<u>739,402</u>	<u>(67,479,013)</u>	<u>-</u>	<u>(67,479,013)</u>	<u>-</u>
Business-type activities:								
Water Utility	9,348,951	11,566,886	-	1,345,458	-	3,563,393	3,563,393	-
Water Pollution	25,560,120	38,857,294	-	1,691,377	-	14,988,551	14,988,551	-
Parking Operations	492,128	436,360	-	-	-	(55,768)	(55,768)	-
Total business-type activities	<u>35,401,199</u>	<u>50,860,540</u>	<u>-</u>	<u>3,036,835</u>	<u>-</u>	<u>18,496,176</u>	<u>18,496,176</u>	<u>-</u>
Total primary government	<u>108,261,890</u>	<u>53,429,779</u>	<u>2,073,037</u>	<u>3,776,237</u>	<u>(67,479,013)</u>	<u>18,496,176</u>	<u>(48,982,837)</u>	<u>-</u>
Component unit	<u>16,680,479</u>	<u>3,309,416</u>	<u>6,703,281</u>	<u>4,202,292</u>				<u>(2,465,490)</u>
General revenues:								
Property taxes					56,503,910	-	56,503,910	3,788,506
Intergovernmental revenues					29,365,355	-	29,365,355	-
Payment in lieu of taxes					2,559,500	-	2,559,500	-
Other revenues					1,532,063	651,623	2,183,686	26,538
Investment earnings					66,341	8,749	75,090	13,284
Total general revenues					<u>90,027,169</u>	<u>660,372</u>	<u>90,687,541</u>	<u>3,828,328</u>
Change in net position					<u>22,548,156</u>	<u>19,156,548</u>	<u>41,704,704</u>	<u>1,362,838</u>
Net position - beginning					205,257,867	228,205,921	433,463,788	33,248,177
Prior period adjustment (Note IV - J)					11,174,009	(435,232)	10,738,777	-
Total net position - beginning restated					<u>216,431,876</u>	<u>227,770,689</u>	<u>444,202,565</u>	<u>33,248,177</u>
Net position - ending					<u>238,980,032</u>	<u>246,927,237</u>	<u>485,907,269</u>	<u>34,611,015</u>

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

CITY OF LAFAYETTE
BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2021

	General	Redevelopment Authority	TIF Creasy Central Consolidate	Total Nonmajor Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 15,001,560	\$ 795,570	\$ 6,637,411	\$ 24,999,239	\$ 47,433,780
Restricted cash, cash equivalents and investments	-	45,257,377	606,494	4,658,845	50,522,716
Cash with fiscal agents	-	781,861	-	7,324,376	8,106,237
Receivables, net:					
Loans	-	-	-	41,453	41,453
Taxes	25,916,879	-	13,137,150	13,479,266	52,533,295
Accounts	372,476	-	110,307	204,557	687,340
Intergovernmental	1,846,915	-	-	2,806,995	4,653,910
Total assets	<u>\$ 43,137,830</u>	<u>\$ 46,834,808</u>	<u>\$ 20,491,362</u>	<u>\$ 53,514,731</u>	<u>\$ 163,978,731</u>
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 234,514	\$ 1,944,989	\$ 778,447	\$ 1,939,484	\$ 4,897,434
Accrued payroll and withholding payable	1,653,989	-	-	98,855	1,752,844
Intergovernmental payable	-	-	-	4,188,689	4,188,689
Accrued interest payable	-	694,580	86,238	269,378	1,050,196
Unearned revenue	-	-	-	7,958,788	7,958,788
Performance deposits payable	15,000	1,217,088	32,072	239,586	1,503,746
Customer deposits	123,857	-	10,000	7,550	141,407
Total liabilities	<u>2,027,360</u>	<u>3,856,657</u>	<u>906,757</u>	<u>14,702,330</u>	<u>21,493,104</u>
Deferred Inflows of Resources:					
Unavailable revenue	<u>27,698,336</u>	<u>-</u>	<u>13,137,150</u>	<u>15,349,553</u>	<u>56,185,039</u>
Fund Balances:					
Restricted	-	42,978,151	6,447,455	22,996,544	72,422,150
Committed	-	-	-	479,661	479,661
Unassigned	13,412,134	-	-	(13,357)	13,398,777
Total fund balances	<u>13,412,134</u>	<u>42,978,151</u>	<u>6,447,455</u>	<u>23,462,848</u>	<u>86,300,588</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 43,137,830</u>	<u>\$ 46,834,808</u>	<u>\$ 20,491,362</u>	<u>\$ 53,514,731</u>	<u>\$ 163,978,731</u>

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, 2021

Fund Balance Reported in the Governmental Funds	\$ 86,300,588
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.	319,425,833
Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	991,298
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.	14,147,021
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.	4,511,167
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(123,334,524)
Net pension asset, 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.	(39,337,054)
Deferred inflows of resources do not present a claim on current financial resources and are not reported in the funds.	(24,440,548)
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.	716,251
Net Position of Governmental Activities	<u><u>\$ 238,980,032</u></u>

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

CITY OF LAFAYETTE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General	Redevelopment Authority	TIF Creasy Central Consolidate	Total Nonmajor Funds	Total Governmental Funds
Revenues:					
General property taxes	\$ 26,644,417	\$ -	\$ 13,295,887	\$ 16,978,051	\$ 56,918,355
Licenses and permits	412,509	-	-	400	412,909
Intergovernmental	12,417,679	-	-	19,092,773	31,510,452
Payment in lieu of taxes	2,559,500	-	-	-	2,559,500
Charges for services	37,355	-	-	1,850,751	1,888,106
Fines and forfeits	177,513	-	-	71,752	249,265
Capital contributions	-	-	-	230,228	230,228
Other	736,026	8,037	109,890	653,145	1,507,098
Interest and investment revenue	29,594	-	590	27,921	58,105
Total revenues	43,014,593	8,037	13,406,367	38,905,021	95,334,018
Expenditures:					
Current:					
General government	3,246,227	-	-	163,850	3,410,077
Public safety	34,314,394	-	-	2,480,167	36,794,561
Highways and streets	-	-	-	7,396,513	7,396,513
Sanitation	2,481,728	-	-	-	2,481,728
Culture and recreation	-	-	-	5,675,272	5,675,272
Economic development	-	1,500	8,329,683	6,850,550	15,181,733
Debt Service:					
Administrative charges	-	373,706	214,988	-	588,694
Interest	-	1,306,378	382,756	1,219,750	2,908,884
Principal retirement	-	1,660,000	1,584,000	1,343,229	4,587,229
Capital Outlay:					
General government	35,285	-	-	-	35,285
Public safety	32,553	-	-	589,802	622,355
Highways and streets	-	-	-	494,903	494,903
Culture and recreation	-	-	-	3,019,810	3,019,810
Economic development	-	13,125,221	2,693,900	4,794,026	20,613,147
Total expenditures	40,110,187	16,466,805	13,205,327	34,027,872	103,810,191
Excess (deficiency) of revenues over (under) expenditures	2,904,406	(16,458,768)	201,040	4,877,149	(8,476,173)
Other financing sources (uses):					
Issuance of debt	-	54,275,000	9,910,000	-	64,185,000
Payment to refunded bond escrow agent	-	-	(6,667,209)	-	(6,667,209)
Transfers in	-	2,257,000	-	-	2,257,000
Transfer out	-	-	(1,006,000)	(1,251,000)	(2,257,000)
Total other financing sources (uses)	-	56,532,000	2,236,791	(1,251,000)	57,517,791
Net change in fund balances	2,904,406	40,073,232	2,437,831	3,626,149	49,041,618
Fund Balances - beginning, as restated	10,507,728	2,904,919	4,009,624	19,836,699	37,258,970
Fund Balances - ending	\$ 13,412,134	\$ 42,978,151	\$ 6,447,455	\$ 23,462,848	\$ 86,300,588

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, 2021

Net change in fund balances - total governmental funds (statement of revenues, expenditures and changes in fund balances).	\$	49,041,618
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.		15,979,047
The net effect of change from prior year to current year of revenues that are reported as deferred inflows of resources in the fund financials because they are not available but recognized as revenue in the statement of activities.		(467,548)
The net effect of various miscellaneous transaction involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		63,571
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.		(52,814,562)
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		10,792,574
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>(46,544)</u>
Change in net position of governmental activities (statement of activities)	\$	<u><u>22,548,156</u></u>

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

CITY OF LAFAYETTE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	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	\$ 1,474,945	\$ 22,664,298	\$ 684,032	\$ 24,823,275	\$ 549,990
Depreciation cash	1,551,876	17,067,753	-	18,619,629	-
Bond and Interest cash	245,805	869,878	-	1,115,683	-
Accounts receivable, net	1,020,195	5,900,467	7,234	6,927,896	314
Inventories	309,199	642,336	-	951,535	324,735
Prepaid items	95,200	105,200	-	200,400	-
Total current assets	4,697,220	47,249,932	691,266	52,638,418	875,039
Noncurrent assets:					
Cash, cash equivalents and investments - restricted:					
Cash and cash equivalents	492,317	-	-	492,317	-
Customer deposits	141,831	-	-	141,831	-
Revenue bond covenant accounts	6,550,246	9,425,532	-	15,975,778	-
Investments	-	5,987,738	-	5,987,738	-
Total restricted assets	7,184,394	15,413,270	-	22,597,664	-
Capital assets:					
Land and construction in progress	14,346,996	33,494,838	688,031	48,529,865	-
Other capital assets, net of depreciation	39,358,689	225,604,471	2,810,484	267,773,644	-
Total capital assets	53,705,685	259,099,309	3,498,515	316,303,509	-
Total noncurrent assets	60,890,079	274,512,579	3,498,515	338,901,173	-
Total assets	65,587,299	321,762,511	4,189,781	391,539,591	875,039
Deferred Outflows of Resources					
Deferred outflows related to pensions	628,496	1,101,127	-	1,729,623	-
Deferred outflows related to OPEB	206,804	386,034	-	592,838	-
Deferred charge on refunding	-	2,420,004	-	2,420,004	-
Total deferred outflows of resources	835,300	3,907,165	-	4,742,465	-
Liabilities					
Current liabilities:					
Accounts payable	245,379	764,199	2,799	1,012,377	158,788
Contracts payable	501,316	158,143	-	659,459	-
Accrued payroll and withholding payable	53,874	93,196	3,854	150,924	-
Accrued interest payable	-	358,000	-	358,000	-
Performance deposits payable	528,987	585,150	-	1,114,137	-
Customer deposits payable	146,073	-	33,355	179,428	-
Revenue bonds payable	795,000	11,765,000	-	12,560,000	-
Total current liabilities	2,270,629	13,723,688	40,008	16,034,325	158,788
Noncurrent liabilities:					
Revenue bonds payable	16,349,247	106,709,612	-	123,058,859	-
Total OPEB liability	1,164,402	2,173,550	-	3,337,952	-
Net pension obligation	1,044,221	1,438,654	-	2,482,875	-
Total noncurrent liabilities	18,557,870	110,321,816	-	128,879,686	-
Total liabilities	20,828,499	124,045,504	40,008	144,914,011	158,788
Deferred Inflows of Resources					
Deferred inflows related to pensions	1,201,068	2,128,761	-	3,329,829	-
Deferred inflows related to OPEB	387,551	723,428	-	1,110,979	-
Total deferred inflows of resources	1,588,619	2,852,189	-	4,440,808	-
Net Position					
Net investment in capital assets	42,333,237	151,935,314	3,498,515	197,767,066	-
Restricted for:					
Debt service	1,422,605	13,555,983	-	14,978,588	-
Capital Outlay	5,619,958	1,857,564	-	7,477,522	-
Customer Deposits	141,831	-	-	141,831	-
Unrestricted	(5,512,150)	31,423,122	651,258	26,562,230	716,251
Total net position	\$ 44,005,481	\$ 198,771,983	\$ 4,149,773	\$ 246,927,237	\$ 716,251

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, 2021

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Total Nonmajor Funds		Internal Service Funds
Operating revenues:					
Metered water revenue:					
Residential	\$ 4,540,866	\$ -	\$ -	\$ 4,540,866	\$ -
Commercial	2,871,060	-	-	2,871,060	-
Industrial	1,594,720	-	-	1,594,720	-
Fire protection	2,177,961	-	-	2,177,961	-
Measured revenue:					
Residential	-	10,376,714	-	10,376,714	-
Commercial	-	6,630,580	-	6,630,580	-
Industrial	-	17,085,128	-	17,085,128	-
Stormwater	-	3,872,485	-	3,872,485	-
Parking	-	-	436,360	436,360	-
Other	382,278	892,388	-	1,274,666	380,000
<u>Total operating revenues</u>	<u>11,566,885</u>	<u>38,857,295</u>	<u>436,360</u>	<u>50,860,540</u>	<u>380,000</u>
Operating expenses:					
Supplies and services	1,554,301	-	-	1,554,301	-
Water treatment	269,392	-	-	269,392	-
Transmission and distribution	1,130,902	-	-	1,130,902	-
Pumping	56,403	-	-	56,403	-
Collection system	-	2,043,003	-	2,043,003	-
Treatment and disposal	-	4,148,466	-	4,148,466	-
Customer accounts	679,223	823,581	-	1,502,804	-
Administration and general	3,565,022	4,965,402	-	8,530,424	458,650
Stormwater operations and maintenance	-	1,609,012	-	1,609,012	-
Parking operations and maintenance	-	-	384,838	384,838	-
Bad debt	52,398	86,133	-	138,531	-
Depreciation	1,406,524	9,023,665	107,290	10,537,479	-
Change in pension, opeb and pension related	(510,269)	(952,501)	-	(1,462,770)	-
<u>Total operating expenses</u>	<u>8,203,896</u>	<u>21,746,761</u>	<u>492,128</u>	<u>30,442,785</u>	<u>458,650</u>
<u>Operating income (loss)</u>	<u>3,362,989</u>	<u>17,110,534</u>	<u>(55,768)</u>	<u>20,417,755</u>	<u>(78,650)</u>
Nonoperating revenues (expenses):					
Interest and investment revenue	2,829	5,920	-	8,749	-
Miscellaneous revenue	205,161	445,203	1,259	651,623	32,106
Interest expense	(572,055)	(1,187,719)	-	(1,759,774)	-
Bond issue expense	-	(695,640)	-	(695,640)	-
Payment in lieu of taxes	(573,000)	(1,930,000)	-	(2,503,000)	-
<u>Total nonoperating revenues (expenses)</u>	<u>(937,065)</u>	<u>(3,362,236)</u>	<u>1,259</u>	<u>(4,298,042)</u>	<u>32,106</u>
<u>Income (loss) before contributions and transfers</u>	<u>2,425,924</u>	<u>13,748,298</u>	<u>(54,509)</u>	<u>16,119,713</u>	<u>(46,544)</u>
Capital contributions	1,345,458	1,691,377	-	3,036,835	-
<u>Change in net position</u>	<u>3,771,382</u>	<u>15,439,675</u>	<u>(54,509)</u>	<u>19,156,548</u>	<u>(46,544)</u>
Total net position - beginning	38,898,989	186,177,560	3,129,372	228,205,921	762,795
Prior period adjustment (Note IV.K, J)	1,335,110	(2,845,252)	1,074,910	(435,232)	-
Total net position - beginning restated	<u>40,234,099</u>	<u>183,332,308</u>	<u>4,204,282</u>	<u>227,770,689</u>	<u>762,795</u>
Total net position - ending	<u>\$ 44,005,481</u>	<u>\$ 198,771,983</u>	<u>\$ 4,149,773</u>	<u>\$ 246,927,237</u>	<u>\$ 716,251</u>

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, 2021

	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	\$ 12,803,594	\$ 38,461,032	\$ 438,487	\$ 51,703,113	\$ 330,207
Payments to employees	(4,763,945)	(7,956,467)	(316,195)	(13,036,607)	-
Payments to suppliers	(3,356,594)	(6,599,184)	(67,666)	(10,023,444)	(389,380)
Net cash provided (used) by operating activities	<u>4,683,055</u>	<u>23,905,381</u>	<u>54,626</u>	<u>28,643,062</u>	<u>(59,173)</u>
Cash flows from noncapital financing activities:					
Nonoperating revenue	205,162	445,204	1,259	651,625	32,106
Payment in lieu of taxes	(573,000)	(1,930,000)	-	(2,503,000)	-
Net cash provided (used) by noncapital financing activities	<u>(367,838)</u>	<u>(1,484,796)</u>	<u>1,259</u>	<u>(1,851,375)</u>	<u>32,106</u>
Cash flows from capital and related financing activities:					
Proceeds from bond issuance, net of premium	-	11,278,964	-	11,278,964	-
Proceeds from bond refunding, net of discount	-	39,110,342	-	39,110,342	-
Payment to escrow for refunding	-	(38,758,484)	-	(38,758,484)	-
Bond issuance expense	-	(695,640)	-	(695,640)	-
Purchase of capital assets	(2,352,330)	(11,807,870)	(4,050)	(14,164,250)	-
Principal paid on capital debt	(775,000)	(11,438,000)	-	(12,213,000)	-
Interest paid on capital debt	(565,956)	(3,346,914)	-	(3,912,870)	-
Net cash provided (used) by capital and related financing activities	<u>(3,693,286)</u>	<u>(15,657,602)</u>	<u>(4,050)</u>	<u>(19,354,938)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	2,829	100,997	-	103,826	-
Net cash provided (used) by investing activities	<u>2,829</u>	<u>100,997</u>	<u>-</u>	<u>103,826</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	624,760	6,863,980	51,835	7,540,575	(27,067)
Balances - beginning of year	9,832,260	43,163,481	632,197	53,627,938	577,057
Balances - end of the year	<u>\$ 10,457,020</u>	<u>\$ 50,027,461</u>	<u>\$ 684,032</u>	<u>\$ 61,168,513</u>	<u>\$ 549,990</u>
Reconciliation of operating income (loss) to net cash provided (used)					
by operating activities:					
Operating income (loss)	\$ 3,362,989	\$ 17,110,534	\$ (55,768)	\$ 20,417,755	\$ (78,650)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,406,524	9,023,665	107,290	10,537,479	-
Changes in assets and liabilities:					
Accounts receivable	(52,569)	(332,974)	153	(385,390)	(266)
Inventories	(8,244)	(48,272)	-	(56,516)	(10,589)
Customer deposits payable	4,918	-	1,177	6,095	-
Pension and OPEB related deferred outflow	(327,504)	(611,343)	-	(938,847)	-
Accounts payable	22,670	243,766	1,042	267,478	30,332
Contracts payable	447,424	(1,154,597)	-	(707,173)	-
Accrued wages payable	9,612	15,760	732	26,104	-
OPEB liability	66,348	123,852	-	190,200	-
Net pension liability	(953,608)	(1,780,067)	-	(2,733,675)	-
Pension and OPEB related deferred inflow	704,495	1,315,057	-	2,019,552	-
Other payable	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 4,683,055</u>	<u>\$ 23,905,381</u>	<u>\$ 54,626</u>	<u>\$ 28,643,062</u>	<u>\$ (59,173)</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets from private contractors	\$ 1,345,458	\$ 1,691,377	\$ -	\$ 3,036,835	\$ -
Deferred charge on refunding	\$ -	\$ 2,705,339	\$ -	\$ 2,705,339	\$ -

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

CITY OF LAFAYETTE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	<u>Pension Trust Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,759,220
Total cash	1,759,220
Total assets	\$ 1,759,220
<u>Net Position</u>	
Restricted for pensions	\$ 1,759,220
Total net position	\$ 1,759,220

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, 2021

	<u>Pension Trust Funds</u>
<u>Additions</u>	
Contributions:	
State contributions	\$ 3,774,651
Miscellaneous revenue	7,000
Total additions	3,781,651
 <u>Deductions</u>	
Administration and general	19,604
Benefits	3,858,319
Total deductions	3,877,923
Net increase (decrease) in fiduciary net position	(96,272)
Net position - beginning of the year	1,855,491
Net position - end of the year	\$ 1,759,220

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

City of Lafayette

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 Unit:	Greater Lafayette Public Transportation Corporation

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body, or the component unit provides services exclusively 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.

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

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.

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.

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

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 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 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 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 improvements to promote further economic growth 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.

I Summary of Significant Accounting Policies (Continued)

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

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 investment revenue on the operating statement. Investments are reported at fair market value based upon quoted market value at year end.

2. Interfund Transactions and Balances

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

I Summary of Significant Accounting Policies (Continued)

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, 2021. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as taxes receivable on the statement of net position and are recognized as property taxes on the statement of activities. The 2021 net certified levy amounts are recognized as taxes on the fund's financial statements with an offset to deferred inflows of resources, since these amounts are not considered available.

4. Receivables

Receivables are shown net of an allowance, if any, for uncollectible balances.

5. Inventories and Prepaid Items

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

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

6. 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.

7. 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.

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

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.

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.

8. 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.

9. 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.

I Summary of Significant Accounting Policies (Continued)

10. 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 is reporting in its governmental funds deferred inflows of resources for unavailable revenues attributable to property taxes receivable for the certified levy that is approved in 2021 for the 2022 budget year, as well as other certain intergovernmental receivables. The City has both deferred outflows and deferred inflows related to their Pension Plans (see IV. Other Information Note G. Pension Plans for additional information on the City's Pension Plans) and their OPEB plan (see IV. Other Information Note F. Other Postemployment Benefits for additional information on the City's OPEB Plan). 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 Pension and OPEB Plans expected and actual experience, differences between projected and actual investment earnings on Pension Plan investments, change in Pension and OPEB Plans assumptions, and changes in the proportion and differences between employer contributions and proportionate share of contributions. The City defers recognition of losses incurred on bond refundings and reports such losses as deferred outflows of resources in the statement of net position

11. Unearned Revenue

Unearned revenue is reported in the governmental and business-type activities as well as the proprietary funds, when applicable. The availability period does not apply; however, amounts may not be considered earned due to eligibility requirements or the providing of goods and services.

12. 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 is to be used during the calendar year, and unused leave balances normally do not carry over from year to year. In special circumstances, and only with explicit approval by the Mayor, unused vacation leave up to a maximum of 5 days may be carried over 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.

13. 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.

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

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 (uses). 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.

14. 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. City Council is the governing fiscal body highest level of decision-making authority and its 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.

15. 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 Rainy Day Fund year-end balance of \$6,289,212, represents 14.4% of General Fund budgeted expenditures for 2022. In the event it is to be used, it must go through the Common Council with proper appropriation and methodology established by the Indiana Code.

Notes to Financial Statements

I Summary of Significant Accounting Policies (Continued)

16. 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.

17. Adopted Accounting Policies

During the year, the City implemented Governmental Accounting Standards Board No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The adoption did not have a significant impact on the City’s 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:

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

Capital assets, not being depreciated:	
Land	\$ 75,862,554
Construction in progress	58,861,208
Capital assets, being depreciated (net of depreciation):	
Buildings	23,118,509
Improvements other than buildings	2,067,972
Machinery and equipment	4,895,608
Vehicles	6,633,025
Infrastructure	147,986,957
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 319,425,833

Notes to Financial Statements

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

2. 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	\$ 164,375
Prepaid items	826,923
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 991,298</u>

3. 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 related to pensions	\$ 13,183,316
Deferred outflows related to OPEB	785,855
Deferred charge related to refunding	177,850
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 14,147,021</u>

4. 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>\$ 4,511,167</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 4,511,167</u>

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, net pension asset, 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	\$ (11,588,171)
Revenue bonds payable	(111,017,356)
Capital lease obligations	(728,997)
	<u>(123,334,524)</u>
Total OPEB liability	(4,424,726)
Net pension liability	(46,339,017)
Net pension asset	11,426,689
	<u>(39,337,054)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (162,671,578)</u>

Notes to Financial Statements

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

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 related to pensions	\$ (22,967,857)
Deferred inflows related to OPEB	<u>(1,472,691)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (24,440,548)</u></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	\$ 549,990
Inventories	324,735
Accounts receivable, net	314
Accounts payable	<u>(158,788)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 716,251</u></u>

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

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

Capital outlay per fund statements	\$ 24,785,500
Depreciation expense	<u>(8,806,453)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u><u>\$ 15,979,047</u></u>

2. 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	\$ (414,445)
Unavailable taxes	<u>(53,103)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u><u>\$ (467,548)</u></u>

Notes to Financial Statements

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

3. 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 this are as follows:

Loss on sale of assets	\$ (384,661)
Other miscellaneous	(291,170)
Donation of capital assets	<u>739,402</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 63,571</u>

4. 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	\$ 510,000
Revenue bonds	3,244,000
Capital leases	833,228
Net amortization of deferred charges on bond refinancing	(6,359)
Net amortization of bond discount/ premium	122,360
Debt incurred:	
Issuance of bonds	(64,185,000)
Payment to escrow for refunded bonds	<u>6,667,209</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (52,814,562)</u>

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	\$ 10,913,621
Change in OPEB liabilities and related deferred outflows and inflows of resources	<u>(121,047)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 10,792,574</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 (loss)	<u>\$ (46,544)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (46,544)</u>

Notes to Financial Statements

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, 2021, the City had deposit balances in the amount of \$174,495,156. 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. On September 6, 2016, the City's Common Council adopted a formal investment policy, which is consistent with all provisions of Indiana Code 5-13. As of December 31, 2021, 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	\$ 247,605	\$ 247,605	\$ -
Federal agency securities	3,491,667	735,898	2,755,769
U. S. Bonds & Notes	2,248,466	410,561	1,837,905
	<u>\$ 5,987,738</u>	<u>\$ 1,394,064</u>	<u>\$ 4,593,674</u>

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.

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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, 2021, the City held investments in certificates of deposit in the amount of \$247,605. The certificates of deposit were held in the City's name. Investments held in U.S. government agency securities were \$5,740,133. 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.

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.

<u>Investment Type</u>	<u>Standard & Poor's Rating</u>	<u>Fair Value</u>
Certificates of Deposit	NR	\$ 247,605
Federal Agency Securities	AA	3,491,667
U. S. Bonds & Notes	AAA	2,248,466
Total		<u>\$ 5,987,738</u>

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 (47%), federal national mortgage association (39%) and federal farm credit bank (14%).

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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.

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, 2021:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Certificates of deposit	\$ 247,605	\$ -	\$ 247,605	\$ -
Federal agency securities	3,491,667	-	3,491,667	-
U. S. Bonds & Notes	2,248,466	2,248,466	-	-
	\$ 5,987,738	\$ 2,248,466	\$ 3,739,272	\$ -

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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, 2021, component unit CityBus had deposit balances of \$6,572,988. At December 31, 2021, component unit CityBus had bank balances of \$6,960,947. 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. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

Primary Government	Beginning Balance	Restatement	Balance as Restated	Increases	Decreases	Ending Balance
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 73,538,987	\$ 2,323,567	\$ 75,862,554	\$ -	\$ -	\$ 75,862,554
Construction in progress	70,811,818	(31,656,556)	39,155,262	24,110,696	(4,404,750)	58,861,208
Total capital assets, not being depreciated	144,350,805	(29,332,989)	115,017,816	24,110,696	(4,404,750)	134,723,762
Capital assets, being depreciated:						
Buildings	33,792,098	3,475,343	37,267,441	3,039,695	(682,000)	39,625,136
Improvements other than buildings	7,591,761	1,127,894	8,719,655	-	-	8,719,655
Machinery and equipment	11,092,346	73,976	11,166,322	375,318	(12,498)	11,529,142
Vehicles	19,874,395	-	19,874,395	1,420,098	(936,530)	20,357,963
Infrastructure	194,422,267	44,341,778	238,764,045	1,104,475	-	239,868,520
Total capital assets, being depreciated	266,772,867	49,018,991	315,791,858	5,939,586	(1,631,028)	320,100,416
Less accumulated depreciation for:						
Buildings	15,773,088	242,502	16,015,590	821,807	(330,770)	16,506,627
Improvements other than buildings	6,182,874	68,907	6,251,781	399,902	-	6,651,683
Machinery and equipment	5,745,297	3,573	5,748,870	897,162	(12,498)	6,633,534
Vehicles	12,831,079	-	12,831,079	1,796,958	(903,099)	13,724,938
Infrastructure	82,865,149	4,125,790	86,990,939	4,890,624	-	91,881,563
Total accumulated depreciation	123,397,487	4,440,772	127,838,259	8,806,453	(1,246,367)	135,398,345
Total capital assets, being depreciated, net	143,375,380	44,578,219	187,953,599	(2,866,867)	(384,661)	184,702,071
Total governmental activity capital assets, net	\$ 287,726,185	\$ 15,245,230	\$ 302,971,415	\$ 21,243,829	\$ (4,789,411)	\$ 319,425,833

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Business Type Activities	Beginning Balance	Restatement	Balance as Restated	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 3,285,221	\$ 242,815	\$ 3,528,036	\$ 129,850	\$ -	\$ 3,657,886
Construction in progress	89,814,010	(50,664,777)	39,149,233	13,327,274	(7,604,528)	44,871,979
Total capital assets, not being depreciated	93,099,231	(50,421,962)	42,677,269	13,457,124	(7,604,528)	48,529,865
Capital assets, being depreciated:						
Buildings	19,288,881	1,149,636	20,438,517	-	-	20,438,517
Improvements other than buildings	573,443	-	573,443	35,900	-	609,343
Machinery and equipment	83,655,595	1,407,278	85,062,873	410,800	(21,122)	85,452,551
Vehicles	5,495,336	-	5,495,336	454,323	-	5,949,659
Infrastructure	229,490,392	50,022,397	279,512,789	10,511,518	-	290,024,307
Total capital assets, being depreciated	338,503,647	52,579,311	391,082,958	11,412,541	(21,122)	402,474,377
Less accumulated depreciation for:						
Buildings	7,148,507	74,726	7,223,233	438,186	-	7,661,419
Improvements other than buildings	359,381	-	359,381	45,338	-	404,719
Machinery and equipment	60,659,093	1,023,399	61,682,492	4,358,256	(21,122)	66,019,626
Vehicles	3,784,549	-	3,784,549	450,132	-	4,234,681
Infrastructure	47,695,161	3,439,560	51,134,721	5,245,567	-	56,380,288
Total accumulated depreciation	119,646,691	4,537,685	124,184,376	10,537,479	(21,122)	134,700,733
Total capital assets, being depreciated, net	218,856,956	48,041,626	266,898,582	875,062	-	267,773,644
Total business type activity capital assets, net	\$ 311,956,187	\$ (2,380,336)	\$ 309,575,851	\$ 14,332,186	\$ (7,604,528)	\$ 316,303,509

Discretely presented component units	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable capital assets:				
Land	\$ 926,471	\$ -	\$ -	\$ 926,471
Construction in progress	706,401	3,698,876	-	4,405,277
Total non-depreciable capital assets	1,632,872	3,698,876	-	5,331,748
Depreciable capital assets:				
Revenue equipment	35,524,097	1,781,870	(2,692,061)	34,613,906
Support vehicles	506,633	-	(30,031)	476,602
Building and structure	20,740,753	42,251	-	20,783,004
Equipment shop and garage	924,134	48,048	-	972,182
Revenue collection fareboxes	1,743,999	-	-	1,743,999
Communication equipment	3,412,425	67,455	-	3,479,880
Office equipment and furnishings	770,758	132,292	(2,632)	900,418
Total depreciable capital assets	63,622,799	2,071,916	(2,724,724)	62,969,991
Less accumulated depreciation:				
Revenue equipment	(21,465,361)	(2,507,032)	2,691,696	(21,280,697)
Support vehicles	(392,705)	(37,030)	29,191	(400,544)
Building and structure	(10,516,084)	(743,738)	-	(11,259,822)
Equipment shop and garage	(687,864)	(76,286)	-	(764,150)
Revenue collection fareboxes	(1,440,587)	(61,245)	-	(1,501,832)
Communication equipment	(3,071,607)	(103,742)	-	(3,175,349)
Office equipment and furnishings	(615,223)	(86,624)	2,632	(699,215)
Total accumulated depreciation	(38,189,431)	(3,615,697)	2,723,519	(39,081,609)
Total capital assets, being depreciated, net	25,433,368	(1,543,781)	(1,205)	23,888,382
Total governmental activity capital assets, net	\$ 27,066,240	\$ 2,155,095	\$ (1,205)	\$ 29,220,130

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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

Governmental activities:	
General government	\$ 629,288
Public safety	1,606,453
Highways and streets	4,963,854
Sanitation	330,559
Culture and recreation	1,254,846
Economic development	21,453
Total depreciation expense - governmental activities	<u>8,806,453</u>
Business-type activities:	
Water	1,406,524
Wastewater	9,023,665
Other	107,290
Total depreciation expense - business- type activities	<u>10,537,479</u>
Grand Total	<u>\$ 19,343,932</u>

C. Construction Commitments

The City of Lafayette has entered into many contracts for various construction projects. Remaining contract payments as of December 31, 2021 are as follows:

Governmental Activities	\$ 10,230,107
Enterprise Funds	<u>10,180,700</u>
	<u>\$ 20,410,807</u>

Major projects included in Governmental Activities are Loeb Stadium renovation, Columbian Park Memorial Island and the Police Station. Major projects included in Enterprise Funds are the Murdock Park Storage Tank, 9th Street Stormwater Pump Station, Pearl River Sewer Relocation and the Pearl River Storage Facility.

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.

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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

Paying Fund	Receiving Fund	Amount
TIF Creasy Central Consolidated	Redevelopment Authority	\$ 1,006,000
Economic Development Income Tax Fund (EDIT)	Redevelopment Authority	385,000
LIT Public Safety	Redevelopment Authority	269,000
TIF Twychenham	Redevelopment Authority	597,000
		<u>\$ 2,257,000</u>

E. Leases

1. Capital Leases

The City has entered into a capital lease for recycling totes 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:

Capital Lease	Governmental Activities
2022	\$ 309,550
2023	159,713
2024	159,713
2025	159,713
Total minimum lease payments	<u>788,689</u>
Less interest	<u>(59,692)</u>
Present value of net minimum lease payments	728,997
Due within one year	<u>283,513</u>
Due in more than one year	<u>\$ 445,484</u>

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

Asset Category	Governmental Activities
Equipment	\$ 2,063,098
Vehicles	1,360,210
Less: accumulated depreciation	<u>(3,112,948)</u>
	<u>\$ 310,360</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

F. Long-Term Debt

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

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

Governmental activities:

General Obligation Bonds:

2018 Park District General Obligation Bonds (Open Market):
Tropicanae 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

\$ 11,550,000

Revenue Bonds:

2013 A Redevelopment Authority Lease Rental Consolidated TIF Refunding Bonds (Direct)
Greenbush/Pavilions
Interest rate: 1.75%
Original issue: \$7,300,000
Installments of \$75,000 to \$80,000 plus interest
Maturity: February 1, 2026

710,000

2012 Redevelopment District Consolidated TIF Refunding Revenue Bonds (Direct)
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

775,000

2010 C Redevelopment Authority Lease Rental Twyckenham TIF Refunding Bond (Open Market)
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

855,000

2013 B Redevelopment Authority Lease Rental Refunding Bonds Consolidated TIF (Direct)
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

1,655,000

2014 Redevelopment District Twyckenham TIF Bonds (Open Market)
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

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

2017 Economic Development Subordinate Tax Increment Revenue Bonds (Direct) 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	\$ 1,795,000
2014 Redevelopment Authority Lease Rental Consolidated TIF Bonds (Open Market) 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	14,820,000
2019 Local Income Tax Revenue Bonds (Open Market) 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 (Direct) 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
2021 Taxable Economic Development Subordinate Revenue and Refunding Bonds (Direct) One Main Street-Marq, Pullman Station, Nova Tower; 631 Maint St.- Luna Project Interest rate: 2.68% Original issue: \$9,910,000 Installments of \$94,000 to \$405,000 plus interest Maturity: August 1, 2039	9,801,000
2021A Redevelopment Authority Lease Rental Revenue Bonds (Direct) Police Station Project Interest rates: 1.94% to 2.10% Original issue: \$45,000,000 Installments of \$310,000 to \$1,705,000 plus interest Maturity: January 15, 2046	45,000,000
2021B Redevelopment Authority Lease Rental Revenue Bonds (Direct) Police Station Project Interest rates: 1.95% Original issue: \$9,275,000 Installments of \$315,000 to \$400,000 plus interest Maturity: February 2, 2036	9,275,000
Total governmental activity debt	<u>\$ 121,856,000</u>

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Business-type Activities:

Revenue Bonds:

2014 Water Pollution Control Revenue Bonds (Open Market) - Partially Refunded in 2021	
Extensions and improvements to the sewage works	
Interest rates: 3.0%	
Refunding original issue: \$1,385,000	
Installments of \$220,000 to \$240,000 plus interest	
Maturity: January 1, 2024	\$ 935,000
2016 Water Pollution Control Refunding Revenue Bonds (Open Market)	
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	14,320,000
2013 Water Pollution Control Revenue Bonds (Open Market) - Partially Refunded in 2021	
Durkees Run	
Interest rates: 3.0%	
Refunding original issue: \$2,060,000	
Installments of \$505,000 to \$525,000 plus interest	
Maturity: January 1, 2023	1,045,000
2013 Water Pollution Control Refunding Revenue Bonds (Open Market) - Partially Refunded in 2021	
Extensions and improvements to the sewage works	
Interest rates: 4.0% to 5.0%	
Refunding original issue: \$10,695,000	
Installments of \$2,585,000 to \$2,755,000 plus interest	
Maturity: July 1, 2023	5,460,000
2017 Sewage Works Revenue Bonds (Direct)	
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	46,765,000
2018 Waterworks Revenue Bonds (Open Market)	
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	17,170,000
2021A Sewage Works Refunding Revenue Bonds (Open Market)	
Extensions and improvement to the sewage works	
Interest rate: 2.00%	
Original issue: \$1,615,000	
Installments of \$290,000 to \$1,030,000 plus interest	
Maturity: January 1, 2035	1,615,000

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

2021B Sewage Works Refunding Revenue Bonds (Open Market)

Extensions and improvement to the sewage works

Interest rate: .3% to 2.35%

Original issue: \$37,505,000

Installments of \$525,000 to \$5,360,000 plus interest

Maturity: July 1, 2033

\$ 36,315,000

2021C Sewage Works Revenue Bonds (Open Market)

Extensions and improvement to the sewage works

Interest rate: 2.00%

Original issue: \$10,950,000

Installments of \$235,000 to \$345,000 plus interest

Maturity: July 1, 2041

10,715,000

Total business-type activity debt

\$ 134,340,000

Excluded from the governmental activities and the business-type amounts outstanding are total unamortized premiums of \$749,527 and \$1,313,712, respectively, and excluded from the business-type amounts outstanding unamortized discounts of \$34,853.

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

Year:	Governmental Activities		
	General Obligation Bonds - Open Market		
	Principal	Interest	Total
2022	\$ 525,000	\$ 399,268	\$ 924,268
2023	540,000	383,368	923,368
2024	555,000	367,094	922,094
2025	570,000	350,293	920,293
2026	590,000	333,043	923,043
2027-2031	3,225,000	1,381,376	4,606,376
2032-2036	3,810,000	768,033	4,578,033
2037-2038	1,735,000	87,700	1,822,700
	<u>\$ 11,550,000</u>	<u>\$ 4,070,175</u>	<u>\$ 15,620,175</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

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

Year:	Business-Type Activities								
	Bonds - Open Market			Bonds from Direct Borrowings and Direct Placements			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 10,355,000	\$ 2,226,889	\$ 12,581,889	\$ 2,205,000	\$ 1,432,665	\$ 3,637,665	\$ 12,560,000	\$ 3,659,554	\$ 16,219,554
2023	8,175,000	2,164,361	10,339,361	2,275,000	1,363,768	3,638,768	10,450,000	3,528,128	13,978,128
2024	10,955,000	1,588,884	12,543,884	2,350,000	1,292,623	3,642,623	13,305,000	2,881,506	16,186,506
2025	14,770,000	1,189,089	15,959,089	2,430,000	1,219,153	3,649,153	17,200,000	2,408,241	19,608,241
2026	7,820,000	954,612	8,774,612	2,515,000	1,143,203	3,658,203	10,335,000	2,097,814	12,432,814
2027-2031	17,160,000	3,551,929	20,711,929	14,045,000	4,476,400	18,521,400	31,205,000	8,028,329	39,233,329
2032-2036	13,415,000	1,518,095	14,933,095	17,090,000	2,097,228	19,187,228	30,505,000	3,615,322	34,120,322
2037-2041	4,925,000	219,614	5,144,614	3,855,000	89,668	3,944,668	8,780,000	309,281	9,089,281
	<u>\$ 87,575,000</u>	<u>\$ 13,413,470</u>	<u>\$ 100,988,470</u>	<u>\$ 46,765,000</u>	<u>\$ 13,114,705</u>	<u>\$ 59,879,705</u>	<u>\$ 134,340,000</u>	<u>\$ 26,528,175</u>	<u>\$ 160,868,175</u>

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

Year:	Governmental Activities								
	Bonds - Open Market			Bonds from Direct Borrowings and Direct Placements			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,325,000	\$ 1,294,681	\$ 2,619,681	\$ 2,143,000	\$ 1,567,263	\$ 3,710,263	\$ 3,468,000	\$ 2,861,944	\$ 6,329,944
2023	1,205,000	1,242,291	2,447,291	2,911,000	1,522,964	4,433,964	4,116,000	2,765,255	6,881,255
2024	1,065,000	1,198,801	2,263,801	3,845,000	1,457,352	5,302,352	4,910,000	2,656,153	7,566,153
2025	1,200,000	1,158,276	2,358,276	4,008,000	1,374,538	5,382,538	5,208,000	2,532,814	7,740,814
2026	1,995,000	1,104,701	3,099,701	3,692,000	1,289,585	4,981,585	5,687,000	2,394,286	8,081,286
2027-2031	11,305,000	4,340,791	15,645,791	18,243,000	5,272,382	23,515,382	29,548,000	9,613,173	39,161,173
2032-2036	12,710,000	2,403,887	15,113,887	19,511,000	3,173,343	22,684,343	32,221,000	5,577,230	37,798,230
2037-2041	7,055,000	393,822	7,448,822	15,138,000	1,073,201	16,211,201	22,193,000	1,467,023	23,660,023
2041-2046	-	-	-	2,955,000	157,185	3,112,185	2,955,000	157,185	3,112,185
	<u>\$ 37,860,000</u>	<u>\$ 13,137,250</u>	<u>\$ 50,997,250</u>	<u>\$ 72,446,000</u>	<u>\$ 16,887,813</u>	<u>\$ 89,333,813</u>	<u>\$ 110,306,000</u>	<u>\$ 30,025,063</u>	<u>\$ 140,331,063</u>

III Detailed Notes on All Funds (Continued)

Refunding

On April 7, 2021, the City issued \$9,910,000 Taxable Economic Development Subordinate Revenue and Refunding Revenue Bonds, Series 2021 with a coupon rate of 2.68% each year from 2021 to 2039 to advance refund \$3,610,000 of Economic Development Subordinate Consolidated Tax Increment Revenue Bonds, Series 2015 and \$1,673,000 of Taxable Economic Development Subordinate Revenue Bonds of 2020, and to current refund \$1,200,000 of Economic Development Subordinate Tax Increment Revenue Bonds of 2019 and provide new money for capital projects.

The refunding was conducted to achieve interest savings. The net proceeds of the refunding were used to fund the escrow account that will repay the outstanding debt of the 2015 and 2020 advance refunded bonds as well as prepay the outstanding debt of the 2019 bonds. The cash flow requirements on the refunding debt prior to the refunding was \$8,931,964.28 from 2021 to 2035. The cash flow requirements on the Taxable Economic Development Subordinate Revenue and Refunding Bonds, Series 2021 are \$7,617,283.34 from 2021 to 2039. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$468,320.15. At December 31, 2021, \$3,610,000 of bonds outstanding are considered defeased.

On March 31, 2021, the City issued \$1,615,000 Sewage Works Refunding Revenue Bonds, Series 2021A with a coupon rate of 2% each year from 2021 to 2035 to currently refund \$1,565,000 of Sewage Works Revenue Bonds of 2008. The refunding was conducted to manage cash flow and achieve interest savings in conjunction with the contemporaneously issued 2021B Bonds. The net proceeds were used to prepay the outstanding debt. The cash flow requirements on the refunding debt prior to the refunding was \$1,723,896.88 from 2021 to 2025. The cash flow requirements on the Sewage Works Refunding Revenue Bonds, Series 2021A are \$2,035,664.70 from 2021 to 2035. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$(13,929).

On March 31, 2021, the City issued \$37,505,000 Taxable Sewage Works Refunding Revenue Bonds, Series 2021B with coupon rates ranging from 0.30% to 2.35% from 2021 to 2033 to currently refund \$813,000 of Sewage Works Revenue Bonds of 2009, and to advance refund \$13,650,000 of Sewage Works Refunding Revenue Bonds, Series 2013, \$13,790,000 of Sewage Works Revenue Bonds of 2013, and \$6,380,00 of Sewage Works Revenue Bonds, Series 2014.

The refunding was conducted to achieve interest savings. The net proceeds of the refunding were used to prepay the outstanding 2009 Bonds, and to fund the escrow account that will repay the outstanding debt of the advance refunded 2013 Bonds, the 2013 Refunding Bonds, and the 2014 Revenue Bonds. The cash flow requirements on the refunding debt prior to the refunding was \$43,001,479 from 2021 to 2035. The cash flow requirements on the Taxable Sewage Works Refunding Revenue Bonds, Series 2021B are \$40,948,549 from 2021 to 2034. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,466,122. At December 31, 2021, \$33,820,000 of bonds outstanding are considered defeased

G. Notes Payable

Discretely presented component unit:

The following disclosure provides details on CityBus debt obligations.

At December 31, 2021, CityBus debt consisted of one note payable to Bank of America for \$51,985, 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 of \$51,985 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 \$16,275 and accrued interest at December 31, 2021 was \$0.

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, 2021, are as follows:

Discretely presented component units:			
Year	Principal	Interest	Total
2022	\$ 51,985	\$ 463	\$ 52,448
Totals	\$ 51,985	\$ 463	\$ 52,448

H. 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
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
2008 Sewage Works Revenue Bond - \$4,950,000	1,565,000
2013 Sewage Works Revenue Bond - \$22,485,000	13,790,000
2013 Sewage Works Refunding Revenue Bond - \$58,205,000	13,650,000
2014 Sewage Works Revenue Bond - \$10,515,000	6,380,000
2015 Economic Development Subordinate Tax Increment Revenue Bond - \$4,420,000	3,610,000
	<u>\$ 117,676,435</u>

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

I. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds from open market	\$ 12,060,000	\$ -	\$ 510,000	\$ 11,550,000	\$ 525,000
Bond premium	43,957	-	5,786	38,171	-
Total general obligation bonds payable	12,103,957	-	515,786	11,588,171	525,000
Revenue bonds from open market	39,035,000	-	1,175,000	37,860,000	1,325,000
Revenue bonds from direct borrowings and direct placements	16,813,000	64,185,000	8,552,000	72,446,000	2,143,000
Bond premium	827,930	-	116,574	711,356	-
Total revenue bonds payable	56,675,930	64,185,000	9,843,574	111,017,356	3,468,000
Capital leases	1,562,226	-	833,229	728,997	283,513
Total OPEB liability	4,172,600	252,126	-	4,424,726	-
Net pension liabilities	57,602,964	-	11,263,947	46,339,017	-
Net pension assets	-	(11,426,689)	-	(11,426,689)	-
Total governmental activities long-term liabilities	\$ 132,117,677	\$ 53,010,437	\$ 22,456,536	\$ 162,671,578	\$ 4,276,513
Business-type activities:					
Wastewater utility revenue bonds from open market	\$ 64,980,000	\$ 50,070,000	\$ 44,645,000	\$ 70,405,000	\$ 9,560,000
Wastewater utility revenue bonds from direct borrowings and direct placements	48,905,000	-	2,140,000	46,765,000	2,205,000
Water utility revenue bonds from open market	17,945,000	-	775,000	17,170,000	795,000
Bond premium	3,218,781	328,864	2,233,933	1,313,712	-
Bond discount	(31,852)	(9,100)	(6,099)	(34,853)	-
Total revenue bonds payable	135,016,929	50,389,764	49,787,834	135,618,859	12,560,000
Loans payable	851,000	-	851,000	-	-
Total OPEB liability	3,147,750	190,202	-	3,337,952	-
Net pension liabilities	5,216,550	-	2,733,675	2,482,875	-
Total business-type activities long-term liabilities	\$ 144,232,229	\$ 50,579,966	\$ 53,372,509	\$ 141,439,686	\$ 12,560,000
Discretely presented component units:					
Note payable	\$ 804,153	\$ -	\$ 752,168	\$ 51,985	\$ 51,985
Total discretely presented component units long-term liabilities	\$ 804,153	\$ -	\$ 752,168	\$ 51,985	\$ 51,985

The total OPEB Liability beginning balances presented for in the tables above for the Governmental activities and Business Type activities have been restated as noted in Note J restatement footnote.

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

Governmental funds – General and Motor Vehicle Highway, the major proprietary funds – 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)

J. 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 2021:

Beginning balance, January 1, 2021	\$ 5,059,093
New loans	52,199
Amount forgiven	(809,638)
Principal amount paid on loans	(8,000)
Ending balance, December 31, 2021	<u>\$ 4,293,654</u>

K. 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 is 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.

City of Lafayette

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

Customer Deposits

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

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

Asset Type/Account	Governmental Funds			Total
	TIF Creasy Central Consolidated	Redevelopment Authority	Nonmajor Funds	
Cash and cash equivalents:				
Debt service reserve	\$ 597,911	\$ 1,305,825	\$ -	\$ 1,903,736
Capital outlay	8,583	43,951,552	4,658,845	48,618,980
Total restricted assets	<u>\$ 606,494</u>	<u>\$ 45,257,377</u>	<u>\$ 4,658,845</u>	<u>\$ 50,522,716</u>
	Enterprise Funds			
	Water Utility	Wastewater Utility	Total	
Cash and cash equivalents:				
Debt service reserve	\$ 492,317	\$ -	\$ 492,317	
Revenue bond covenant accounts	6,550,246	9,425,532	15,975,778	
Customer deposits	141,831	-	141,831	
Subtotal	<u>7,184,394</u>	<u>9,425,532</u>	<u>16,609,926</u>	
Investments	-	5,987,738	5,987,738	
Total restricted assets	<u>\$ 7,184,394</u>	<u>\$ 15,413,270</u>	<u>\$ 22,597,664</u>	

L. Fund Balance Classification

The City's governmental fund balances as of December 31, 2021 are classified as below:

Fund Balances:	General Fund	Redevelopment Authority	TIF Creasy Central Consolidated	Nonmajor Funds	Total
Restricted:					
Capital Outlay	\$ -	\$ 41,672,326	\$ -	\$ -	\$ 41,672,326
Debt service	-	1,305,825	597,911	447,488	2,351,224
Public safety	-	-	-	1,371,454	1,371,454
Street maintenance	-	-	-	3,196,461	3,196,461
Economic development	-	-	5,849,544	16,342,271	22,191,815
Parks maintenance	-	-	-	1,354,386	1,354,386
Grantors	-	-	-	284,484	284,484
Total Restricted	<u>-</u>	<u>42,978,151</u>	<u>6,447,455</u>	<u>22,996,544</u>	<u>72,422,150</u>
Committed:					
General administration	-	-	-	89,216	89,216
Public safety	-	-	-	363,982	363,982
Culture and recreation	-	-	-	26,463	26,463
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,661</u>	<u>479,661</u>
Unassigned	13,412,134	-	-	(13,357)	13,398,777
Total fund balances	<u>\$ 13,412,134</u>	<u>\$ 42,978,151</u>	<u>\$ 6,447,455</u>	<u>\$ 23,462,848</u>	<u>\$ 86,300,588</u>

Notes to Financial Statements

III Detailed Notes on All Funds (Continued)

M. Deficit Fund Balances

The following fund(s) had a deficit balance as of December 31, 2021:

Non-major special revenue funds - deficit fund balance:

Park Bond fund	\$ (13,357)
	<u>\$ (13,357)</u>

Fund balance deficits arise primarily from expenditures exceeding revenues as a result of the underestimate of current requirements; the deficit above will be repaid from future revenues.

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.

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

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

	2021	2020
Unpaid claims, beginning of year	\$ 5,549	\$ 24,287
Incurred claims and changes in estimates	329,900	374,200
Claim payments	(300,058)	(392,938)
Unpaid claims, end of year	\$ 35,391	\$ 5,549

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 the General Fund where assets are set aside for claim settlements.

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:

	2021	2020
Unpaid claims, beginning of year	\$ 11,850	\$ 1,905
Incurred claims and changes in estimates	18,730	29,009
Claim payments	(30,580)	(19,064)
Unpaid claims, end of year	\$ -	\$ 11,850

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 2021 premiums for the insurance coverages were \$1,097,165. No amount was due as of the balance sheet date.

C. Subsequent Events

American Recovery Plan Act – State and Local Fiscal Recovery Funds

On February 7, 2022, the Common Council, with Resolution 2022-02, adopted a Community Investment Plan detailing the use of the City’s allocation of American Rescue Recovery Plan Act funding. The Community Investment Plan has designated the first tranche of SLFR funds, totaling \$7,940,530, to water infrastructure improvements, and security improvements for both water and wastewater utilities.

IV Other Information (Continued)

On July 5, 2022, the Common Council, with Resolution 2022-17, adopted Addendum #1 to the Community Investment Plan Detailing the Use of American Rescue Plan Act Funding. The addendum modifies the Community Investment Plan, designating up to \$10 Million of SLFR funds as revenue replacement, in accordance with U.S. Treasury's Final Rule, and therefore eligible for use in provision of governmental services, subject to Council appropriation. The City received its second tranche of ARPA-SLFR funds, in the amount of \$7,940,529 on June 21, 2022. SLFR funds must be obligated by December 31, 2024, and expended by December 31, 2026.

Refunded Revenue Bonds

On April 1, 2022, the primary government, through its Redevelopment Authority, issued \$13,935,000 in Taxable Convertible Lease Rental Refunding Revenue Bonds for the advanced refunding of \$14,650,000 of its outstanding Redevelopment Authority Lease Rental Revenue Bonds, Series 2014. A debt service reserve associated with the refunded issue was also liquidated and utilized as a source of funds related to the new issue. Initial taxable interest rate on the bonds is 3.35%, which will drop to 2.55% after anticipated conversion to tax exempt status in August, 2023. The refunding provided an estimated net economic gain of \$459,835.

Public Works Campus Project

On July 12, 2022, the primary government, through its Redevelopment Authority, issued \$16,000,000 in Subordinate Tax Increment Revenue Bonds to partially fund construction of a new public works campus to house the City's Street, Sanitation, and Fleet Maintenance Departments. The total project cost is estimated at \$21,500,000. Bonds were issued through private placement with a net interest rate of 3.335%. In addition to offering much more under-roof storage space for vehicles, machinery and equipment, the new public works campus will have a more central location, allowing for greater efficiency in service to the City's geographical service area.

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 \$240,000.

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.

IV Other Information (Continued)

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 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. Payments for these projects are initiated by the City then reviewed, approved and paid by the County. At December 31, 2021, the Southeast Industrial TIF Fund had \$7,324,376 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, 2021, the TIF County's South East Fund had \$4,188,689 held for these capital projects.

F. Other Postemployment Benefits

Multiple Employer Welfare Arrangement (MEWA)

Plan Description

The City of Lafayette Retiree Healthcare Plan is a 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, 2021 the City contributed \$182,389 to the plan for current premiums. General employee members pay approximately 100% of the total monthly premium of \$548 for retiree only coverage and \$1,097 for retiree spouse coverage on Plan 12. The costs for Plan 10 are \$727 and \$1,455, respectively. The costs for Plan 7 are \$921 and \$1,841, 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, 2021. 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 2021</u>
Total OPEB liability:	
Total OPEB liability - beginning of year	\$ 7,320,350
Service cost	471,103
Interest	163,256
Changes in assumptions	(86,391)
Differences between expected and actual experience	76,749
Benefits payments	(182,389)
Net change in total OPEB liability	<u>442,328</u>
Total OPEB liability - end of year	<u>\$ 7,762,678</u>
Plan fiduciary net position:	
Plan fiduciary net position - beginning of year	\$ -
Contributions - employer	182,389
Benefit payments	(182,389)
Net change in plan fiduciary net position	<u>-</u>
Plan fiduciary net position - end of year	<u>\$ -</u>
Total OPEB liability - end of year	<u>\$ 7,762,678</u>
Covered payroll	\$ 37,740,384
Plan fiduciary net position as % of covered payroll	0%
Total OPEB liability as % of covered payroll	20.6%
OPEB expense	<u>FY 2021</u>
Discount rate:	
Beginning of year	2.12%
End of year	2.25%
Service cost	\$ 471,103
Interest	163,256
Current period recognition of deferred outflows/(inflows) of resources:	
Differences between expected and actual experience	(352,758)
Changes in assumptions	113,150
Total current period recognition	<u>(239,608)</u>
Total OPEB expense	<u>\$ 394,751</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 earnings in OPEB plan investments (for funded plans only)

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, 2021	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance
Differences between expected and actual experience for FYE	\$ (3,174,829)	9	\$ (352,758)	\$ (2,078,235)
Changes in assumptions for FYE	1,018,348	9	113,150	873,258
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	\$ 38,886	\$ (1,223,480)	\$ (1,184,594)	
Changes in assumptions	746,969	(249,211)	497,758	
Total	<u>\$ 785,855</u>	<u>\$ (1,472,691)</u>	<u>\$ (686,836)</u>	
Business-type activities:				
Differences between expected and actual experience	\$ 29,335	\$ (922,976)	\$ (893,641)	
Changes in assumptions	563,503	(188,003)	375,500	
Total	<u>\$ 592,838</u>	<u>\$ (1,110,979)</u>	<u>\$ (518,141)</u>	

Annual Amortization of Deferred Outflows/(Inflows)

The balances of December 31, 2021 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

Year:	<u>Balance</u>
2022	\$ (239,608)
2023	(239,608)
2024	(239,608)
2025	(239,608)
2026	(239,614)
Thereafter	(6,931)
	<u>\$ (1,204,977)</u>

Notes to Financial Statements

IV Other Information (Continued)

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2021, 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 2.25%.
- The 1% decrease in discount rate would be 1.25%.
- The 1% increase in discount rate would be 3.25%.

As of December 31, 2021	Total OPEB Liability
1% Decrease	\$ 8,448,763
Current discount rate	7,762,678
1% Increase	7,126,583

The following presents the total OPEB liability as of December 31, 2021, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

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

As of December 31, 2021	Total OPEB Liability
1% Decrease	\$ 6,828,581
Current discount rate	7,762,678
1% Increase	8,871,605

Funding Status and Funding Progress

As of December 31, 2021, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$7,762,678 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of (UAAL) of \$7,762,678. The covered payroll (annual payroll of active employees covered by the plan) was \$37,740,384 and the ratio to UAAL was 20.6%.

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.

Notes to Financial Statements

IV Other Information (Continued)

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, 2021, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 4.5% after 6 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.

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).

Notes to Financial Statements

IV Other Information (Continued)

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, 2021 were \$2,225,145 which were equal to the required contributions for each year.

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	2.65% to 8.65% including inflation
Investment rate of return	6.25% 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 MP-2019

The actuarial assumptions used in the June 30, 2021 valuation were based on census data collected as of June 30, 2020. As a result of the study, inflation was lowered from 2.25% to 2.00%, and the investment return assumption was lowered from 6.75% to 6.25%. General wage inflation was lowered from 2.75% to 2.65%. 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 assume the General Disabled table with a 140% load.

Notes to Financial Statements

IV Other Information (Continued)

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 6.25% 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%	3.60%
Private markets	14.00%	7.30%
Fixed income - ex inflation linked	20.00%	1.50%
Fixed income - inflation linked	7.00%	-0.30%
Commodities	8.00%	0.80%
Real estate	7.00%	4.20%
Absolute return	10.00%	2.50%
Risk parity	12.00%	4.40%
Leverage offset	N/A	-1.40%

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25%. 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 (6.25%). 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.

Notes to Financial Statements

IV Other Information (Continued)

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 6.25%, 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 (5.25%), or one percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
PERF	\$ 12,401,512	\$ 4,741,657	\$ (1,647,676)

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, 2021, the City reported a liability of \$4,741,657 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, 2021 measurement date was 0.0036035.

For the year ended December 31, 2021, the City recognized pension income of \$192,469, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2021, 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	\$ 162,178	\$ 94,677
Net difference between projected and actual earnings on pension plan investments	-	6,156,609
Changes in assumptions	2,385,085	1,065,066
Changes in proportion and differences between City contributions and proportionate share of contributions	132,836	198,450
Total that will be recognized in pension expense based on table below	2,680,099	7,514,802
City's contributions subsequent to the measurement date	1,196,542	-
	<u>\$ 3,876,641</u>	<u>\$ 7,514,802</u>

Notes to Financial Statements

IV Other Information (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2021 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2022. 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:

2022	\$ (1,251,439)
2023	(1,118,596)
2024	(704,812)
2025	(1,759,856)
	<u>\$ (4,834,703)</u>

(2) 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees with 20 years of service are entitled to receive monthly benefits. The plan also provides for death and disability benefits.

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

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

Contributions

Plan members are required to contribute 6% 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.

Notes to Financial Statements

IV Other Information (Continued)

Benefits Provided

A member vests after 20 years of service. Members retiring prior to July 1, 2019, having attained age of 52 years, with 20 years of service, are eligible for full retirement benefits equal to 50% of the salary of a first-class officer, as reported by the employer in the year the 1977 Fund member ended service, plus one (1) percent of that salary for each six (6) months of active service over 20 years to a maximum of 12 years.

Members who retire after June 30, 2019, having attained age of 52 years, with 20 years of service, are eligible for full retirement benefits equal to 52% of the salary of a first-class officer, as reported by the employer in the year the 1977 Fund member ended service, plus one (1) percent of that salary for each six (6) months of active service over 20 years to a maximum of 12 years.

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

The monthly pension benefits for members in pay status may be increased annually in accordance with the cost-of-living adjustment (COLA) statute (IC 36-8-8-15). A member is entitled to an annual increase in the member's benefit based on the percentage increase in the Consumer Price Index (January- March); however, the maximum increase is 3.0%. There was a COLA increase of 1.9% effective July 1, 2021.

Significant Actuarial Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00% per year
Salary increase	2.65% per year
Investment rate of return	6.25% net of investment expenses
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables (amount-weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

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.

Notes to Financial Statements

IV Other Information (Continued)

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 forecast 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 re-balancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below:

Global Asset Class	Target Allocation	Long- Term Expected Rate of Return
Public equity	22.00%	3.60%
Private markets	14.00%	7.30%
Fixed income - ex inflation linked	20.00%	1.50%
Fixed income - inflation linked	7.00%	-0.30%
Commodities	8.00%	0.80%
Real estate	7.00%	4.20%
Absolute return	10.00%	2.50%
Risk parity	12.00%	4.40%
Leverage offset	N/A	-1.40%

Discount Rate

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.25%. 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 (6.25%). 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.

Notes to Financial Statements

IV Other Information (Continued)

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

Net pension liability (asset) is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability (asset) of each defined benefit pension plan calculated using the discount rate of 6.25%, as well as what each plan’s net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
1977 Police Officers	\$ 5,811,216	\$ (5,638,463)	\$ (14,881,486)
1977 Firefighters	\$ 5,965,568	\$ (5,788,226)	\$ (15,276,754)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

1977 Police Officers’ Pension and Disability Fund

The primary government’s contributions to the plan for the year ended December 31, 2021 were \$1,585,198 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, 2021, the City reported a net pension asset of \$5,638,463 for its proportionate share. The City’s proportionate share of the net pension liability (asset) was based on the City’s wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2021 measurement date was 0.0095403.

For the year ended December 31, 2021, the City recognized pension income of \$467,143 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Police Officers’ Plan from the following sources:

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,463,604	\$ 161,483
Net difference between projected and actual earnings on pension plan investments	-	8,224,472
Changes in assumptions	3,074,373	830,172
Changes in proportion and differences between City contributions and proportionate share of contributions	24,254	73,411
Total that will be recognized in pension expense based on table below	4,562,231	9,289,538
City's contributions subsequent to the measurement date	886,218	-
	<u>\$ 5,448,449</u>	<u>\$ 9,289,538</u>

1977 Firefighters' Pension and Disability Fund

The primary government's contributions to the plan for the year ended December 31, 2021 were \$1,627,447 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, 2021, the City reported a net pension asset of \$5,788,226 for its proportionate share. The City's proportionate share of the net pension liability (asset) was based on the City's wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2021 measurement date was 0.0097937.

For the year ended December 31, 2021, the City recognized pension income of \$475,983 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2021, 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	\$ 1,502,479	\$ 165,772
Net difference between projected and actual earnings on pension plan investments	-	8,442,922
Changes in assumptions	3,156,031	852,222
Changes in proportion and differences between City contributions and proportionate share of contributions	15,226	32,430
Total that will be recognized in pension expense based on table below	4,673,736	9,493,346
City's contributions subsequent to the measurement date	914,113	-
	<u>\$ 5,587,849</u>	<u>\$ 9,493,346</u>

Notes to Financial Statements

IV Other Information (Continued)

Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability (asset) and before the end of the employer’s reporting period will be recognized as reductions of the net pension liability (asset) in the year ended December 31, 2022. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over an 8-year period. A change in an employer’s proportionate share represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan. The difference between an employer’s contributions and the employer’s proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Amortization of Net Deferred Outflows/(Inflows) of Resources

Year:	1977	1977
	Police Officers' Pension and Disability Fund	1977 Firefighters' Pension and Disability Fund
2022	\$ (1,848,498)	\$ (1,894,028)
2023	(1,571,431)	(1,609,085)
2024	(1,237,779)	(1,265,347)
2025	(1,673,373)	(1,712,423)
2026	609,638	631,595
Thereafter	994,136	1,029,678
	<u>\$ (4,727,307)</u>	<u>\$ (4,819,610)</u>

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 were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants.

IV Other Information (Continued)

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 Police Officer, 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 the local board panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First-Class Police Officer. 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 on 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 Police Officer 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.

Notes to Financial Statements

IV Other Information (Continued)

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, 2021, consisted of the following:

	1925 Police Officers' Pension	Average Age	Average Monthly Benefit
Retired members, beneficiaries and benefits	44	78.10	\$ 2,806
Total membership	<u>44</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 Police Officer 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.

Notes to Financial Statements

IV Other Information (Continued)

Net Pension Liability

The components of the Net Pension Liability for the 1925 Police Officers' Pension Plan as of December 31, 2021, are as follows:

Total pension liability	\$ 19,221,430
Plan fiduciary net position	(914,867)
Net pension liability	<u>\$ 18,306,563</u>
 Plan fiduciary net position as a percentage of total pension liability	 4.76%

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2021 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, 2021 valuation were generally unchanged from the prior year, except for a decrease in the interest rate used from 1.49% used for the December 31, 2020 valuation to 1.39% for the December 31, 2021 valuation. This rate is equal to the Barclay's 20-year Municipal Bond Index as of December 31, 2021.

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.00% per year
Salary increases	2.65% per year
Cost-of-living increases non-converted	2.65%
Cost-of-living increases converted	1.90% on July 1, 2021 1.95% 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.

Notes to Financial Statements

IV Other Information (Continued)

Discount Rate

The discount rate is set equal to the Barclay’s 20-year Municipal Bond Index rate of 1.39% as of December 31, 2021. The discount rate decreased from the 1.49% used for the December 31, 2020 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, 2020	\$ 19,752,527	\$ 916,764	\$ 18,835,763
Changes for the year:			
Interest cost	293,782	-	293,782
Plan amendments	-	-	-
Experience (gains) losses	708,867	-	708,867
Change of assumptions	(44,817)	-	(44,817)
Projected benefit payments	(1,488,929)	-	(1,488,929)
Non- employer contributing entity contributions	-	1,518,529	(1,518,529)
Actual benefit payments	-	(1,514,123)	1,514,123
Other net changes	-	(6,303)	6,303
Net changes	(531,097)	(1,897)	(529,200)
Balance at December 31, 2021	\$ 19,221,430	\$ 914,867	\$ 18,306,563

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 1.39%, 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 (0.39%) or 1-percentage point higher 2.39% than the current rate:

	1% Decrease (0.39%)	Current (1.39%)	1% Increase (2.39%)
Net pension liability	\$ 20,147,890	\$ 18,306,563	\$ 16,723,983

Pension Expense

Interest cost	\$ 293,782
Experience (gains) losses	708,867
Change of assumptions	(44,817)
Other net changes	-
Total pension expense	\$ 957,832

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, 2021, consisted of the following:

	1937 Firefighters’ Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving benefits	<u>63</u>	79.80	\$ 2,989
Active plan members	<u>63</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, 2021, are as follows:

Net Pension Liability 1937 Firefighters' Pension Plan	
Total pension liability	\$ 26,618,024
Plan fiduciary net position	(844,352)
Net pension liability	<u>\$ 25,773,672</u>
 Plan fiduciary net position as a percentage of total pension liability	 3.17%

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2021 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, 2021 valuation were generally unchanged from the prior year, except for a decrease in the interest rate used from 1.49% used for the December 31, 2020 valuation to 1.39% for the December 31, 2021 valuation. This rate is equal to the Barclay's 20-year Municipal Bond Index as of December 31, 2021.

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.00% per year
Salary increases	2.65% per year
Cost-of-living increases non-converted	2.65%
Cost-of-living increases converted	1.90% on July 1, 2021 1.95% 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 1.39% as of December 31, 2021. The discount rate decreased from the 1.49% used for the December 31, 2020 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.

The 1937 Firefighters' Pension Fund has less than one year of benefit payments in reserve; therefore, the FNP is projected to be depleted immediately. GASB defines the discount rate to be used for discounting benefits paid after the depletion date as a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate (Municipal Bond Index Rate). The rate used for this purpose is the Barclays 20-year Municipal Bond Index (LM20YW) as provided by Indiana Public Retirement System, resulting in a discount rate of 1.39% for the Measurement Date and 1.49% for the Prior Measurement Date. If there were sufficient assets to not have an immediate depletion date, the rate used before depletion would be the expected return on assets.

Schedule of Changes in Net Pension Liability (Assets)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2020	\$ 29,080,646	\$ 938,727	\$ 28,141,919
Changes for the year:			
Interest cost	408,516	-	408,516
Plan amendments	-	-	-
Experience (gains) losses	(528,437)	-	(528,437)
Change of assumptions	(72,588)	-	(72,588)
Projected benefit payments	(2,270,113)	-	(2,270,113)
Non-employer contributing entity contributions	-	2,256,122	(2,256,122)
Contributions - other	-	-	-
Actual benefit payments	-	(2,344,194)	2,344,194
Other net changes	-	(6,303)	6,303
Net changes	(2,462,622)	(94,375)	(2,368,247)
Balance at December 31, 2021	\$ 26,618,024	\$ 844,352	\$ 25,773,672

Notes to Financial Statements

IV Other Information (Continued)

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 1.39%, 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 (0.39%) or 1-percentage point higher 2.39% than the current rate:

	<u>1% Decrease (0.39%)</u>	<u>Current (1.39%)</u>	<u>1% Increase (2.39%)</u>
Net pension liability	\$ 28,226,076	\$ 25,773,672	\$ 23,661,624
Interest cost			\$ 408,516
Experience (gains) losses			(528,437)
Change of assumptions			(72,588)
Other net changes			-
Total pension income			<u>\$ (192,509)</u>

Actuarial Assumptions

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

	<u>1925 Police Officers'</u> <u>Pension</u>	<u>1937 Firefighters'</u> <u>Pension</u>
<u>Actuarial Methods</u>		
Contribution rates:		
Government	0%	0%
Plan members	0%	0%
Actuarial valuation date	01-01-2021	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)	1.39%	1.39%
Projected future salary increases	2.65%	2.65%
Cost-of-living adjustments	1.90% & 2.65%	1.90% & 2.65%
Retirement	Based on 1976 Study	Based on 1976 Study

Notes to Financial Statements

IV Other Information (Continued)

Pension Trust Fund Financial Statements

As separately issued financial statements are not available for the City's pension plans, summarized financial statements for those pension trust funds follow:

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Assets:			
Cash and cash equivalents	\$ 914,867	\$ 844,353	\$ 1,759,220
Total assets	\$ 914,867	\$ 844,353	\$ 1,759,220
Net Position:			
Restricted for pensions	\$ 914,867	\$ 844,353	\$ 1,759,220
Total net position	\$ 914,867	\$ 844,353	\$ 1,759,220

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Additions:			
Contributions:			
State contributions	\$ 1,518,529	\$ 2,256,122	\$ 3,774,651
Miscellaneous revenue	3,500	3,500	7,000
Total contributions	1,522,029	2,259,622	3,781,651
Deductions:			
Administration and general	9,802	9,802	19,604
Benefits	1,514,124	2,344,195	3,858,319
Total deductions	1,523,926	2,353,997	3,877,923
Change in net position	(1,897)	(94,375)	(96,272)
Net position - beginning of the year	916,764	938,727	1,855,491
Net position - end of the year	\$ 914,867	\$ 844,352	\$ 1,759,219

	1977				
	Public Employees' Retirement Fund	Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension	1937 Firefighters' Pension	Total
Pension liability	\$ 63,288,838	\$ 146,914,688	\$ 19,221,430	\$ 26,618,024	\$ 256,042,980
Pension assets	\$ 58,547,181	\$ 158,341,377	\$ 914,867	\$ 844,352	\$ 218,647,777
Net pension liability	\$ 4,741,657	\$ -	\$ 18,306,563	\$ 25,773,672	\$ 48,821,892
Net pension asset	\$ -	\$ 11,426,689	\$ -	\$ -	\$ 11,426,689
Deferred outflows of resources	\$ 3,876,641	\$ 11,036,298	\$ -	\$ -	\$ 14,912,939
Deferred inflows of resources	\$ 7,514,802	\$ 18,782,884	\$ -	\$ -	\$ 26,297,686
Pension expense (income)	\$ (192,469)	\$ (943,126)	\$ 957,832	\$ (192,509)	\$ (370,272)

Notes to Financial Statements

IV Other Information (Continued)

	Governmental Activities	Business-type Activities	Total
Net pension liability	\$ 46,339,017	\$ 2,482,875	\$ 48,821,892
Net pension asset	\$ 11,426,689	\$ -	\$ 11,426,689
Deferred outflow of resources	\$ 13,183,316	\$ 1,729,623	\$ 14,912,939
Deferred inflow of resources	\$ 22,967,857	\$ 3,329,829	\$ 26,297,686
Pension expense (income)	\$ (287,510)	\$ (82,762)	\$ (370,272)

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.

Notes to Financial Statements

IV Other Information (Continued)

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.

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 2021, all participating employers were required to contribute 11.6% 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 \$749,005 for 2021. These total contributions represent 11.73%.

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

Year Ended December 31, 2021	Annual Required Contribution	Percentage Contributed
2021	\$ 749,005	100%

Notes to Financial Statements

IV Other Information (Continued)

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, 2021
Liability valuation date	June 30 – Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. The valuation results from June 30, 2020 were rolled-forward to June 30, 2021 to reflect benefit accruals during the year less benefits paid.
Experience study date	Period of 5 years ended June 30, 2020
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return COLA	6.25% Members in pay were granted a 1% COLA on January 1, 2022 and no COLA on January 1, 2023. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2024 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039
Future salary increases	2.65% - 8.65% based on service
Inflation	2.00%
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. <i>Disabled</i> – General Disabled table with a 140% load

Notes to Financial Statements

IV Other Information (Continued)

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.

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

Asset Class	Target Allocation	Geometric Basis Long-Term Expected Rate of Return
Public equity	20.00%	3.60%
Private equity	15.00%	7.30%
Fixed income - ex inflation linked	20.00%	1.50%
Fixed income - inflation linked	15.00%	-0.30%
Commodities	10.00%	0.80%
Real estate	10.00%	4.20%
Absolute return	5.00%	2.50%
Risk parity	20.00%	4.40%
Leverage offset	-15.00%	-1.40%

Discount Rate

Total pension liability for each defined benefit pension plan tier was calculated using the discount rate of 6.25%. This was a reduction from 6.75% used in the prior year. 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 (6.25%). 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.

Notes to Financial Statements

IV Other Information (Continued)

Changes in Assumptions and Benefit Terms

For the June 30, 2021 fiscal year, the discount was reduced from 6.75% to 6.25%, the inflation rate was decreased from 2.25% to 2.00%, and the future salary increases were decreased.

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 6.25%, 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 (5.25%), or one percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25)	Current (6.25%)	1% Increase (7.25%)
Proportionate share of the collective net pension liability	\$ 3,986,655	\$ 1,524,278	\$ (529,671)

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, 2021, CityBus reported a liability of \$1,524,278 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, 2021 measurement date was 0.0011584. The proportionate share at June 30, 2021 has decreased 0.00000591 since the prior measurement date.

Notes to Financial Statements

IV Other Information (Continued)

For the year ended December 31, 2021, CityBus recognized pension expense of \$175,724, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$44,121. At December 31, 2021, 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	\$ 52,135	\$ 30,435
Net difference between projected and actual earnings on pension plan investments	-	1,979,136
Changes in assumptions	766,722	342,382
Changes in proportion and differences between City contributions and proportionate share of contributions	59,363	155,350
Total that will be recognized in pension expense based on table below	878,220	2,507,303
Pension contributions subsequent to measurement date	417,597	-
	<u>\$ 1,295,817</u>	<u>\$ 2,507,303</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2022. 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:	
2022	\$ (431,407)
2023	(378,748)
2024	(253,196)
2025	(565,732)
	<u>\$ (1,629,083)</u>

Notes to Financial Statements

IV Other Information (Continued)

H. Tax Abatements

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

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

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

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

Abatement is only given on increases in assessed value. It cannot be used to reduce current taxes. The abatement phases in the full tax rate gradually over a time period of 1 to 10 years. If the investment does not take place as expected, there may be no increase in assessed value and no tax abatement. The City has provisions for recapturing abated taxes when personal property is moved out of the taxing district during the abatement period. Total amount of taxes abated for the year ended December 31, 2021 was \$4,718,828.

City of Lafayette

Notes to Financial Statements

IV Other Information (Continued)

I. 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 City during the current fiscal year.

- Statement No. 87, *Leases*. This statement will become effective for fiscal years beginning after June 15, 2021.
- 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, 2022.
- 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.
- Statement No. 100, *Accounting Changes and Error Corrections-An amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.
- Implementation Guide No. 2019-3.
- Implementation Guide No. 2020-1.
- Implementation Guide No. 2021-1.

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

J. Restatement:

The City’s net position and fund balances have been restated as of January 1, 2021, due to errors related to the allocation of the OPEB liability and related OPEB amounts, construction in progress, capital contributions, accumulated depreciation, and accounts payable as follows:

The following table reflects the impact of the restatement as of January 1, 2021, on net position:

	Aggregate Remaining Fund Information	TIF Creasy Central Consolidate	Governmental Activities	Water Utility	Wastewater Utility	Business-Type Activities
Net position/fund balance, as previously reported	\$ 12,978,092	\$ 4,415,874	\$ 205,257,867	\$ 38,898,989	\$ 186,177,560	\$ 228,205,921
Prior year major funds reported as Nonmajor in current year	14,199,149					
Accounts payable not recognized in proper period	(1,592,885)	(406,250)	(1,999,135)	-	(126,982)	(126,982)
Reallocation of OPEB liability and related deferrals	-	-	(2,072,086)	1,605,137	466,949	2,072,086
Net effect of Construction in progress not placed in service, capital contributions not being recognized and related depreciation expense	1,074,910	-	15,245,230	(270,027)	(3,185,219)	(2,380,336)
Net position/fund balance, as restated	\$ 26,659,266	\$ 4,009,624	\$ 216,431,876	\$ 40,234,099	\$ 183,332,308	\$ 227,770,689
Change in net position/fund balance, as restated	\$ (13,441,772)	\$ 916,339	\$ 21,928,303	\$ 3,714,737	\$ 14,618,285	\$ 18,248,051

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2021</u>	<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	\$ 1,518,529	\$ 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	\$ 1,518,529	\$ 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*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability:									
Interest cost	\$ 293,782	\$ 433,761	\$ 586,414	\$ 557,287	\$ 622,433	\$ 535,828	\$ 552,149	\$ 832,716	\$ 1,015,686
Plan amendments	-	-	131,921	-	-	-	-	-	-
Experience (gains)/losses	708,867	554,487	208,996	1,019,016	618,361	315,820	63,768	-	29,441
Assumption changes	(44,817)	(286,555)	1,685,564	(604,390)	848,249	(1,198,162)	(62,229)	2,607,220	2,777,858
Projected benefit payments	<u>(1,488,929)</u>	<u>(1,518,120)</u>	<u>(1,503,022)</u>	<u>(1,517,588)</u>	<u>(1,472,568)</u>	<u>(1,425,223)</u>	<u>(1,442,779)</u>	<u>(1,422,776)</u>	<u>(1,438,259)</u>
Net change in total pension liability	(531,097)	(816,427)	1,109,873	(545,675)	616,475	(1,771,737)	(889,091)	2,017,160	2,384,726
Total pension liability - beginning	<u>19,752,527</u>	<u>20,568,954</u>	<u>19,459,081</u>	<u>20,004,756</u>	<u>19,388,281</u>	<u>21,160,018</u>	<u>22,049,109</u>	<u>20,031,949</u>	<u>17,647,223</u>
Total pension liability - ending	<u>\$ 19,221,430</u>	<u>\$ 19,752,527</u>	<u>\$ 20,568,954</u>	<u>\$ 19,459,081</u>	<u>\$ 20,004,756</u>	<u>\$ 19,388,281</u>	<u>\$ 21,160,018</u>	<u>\$ 22,049,109</u>	<u>\$ 20,031,949</u>
Plan fiduciary net position:									
Non employer contributing entity contributions	\$ 1,518,529	\$ 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	3,500	3,835	3,200	3,200	-	49,920	-	-	-
Benefit payments	(1,514,124)	(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	<u>(9,802)</u>	<u>(9,566)</u>	<u>(9,090)</u>	<u>(8,918)</u>	<u>(5,550)</u>	<u>(55,283)</u>	<u>(1,435)</u>	<u>(4,743)</u>	<u>(133,743)</u>
Net change in plan fiduciary net position	(1,897)	(6,400)	15,990	8,666	(12,176)	(55,283)	80,092	(61,959)	(165,699)
Plan fiduciary net position - beginning	<u>916,764</u>	<u>923,164</u>	<u>907,174</u>	<u>898,508</u>	<u>910,684</u>	<u>965,967</u>	<u>885,875</u>	<u>947,834</u>	<u>1,113,533</u>
Plan fiduciary net position - ending	<u>\$ 914,867</u>	<u>\$ 916,764</u>	<u>\$ 923,164</u>	<u>\$ 907,174</u>	<u>\$ 898,508</u>	<u>\$ 910,684</u>	<u>\$ 965,967</u>	<u>\$ 885,875</u>	<u>\$ 947,834</u>
Net pension liability	<u>\$ 18,306,563</u>	<u>\$ 18,835,763</u>	<u>\$ 19,645,790</u>	<u>\$ 18,551,907</u>	<u>\$ 19,106,248</u>	<u>\$ 18,477,597</u>	<u>\$ 20,194,051</u>	<u>\$ 21,163,234</u>	<u>\$ 19,084,115</u>
Plan fiduciary net position as a percentage of the total pension liability	4.76%	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								

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,256,122	\$ 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	\$ 2,256,122	\$ 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									

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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*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability:									
Interest cost	\$ 408,516	\$ 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	(528,437)	(660,790)	108,512	752,350	467,395	751,240	(656,985)	-	(575,554)
Assumption changes	(72,588)	(731,646)	2,559,636	(945,148)	1,385,872	(1,987,298)	(103,515)	4,448,540	4,698,858
Projected benefit payments	(2,270,113)	(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	(2,462,622)	(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	29,080,646	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>\$ 26,618,024</u>	<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	\$ 2,256,122	\$ 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	3,500	3,200	3,200	-	3,000	8,848	-	23,826
Benefit payments	(2,344,194)	(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	(9,803)	(9,566)	(9,090)	(44,616)	(15,353)	(15,399)	(15,677)	(7,097)	(1,459)
Net change in plan fiduciary net position	(94,375)	15,697	20,495	(10,497)	(8,372)	(76,452)	(15,677)	(2,922)	(1,459)
Plan fiduciary net position - beginning	938,727	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>\$ 844,352</u>	<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>\$ 25,773,672</u>	<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	3.17%	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

	<u>2021</u>	<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>
Contractually required contribution	\$ 2,225,145	\$ 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
Contributions in relation to the actuarially required contribution	<u>2,225,145</u>	<u>2,221,877</u>	<u>2,138,053</u>	<u>2,025,904</u>	<u>1,878,322</u>	<u>1,782,752</u>	<u>1,702,637</u>	<u>1,614,615</u>	<u>1,599,063</u>	<u>960,581</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
Covered payroll	\$ 19,853,886	\$ 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
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.0%	6.75%

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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 *

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.36035%	0.36747%	0.36640%	0.35477%	0.33804%	0.33227%	0.32056%
City's proportionate share of the net pension liability (asset)	\$ 4,741,657	\$ 11,099,043	\$ 12,109,753	\$ 12,051,697	\$ 15,081,802	\$ 15,079,890	\$ 13,056,095
City's covered payroll	\$ 19,853,886	\$ 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	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%
Plan fiduciary net position as a percentage of total pension liability	92.5%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Citybus' proportion of the net pension liability	0.0011584	0.0012175	0.0011969	0.0011738	0.0012113	0.0011212
Citybus' proportionate share of the net pension liability	\$ 1,524,278	\$ 3,677,330	\$ 3,955,831	\$ 3,987,452	\$ 5,404,268	\$ 5,088,504
Citybus' covered payroll	\$ 6,386,989	\$ 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	23.87%	55.95%	63.44%	66.58%	92.97%	94.42%
Plan fiduciary net position as a percentage of the total pension liability	92.51%	81.45%	80.10%	78.90%	76.60%	75.30%
Discretely presented component unit:	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 749,005	\$ 747,019	\$ 715,670	\$ 686,937	\$ 649,790	\$ 600,539
Contributions in relation to the statutorily required contribution	<u>(749,005)</u>	<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%	100%
CityBus' covered payroll	\$ 6,384,513	\$ 6,570,752	\$ 6,226,907	\$ 5,989,632	\$ 6,009,655	\$ 5,373,541
Contributions as a percentage of covered payroll	11.73%	11.37%	11.49%	11.47%	10.81%	11.18%

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CITY OF LAFAYETTE, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,585,198	\$ 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>1,585,198</u>	<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	\$ 9,062,493	\$ 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%	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 *

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.95403%	0.97297%	1.02715%	1.04103%	1.04097%	0.98086%	0.98881%
City's proportionate share of the net pension liability (asset)	\$ (5,638,463)	\$ 2,362,447	\$ 94,662	\$ (915,182)	\$ (160,574)	\$ 871,366	\$ (1,460,671)
City's covered payroll	\$ 9,062,493	\$ 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	-62.22%	26.18%	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	107.8%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,627,447	\$ 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>1,627,447</u>	<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	\$ 9,316,255	\$ 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%	17.5%	18.6%	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 Firefighters' Pension and Disability Fund
Last 10 Fiscal Years *

	<u>2021</u>	<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)	0.97937%	0.98034%	1.01000%	1.0128%	1.0281%	1.0058%	1.0065%
City's proportionate share of the net pension liability (asset)	\$ (5,788,226)	\$ 2,380,342	\$ 93,077	\$ (890,373)	\$ (158,581)	\$ 893,513	\$ (1,486,788)
City's covered payroll	\$ 9,316,255	\$ 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	-62.13%	26.18%	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	107.8%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
1. Total OPEB Liability	\$ 7,762,678	\$ 7,320,350	\$ 6,980,456	\$ 6,462,934
2. Plan Fiduciary Net Position	-	-	-	-
3. Total OPEB Liability	<u>\$ 7,762,678</u>	<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	\$ 37,740,384	\$ 37,811,665	\$ 37,330,474	\$ 35,621,289
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	20.57%	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 CHANGES IN OPEB LIABILITY
LAST 10 YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 471,103	\$ 399,841	\$ 349,800	\$ 452,057
Interest	163,256	236,885	275,752	292,040
Differences between expected and actual experience	76,749	(1,340,451)	(379,296)	(1,531,831)
Changes in assumptions	(86,391)	1,273,266	480,231	(648,758)
Benefit payments	<u>(182,389)</u>	<u>(229,647)</u>	<u>(208,965)</u>	<u>(273,798)</u>
Net change in Total OPEB Liability	442,328	339,894	517,522	(1,710,290)
Total OPEB liability - beginning of year	<u>7,320,350</u>	<u>6,980,456</u>	<u>6,462,934</u>	<u>8,173,224</u>
Total OPEB liability - end of year	<u><u>\$ 7,762,678</u></u>	<u><u>\$ 7,320,350</u></u>	<u><u>\$ 6,980,456</u></u>	<u><u>\$ 6,462,934</u></u>

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 182,389	\$ 229,647	\$ 208,965	\$ 273,798	\$ 221,831	\$ 203,515	\$ 211,122	\$ 193,690	\$ 176,554	\$ 160,504
Actual employer contributions	<u>182,389</u>	<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	\$ 37,740,384	\$ 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 payrc	0.48%	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	2.25% as of 12/31/21; 2.12% as of 1/1/21
Payroll Growth	2.75% average, per year
Asset valuation method	Fair market value
Healthcare cost trend rates	7.5% 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, 2021

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final
	Original	Final	Amounts	Budget
Revenues:				
Property taxes	\$ 26,136,059	\$ 26,136,059	\$ 26,644,417	\$ 508,358
Licenses and permits	383,050	383,050	412,509	29,459
Intergovernmental	11,498,365	11,498,365	12,417,679	919,314
Payment in lieu of taxes	2,503,000	2,503,000	2,559,500	56,500
Charges for services	2,000	2,000	37,355	35,355
Fines and forfeits	70,950	70,950	177,513	106,563
Other	465,000	465,000	736,026	271,026
Interest and investment revenue	150,000	150,000	29,594	(120,406)
Total revenues	41,208,424	41,208,424	43,014,593	1,806,169
Expenditures:				
Current:				
General government:				
Mayor	\$ 119,800	\$ 121,300	\$ 117,165	(4,135)
Controller	173,500	172,000	147,340	(24,660)
Clerk	120,900	120,900	115,649	(5,251)
Human Resources	134,150	134,150	127,252	(6,898)
Common Council	138,150	138,150	120,664	(17,486)
Facilities	569,765	569,765	530,957	(38,808)
Engineering	1,078,830	1,078,830	1,004,631	(74,199)
Purchasing	46,925	46,925	41,464	(5,461)
IT	325,000	325,000	316,590	(8,410)
Human Relations	2,500	2,500	86	(2,414)
Board of Works	202,700	202,700	195,467	(7,233)
Animal Control	311,100	311,100	335,407	24,307
Unappropriated	-	-	228,840	228,840
Total general government	3,223,320	3,223,320	3,281,512	58,192
Public safety:				
Fire	16,489,080	16,489,080	16,325,604	(163,476)
Police	19,399,614	19,399,614	18,021,343	(1,378,271)
Total public safety	35,888,694	35,888,694	34,346,947	(1,541,747)
Sanitation:	2,584,780	2,584,780	2,481,728	(103,052)
Total expenditures	41,696,794	41,696,794	40,110,187	(1,586,607)
Net change in fund balances	(488,370)	(488,370)	2,904,406	3,392,776
Fund balances - beginning	(719,090)	(808,957)	4,162,142	4,971,099
Fund balances - ending	<u>\$ (1,207,460)</u>	<u>\$ (1,297,327)</u>	<u>\$ 7,066,548</u>	<u>\$ 8,363,875</u>

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, 2021

	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	\$ -	\$ -	\$ -	\$ -	\$ 10,640,713	\$ 10,640,713	\$ 13,295,887	\$ 2,655,174
Other	-	-	8,037	8,037	-	-	109,890	109,890
Interest and investment revenue	-	-	-	-	-	-	590	590
Total revenues	-	-	8,037	8,037	10,640,713	10,640,713	13,406,367	2,765,654
Expenditures:								
Current:								
Economic development:								
Other services and charges	-	-	12,579	12,579	569,363	569,363	8,329,683	7,760,320
Capital outlays	-	-	13,125,221	13,125,221	6,302,000	6,302,000	2,693,900	(3,608,100)
Total economic development	-	-	13,137,800	13,137,800	6,871,363	6,871,363	11,023,583	4,152,220
Debt service:								
Administrative charges	-	-	373,706	373,706	-	-	214,988	-
Interest	-	-	1,295,299	1,295,299	-	-	382,756	382,756
Principal retirement	-	-	1,660,000	1,660,000	3,578,350	3,578,350	1,584,000	(1,994,350)
Total debt service	-	-	3,329,005	3,329,005	3,578,350	3,578,350	2,181,744	(1,611,594)
Total expenditures	-	-	16,466,805	16,466,805	10,449,713	10,449,713	13,205,327	2,540,626
Other financing sources and uses								
Bond Proceeds	-	-	54,275,000	54,275,000	-	-	9,910,000	9,910,000
Payment to refunded bond escrow	-	-	-	-	-	-	(6,667,209)	-
Transfer in	-	-	2,257,000	-	-	-	-	-
Transfer out	-	-	-	-	-	-	(1,006,000)	(1,006,000)
Total other financing sources and (uses)	-	-	56,532,000	54,275,000	-	-	2,236,791	8,904,000
Net change in fund balances	-	-	40,073,232	37,816,232	191,000	191,000	2,437,831	9,129,028
Fund balances - beginning	2,960,641	2,960,641	2,904,919	455,702	4,415,874	4,415,874	4,415,874	-
Fund balances - ending	\$ 2,960,641	\$ 2,960,641	\$ 42,978,151	\$ 38,271,934	\$ 4,606,874	\$ 4,606,874	\$ 6,853,705	\$ 9,129,028

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 – redevelopment authority, TIF Creasy Central consolidated

Nonmajor governmental funds:

Special revenue funds – motor vehicle highway, park and recreation operating, economic development income tax (edit), park bond, 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 decreased from 1.49% for the December 31, 2020 valuation to 1.39% for the December 31, 2021 valuation, based on the Barclay's 20-year Municipal Bond Index rate.
2. For the Public Employees Retirement Fund, in 2021 there were no changes in assumptions.
3. For the 1977 Police Officers' and Firefighters Pension plans, in 2021, there were no changes in assumptions.

Note 3. OPEB Plan

Cost Method	Entry age normal level percent of salary
Assumptions	
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
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Special Revenue Funds

American Rescue Plan Grant—To account for and report financial resources from the ARPA federal grant in response to the COVID-19 public health emergency. Funds are restricted to expenditures that comply with the US Treasury’s Final Rule relating to the American Rescue Plan Act.

Motor Vehicle Highway—To account 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.

Park and Recreation Operating—To account for resources 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. Revenues are generated by property taxes and user fees.

Economic Development Income Tax (EDIT)—To account for resources of the City’s allocation of EDIT. Originally created to foster positive development within the City. The legislature, recognizing the fact that economic development encompasses the entire city proper, allowed the fund to be used for of any legal purpose in provision of City services.

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 reconstruction

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 Investig)—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.

Park Bond—To account for the payment of principal and interest of a general obligation bond issued for Park infrastructure improvements.

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

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

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

Capital Projects Funds

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

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

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2021

	American Rescue Plan Grant	Motor Vehicle Highway	Park and Recreation Operating	Economic Dev Income Tax(EDIT)	Park Nonreverting Operating	Health and Wellness	Police Donations
Assets							
Cash and cash equivalents	\$ 7,940,530	\$ 2,702,505	\$ 1,073,287	\$ 6,451,913	\$ 441,219	\$ 39,132	\$ 13,222
Restricted cash, cash equivalents and investments	-	-	-	73	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-
Receivables, net:							
Loans	-	-	-	-	-	-	-
Taxes	-	3,138,808	4,273,166	-	-	-	-
Accounts	-	34,997	383	5,442	-	-	-
Intergovernmental	-	848,817	45,998	1,211,058	-	-	-
Total assets	\$ 7,940,530	\$ 6,725,127	\$ 5,392,834	\$ 7,668,486	\$ 441,219	\$ 39,132	\$ 13,222
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ 303,794	\$ 83,856	\$ 641,448	\$ 12,733	\$ 350	\$ 6,551
Accrued payroll and withholding payable	-	53,031	37,270	-	2,336	-	-
Due to other funds	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	968	-	-	-
Unearned revenue	7,940,530	-	-	-	18,258	-	-
Performance deposits payable	-	-	-	239,586	-	-	-
Customer deposits	-	-	-	-	6,050	-	-
Total liabilities	7,940,530	356,825	121,126	882,002	39,377	350	6,551
Deferred Inflows of Resources:							
Unavailable revenue	-	3,171,841	4,319,164	1,211,058	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	3,196,461	952,544	5,575,426	401,842	-	-
Committed	-	-	-	-	-	38,782	6,671
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	-	3,196,461	952,544	5,575,426	401,842	38,782	6,671
Total liabilities, deferred inflows and fund balances	\$ 7,940,530	\$ 6,725,127	\$ 5,392,834	\$ 7,668,486	\$ 441,219	\$ 39,132	\$ 13,222

Continued on next page

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2021

	Economic Development	LIT Public Safety	Federal Grants	Police Continuing Education	COVID Emergency Funding	Unsafe Building	State Grants
Assets							
Cash and cash equivalents - unrestricted	\$ 183,244	\$ 736,726	\$ 29,425	\$ 338,619	\$ 10,126	\$ 51,934	\$ 247,351
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-
Receivables, net:							
Loans	-	-	-	-	-	-	-
Taxes	482,935	-	-	-	-	-	-
Accounts	-	-	41,358	-	-	-	-
Intergovernmental	5,754	534,831	-	-	-	-	-
Total assets	<u>\$ 671,933</u>	<u>\$ 1,271,557</u>	<u>\$ 70,783</u>	<u>\$ 338,619</u>	<u>\$ 10,126</u>	<u>\$ 51,934</u>	<u>\$ 247,351</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 157,423	\$ 24,914	\$ 6,972	\$ 1,784	\$ -	\$ -	\$ 36,804
Accrued payroll and withholding payable	6,218	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Accrued interest payable	-	2,358	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	1,500	-
Total liabilities	<u>163,641</u>	<u>27,272</u>	<u>6,972</u>	<u>1,784</u>	<u>-</u>	<u>1,500</u>	<u>36,804</u>
Deferred Inflows or Resources:							
Unavailable revenue	<u>488,689</u>	<u>534,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	19,603	709,454	63,811	-	10,126	-	210,547
Committed	-	-	-	336,835	-	50,434	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>19,603</u>	<u>709,454</u>	<u>63,811</u>	<u>336,835</u>	<u>10,126</u>	<u>50,434</u>	<u>210,547</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 671,933</u>	<u>\$ 1,271,557</u>	<u>\$ 70,783</u>	<u>\$ 338,619</u>	<u>\$ 10,126</u>	<u>\$ 51,934</u>	<u>\$ 247,351</u>

Continued on next page

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2021

	LOIT Special Distribution	Fire Donations	Band	Police Training	Fire Training (Arns Invstg)	Police Unclaimed Property	Police Drug Free
<u>Assets</u>							
Cash and cash equivalents - unrestricted	\$ 7,001	\$ 2,083	\$ 15,456	\$ 58	\$ 18,335	\$ 644,026	\$ 8,017
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-
Receivables, net:							
Loans	-	-	-	-	-	-	-
Taxes	-	-	18,490	-	-	-	-
Accounts	-	-	-	-	-	-	20,223
Intergovernmental	-	-	-	-	-	-	-
Total assets	<u>\$ 7,001</u>	<u>\$ 2,083</u>	<u>\$ 33,946</u>	<u>\$ 58</u>	<u>\$ 18,335</u>	<u>\$ 644,026</u>	<u>\$ 28,240</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ 6,997	\$ 3,269
Accrued payroll and withholding payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>6,997</u>	<u>3,269</u>
Deferred Inflows or Resources:							
Unavailable revenue	-	-	18,490	-	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,001	-	2,956	-	-	637,029	24,971
Committed	-	2,083	-	58	18,335	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>7,001</u>	<u>2,083</u>	<u>2,956</u>	<u>58</u>	<u>18,335</u>	<u>637,029</u>	<u>24,971</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,001</u>	<u>\$ 2,083</u>	<u>\$ 33,946</u>	<u>\$ 58</u>	<u>\$ 18,335</u>	<u>\$ 644,026</u>	<u>\$ 28,240</u>

Continued on next page

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2021

	HOME - Community Development	CDBG - Community Development	Beautification	Park Bond	Thoroughfare	TIF MCCarty	TIF Twyckenham	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents - unrestricted	\$ 9,299	\$ 1,867	\$ 26,463	\$ 171,299	\$ 23,350	\$ 1,578,880	\$ 417,292	\$ 23,182,659
Restricted cash, cash equivalents and investments	-	-	-	22,595	-	4,188,689	447,488	4,658,845
Cash with fiscal agents	-	-	-	-	-	7,324,376	-	7,324,376
Receivables, net:								
Loans	28,226	13,227	-	-	-	-	-	41,453
Taxes	-	-	-	779,977	-	1,644,523	1,580,944	11,918,843
Accounts	22,240	79,914	-	-	-	-	-	204,557
Intergovernmental	-	-	-	9,590	-	114,876	6,048	2,776,972
Total assets	<u>\$ 59,765</u>	<u>\$ 95,008</u>	<u>\$ 26,463</u>	<u>\$ 983,461</u>	<u>\$ 23,350</u>	<u>\$ 14,851,344</u>	<u>\$ 2,451,772</u>	<u>\$ 50,107,705</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 22,333	\$ 81,469	\$ -	\$ 22,100	\$ -	\$ 34,375	\$ 8,337	1,468,009
Accrued payroll and withholding payable	-	-	-	-	-	-	-	98,855
Due to other funds	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	4,188,689	-	4,188,689
Accrued interest payable	-	-	-	185,151	-	-	80,901	269,378
Unearned revenue	-	-	-	-	-	-	-	7,958,788
Performance deposits payable	-	-	-	-	-	-	-	239,586
Customer deposits	-	-	-	-	-	-	-	7,550
Total liabilities	<u>22,333</u>	<u>81,469</u>	<u>-</u>	<u>207,251</u>	<u>-</u>	<u>4,223,064</u>	<u>89,238</u>	<u>14,230,855</u>
Deferred Inflows or Resources:								
Unavailable revenue	-	-	-	789,567	-	1,644,523	1,580,944	13,759,107
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	37,432	13,539	-	-	23,350	8,983,757	781,590	21,651,439
Committed	-	-	26,463	-	-	-	-	479,661
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(13,357)	-	-	-	(13,357)
Total fund balances	<u>37,432</u>	<u>13,539</u>	<u>26,463</u>	<u>(13,357)</u>	<u>23,350</u>	<u>8,983,757</u>	<u>781,590</u>	<u>22,117,743</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 59,765</u>	<u>\$ 95,008</u>	<u>\$ 26,463</u>	<u>\$ 983,461</u>	<u>\$ 23,350</u>	<u>\$ 14,851,344</u>	<u>\$ 2,451,772</u>	<u>\$ 50,107,705</u>

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Capital Project Funds
 December 31, 2021

	<u>Cumulative Capital Improvement</u>	<u>Cumulative Capital Development</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets</u>			
Cash and cash equivalents - unrestricted	\$ 88,848	\$ 1,727,732	\$ 1,816,580
Cash with fiscal agents	-	-	-
Receivables, net:			
Loans	-	-	-
Taxes	-	1,560,423	1,560,423
Accounts	-	-	-
Intergovernmental	<u>12,263</u>	<u>17,760</u>	<u>30,023</u>
Total assets	<u>\$ 101,111</u>	<u>\$ 3,305,915</u>	<u>\$ 3,407,026</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 3,601	\$ 467,874	\$ 471,475
Accrued payroll and withholding payable	-	-	-
Due to other funds	-	-	-
Intergovernmental payable	-	-	-
Performance deposits payable	-	-	-
Customer deposits	-	-	-
Total liabilities	<u>3,601</u>	<u>467,874</u>	<u>471,475</u>
Deferred Inflows or Resources:			
Unavailable revenue	<u>12,263</u>	<u>1,578,183</u>	<u>1,590,446</u>
Fund Balances:			
Restricted	85,247	1,259,858	1,345,105
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>85,247</u>	<u>1,259,858</u>	<u>1,345,105</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 101,111</u>	<u>\$ 3,305,915</u>	<u>\$ 3,407,026</u>

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Governmental Funds - Special Revenue Funds
 December 31, 2021

	Motor Vehicle Highway	Park and Recreation Operating	Economic Dev Income Tax (EDIT)	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development
<u>Revenues</u>							
Property taxes	\$ 3,017,068	\$ 4,200,927	\$ -	\$ -	\$ -	\$ -	\$ 526,529
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,260,642	360,357	7,694,511	-	-	-	45,079
Charges for services	22,228	70,142	-	1,617,752	-	-	2,500
Fines and forfeits	-	-	-	-	-	-	-
Capital contributions	-	-	4,731	-	-	-	-
Other	108,989	59,957	55,133	58,394	134,468	11,110	210
Interest and investment revenue	-	-	141	-	-	-	-
Total revenues	<u>8,408,927</u>	<u>4,691,383</u>	<u>7,754,516</u>	<u>1,676,146</u>	<u>134,468</u>	<u>11,110</u>	<u>574,318</u>
<u>Expenditures</u>							
Current:							
General government	-	-	-	-	120,145	-	-
Public safety	-	-	-	-	-	11,109	-
Highways and streets	7,396,513	-	-	-	-	-	-
Culture and recreation	-	4,390,932	-	1,258,686	-	-	-
Economic development	-	-	3,985,148	-	-	-	496,954
Debt service:							
Interest	-	-	622,833	-	-	-	-
Principal retirement	-	-	132,979	-	-	-	-
Capital outlay:							
Public safety	-	-	-	-	-	-	-
Highways and streets	494,903	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Economic development	-	-	3,422,888	-	-	-	-
Total expenditures	<u>7,891,416</u>	<u>4,390,932</u>	<u>8,163,848</u>	<u>1,258,686</u>	<u>120,145</u>	<u>11,109</u>	<u>496,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>517,511</u>	<u>300,451</u>	<u>(409,332)</u>	<u>417,460</u>	<u>14,323</u>	<u>1</u>	<u>77,364</u>
<u>Other Financing Sources (Uses)</u>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(385,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(385,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	517,511	300,451	(794,332)	417,460	14,323	1	77,364
Fund balances - beginning, as restated	<u>2,678,950</u>	<u>652,093</u>	<u>6,369,758</u>	<u>(15,618)</u>	<u>24,459</u>	<u>6,670</u>	<u>(57,761)</u>
Fund balances - ending	<u>\$ 3,196,461</u>	<u>\$ 952,544</u>	<u>\$ 5,575,426</u>	<u>\$ 401,842</u>	<u>\$ 38,782</u>	<u>\$ 6,671</u>	<u>\$ 19,603</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, 2021

	LIT Public Safety	Federal Grants	Police Continuing Education	COVID Emergency Funding	Unsafe Building	State Grants	LOIT Special Distribution
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	400	-	-
Intergovernmental	3,287,976	367,327	-	3,761	-	295,628	-
Charges for services	-	-	137,929	-	-	-	-
Fines and forfeits	-	-	55,363	-	-	-	-
Capital contributions	-	-	-	-	-	-	-
Other	-	-	762	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-
Total revenues	3,287,976	367,327	194,054	3,761	400	295,628	-
Expenditures							
Current:							
General government	-	-	-	-	-	18,705	-
Public safety	1,930,143	143,758	110,242	102,285	-	9,460	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	226,488	-	-	-	49,585	-
Debt service:							
Interest	13,061	-	-	-	-	-	-
Principal retirement	700,250	-	-	-	-	-	-
Capital outlay:							
Public safety	572,059	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total expenditures	3,215,513	370,246	110,242	102,285	-	77,750	-
Excess (deficiency) of revenues over (under) expenditures	72,463	(2,919)	83,812	(98,524)	400	217,878	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(269,000)	-	-	-	-	-	-
Total other financing sources (uses)	(269,000)	-	-	-	-	-	-
Net change in fund balances	(196,537)	(2,919)	83,812	(98,524)	400	217,878	-
Fund Balances - beginning, as restated	905,991	66,730	253,023	108,650	50,034	(7,331)	7,001
Fund balances - ending	\$ 709,454	\$ 63,811	\$ 336,835	\$ 10,126	\$ 50,434	\$ 210,547	\$ 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, 2021

	Fire Donations	Band	Police Training	Fire Training (Arsn Invstg)	Police Unclaimed Property	Police Drug Free	HOME - Community Development
<u>Revenues</u>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	62,781	457,474
Charges for services	200	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	16,389	-
Capital contributions	-	-	-	-	-	-	-
Other	11,746	-	755	9,879	170,229	-	8,304
Interest and investment revenue	-	-	-	-	-	-	-
Total revenues	<u>11,946</u>	<u>-</u>	<u>755</u>	<u>9,879</u>	<u>170,229</u>	<u>79,170</u>	<u>465,778</u>
<u>Expenditures</u>							
Current:							
General government	-	25,000	-	-	-	-	-
Public safety	5,635	-	2,143	3,735	94,660	66,997	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	488,964
Debt service:							
Interest	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Capital outlay:							
Public safety	6,243	-	-	-	-	11,500	-
Highways and streets	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total expenditures	<u>11,878</u>	<u>25,000</u>	<u>2,143</u>	<u>3,735</u>	<u>94,660</u>	<u>78,497</u>	<u>488,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>68</u>	<u>(25,000)</u>	<u>(1,388)</u>	<u>6,144</u>	<u>75,569</u>	<u>673</u>	<u>(23,186)</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	68	(25,000)	(1,388)	6,144	75,569	673	(23,186)
Fund Balances - beginning, as restated	<u>2,015</u>	<u>27,956</u>	<u>1,446</u>	<u>12,191</u>	<u>561,460</u>	<u>24,298</u>	<u>60,618</u>
Fund balances - ending	<u>\$ 2,083</u>	<u>\$ 2,956</u>	<u>\$ 58</u>	<u>\$ 18,335</u>	<u>\$ 637,029</u>	<u>\$ 24,971</u>	<u>\$ 37,432</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, 2021

	CDBG - Community Development	Beautification	Park Bond	Thoroughfare	TIF MCCarty	TIF Twychenham	Total Nonmajor Special Revenue Funds
<u>Revenues</u>							
Property taxes	\$ -	\$ -	\$ 943,203	\$ -	\$ 5,149,475	\$ 1,518,651	\$ 15,355,853
Licenses and permits	-	-	-	-	-	-	400
Intergovernmental	905,026	-	75,132	-	-	-	18,815,694
Charges for services	-	-	-	-	-	-	1,850,751
Fines and forfeits	-	-	-	-	-	-	71,752
Capital contributions	-	-	-	-	142,541	82,956	230,228
Other	-	23,209	-	-	-	-	653,145
Interest and investment revenue	-	-	348	-	26,884	548	27,921
Total revenues	905,026	23,209	1,018,683	-	5,318,900	1,602,155	37,005,744
<u>Expenditures</u>							
Current:							
General government	-	-	-	-	-	-	163,850
Public safety	-	-	-	-	-	-	2,480,167
Highways and streets	-	-	-	-	-	-	7,396,513
Culture and recreation	-	25,654	-	-	-	-	5,675,272
Economic development	932,593	-	-	-	187,878	64,629	6,432,239
Debt service:							
Interest	-	-	407,693	-	-	176,163	1,219,750
Principal retirement	-	-	510,000	-	-	-	1,343,229
Capital outlay:							
Public safety	-	-	-	-	-	-	589,802
Highways and streets	-	-	-	-	-	-	494,903
Culture and Recreation	-	-	3,019,810	-	-	-	3,019,810
Economic development	-	-	-	-	504,198	103,695	4,030,781
Total expenditures	932,593	25,654	3,937,503	-	692,076	344,487	32,846,316
Excess (deficiency) of revenues over (under) expenditures	(27,567)	(2,445)	(2,918,820)	-	4,626,824	1,257,668	4,159,428
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(597,000)	(1,251,000)
Total other financing sources (uses)	-	-	-	-	-	(597,000)	(1,251,000)
Net change in fund balances	(27,567)	(2,445)	(2,918,820)	-	4,626,824	660,668	2,908,428
Fund Balances - beginning, as restated	41,106	28,908	2,905,463	23,350	4,356,933	120,922	19,209,315
Fund balances - ending	\$ 13,539	\$ 26,463	\$ (13,357)	\$ 23,350	\$ 8,983,757	\$ 781,590	\$ 22,117,743

CITY OF LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES
 Nonmajor Governmental Funds - Capital Project Funds
 December 31, 2021

	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds
<u>Revenues</u>			
Property taxes	\$ -	\$ 1,622,198	\$ 1,622,198
Licenses and permits	-	-	-
Intergovernmental	137,945	139,134	277,079
Charges for services	-	-	-
Fines and forfeits	-	-	-
Other	-	-	-
Interest and investment revenue	-	-	-
Total revenues	<u>137,945</u>	<u>1,761,332</u>	<u>1,899,277</u>
<u>Expenditures</u>			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Economic development	79,868	338,443	418,311
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Public safety	-	-	-
Highways and streets	-	-	-
Culture and Recreation	-	-	-
Economic development	62,919	700,326	763,245
Total expenditures	<u>142,787</u>	<u>1,038,769</u>	<u>1,181,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,842)</u>	<u>722,563</u>	<u>717,721</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,842)	722,563	717,721
Fund balances - beginning	<u>90,089</u>	<u>537,295</u>	<u>627,384</u>
Fund balances - ending	<u>\$ 85,247</u>	<u>\$ 1,259,858</u>	<u>\$ 1,345,105</u>

CITY OF LAFAYETTE
 COMBINING BALANCE SHEET
 Nonmajor Governmental Funds - Special Revenue Funds and Capital Projects Funds
 December 31, 2021

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 23,182,659	\$ 1,816,580	\$ 24,999,239
Restricted cash, cash equivalents and investments	4,658,845	-	4,658,845
Cash with fiscal agents	7,324,376	-	7,324,376
Receivables, net:			
Loans	41,453	-	41,453
Taxes	11,918,843	1,560,423	13,479,266
Accounts	204,557	-	204,557
Intergovernmental	2,776,972	30,023	2,806,995
Total assets	\$ 50,107,705	\$ 3,407,026	\$ 53,514,731
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,468,009	\$ 471,475	\$ 1,939,484
Accrued payroll and withholding payable	98,855	-	98,855
Intergovernmental payable	4,188,689	-	4,188,689
Accrued interest payable	269,378	-	269,378
Unearned revenue	7,958,788	-	7,958,788
Performance deposits payable	239,586	-	239,586
Customer deposits	7,550	-	7,550
Total liabilities	14,230,855	471,475	14,702,330
Deferred Inflows or Resources:			
Unavailable revenue	13,759,107	1,590,446	15,349,553
Fund Balances:			
Nonspendable	-	-	-
Restricted	21,651,439	1,345,105	22,996,544
Committed	479,661	-	479,661
Assigned	-	-	-
Unassigned	(13,357)	-	(13,357)
Total fund balances	22,117,743	1,345,105	23,462,848
Total liabilities and fund balances	\$ 50,107,705	\$ 3,407,026	\$ 53,514,731

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, 2021

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 15,355,853	\$ 1,622,198	\$ 16,978,051
Licenses and permits	400	-	400
Intergovernmental	18,815,694	277,079	19,092,773
Charges for services	1,850,751	-	1,850,751
Fines and forfeits	71,752	-	71,752
Capital contributions	230,228	-	230,228
Other	653,145	-	653,145
Interest and investment revenue	27,921	-	27,921
	<u>37,005,744</u>	<u>1,899,277</u>	<u>38,905,021</u>
Total revenues			
Expenditures:			
Current:			
General government	163,850	-	163,850
Public safety	2,480,167	-	2,480,167
Highways and streets	7,396,513	-	7,396,513
Culture and recreation	5,675,272	-	5,675,272
Economic development	6,432,239	418,311	6,850,550
Debt service:			
Interest	1,219,750	-	1,219,750
Principal retirement	1,343,229	-	1,343,229
Capital outlay:			
Public safety	589,802	-	589,802
Highways and streets	494,903	-	494,903
Culture and recreation	3,019,810	-	3,019,810
Economic development	4,030,781	763,245	4,794,026
	<u>32,846,316</u>	<u>1,181,556</u>	<u>34,027,872</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>4,159,428</u>	<u>717,721</u>	<u>4,877,149</u>
Other Financing Sources:			
Transfers Out	(1,251,000)	-	(1,251,000)
Net change in fund balances	2,908,428	717,721	3,626,149
Fund balances - beginning, as restated	<u>19,209,315</u>	<u>627,384</u>	<u>19,836,699</u>
Fund balances - ending	<u>\$ 22,117,743</u>	<u>\$ 1,345,105</u>	<u>\$ 23,462,848</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, 2021

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 914,867	\$ 844,352	\$ 1,759,219
Accounts receivables	-	-	-
	<u>914,867</u>	<u>844,352</u>	<u>1,759,219</u>
Total assets	<u>\$ 914,867</u>	<u>\$ 844,352</u>	<u>\$ 1,759,219</u>
Net Position			
Restricted for pensions	<u>914,867</u>	<u>844,352</u>	<u>1,759,219</u>
Total net position	<u>\$ 914,867</u>	<u>\$ 844,352</u>	<u>\$ 1,759,219</u>

CITY OF LAFAYETTE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Fiduciary Funds
 For the Year Ended December 31, 2021

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Additions			
Contributions:			
State contributions	\$ 1,518,529	\$ 2,256,122	\$ 3,774,651
Miscellaneous revenue	3,500	3,500	7,000
Total contributions	<u>1,522,029</u>	<u>2,259,622</u>	<u>3,781,651</u>
Deductions			
Administration and general	9,802	9,802	19,604
Benefits	<u>1,514,124</u>	<u>2,344,195</u>	<u>3,858,319</u>
Total deductions	<u>1,523,926</u>	<u>2,353,997</u>	<u>3,877,923</u>
Change in net position	(1,897)	(94,375)	(96,272)
Net Position -- beginning of the year	<u>916,764</u>	<u>938,727</u>	<u>1,855,491</u>
Net Position -- end of the year	<u>\$ 914,867</u>	<u>\$ 844,352</u>	<u>\$ 1,759,219</u>

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULE
 Other Nonmajor Governmental Funds
 For The Calendar Year Ended December 31, 2021

	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	\$ 2,879,350	\$ -	\$ 3,017,068	\$ 3,017,068	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,256,065	-	5,260,642	5,260,642	6,874,995	-	7,694,511	7,694,511
Charges for services	-	-	22,228	22,228	-	-	-	-
Other	30,000	-	108,989	108,989	-	-	55,132	55,132
Interest and investment revenue	-	-	-	-	-	-	141	141
Total revenues	6,165,415	0	8,408,927	8,408,927	6,874,995	-	7,749,784	7,749,784
Expenditures:								
Current:								
Highways and streets:								
Personal services	4,709,075	4,709,075	4,946,732	237,657	-	-	-	-
Supplies	1,129,400	1,129,400	825,244	(304,156)	-	-	-	-
Other services and charges	666,325	666,325	1,624,537	958,212	-	-	-	-
Capital outlays	267,000	267,000	494,903	227,903	-	-	-	-
Total highways and streets	6,771,800	6,771,800	7,891,416	1,119,616	-	-	-	-
Economic development:								
Supplies	-	-	-	-	242,000	242,000	52,766	(189,234)
Other services and charges	-	-	-	-	4,758,000	4,758,000	3,932,382	(825,618)
Debt service	-	-	-	-	-	-	755,812	755,812
Capital outlays	-	-	-	-	2,000,000	2,000,000	3,418,155	1,418,155
Total economic development	-	-	-	-	7,000,000	7,000,000	8,159,115	1,159,115
Total expenditures	6,771,800	6,771,800	7,891,416	1,119,616	7,000,000	7,000,000	8,159,115	1,159,115
Other financing sources and uses:								
Transfers out	-	-	-	-	-	-	(385,000)	-
Total other financing sources and (uses)	-	-	-	-	-	-	(385,000)	-
Net change in fund balances	(606,385)	(6,771,800)	517,511	7,289,311	(125,005)	(7,000,000)	(794,331)	6,590,669
Fund balances - beginning	2,678,950	2,678,950	2,678,950	-	6,369,758	6,369,758	6,369,758	-
Fund balances - ending	\$ 2,072,565	\$ (4,092,850)	\$ 3,196,461	\$ 7,289,311	\$ 6,244,753	\$ (630,242)	\$ 5,575,427	\$ 6,590,669

Continued on next page

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

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULE
 Other Nonmajor Governmental Funds
 For The Calendar Year Ended December 31, 2021

	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	\$ 928,350	\$ 928,350	\$ 943,203	\$ 14,853	\$ -	\$ -	\$ 4,200,927	\$ 4,200,927
Intergovernmental	56,874	56,874	75,132	18,258	-	-	360,357	360,357
Charges for services	-	-	-	-	-	-	70,142	70,142
Other	-	-	348	348	-	-	59,957	59,957
Total revenues	<u>985,224</u>	<u>985,224</u>	<u>1,018,683</u>	<u>33,459</u>	<u>-</u>	<u>-</u>	<u>4,691,383</u>	<u>4,691,383</u>
Expenditures:								
Current:								
Culture and recreation:								
Personal services	-	-	-	-	3,447,095	3,447,095	3,190,581	(256,514)
Supplies	-	-	-	-	366,480	366,480	344,494	(21,986)
Other services and charges	1,100	1,100	-	(1,100)	862,325	862,325	855,857	(6,468)
Capital outlays	-	2,300,592	3,019,810	719,218	-	-	-	-
Total culture and recreation	<u>1,100</u>	<u>2,301,692</u>	<u>3,019,810</u>	<u>718,118</u>	<u>4,675,900</u>	<u>4,675,900</u>	<u>4,390,932</u>	<u>(284,968)</u>
Debt service:								
Interest	414,718	414,718	407,693	(7,025)	-	-	-	-
Principal retirement	510,000	510,000	510,000	-	-	-	-	-
Total debt service	<u>924,718</u>	<u>924,718</u>	<u>917,693</u>	<u>(7,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>925,818</u>	<u>3,226,410</u>	<u>3,937,503</u>	<u>711,093</u>	<u>4,675,900</u>	<u>4,675,900</u>	<u>4,390,932</u>	<u>(284,968)</u>
Net change in fund balances	59,406	(2,241,186)	(2,918,820)	(677,634)	(4,675,900)	(4,675,900)	300,451	4,976,351
Fund balances - beginning	<u>2,905,463</u>	<u>2,905,463</u>	<u>2,905,463</u>	<u>-</u>	<u>652,093</u>	<u>652,093</u>	<u>652,093</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,964,869</u>	<u>\$ 664,277</u>	<u>\$ (13,357)</u>	<u>\$ (677,634)</u>	<u>\$ (4,023,807)</u>	<u>\$ (4,023,807)</u>	<u>\$ 952,544</u>	<u>\$ 4,976,351</u>

Continued on next page

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

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	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	\$ 510,810	\$ 510,810	\$ 526,529	\$ 15,719	\$ 3,712,518	\$ 3,712,518	\$ 5,149,475	\$ 1,436,957
Intergovernmental	34,125	34,125	45,079	10,954	-	-	-	-
Charges for services	-	-	2,500	2,500	-	-	-	-
Other	30,000	30,000	210	(29,790)	-	-	26,884	26,884
Total revenues	574,935	574,935	574,318	(617)	3,712,518	3,712,518	5,176,359	1,463,841
Expenditures:								
Current:								
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Economic development:								
Personal services	529,000	528,500	481,176	(47,324)	-	-	-	-
Supplies	2,500	3,000	7,477	4,477	-	-	-	-
Other services and charges	17,500	17,500	8,301	(9,199)	54,500	54,500	187,877	133,377
Capital outlays	-	-	-	-	800,000	800,000	361,658	(438,342)
Total economic development	549,000	549,000	496,954	(52,046)	854,500	854,500	549,535	(304,965)
Total expenditures	549,000	549,000	496,954	(52,046)	854,500	854,500	549,535	(304,965)
Net change in fund balances	25,935	25,935	77,364	51,429	2,858,018	2,858,018	4,626,824	1,768,806
Fund balances - beginning	(57,761)	(57,761)	(57,761)	-	4,356,933	4,356,933	4,356,933	-
Fund balances - ending	\$ (31,826)	\$ (31,826)	\$ 19,603	\$ 51,429	\$ 7,214,951	\$ 7,214,951	\$ 8,983,757	\$ 1,768,806

Continued on next page

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

CITY OF LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
Other Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	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	\$ 1,279,162	\$ 1,279,162	\$ 1,518,651	\$ 239,489	\$ 137,637	\$ 137,637	\$ 137,945	\$ 308
Other	-	-	548	548	-	-	-	-
Total revenues	<u>1,279,162</u>	<u>1,279,162</u>	<u>1,519,199</u>	<u>240,037</u>	<u>137,637</u>	<u>137,637</u>	<u>137,945</u>	<u>308</u>
Expenditures:								
Current:								
Economic development:								
Other services and charges	31,000	31,000	64,629	33,629	-	-	79,868	79,868
Capital outlays	475,000	475,000	20,739	(454,261)	145,000	145,000	62,919	(82,081)
Total economic development	<u>506,000</u>	<u>506,000</u>	<u>85,368</u>	<u>(420,632)</u>	<u>145,000</u>	<u>145,000</u>	<u>142,787</u>	<u>(2,213)</u>
Debt service:								
Interest	176,162	173,083	176,163	3,080	-	-	-	-
Principal retirement	597,000	597,000	-	(597,000)	-	-	-	-
Total debt service	<u>773,162</u>	<u>770,083</u>	<u>176,163</u>	<u>(593,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,279,162</u>	<u>1,276,083</u>	<u>261,531</u>	<u>(1,014,552)</u>	<u>145,000</u>	<u>145,000</u>	<u>142,787</u>	<u>(2,213)</u>
Other Financing Sources								
Transfer Out	-	-	(597,000)					
Net change in fund balances	-	3,079	660,668	1,254,589	(7,363)	(7,363)	(4,842)	2,521
Fund balances - beginning	120,922	120,922	120,922	-	90,089	90,089	90,089	(116,201)
Fund balances - ending	<u>\$ 120,922</u>	<u>\$ 124,001</u>	<u>\$ 781,590</u>	<u>\$ 1,254,589</u>	<u>\$ 82,726</u>	<u>\$ 82,726</u>	<u>\$ 85,247</u>	<u>\$ (113,680)</u>

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

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	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	\$ 644,986	\$ 644,986	\$ 1,622,198	\$ 977,212	\$ 1,442	\$ 1,442	\$ -	\$ (1,442)
Intergovernmental	39,745	39,745	139,134	99,389	1,450	1,450	-	(1,450)
Total revenues	<u>684,731</u>	<u>684,731</u>	<u>1,761,332</u>	<u>1,076,601</u>	<u>2,892</u>	<u>2,892</u>	<u>-</u>	<u>(2,892)</u>
Expenditures:								
Current:								
General Government:								
Other services and charges	-	-	-	-	25,000	25,000	25,000	\$ -
Total general government	-	-	-	-	25,000	25,000	25,000	-
Economic development:								
Supplies	-	-	-	-	-	-	-	-
Other services and charges	1,260,000	1,260,000	338,443	(921,557)	-	-	-	-
Capital outlays	390,000	390,000	700,326	310,326	-	-	-	-
Total economic development	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,038,769</u>	<u>(611,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,038,769</u>	<u>(611,231)</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	(965,269)	(965,269)	722,563	1,687,832	(22,108)	(22,108)	(25,000)	(2,892)
Fund balances - beginning	<u>537,295</u>	<u>537,295</u>	<u>537,295</u>	<u>-</u>	<u>27,956</u>	<u>27,956</u>	<u>27,956</u>	<u>-</u>
Fund balances - ending	<u>\$ (427,974)</u>	<u>\$ (427,974)</u>	<u>\$ 1,259,858</u>	<u>\$ 1,687,832</u>	<u>\$ 5,848</u>	<u>\$ 5,848</u>	<u>\$ 2,956</u>	<u>\$ (2,892)</u>

Continued on next page

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

CITY OF LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 Other Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	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	\$ -	\$ -	\$ 3,287,976	\$ 3,287,976	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	100,000	100,000	194,054	94,054
Total revenues	-	-	3,287,976	3,287,976	100,000	100,000	194,054	94,054
Expenditures:								
Current:								
Public Safety:								
Personal services	1,611,054	1,611,054	1,930,143	319,089	15,000	15,000	-	(15,000)
Supplies	-	-	-	-	20,000	20,000	30,747	10,747
Other services and charges	-	-	-	-	90,000	90,000	79,495	(10,505)
Capital outlays	250,000	250,000	572,059	322,059	10,000	10,000	-	(10,000)
Total public safety	1,861,054	1,861,054	2,502,202	641,148	135,000	135,000	110,242	(24,758)
Culture and recreation:								
Other services and charges	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Interest	52,851	52,851	13,061	(39,790)	-	-	-	-
Principal retirement	1,585,204	1,585,204	969,250	(615,954)	-	-	-	-
Total debt service	1,638,055	1,638,055	982,311	(655,744)	-	-	-	-
Total expenditures	3,499,109	3,499,109	3,484,513	(14,596)	135,000	135,000	110,242	(24,758)
Net change in fund balances	(3,499,109)	(3,499,109)	(196,537)	3,302,572	(35,000)	(35,000)	83,812	118,812
Fund balances - beginning	905,991	905,991	905,991	-	253,023	253,023	253,023	-
Fund balances - ending	<u>\$ (2,593,118)</u>	<u>\$ (2,593,118)</u>	<u>\$ 709,454</u>	<u>\$ 3,302,572</u>	<u>\$ 218,023</u>	<u>\$ 218,023</u>	<u>\$ 336,835</u>	<u>\$ 118,812</u>

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

STATISTICAL SECTION

Statistical Section

This part of the City of Lafayette's Annual Comprehensive 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

	2021	2020	2019	2018	2017 (2)	2016	2015 (1)	2014 (1)	2013	2012
Governmental activities										
Net investment in capital assets	\$ 241,099,438	\$ 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
Restricted	78,409,681	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
Unrestricted	(80,529,087)	(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
Total governmental activities	\$ 238,980,032	\$ 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
Business-type activities										
Net investment in capital assets	\$ 197,767,066	\$ 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
Restricted	22,597,941	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
Unrestricted	26,562,230	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
Total business-type activities	\$ 246,927,237	\$ 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
Primary government										
Net investment in capital assets	\$ 438,866,504	\$ 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
Restricted	101,007,622	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
Unrestricted	(53,966,857)	(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
Total primary government	\$ 485,907,269	\$ 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

Source - 2021 City of Lafayette Annual Comprehensive Financial Report, 2012-2020 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 2,550,714	\$ 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
Public safety	29,568,765	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
Highways and streets	12,360,367	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
Sanitation	2,812,287	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
Culture and recreation	7,338,389	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
Economic development	18,230,169	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
Total governmental activities expenses	72,860,691	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
Business-type activities:										
Water utility	9,348,951	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
Wastewater utility	25,560,120	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
Parking operations	492,128	467,635	468,008	458,717	385,410	451,504	334,239	237,129	86,535	155,580
Community Dev Blk Grant (LHR)	-	-	-	17,761	42,541	64,520	73,192	75,512	74,216	80,595
Total business-type activities expenses	35,401,199	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
Total primary government expenses	\$ 108,261,890	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 626,356	\$ 622,104	\$ 756,940	\$ 686,818	\$ 605,723	\$ 728,408	\$ 707,752	\$ 763,846	\$ 449,543	\$ 451,708
Public safety	210,416	151,571	115,940	72,886	84,689	107,467	164,163	100,794	127,729	120,088
Highways and streets	23,113	26,453	33,260	38,889	33,034	46,131	31,133	3,026,579	2,718,171	2,341,069
Sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,687,894	753,896	1,299,184	1,190,482	1,130,758	1,130,853	978,904	886,756	8,356	21,722
Economic development	21,460	40,192	28,649	2,654	38,792	13,541	2,100	8,655	1,002,517	1,444,534
Operating grants and contributions	2,073,037	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
Capital grants and contributions	739,402	816,267	-	3,053,686	4,722,960	2,919,780	10,385	39,050	172,965	27,909,900
Total governmental activities program revenues	5,381,678	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
Business-type activities:										
Charges for services:										
Water utility	11,566,886	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
Wastewater utility	38,857,294	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
Parking operations	436,360	405,007	467,683	435,063	446,297	380,178	328,006	287,114	84,366	76,682
Community Dev Blk Grant (LHR)	-	-	-	-	-	-	-	62,923	73,997	74,801
Capital grants and contributions	3,036,835	3,700,625	623,868	1,163,554	1,167,195	-	-	-	-	-
Total business-type activities program revenues	53,897,375	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
Total primary government program revenues	\$ 59,279,053	\$ 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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (Expenses)/Revenue										
Governmental activities	\$ (67,479,013)	\$ (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)
Business-type activities	18,496,176	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
Total primary government net expenses	\$ (48,982,837)	\$ (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)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 56,503,910	\$ 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
Intergovernmental revenues	29,365,355	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
Payment in lieu of taxes	2,559,500	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
Investment earnings	66,371	299,545	959,236	357,699	122,044	46,835	39,986	19,277	30,833	35,782
Other	1,532,063	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
Transfers	-	-	-	58,755	-	-	-	-	-	(2,688,353)
Total governmental activities	90,027,199	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
Business-type activities:										
Investment earnings	8,749	947,995	1,333,170	875,010	322,048	141,449	149,674	250,039	59,490	73,419
Other	651,623	518,957	110,543	249,503	197,941	217,122	202,741	8,359	121,808	13,462
Transfers	-	-	-	(58,755)	-	-	-	-	-	2,688,353
Contributed capital	-	-	-	-	-	1,176,923	1,090,107	858,847	1,372,650	1,388,516
Total business-type activities	660,372	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
Total primary government	\$ 90,687,571	\$ 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
Change in Net Position										
Governmental activities	\$ 22,548,186	\$ 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
Business-type activities	19,156,548	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
Total primary government	\$ 41,704,734	\$ 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

Source - 2021 City of Lafayette Annual Comprehensive Financial Report, 2012-2020 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Unassigned fund balance	\$ 13,412,134	\$ 10,507,728	\$ 1,674,197	\$ 2,058,481	\$ 4,040,415	\$ 4,417,376	\$ 2,739,793	\$ 603,525	\$ (420,734)	\$ 368,868
Total general fund	13,412,134	10,507,728	1,674,197	2,058,481	4,040,415	4,417,376	2,739,793	603,525	(420,734)	368,868
All Other Governmental Funds										
Restricted fund balance	72,422,150	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
Committed fund balance	479,661	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
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
Unassigned fund balance	(13,357)	(80,710)	5,566,994	-	4,041,613	4,004,302	2,804,302	2,869,203	-	-
Total all other governmental funds	72,888,454	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
Total all funds	\$ 86,300,588	\$ 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

Source - 2021 City of Lafayette Annual Comprehensive Financial Report, 2012-2020 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
General property taxes	\$ 56,918,355	\$ 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
Licenses and permits	412,909	447,852	530,886	480,045	484,553	563,600	476,710	495,789	216,641	222,808
Intergovernmental	31,510,452	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
Payment in lieu of taxes	2,559,500	2,559,500	2,559,500	2,503,000	1,930,000	2,700,000	2,700,000			
Charges for services	1,888,106	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
Fines and forfeits	249,265	151,720	190,860	201,592	112,899	149,868	190,064	316,875	180,493	163,926
Other revenues	1,795,431	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
Total revenues	95,334,018	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
Expenditures										
General government	3,410,077	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
Public safety	36,794,561	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
Highways and streets	7,396,513	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
Sanitation	2,481,728	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
Culture and recreation	5,675,272	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
Economic development	15,770,427	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
Capital outlay	24,785,500	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
Debt service										
Principal	4,587,229	8,042,148	9,494,227	9,004,205	11,975,043	11,188,078	-	-	-	-
Interest	2,908,884	2,194,719	2,203,703	1,375,908	1,365,904	1,206,495	-	-	-	-
Total expenditures	103,810,191	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
Excess of revenues over (under) expenditures	(8,476,173)	(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
Other Financing Sources (Uses)										
Transfers in	2,257,000	354,000	860,562	4,536,755	9,599,188	1,550,000	4,501,626	74,053	-	436,175
Transfers out	(2,257,000)	(354,000)	(860,562)	(4,978,000)	(9,599,188)	(1,550,000)	(4,501,626)	(74,053)	-	(1,647,785)
Bond issue proceeds	64,185,000	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	(6,667,209)	-	-	-	-	-	-	-	(14,554,782)	(8,368,909)
Loans proceeds	-	-	-	-	-	-	-	-	46,399	1,279,545
Capital lease proceeds	-	-	700,000	918,618	-	-	1,312,888	-	-	-
Total other financing sources (uses)	57,517,791	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
Net change in fund balances	\$ 49,041,618	\$ (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
Debt service as a percentage of noncapital expenditures (a)	14.1%	14.1%	15.9%	14.7%	19.1%	17.0%				

Source - 2021 City of Lafayette Annual Comprehensive Financial Report, 2012-2020 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/Surtax	Financial Institution	CVET	COIT	CEDIT	Public Safety	Total
2021	\$ 36,908,057	\$ 2,304,726	\$ 995,583	\$ 656,778	\$ 198,231	\$ 9,459,775	\$ 7,694,511	\$ 3,287,976	\$ 61,505,637
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

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

Tax Collections Measurement:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Tax Levy	\$ 39,042,280	\$ 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
Circuit Breaker Levy Reduction	2,799,444	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
Adjusted Current Tax Levy	36,242,836	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
Current Tax Collections	35,720,244	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
Percent of Current Tax Levy Collected	91.5%	90.3%	92.7%	94.8%	92.3%	90.9%	88.5%	83.2%	76.8%	78.3%
Delinquent Tax Collections	1,187,813	728,093	1,382,587	750,724	679,909	1,863,588	2,183,483	3,701,908	3,925,878	3,927,671
Total Tax Collections	36,908,057	34,200,299	34,069,044	33,605,833	31,406,946	31,013,759	29,388,808	28,035,956	25,664,330	25,585,023
Percent of Total Tax Collections of Current Tax Levy	101.8%	99.2%	103.6%	103.4%	100.0%	101.5%	101.1%	101.4%	95.7%	97.5%
Outstanding Delinquent Taxes	904,654	1,340,916	2,079,148	733,501	2,104,199	882,999	2,270,478	2,838,429	4,426,191	4,538,700
Percent of Delinquent Taxes to Current Tax Levy	2.5%	3.9%	6.3%	2.3%	6.7%	2.9%	7.4%	9.7%	15.6%	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
2021	\$ 6,242,579,239	\$ 3,438,333,863	4.5%	55.1%	1.1355
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

Average Annual Rate of Increase (Decrease) 2.4%

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 ACFR 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
2021	\$ 0.8198	\$ 0.0162	\$ 0.0500	\$ -	\$ 0.0930	\$ 0.1295	\$ 0.0270	\$ 1.1355
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

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total District Certified Tax Rate (1)										
Lafayette - Fairfield Twp. -LSC - B	\$ 2.6577	\$ 2.6529	\$ 2.6608	\$ 2.5899	\$ 2.5415	\$ 2.4224	\$ 2.5474	\$ 2.5183	\$ 2.6016	\$ 2.6077
Lafayette - Fairfield Twp. -TSC - B	2.5875	2.5848	2.5195	2.5255	2.4641	2.4742	2.4109	2.4686	2.5896	2.6068
Lafayette -Wea Twp. - LSC	2.6611	2.6562	2.6646	2.5941	2.5463	2.4278	2.5518	2.5215	2.6076	2.6088
Lafayette -Wea Twp. - TSC	2.5909	2.5881	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956	2.6079
Lafayette - Sheffield Twp. - TSCB	2.5826	2.5793	2.5139	2.5200	2.4583	2.4686	2.4053	2.4633	2.5833	2.6014
Lafayette - Wea Twp. -TSC -B Annex	2.5909	2.5881	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956	2.6079
Lafayette -Perry Twp. - TSC	2.5775	2.5739	2.5092	2.5150	2.4543	2.4650	2.4018	2.4593	2.5803	2.5962

(1) Includes certified tax rates of overlapping taxing units

CITY OF LAFAYETTE
 DETAIL OF NET ASSESSED VALUATION
 (Assessment for the Year 2020 Payable in 2021)

	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	\$ 390,934,900	\$ 37,762,800	\$ 79,024,400	\$ 106,190,100	\$ 13,118,500	\$ 9,941,400	\$ 8,852,900	\$ 645,825,000	
Value of Improvements	2,404,733,900	322,990,200	373,662,699	711,387,200	88,855,000	34,453,100	116,242,200	4,052,324,299	
Total value of real estate	2,795,668,800	360,753,000	452,687,099	817,577,300	101,973,500	44,394,500	125,095,100	4,698,149,299	
Less: Mortgage, veterans, blind, age 65 & other deductions	(639,066,148)	(12,419,890)	(190,047,980)	(219,039,586)	-	-	-	(1,060,573,604)	
Tax-exempt property	(159,789,486)	(18,331,077)	(6,470,100)	(13,666,354)	-	(12,209,870)	(40,901,112)	(251,367,999)	
Tax increment financing	(469,904,408)	(126,464,845)	(50,388,034)	(134,496,524)	(34,909,291)	(14,858,175)	(19,733,252)	(850,754,529)	
Tax abatements	(4,230,407)	-	-	(25,998,061)	(16,692,329)	-	(29,456,136)	(76,376,933)	
Net value of real estate	1,522,678,351	203,537,188	205,780,985	424,376,775	50,371,880	17,326,455	35,004,600	2,459,076,234	70.69%
Business Personal Property	648,716,760	95,318,320	4,025,250	246,154,100	451,496,910	3,458,010	28,696,980	1,477,866,330	
Less: Enterprise zone deductions	(8,389,211)	(3,438,110)	-	-	-	-	-	(11,827,321)	
Tax-exempt property	(36,593,480)	(821,372)	(128,433)	(487,310)	-	(3,580)	(22,117,410)	(60,151,585)	
Tax increment financing	(9,197,800)	-	(256,430)	(916,130)	(124,736,290)	(19,159)	(7,330)	(135,133,139)	
Tax abatements	(73,396,190)	-	-	(62,499,290)	(181,043,320)	-	(1,340,870)	(318,279,670)	
Net value of personal property	521,140,079	91,058,838	3,640,387	182,251,370	145,717,300	3,435,271	5,231,370	952,474,615	27.38%
Net value of railroads and utilities	51,093,690	5,161,390	4,628,730	5,244,120	49,520	238,460	147,700	66,563,610	1.91%
Total net assessed valuation	\$ 2,094,912,120	\$ 299,757,416	\$ 214,050,102	\$ 611,872,265	\$ 196,138,700	\$ 21,000,186	\$ 40,383,670	\$ 3,478,114,459	100.00%
Percentage of Total	60.23%	8.62%	6.15%	17.59%	5.64%	0.60%	1.16%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total Value	\$ 4,698,149,299	\$ 1,544,429,940	\$ 6,242,579,239	100.00%
Deduction & exemptions	(1,060,573,604)	(11,827,321)	(1,072,400,925)	-17.18%
Tax exempt property	(251,367,999)	(60,151,585)	(311,519,584)	-4.99%
Tax increment financing	(850,754,529)	(135,133,139)	(985,887,668)	-15.79%
Tax abatements	(76,376,933)	(318,279,670)	(394,656,603)	-6.32%
Total net assessed valuation	\$ 2,459,076,234	\$ 1,019,038,225	\$ 3,478,114,459	55.72%
Percent	70.70%	29.30%	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
2012-2021

Fund Name	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
General	\$ 26,644,417	\$ 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
MVH	3,017,068	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
Park and Recreation	4,200,927	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
Park Bond	943,203	901,726	864,567	872,878	814,022	900,254	652,140	733,581	939,666	451,929
Economic Development	526,529	535,478	370,859	358,588	439,742	422,796	276,347	405,333	379,809	351,500
Band	-	21,305	18,092	20,919	21,085	20,991	20,362	22,676	15,197	22,596
Cumulative Capital Development	1,622,198	608,527	602,871	597,499	602,232	599,720	581,760	566,900	506,558	502,143
Total	\$ 36,954,342	\$ 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

Source: City's tax collection records

CITY OF LAFAYETTE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR

Taxpayer	2020 Pay 2021 Net Assessed Value	Percentage of Total City Taxable Assessed Value (1)	Type of Business
Subaru of Indiana Automotive, Inc. (SIA) (2)	\$ 354,787,479	10.32%	Automotive manufacturer
Caterpillar, Inc. (2)	198,476,700	5.77%	Manufacturing diesel engines
Tate & Lyle Ingredients America, Inc. (2)	169,820,720	4.94%	Food Manufacturing
Arconic (2)	78,479,175	2.28%	Manufacturing
Wabash National LP (2)	59,293,200	1.72%	Manufacturing
ARCP MT LLC	57,990,000	1.69%	Real Estate
Nanshan America Advanced Aluminum Technologies LLC (2)	54,014,840	1.57%	Manufacturing
Fairfield Manufacturing Company	43,572,000	1.27%	Manufacturing
Hawthorne Holdings LLC	35,374,520	1.03%	Real Estate and Apartments
Simon Property Group LP	<u>31,829,060</u>	<u>0.93%</u>	Real Estate
Total	<u>\$ 1,083,637,694</u>	31.52%	

(1) The total net assessed valuation of the City is \$3,438,333,863 for taxes payable in 2021, 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 2021

Certified net assessed valuation	\$	3,438,333,863
divided by 3		
Subtotal	\$	1,146,111,288
Statutory debt limit rate		<u>2%</u>
Debt limit	\$	22,922,225
Debt applicable to limit (A)		<u>17,724,409</u>
Legal Debt Margin	\$	<u><u>5,197,816</u></u>

Legal Debt Margin Calculation for Fiscal Years 2012 Through 2021

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
2021	70,835	\$ 22,922,225	\$ 17,724,409	\$ 5,197,816	77.32%	250
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

(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, which is coterminous with the Civil City, may also issue general obligation debt subject to its own 2% limit. As of 12/31/2021, the Park District had \$11,593,957 outstanding Park District Bonds subject to its limit.

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021

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	\$ 166,656,750	96.77%	\$ 161,267,071			
Tippecanoe County Public Library	12,011,455	46.83%	5,624,964			
Tippecanoe County	38,343,093	41.82%	16,036,040			
Greater Lafayette Public Transportation Corp	1,042,691	57.41%	598,567			
Tippecanoe School Corporation	348,242,458	25.00%	<u>87,060,615</u>			
Subtotal, overlapping debt			<u>270,587,257</u>	\$ 3,820	7.78%	9.17%
City direct debt						
General obligation bonds	11,593,957	100%	11,593,957			
Redevelopment bonds	104,650,931	100%	104,650,931			
Capital leases	728,997	100%	<u>728,997</u>			
Subtotal, city direct debt			<u>116,973,886</u>	\$ 1,651	3.36%	3.97%
Total direct and overlapping debt			<u><u>\$ 387,561,142</u></u>	\$ 5,471	11.14%	13.14%

(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, 2021

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					
2021	\$ 11,593,957	\$ 111,133,931	\$ 728,997	\$ 122,471,816	\$ 17,138,148	\$ -	\$ -	263,066,849	70,835	3,714	\$ 3,004,537,360	8.8%
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	178,662,546	70,873	2,521	2,449,017,000	7.3%
2013	4,956,818	37,182,177	1,550,458	113,242,850	-	-	3,897,000	160,829,303	70,804	2,271	2,377,244,000	6.8%
2012	5,882,117	41,382,317	2,137,145	52,675,894	-	-	48,362,080	150,439,553	69,978	2,150	2,341,744,000	6.4%

CITY OF LAFAYETTE
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
AS OF DECEMBER 31, 2021

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	EDIT Bonds	Total		
2021	\$ 11,593,957	\$ 17,724,409	\$ 29,318,366	0.9%	413.90
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

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		
2021	\$ 38,857,293	\$ 12,861,293	\$ 25,996,000	\$ 11,400,000	\$ 3,334,511	\$ 14,734,511	1.76	
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	

Water Revenue Bonds								
Fiscal Year	Utility Service Charges	Less: * Operating Expenses	Net Available Revenue	Debt Service			Coverage %	
				Principal	Interest	Total		
2021	\$ 11,156,685	\$ 6,836,305	\$ 4,320,380	\$ 775,000	\$ 565,956	\$ 1,340,956	3.22	
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 for Wastewater and Water Utilities have been adjusted to eliminate depreciation and amortization 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 (%)
2021	70,835	\$ 3,004,537	\$ 42,416	3.0%
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	2,668,301	35,887	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%

CITY OF LAFAYETTE
PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	Type of Business	2021		
		Employees	Rank	Percentage of Total (%)
Purdue University	Education	18,385	1	84.27%
Subaru (SIA)	Automotive Manufacturing	5,600	2	25.67%
Wabash National	Manufacturing	2,500	3	11.46%
Caterpillar	Manufacturing	1,900	4	8.71%
Franciscan-St. E Health	Health Care	1,819	5	8.34%
IU Health Arnett	Health Care	1,699	6	7.79%
Lafayette School Corp.	Education	1,250	7	5.73%
Tippecanoe School Corp.	Education	1,015	8	4.65%
Oerlikon Fairfield Mfg Corp	Manufacturing	1,000	9	4.58%
Kirby Risk Electrical Supply	Manufacturing	950	10	4.35%
Walmart Supercenter	Retail	770	11	3.53%
ZF Commercial Steering	Manufacturing	655	12	3.00%
Lafayette Venetian Blind	Manufacturing	650	13	2.98%
Evonik Corporation Tippecanoe Labs	Manufacturing	550	14	2.52%
Ivy Tech Community College	Education	550	15	2.52%
Tate & Lyle, two facilities	Manufacturing	510	16	2.34%
Meijer	Retail	400	17	1.83%
Total Number of Employees		<u>21,818</u>		<u>100.00%</u>
Total Employees - Lafayette Area Labor Force (Employers >300 Employees)		<u>21,818</u>		<u>100.00%</u>

Sources: Region 4 Workforce Board, Tecumseh Area Partnership, Inc.

CITY OF LAFAYETTE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 AS OF DECEMBER 31, 2021

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government	33	32	28	28	26	24	24	23	23	24
Public Safety										
Police	176	182	184	185	187	183	174	171	168	166
Fire	142	145	149	147	150	145	142	141	136	143
Highways and Streets	61	60	62	63	63	58	56	57	58	57
Sanitation	27	27	27	27	23	24	23	23	23	23
Culture and Recreation	41	37	39	40	39	33	34	33	35	36
Economic Development	6	5	5	5	5	5	5	5	5	5
Urban redevelopment and housing	-	-	-	-	-	-	2	3	3	3
City Business-type Activities										
Parking Operations	5	5	5	4	3	3	2	2	-	-
Water Utility	55	55	53	52	54	52	50	50	50	47
Wastewater Utility	94	94	94	94	94	88	83	83	85	77
Total	640	642	646	645	644	615	595	591	586	581

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, 2021

Function/program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Physical arrests	6,338	6,813	8,714	9,409	8,244	6,810	6,268	4,927	5,199	5,574
Parking violations	58	35	60	103	89	98	104	410	259	174
Traffic violations	7,776	8,658	12,737	17,468	18,932	17,883	14,201	12,752	13,198	15,849
Fire										
Emergency responses	6,520	5,188	5,675	7,651	7,645	7,333	7,406	5,844	6,260	6,042
Fires extinguished	266	262	261	281	346	269	256	321	376	316
Inspections	4,551	4,953	4,122	3,320	3,430	3,011	4,629	4,095	3,327	3,059
Refuse collection										
Refuse collected (tons/month)	1,816	1,436	1,712	1,577	1,551	1,550	1,583	1,743	1,649	1,616
Recycling collected (tons/month)	325	303	322	406	423	415	385	389	354	391
Other public works										
Street Maintained (miles)	289	289	289	289	303	303	268	268	265	264
Potholes repaired (tonnage)	2,221	2,178	2,151	1,497	2,322	2,014	1,977	1,873	1,636	1,106
Crack Sealing (tons used)	24	-	21	26	27	25	26	31	18	23
Parks and recreation										
Zoo Education Programs	940	619	2,414	2,462	2,526	2,208	1,981	1,857	1,933	1,720
Zoo Education Participation	18,300	12,180	45,196	43,567	53,672	43,363	38,017	33,233	37,540	25,147
Kids Camp Participation	6,650	3,842	9,327	10,254	9,956	11,475	9,471	8,947	10,051	10,089
Camp Participation Hours	53,200	30,736	74,616	82,032	76,768	91,800	72,768	71,576	80,592	80,712
Water										
New billable housing starts	170	175	214	195	218	99	87	81	83	95
Water main breaks	69	54	57	70	52	60	59	92	79	59
Average daily consumption (millions of gallons)	9.3	8.7	8.7	9.27	9.01	8.77	8.50	7.40	8.23	9.32
Wastewater										
Average daily sewage treatment (thousands of gallons)	16,500	17,200	20,200	19,300	19,950	18,660	19,970	18,570	18,420	17,650
Sources - Various city departments										

CITY OF LAFAYETTE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
AS OF DECEMBER 31, 2021

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	1
Patrol Units	120	120	105	102	90	90	66	66	66	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	17	16	15	15	15	15	15	15
Refuse Collection										
Collection Trucks	27	25	24	23	23	23	24	21	21	23
Highways and Streets										
Traffic Signals	112	110	110	110	110	110	107	107	106	108
Miles of Streets	289	289	289	289	303	303	268	268	265	264
Culture and Recreation										
Acreage	700	700	700	700	700	700	700	700	700	700
Playgrounds	17	17	16	16	16	16	16	16	16	15
Baseball/Softball Diamonds	15	14	12	12	11	11	11	11	11	11
Soccer/Football Fields	9	9	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)	387.47	343.91	343.84	342.34	341.07	341.07	340.17	339.13	337.47	336.46
Fire Hydrants	3,577	3,386	3,388	3,385	3,368	3,368	3,360	3,347	3,332	3,285
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)	315.73	314.03	311.26	310.99	309.72	309.72	309.09	308.33	307.54	307.03
Storm Sewers (miles)	168.48	168.24	166.84	166.79	166.77	166.77	166.43	166.02	165.59	165.33
Treatment Capacity (thousand of gallons)	66,000	66,000	66,000	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, 2021

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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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregately discretely presented component unit, each major fund, and the aggregate remaining fund information the City of Lafayette (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 12, 2023. Our report includes a reference to other auditors who audited the financial statements of the Greater Lafayette Public Transportation Corporation, 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 an emphasis of matter paragraph for the restatement of errors. Our opinions are not modified with respect to these matters.

Report on 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.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, 2021-004, and 2021-005 that we consider to be material weaknesses.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Chicago, Illinois
April 12, 2023



RSM US LLP

**Report on Compliance for Each 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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lafayette, Indiana's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 City as of and for the year ended December 31, 2021, and have issued our report thereon dated April 12, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

RSM US LLP

Chicago, Illinois
April 12, 2023

CITY OF LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
CDBG-Entitlement Grants Cluster	Direct Grant				
Community Development Block Grants/Entitlement Grants		14.218	B18-MC-18008	\$ -	\$ 8,010
		14.218	B19-MC-18008	-	589,833
		14.218	B20-MC-18008	46,382	150,955
		14.218	B21-MC-18008	<u>79,285</u>	<u>137,269</u>
Total - CDBG-Entitlement Grants Cluster				<u>125,667</u>	<u>886,067</u>
HOME Investment Partnerships Program	Direct Grant				
HOME Investment Partnerships Program		14.239	M18-DC-180212	16,253	16,253
		14.239	M19-DC-180212	233,764	233,764
		14.239	M20-DC-180212	132,233	196,360
		14.239	M21-DC-180212	<u>9,974</u>	<u>11,097</u>
Total -HOME Investment Partnerships Program				<u>392,224</u>	<u>457,474</u>
Continuum of Care Program	Indiana Housing and Community Development Authority				
Continuum of Care Program		14.267	SC-020-0155-1	-	94,383
		14.267	SC-021-0155-1	-	129,997
Total - Continuum of Care Program				-	<u>224,380</u>
Total - Department of Housing and Urban Development				<u>517,891</u>	<u>1,567,921</u>
DEPARTMENT OF JUSTICE					
Coronavirus Emergency Supplemental Funding Program	Direct grant	16.034	2020-VD-BX-0313	-	102,285
Bulletproof Vest Partnership	Direct grant	16.607	2021BUBX21026435	-	7,552
Public Safety Partnership and Community Policing Grants	Direct grant				
COPS Hiring Program		16.710	2017UMWX0032	-	74,817
Edward Byrne Memorial Justice Assistance Grant Program(JAG)					
Byrne Grant	Indiana Criminal Justice Institute	16.738	2020-DJ-BX-0007	-	38,781
	Direct grant	16.738	2018-DJ-BX-0642	-	456
	Direct grant	16.738	2019-DJ-BX-0374	-	1,060
	Direct grant	16.738	2020-DJ-BX-0651	-	28,557
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	<u>68,854</u>
Total - Department of Justice				-	<u>253,508</u>

CITY OF LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended December 31, 2021

DEPARTMENT OF TRANSPORTATION

Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	A249-18-L170142	\$ -	\$ 142,541
		20.205	A249-19-L190021	-	4,731
		20.205	1900482 L190151	-	53,455
		20.205	A249-15-L140036	-	29,501
				<u>-</u>	<u>230,228</u>
Total - Highway Planning and Construction Cluster				-	230,228
Highway Safety Cluster					
National Highway Traffic Safety Administration	Indiana Criminal Justice Institute				
State and Community Highway Safety (Click it to Live it & ADMIN)		20.600	47202	-	30,387
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (DUI)	Indiana Criminal Justice Institute	20.608	47202	-	928
				<u>-</u>	<u>261,543</u>
Total - Department of Transportation				-	261,543
Total federal awards expended				<u>\$ 517,891</u>	<u>\$ 2,082,972</u>

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, 2021

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, 2021. 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 modified accrual basis of accounting which is the same basis of accounting used in preparing the basic financial statements of the City. 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, 2021

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? Yes X 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
14.218	Community Development Block Grants (CDBG) – Entitlement Grants Cluster
14.267	Continuum of Care Program

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

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

(Continued)

City of Lafayette

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

II. FINANCIAL STATEMENT FINDINGS

Finding 2021-001: Construction in progress and capital contributions reporting and expenditure recognition

Condition: Controls were not in place to capture when construction in progress projects were substantially complete and placed into service and related capital contributions to be recorded for proper reporting and depreciation.

Criteria: Governmental Accounting Standards Board (GASB) Codification section 1400, *Reporting Capital Assets*, requires that capital assets should be reported at historical cost when the related liability is incurred and should be depreciated over their estimated useful lives. Additionally capital assets acquired through grants, contributions or other nonexchange transactions should be reported at historical cost or acquisition value and depreciated.

Cause: Due to the timing of the completion of the December 31, 2020 audit and the related timing of management's implementation of controls to address those prior year issues, capital asset reporting issues continued for December 31, 2021. Timely reviews of construction in progress projects (total project costs incurred and related project capital contributions) were not performed between finance and city engineering or the applicable project's responsible department and placed in service to be depreciated.

Effect: The restatement of opening net position increase/(decrease) was required to properly record the prior year effects of unrecorded capital contributions and depreciation expense for completed projects in Governmental Activities for \$15,245,230, Business Type Activities for (\$2,380,336), Water Utility for \$(270,027), Wastewater Utility for \$(3,185,219), and the NonMajor Park fund for \$1,074,910.

Recommendation: We recommend that policies, procedures and internal controls be implemented to ensure the timely review and reporting of all construction project costs and capital contributions and status of project completion and placed in service dates to properly begin asset depreciation.

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

Finding 2021-002: Preparation of year-end financial statements

Condition: Complete and accurate year-end financial statements were not generated in a timely manner. System generated financials and fund financial, modified accrual reporting to government wide full accrual reporting, could not be generated and balanced in a timely manner. Additionally, certain prior year audit entries, fund consolidations and fund balance classifications were not properly reported within the original financial statements presented.

Criteria: GASB Codification 2200, *Annual Comprehensive Financial Report*, indicates that timely and properly presented financial reports should be prepared and published promptly after the close of the fiscal year.

Cause: Accounting system updates impacted system generated financials and fund financial modified accrual reporting to government wide full accrual reporting. Additionally, the issues with the system generated financials resulted in the inability to timely identify if certain prior year audit entries were recorded properly, and fund consolidations and fund balance classifications were being reported properly and impacted the timely and accurate completion of the City's financial statements.

City of Lafayette

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2021**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Effect: Lack of timely and accurately completed financial statements impacted the ability to complete the year-end audit of the City's financial statements.

Recommendation: We recommend that the processes and procedures for year-end financial statement preparation be formally documented with annual updates for changes to allow for a consistent reporting function.

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

Finding 2021-003: Bond transaction accounting and reporting

Condition: Controls were not in place to ensure bond transactions related to deferred loss on refunding, amortization of deferred loss and reporting of debt payment activity between funds were properly accounted for and reported.

Criteria: GASB codification D20, *Debt Extinguishments and Troubled Debt Restructuring*, requires the loss on bond refunding to be deferred and recognized in expense over the shorter of the original amortization period remaining from the prior refunding's or the life of the new debt, and transfers between funds to fund debt payments be reported as transfers versus revenues and expenditures.

Cause: Bond refundings and related deferrals, if any, historically were not reviewed by management to ensure calculation methods were in accordance with accounting principles generally accepted in the United States of America (GAAP).

Effect: Entries were required to record \$2,234,303 of deferred charges on bond refundings, related amortization expense of \$235,219, and interfund transfers to fund bond payment activity of \$2,257,000.

Recommendation: We recommend policies, procedures, and related controls be implemented to ensure bond activity is properly recorded and reported.

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

Finding 2021-004: Accounts payable cutoff

Condition: Internal controls were not in place to ensure transactions were recorded in the period when the service or goods were provided.

Criteria: GASB Codification 1600, *Basis of Accounting*, requires a government to record accounts payable and related expenditures should be recorded when incurred.

City of Lafayette

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2021**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Cause: Due to the timing of the completion of the December 31, 2020 audit and the related timing of management's implementation of controls to address those prior year issues, accounts payable cutoff issues continued for December 31, 2021. Due to the historical timing of cutoff of expenses and timing of the receipt of approved invoices between departments, certain accounts payable 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 expenditures. This resulted in restatements to opening net position/fund balance of \$(126,982), \$(1,592,885), \$(406,250), and \$(1,999,135) to the Wastewater Utility, aggregate remaining fund information (Motor Vehicle Highway, and Economic Development Income Tax (EDIT) Funds) TIF Creasy Central Consolidate, and governmental activities, respectively.

Recommendation: We recommend that policies, procedures and internal controls be implemented to ensure the timely review, approval and receipt of invoices between departments and information related to dates of service be provided in order to properly capture expenses in the period they were incurred.

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

Finding 2021-005: Total OPEB liability allocation

Condition: Controls were not in place to ensure the total OPEB liability and related deferrals were properly allocated among the contributing funds.

Criteria: GASB Codification P50, *Postemployment Benefits Other Than Pensions—Defined Benefit*, requires the OPEB liability and expenditures should be allocated and recognized in a manner consistent with the cost-sharing plan which would indicate allocation should be based on where future contributions are expected to be paid by each fund.

Cause: The total OPEB liability and related deferrals has historically been allocated at a third to each of the governmental activities, and business type activity Water utility fund and Wastewater utility fund.

Effect: Entries were required to restate the beginning net position for the reallocated OPEB liabilities and related deferrals decreasing governmental activities, and increasing business type activities, by \$2,072,086 of which Water Utility fund net position increased \$1,605,137 and Wastewater Utility fund net position increased by \$466,949.

Recommendation: We recommend policies, procedures and related controls be implemented to ensure the total OPEB liability is allocated appropriately across all contributing funds on a consistent basis in accordance with GAAP.

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.



OFFICE OF THE CONTROLLER

City of Lafayette

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021**

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

Status of Audit Finding: Finding 2020-001 has been **resolved**.

Internal controls have been implemented to capture unbilled receivables and revenue for billing cycles of water and wastewater utility.

Finding 2020-002: Capital assets and accounts payable cutoff

Status of Audit Finding: Due to the timing of the completion of the December 31, 2020 audit and the related timing of management's implementation of controls to address those prior year issues, capital asset and accounts payable cutoff issues continued for December 31, 2021 and finding 2020-002 has been **repeated**—see findings 2021-001 and 2021-004.

Finding 2020-003: Presentation of property tax levy receivable and deferral recognition

Status of Audit Finding: Finding 2020-003 has been **resolved**.

Internal controls have been put into 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.

Finding 2020-004: Fund balance classification and presentation

Status of Audit Finding: Due to the timing of the completion of the December 31, 2020 audit and the related timing of management's implementation of controls to address those prior year issues, fund classification and presentation issues continued for December 31, 2021 and finding 2020-004 has been **partially resolved**—see finding 2021-002.

Controls have been established to properly classify fund types and fund balance classifications in accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Finding 2020-005: Bond premium and discount amortization

Status of Audit Finding: Finding 2020-005 has been **resolved**.

Controls have been instituted to ensure bond premium and discount amortization is calculated using the effective interest method.



OFFICE OF THE CONTROLLER

City of Lafayette

Summary Schedule of Prior Audit Findings (Continued)
Year Ended December 31, 2021

Finding 2020-006: Employer contributions to pension plan subsequent to measurement date

Status of Audit Finding: Finding 2020-006 has been **resolved**.

Controls have been implemented to ensure employer contributions subsequent to the measurement date of the net pension liability for the three cost sharing multiple-employer plans with annual valuations as of June 30, are reported as a deferred outflow of resources related to pensions.



OFFICE OF THE CONTROLLER

City of Lafayette
Corrective Action Plan
Year Ended December 31, 2021

Finding 2021-001: Construction in progress and capital contributions reporting and expenditure recognition

Contact Person Responsible for Corrective Action: Jeremy Diehl

Contact Phone Number: 765-807-1011

Views of Responsible Officials: Concurred

Description of Corrective Action Plan: Internal controls have been implemented to ensure timely recognition of capital contributions and status changes in capital projects. A significant backlog of capital projects has been updated. Controller has begun participation in semi-monthly meetings with largest City departments, with a recurring agenda item being discussion of capital project status.

Anticipated Completion Date: December 31, 2022 Financial Statement issuance

Finding 2021-002: Preparation of year-end financial statements

Contact Person Responsible for Corrective Action: Jeremy Diehl

Contact Phone Number: 765-807-1011

Views of Responsible Officials: Concurred

Description of Corrective Action Plan: Controller will review and refine documented year-end processes and procedures to prioritize tasks. Controller will seek timely addition of temporary staffing to respond to seasonal demand of deliverables. City plans to work with financial advisor to assist with configuration of ERP report writer, preparation and review of financial statements and report.

Anticipated Completion Date: December 31, 2022 Financial Statement issuance

Finding 2021-003: Bond transaction accounting and reporting

Contact Person Responsible for Corrective Action: Jeremy Diehl

Contact Phone Number: 765-807-1011

Views of Responsible Officials: Concurred

Description of Corrective Action Plan: Procedures and controls have been implemented to ensure review and proper recording of bond activity. City plans to engage with its financial advisor to assist with review of debt-related calculations.

Anticipated Completion Date: December 31, 2022 Financial Statement issuance



OFFICE OF THE CONTROLLER

City of Lafayette
Corrective Action Plan (Continued)
Year Ended December 31, 2021

Finding 2021-004: Accounts Payable Cutoff
Contact Person Responsible for Corrective Action: Jeremy Diehl
Contact Phone Number: 765-807-1011
Views of Responsible Officials: Concurred

Description of Corrective Action Plan: Internal controls are being revised to ensure timely receipt, review, and approval of invoices. The City continues to stress importance of timely invoice submittal and proper expense recognition to department heads and staff. Additionally, the Controller's Office has begun reaching out to vendors directly to request, when practical, the modification of service terms to coincide with the City's fiscal year.

Anticipated Completion Date: December 31, 2022 Financial Statement issuance

Finding 2021-005: Total OPEB Liability Allocation
Contact Person Responsible for Corrective Action: Jeremy Diehl
Contact Phone Number: 765-807-1011
Views of Responsible Officials: Concurred

Description of Corrective Action Plan: Procedures have been redefined and controls implemented to ensure that an acceptable and justified method is used for allocation of OPEB liability.

Anticipated Completion Date: December 31, 2022 Financial Statement issuance