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October 8, 2024

To: The Officials of the City of Lafayette  
City of Lafayette  
Tippecanoe County, Indiana

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 Forvis Mazars, LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. 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, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

We call your attention to the finding in the report. The finding appears on page 10 of the Single Audit Report, which is included after the Annual Comprehensive Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the reports.

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

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive, flowing style.

Tammy R. White, CPA  
Deputy State Examiner



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# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## FISCAL YEAR ENDING ON DECEMBER 31, 2022

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CITY OF LAFAYETTE, INDIANA

Tony Roswarski, Mayor

Cindy Murray, Clerk

Jeremy Diehl, City Controller

Jenna Karle, Deputy Controller

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2022

CITY OF LAFAYETTE, INDIANA

Prepared by the Office of the Controller

# **INTRODUCTORY SECTION**

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Lafayette, IN 47901



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TONY ROSWARSKI, MAYOR

THE OFFICE OF THE CONTROLLER

August 15, 2024

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, 2022 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

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## City Profile

The City of Lafayette serves as the county seat of Tippecanoe County, Indiana. Lafayette has approximately 71,402 residents and roughly 45,060 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

Lafayette continues to demonstrate remarkable growth, solidifying its position as one of the most rapidly expanding regions in Indiana. The city and larger community have thrived despite prevailing national economic challenges such as supply chain disruptions and inflation. The city owes much of its success to the steadfast leadership from both private and public sectors. Renowned for its diverse economic landscape, the area boasts a robust presence in advanced manufacturing and knowledge-based industries, which remain pivotal in driving local economic prosperity. These sectors enjoy strong connections to Purdue University and Ivy Tech Community College campus in Lafayette, essential allies in our ongoing economic development endeavors, alongside West Lafayette and Tippecanoe County. Positioned just an hour away from the state capital, Indianapolis, and two hours from Chicago, Lafayette leverages and contributes to these economic powerhouses. Fueled by favorable conditions such as low unemployment rates and sustained growth, residents of Lafayette experience a superior quality of life paired with a reasonable cost of living, highlighted by affordable housing options and top-performing schools as key attractions.

Advanced manufacturing serves as the cornerstone of the local economy, with numerous companies establishing roots in Lafayette. Among them, Subaru of Indiana America (SIA) stands out as a pioneering investment by Subaru Corporation, dating back to 1986. Leveraging the advantages of its strategic geographic location, skilled and educated workforce, infrastructure enhancements, and unwavering support from local authorities, SIA has flourished to become Lafayette's largest employer and one of the fastest-growing automotive companies worldwide. With a steadfast commitment to innovation and expansion, SIA consistently invests substantial amounts, sometimes several hundred million annually, in upgrading its Lafayette facility to bolster production capacity and diversify its product portfolio. Currently, the facility manufactures a range of popular vehicles, including the Impreza, Legacy, Outback, and Ascent, alongside a newly

## CITY OF LAFAYETTE ACFR

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established engine assembly and parts division. Serving as the exclusive global production site for these esteemed vehicles, SIA has adeptly navigated challenges such as microchip shortages, maintaining a workforce of over 6,500 associates, and pursuing plans for further expansion and job creation in 2023.

The compelling attributes that underpin the prosperity of local economic anchors like SIA have likewise attracted suppliers and other businesses, like Heartland Automotive and Toyota Tsusho, to the region. A recent example is Ryder Integrated Logistics, which unveiled plans for a \$5 million expansion aimed at bolstering support for SIA's operations. This move is set to create 80 new jobs upon completion in 2022. These companies are poised for sustained growth alongside SIA, witnessing unprecedented levels of employment and production.

To leverage this momentum and attract further industrial growth, adjacent and nearby properties are undergoing development for additional expansion of industrial facilities. The 300-acre Steele Site represents the most recent endeavor in active planning and development for this purpose. Situated across from SIA and positioned along the I65 corridor, it has garnered significant interest. A collaborative effort between a local consortium and private developers is underway to establish a comprehensive infrastructure plan for the site. Infrastructure components such as water, sewer, and roadways are being planned and are scheduled for completion by 2024 to support the site's development. Numerous national and global companies have included the site on their shortlist for potential expansion in the near future.

Support for technology and innovation thrives through MatchBOX Coworking Studio, which is home to nearly 300 members encompassing tech and innovation startups, as well as traditional companies. These members collectively represent 150 businesses, some actively involved in commercializing Purdue intellectual property, and many with other ties to Purdue University, alongside their innovative concepts. In a significant development slated for late 2022, MatchBOX plans to extend its entrepreneurship programming to encompass a multi-county region, utilizing the Lafayette facility as its central hub. This expansion, coupled with its prototyping space, The Lab, provides residents with alternative avenues to secure income and employment opportunities. Numerous companies have flourished and transitioned from MatchBOX, establishing roots in the Lafayette area.

Downtown Lafayette is witnessing a surge in new investments as developers recognize its potential as a thriving hub for both commerce and residential living. The Ellsworth, which broke ground in 2021 and opened in fall 2022, is a five-story mixed-use building offering 91 apartments, 2,000 square feet of retail/office space, and 125 parking spaces. Approval was granted in 2020 for Luna Flats, slated for 631 Main Street, featuring a five-story structure with 110 apartments, 20,000 square feet of retail/office space, and 150 parking spaces, expected to debut in spring 2023. These two projects combined represent over \$35 million in new investment. In late October 2021, the City allocated a nearly three-acre site on the outskirts of downtown for private development and investment, envisaged to incorporate commercial/office space, rental housing, duplexes,

## CITY OF LAFAYETTE ACFR

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townhomes, and owner-occupied single-family housing, with an investment exceeding \$20 million, revitalizing once vacant land into productive, tax-producing facilities. Former segments of abandoned rail corridors are being targeted for the development of single-family owner-occupied homes and infill projects.

The City of Lafayette remains committed to enhancing the quality of life for both residents and visitors through strategic investments. From 2019 to 2021, the city allocated an additional \$7 million towards streetscape enhancements, focusing on areas such as 3rd Street, the east end of downtown on Main Street, and 8th and Main Streets. These improvements aim to elevate the pedestrian and consumer experience while also contributing to an increase in property values. The city recently acquired the Lafayette Theatre, further bolstering the burgeoning community arts and entertainment sector. Plans are underway for further enhancements totaling at least \$10 million in the coming years.

Design of a \$55 million mixed-use downtown development is nearing completion. This project will feature 157 new rental apartments, a two-story parking garage accommodating 157 vehicles, and an extension of the Riverfront Promenade. Additionally, it will entail the renovation of the John Purdue Building, a historic building slated for repurposing into a blend of retail, residential, and office/commercial spaces. Groundbreaking for this transformative endeavor is scheduled for the summer of 2024. In its quest to foster a safe community for residents and cultivate a business-friendly atmosphere, Lafayette is dedicated to integrating cutting-edge technology and upholding substantial investment in local infrastructure. Acknowledging its status as a growing community, Lafayette places great emphasis on consistently enhancing infrastructure systems, encompassing fiber telecommunications networks, well-kept roads and streets, as well as underground pipes and conveyances. These upgrades are essential to underpin economic development initiatives, attract business investments and employment opportunities, and uphold standards of public health and safety.

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.

As a partner with the Wabash Heartland Innovation Network (WHIN), Lafayette with Tippecanoe County has joined with nine surrounding counties to position the region as the epicenter for the Internet of Things (IOT) in next-generation manufacturing and digital agriculture. An ambitious plan, it is being funded by a nearly \$40M grant from the Lilly Endowment and includes Purdue University and Ivy Tech Community College as major partners.

In 2020, the City of Lafayette initiated the planning and design phase for a new municipal police station, coupled with a 465-space parking garage designated for city employees and public parking. With an estimated cost of approximately \$52 million, the project is

## CITY OF LAFAYETTE ACFR

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scheduled for completion in the first quarter of 2023. Additionally, in 2019, construction commenced on the \$10.5 million Murdock Park water storage tank and pump station, which reached completion this summer of 2022. This initiative involves the installation of a new three-million-gallon underground water tank beneath the Murdock Park softball field, boasting a daily pumping capacity of six million gallons to address the current and future demands of residents, industry, and fire protection needs. Furthermore, Lafayette Renew has embarked on a \$2 million project aimed at increasing its capacity to manage wastewater flow during peak events and further reducing combined sewer overflow into the Wabash River. Over recent years, the city has invested over \$100 million in infrastructure enhancements to improve drainage systems and enhance wastewater management during flood events. Moreover, Lafayette Renew has implemented a large solar field to provide energy for its operations, anticipated to power up to 80% of their functions. The city and its utilities remain committed to ongoing investments in upgrades and new facilities, ensuring the ability to not only address present requirements but also accommodate future growth effectively.

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

The City of Lafayette is well-equipped to address both current and future business needs. Collaborating closely with partners such as Greater Lafayette Commerce, we maintain strong ties with the Indiana Economic Development Corporation and the private sector to pursue leads and prospects. This includes designating sites as "shovel ready" to streamline the process from groundbreaking to operation commencement. Drawing from a workforce spanning a nine-county region, our workers benefit from a wealth of resources provided by Ivy Tech Community College and Purdue University to enhance their skills and capabilities.

Our city prides itself on its exceptional park and recreation system, boasting attractions such as a zoo, waterpark, and a recently reconstructed baseball stadium. We are investing over \$10 million in Columbian Park as part of its Master Plan, enhancing key components such as Tropicanoe Cove with new water slides, an indoor carousel, penguin and other animal exhibits, and numerous other attractions and enhancements. Additionally, we continue to expand our network of multi-use trails throughout the city, which currently spans over 30 miles.

Lafayette possesses a solid foundation for economic growth, bolstered by collaborations with partners including the City of West Lafayette, Tippecanoe County, Purdue University, and other regional stakeholders. By maintaining close communication with major industries and small businesses, we aim to support their growth and employment needs effectively. These efforts are essential for sustaining our high quality of life, which remains attractive to both companies and residents alike. In sum, Lafayette stands as a thriving

# CITY OF LAFAYETTE ACFR

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and growing destination for commerce, with a promising outlook for continued 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 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,

# CITY OF LAFAYETTE ACFR

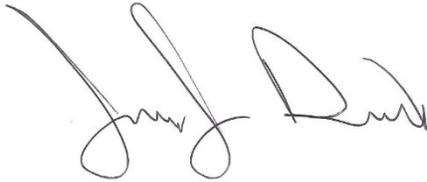
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2% for agricultural/rental properties, and 3% for all other real and personal property. This legislation was phased in over a two-year period beginning in 2009. The loss of property tax revenue due to this legislation has been offset by cost savings 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**

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 for their commitment to financial prudence and professionalism. Special appreciation is extended to Deputy Controller, Jenna Karle, and Accounting Manager, Rebecca Conner for their extraordinary efforts toward preparation of this report.

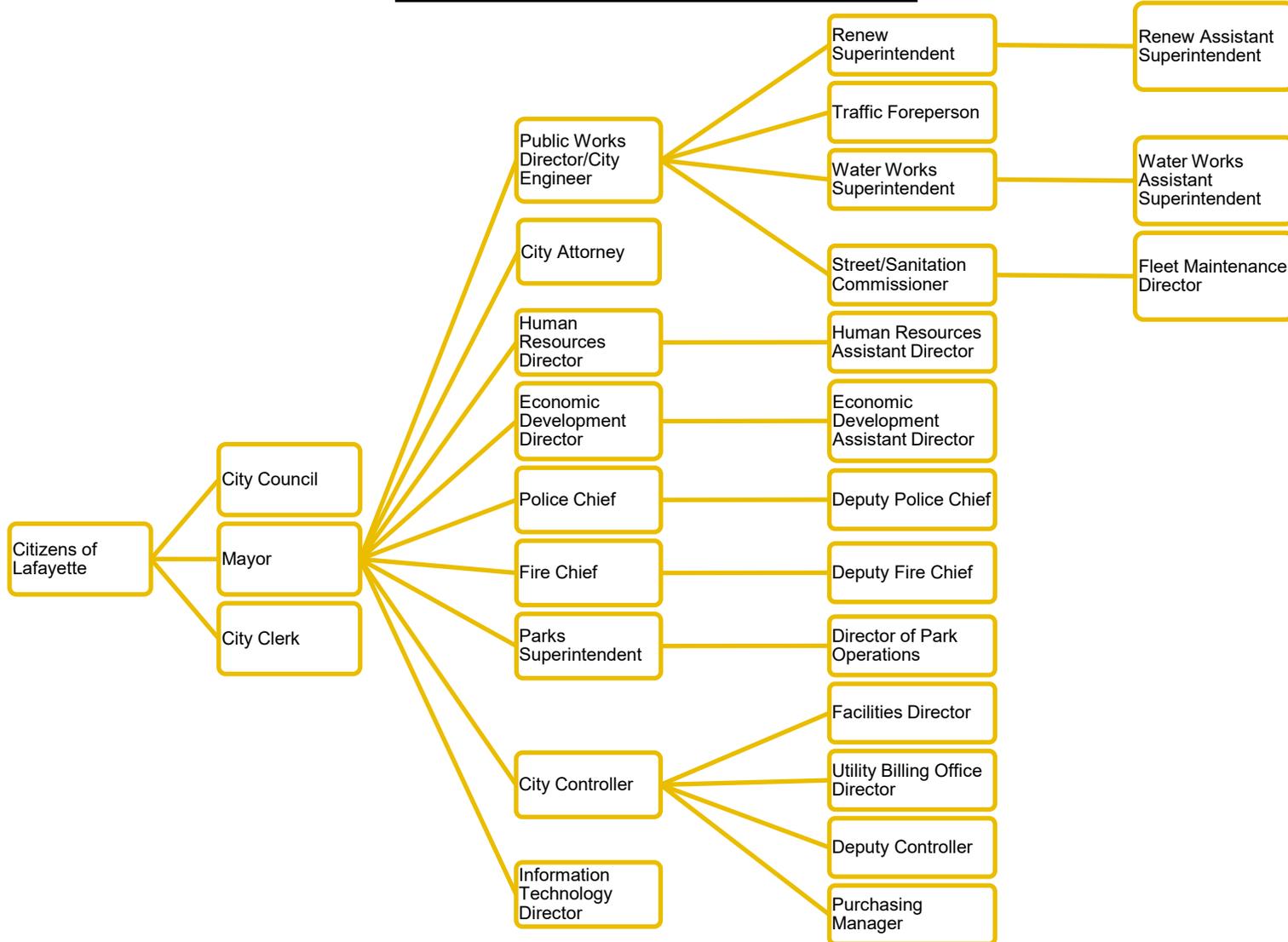
Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy J. Diehl', with a stylized, cursive script.

Jeremy J. Diehl  
City Controller



ORGANIZATION OF CITY GOVERNMENT





### Listing of Elected Officials

December 31, 2022

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, 2022

Name	Position	District	Current Term
Jerry Reynolds	City Councilor	District 1	1/1/2020-12/31/2023
Eileen Hession-Weiss	City Councilor	District 2	1/10/2022-12/31/2023
Perry E. Brown	Council President	District 3	1/1/2020-12/31/2023
Lauren Ahlersmeyer	City Councilor	District 4	1/1/2020-12/31/2023
Melissa Williamson	City Councilor	District 5	1/1/2020-12/31/2023
Bob Downing	City Councilor	District 6	1/1/2020-12/31/2023
Steve Snyder	City Councilor	At-Large	12/6/2021-12/31/2023
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, 2022

<b>Name</b>	<b>Position</b>
Scott Galloway	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
Jason Burks	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, 2022**

**Board of PublicWorks &**

**Safety**

Norm Childress  
Gary Henriott  
Amy Moulton  
Cindy Murray  
Ron Shriner

**Board of Zoning Appeals**

Jackson Bogan  
Bob Metzger  
Dick Murray  
Carlynn Smith  
Dave Williams

**Tree Advisory Committee**

Lauren Ahlersmeyer  
Chris Brown  
Tim Detzner  
Dan Dunten  
Greg Shaner  
Tracy Walder  
Jeff Wollard

**Board of Parks &  
Recreation**

Patricia Corey  
Maurice Denney  
Dave Mecklenburg  
Matt Metzger

**Parking Commission**

Scott Anderson  
John Collier  
Frank Donaldson  
Jeromy Grenard  
Ken McCammon  
Andrew Muffett  
Cindy Murray  
Scott Trzaskus

**Housing Authority**

Maurice Denney  
Kathy Fish  
Glade Montgomery  
Donna Osborn  
Heath Riley  
Bob Smeltz  
Julie Sumrall

**Redevelopment  
Commission**

Frank Donaldson  
James Foster  
Shelly Henriott  
Jos Holman  
Josh Loggins  
Dave Moulton  
Jim Terry

**Economic Development  
Commission**

David Bathe  
Jody Hamilton  
Steve Snyder  
Scott Walker  
Dave Zimmerman

**Historic Preservation  
Commission**

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

**Redevelopment Authority**

Rick Davis  
Grant Gernhart  
Amy Moulton

**Human Relations  
Commission**

Kara Boyles  
Susan Brouillette  
Nohemi Lugo  
Michelle Reynolds  
Andrew Smith IV  
Stephen Smith  
Cassie Wade  
Joel Wright  
Chad Young

# **FINANCIAL SECTION**

## Independent Auditor's Report

Management and Common Council  
City of Lafayette  
Lafayette, 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 units, each major fund, and the aggregate remaining fund information of the City of Lafayette (City) as of and for the year December 31, 2022, 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 report and report of 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 units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2022, 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, 2022. 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 (*Government Auditing Standards*). 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.

### ***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 that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. 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 August 15, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

**Indianapolis, Indiana  
August 15, 2024**



## Management Discussion and Analysis

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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, 2022.

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 \$532,406,413 as of December 31, 2022, an increase of \$46,499,144 or 9.6% over FY 2021.
- Governmental Activity net position was \$272,393,656 as of December 31, 2022.
- Governmental Activity net position increased \$33,413,624 or 14.0% in FY 2022.
- Business-type activity net position was \$260,012,757 as of December 31, 2022.
- Business-type activity net position increased \$13,085,520 or 5.3% in FY 2022.
- Government wide assets as of December 31, 2022 were \$925,682,371, an increase of \$37,444,416 or 4.2% as compared to December 31, 2021.
- Government wide deferred outflows were \$25,605,392 as of December 31, 2022, as compared to \$18,889,486 as of December 31, 2021.
- Government wide liabilities were \$356,124,550 as of December 31, 2022, as compared to \$340,664,944 as of December 31, 2021.
- Government wide deferred inflows were \$64,464,016 as of December 31, 2022, as compared to \$80,555,228 as of December 31, 2021.
- Government wide Revenue totaled \$160,404,310 in FY 2022, an increase of \$10,437,716 or 7.0% as compared to FY 2021.
- Government wide Expenses totaled \$113,905,166 in FY 2022 compared to \$108,261,890 in FY 2021 an increase of 5.2%.

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

### Overview of the Financial Statements

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

City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(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, 2022. 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, 2022. 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 Discussion and Analysis  
For the Year Ended December 31, 2022  
(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 Discussion and Analysis  
For the Year Ended December 31, 2022  
(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 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$532,406,413 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 \$454,499,960 or 85.4% 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.

The following table reflects the condensed statement of net position:

City of Lafayette  
NET POSITION  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Component Unit	
	2022	2021	2022	2021	2022	2021	2022	2021
Current and other assets	\$184,991	\$177,272	\$ 76,260	\$ 75,236	\$261,251	\$252,508	\$ 14,272	\$ 11,990
Capital assets (net)	349,149	319,426	316,990	316,304	666,139	635,730	26,881	29,220
<b>Total assets</b>	<b>534,140</b>	<b>496,698</b>	<b>393,250</b>	<b>391,540</b>	<b>927,390</b>	<b>888,238</b>	<b>41,153</b>	<b>41,210</b>
Deferred outflow s	21,124	14,147	4,482	4,742	25,606	18,889	1,706	1,296
Current liabilities	35,505	25,929	12,136	16,034	47,641	41,963	991	950
Noncurrent liabilities	185,447	169,822	123,037	128,880	308,484	298,702	3,907	1,524
<b>Total liabilities</b>	<b>220,952</b>	<b>195,751</b>	<b>135,173</b>	<b>144,914</b>	<b>356,125</b>	<b>340,665</b>	<b>4,898</b>	<b>2,474</b>
Deferred inflow s	61,918	76,114	2,546	4,441	64,464	80,555	3,411	5,421
<b>Net position</b>	<b>\$272,394</b>	<b>\$238,980</b>	<b>\$260,013</b>	<b>\$246,927</b>	<b>\$532,407</b>	<b>\$485,907</b>	<b>\$ 34,550</b>	<b>\$ 34,611</b>
Net investment in capital assets:	\$249,258	\$241,099	\$205,242	\$197,767	\$454,500	\$438,866	\$ 26,881	\$ 29,168
Restricted	71,636	78,410	17,607	22,598	89,243	101,008	1,111	1,082
Unrestricted	(48,500)	(80,529)	37,164	26,562	(11,336)	(53,967)	6,558	4,361
<b>Total net position</b>	<b>\$272,394</b>	<b>\$238,980</b>	<b>\$260,013</b>	<b>\$246,927</b>	<b>\$532,407</b>	<b>\$485,907</b>	<b>\$ 34,550</b>	<b>\$ 34,611</b>

A portion of the City's net position, approximately 16.8% in FY 2022, represents resources that are subject to external restrictions and are therefore not available for general activities. At the close of fiscal year 2022, the City is able to report a positive net position for governmental activities, business-type activities, and government-wide activities. In 2022, the government-wide net position increased by \$46,499,144 or 9.6%.

City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(Continued)

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

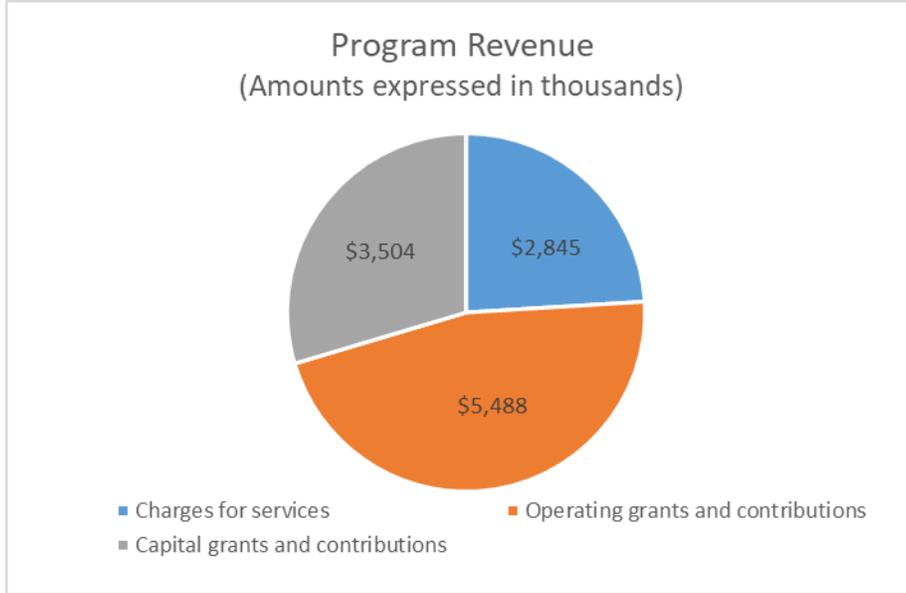
City of Lafayette  
CHANGES IN NET POSITION  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Component Units	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues:								
Program revenues:								
Charges for services	\$ 2,845	\$ 2,569	\$ 52,019	\$ 50,860	\$ 54,864	\$ 53,429	\$ 4,092	\$ 3,309
Operating grants and contributions	5,488	2,073	-	-	5,488	2,073	9,600	6,703
Capital grants and contributions	3,504	739	801	3,037	4,305	3,776	498	4,202
General revenues:								
Property taxes	58,556	56,504	-	-	58,556	56,504	3,837	3,789
Intergovernmental revenues	29,155	29,365	-	-	29,155	29,365	-	-
Payment in lieu of taxes	2,559	2,560	-	-	2,559	2,560	-	-
Investment earnings	1,183	66	100	9	1,283	75	61	13
Other	2,870	1,532	1,325	651	4,195	2,183	-	27
Transfers	(24)	-	24	-	-	-	-	-
<b>Total revenues</b>	<b>106,136</b>	<b>95,408</b>	<b>54,269</b>	<b>54,557</b>	<b>160,405</b>	<b>149,965</b>	<b>18,088</b>	<b>18,043</b>
Expenses:								
General government	\$ 3,946	\$ 2,551	\$ -	\$ -	\$ 3,946	\$ 2,551	\$ -	\$ -
Public safety	29,211	29,569	-	-	29,211	29,569	-	-
Highways and streets	12,033	12,360	-	-	12,033	12,360	-	-
Sanitation	4,027	2,812	-	-	4,027	2,812	-	-
Culture and recreation	8,205	7,338	-	-	8,205	7,338	-	-
Economic development	11,940	18,230	-	-	11,940	18,230	-	-
Water Utility	-	-	10,694	9,349	10,694	9,349	-	-
Wastewater Utility	-	-	29,980	25,560	29,980	25,560	-	-
Parking Operations	-	-	509	492	509	492	-	-
City Bus	-	-	-	-	-	-	18,149	16,680
Interest on long term debt	3,360	-	-	-	3,360	-	-	-
<b>Total expenses</b>	<b>72,722</b>	<b>72,860</b>	<b>41,183</b>	<b>35,401</b>	<b>113,905</b>	<b>108,261</b>	<b>18,149</b>	<b>16,680</b>
Change in net position	33,414	22,548	13,086	19,156	46,500	41,704	(61)	1,363
Net position, beginning	238,980	205,258	246,927	228,206	485,907	433,464	34,611	33,248
Prior period adjustment	-	11,174	-	(435)	-	10,739	-	-
<b>Net Position, ending</b>	<b>\$272,394</b>	<b>\$238,980</b>	<b>\$260,013</b>	<b>\$246,927</b>	<b>\$532,407</b>	<b>\$485,907</b>	<b>\$34,550</b>	<b>\$34,611</b>

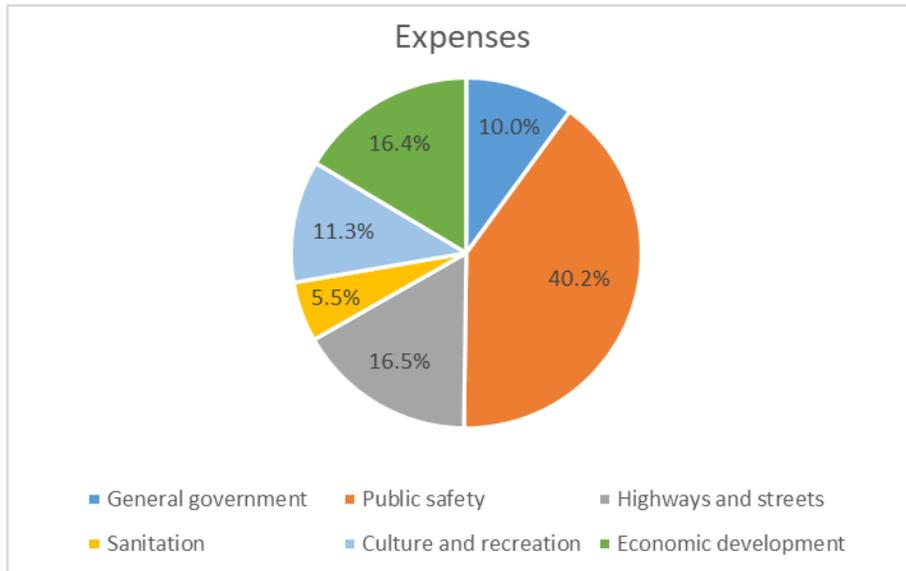
City of Lafayette  
 Management Discussion and Analysis  
 For the Year Ended December 31, 2022  
 (Continued)

**Governmental Activities**

Governmental Activities increased the City’s net position by \$33,413,624 in 2022. Key contributing factors were an increase in operating and capital grants of approximately \$6.2 million, an increase in property tax revenue of \$2.0 million, and increases in investment earnings and miscellaneous revenues of \$1.1 million and \$1.3 million, respectively. General Property and Other Tax revenue received represented 82.6% of total Governmental revenues. Charges for services totaled \$2,844,589 in 2022, representing 2.7% of total Governmental revenues.



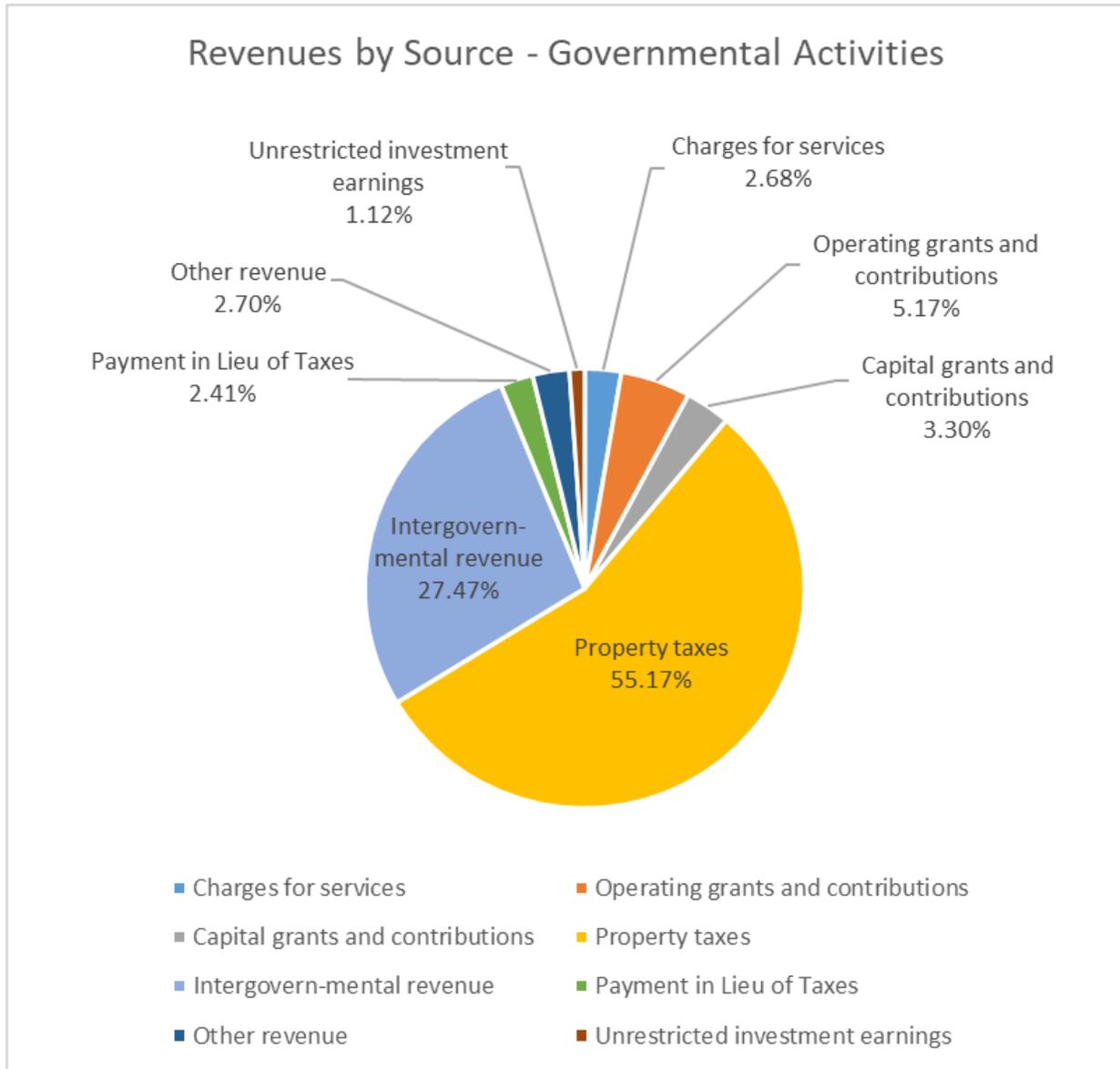
Government activity expenses totaled \$72,722,774, a slight decrease of \$138 thousand from the prior year. The decrease is largely attributable to a wind-down of construction of the city’s new Public Safety Building. Employee compensation rates increased in 2022, but costs were somewhat offset by difficulty attaining full staffing levels. The city also continued to experience difficulties in procurement of vehicles, machinery and equipment, which resulted in retained resources.



City of Lafayette  
 Management Discussion and Analysis  
 For the Year Ended December 31, 2022  
 (Continued)

**Expenses & Program Revenues – Governmental Activities**

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

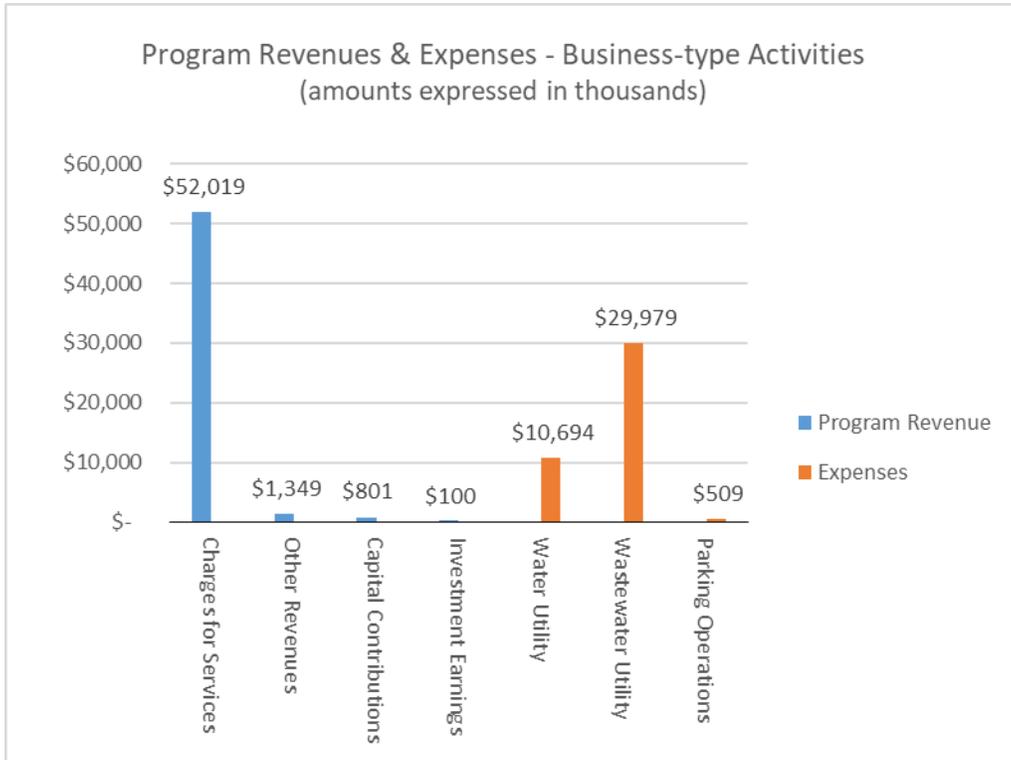


**Business-type Activities**

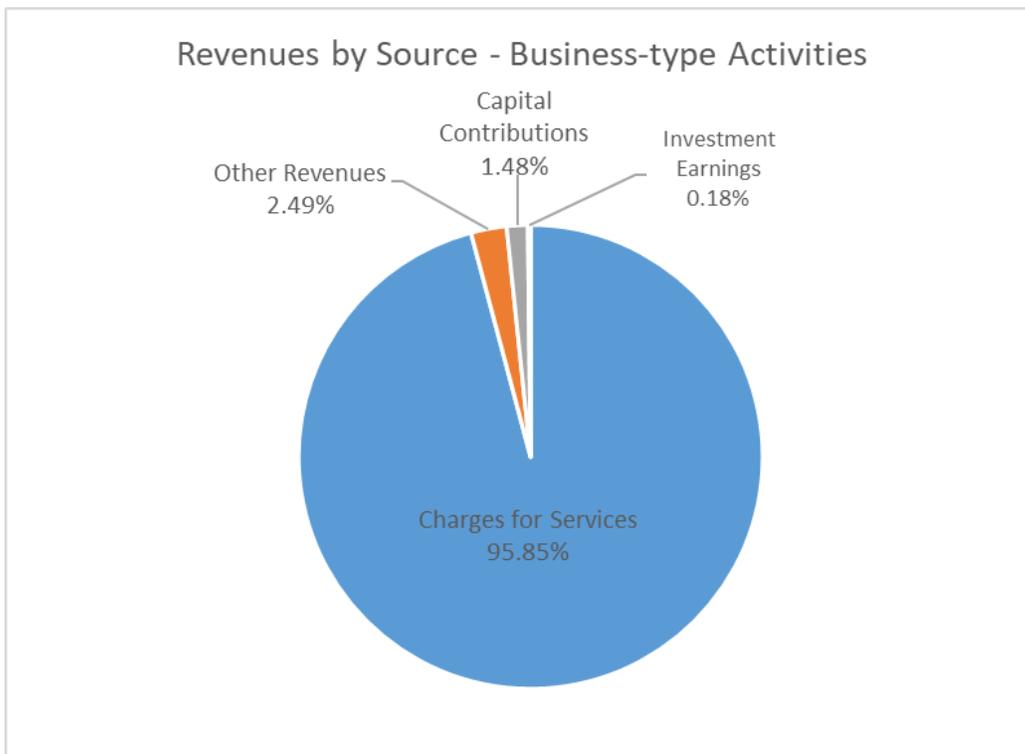
Business-type activities increased the City’s net position \$13,085,520 in 2022, compared to an increase of \$18,721,316 for FY 2021, net of prior period adjustment. Key factors leading to the increase were increase in charges for services and pursuit of significant infrastructure maintenance projects.

City of Lafayette  
 Management Discussion and Analysis  
 For the Year Ended December 31, 2022  
 (Continued)

The following chart illustrates the expenses and program revenues of the City's Business-type Activities for FY 2022:



The following chart displays the revenue composition for the City's Business-type Activities for FY 2022:



City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(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 \$86,423,709 an increase of 0.14% from FY 2021.

The General Fund balance of \$16,640,298 comprises 19.3% of the total funds balance. As of December 31, 2022, the General Fund unassigned fund balance of \$16,640,298 represented an increase of \$3,228,164 or 24.1% from FY 2021. Activity within the General Fund was reasonably consistent with the prior year. Revenues increased while expenses remained stable, with property tax and investment revenue growth allowing resource accumulation. The Rainy Day Fund and Railroad Fund are presented as part of the General Fund for purposes of the 2022 report. The 2022 balance of the Rainy Day Fund is \$7,011,335. The balance of Railroad fund is \$221,619. The remaining balance of \$9,407,344 belongs to the General fund.

The American Rescue Plan Fund has a fund balance of \$0.

The Motor Vehicle Highway Fund balance of \$3,680,532 is 4.3% of total governmental fund balances and the entire fund balance for this fund is restricted.

The Redevelopment Authority Fund balance of \$17,181,607 is 19.9% of total governmental fund balances and the entire fund balance for this fund is restricted. The Redevelopment Authority Fund balance decreased by \$25,796,544 primarily as a result of expenditure of bond proceeds during construction of a new public safety building.

The Consolidated Central TIF Fund balance of \$21,225,777 is 24.6% of total governmental fund balance and the entire balance is restricted. The Consolidated Central TIF balance increased by \$14,778,322 as a result of a bond issue for construction of a new public works campus. The Consolidated Central TIF provides funds for many economic development projects.

The non-major governmental funds balance of \$27,695,495 is 32% of total governmental fund balances and includes a restricted balance of \$26,905,088, a committed fund balance of \$754,455, an assigned balance of \$92,380, and an unassigned fund balance of (\$56,428).

The following table reflects the fund balance for Governmental Funds:

City of Lafayette				
FUND BALANCES FOR GOVERNMENTAL FUNDS				
(amounts expressed in thousands)				
	2022		2021	
General	\$ 16,640	19.3%	\$ 13,412	15.5%
MVH	3,681	4.3%		
Redevelopment Authority	17,182	19.9%	42,978	49.8%
TIF Creasy Central Consolidated	21,226	24.6%	6,447	7.5%
Other	27,695	32.0%	23,463	27.2%
Total governmental funds	\$ 86,424	100.0%	\$ 86,300	100.0%

City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(Continued)

As shown in the preceding table for Revenues by Source – Governmental Activities fiscal year 2022, property taxes and other local taxes accounted for 85.1% 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 \$16,640,298. 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 \$16,640,298 represents 40% of the total General Fund expenditures in FY 2022. The total cash and investment balance of the governmental funds increased by \$8,359,401 which includes unspent bond proceeds for both the new Public Safety Building and the new Public Works Campus.

**Financial Analysis of the Proprietary Funds**

The City’s proprietary fund statements 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 \$(71,193) and \$36,538,559 respectively, at the end of the fiscal year. Total net position in the Water Utility Fund increased \$4,041,444. In 2022, water charges for service were \$11,587,964, which exceeded operating expenses of \$9,572,229. Total net position in the Wastewater Utility Fund increased \$9,058,023. The increase in net position was primarily due to increase in charges for services and reductions in operating expenses. Other business-type activities decreased the City’s net position by \$13,947.

**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	\$ 42,453	\$ 42,453	\$ 44,584	\$ 2,131
Expenditures	43,554	43,554	41,356	(2,198)
Surplus (deficit)	\$ (1,101)	\$ (1,101)	\$ 3,228	\$ 4,329

General Fund revenue was originally budgeted at \$42,453,327 for fiscal year 2022. 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 2022.

During 2022, the General Fund collected \$44,584,407 in revenue on a budgetary basis, which was \$2,131,080 more than originally budgeted revenue. The increase was a result of greater intergovernmental revenue than originally budgeted.

General Fund expenditures were originally budgeted at \$43,553,705 for fiscal year 2022. During the year, the General Fund expenditure budget was unchanged. Actual expenditures for fiscal year 2022 were \$41,356,243 which was \$2,197,462 less than the final expenditure budget amount.

City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(Continued)

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

**Capital Asset and Debt Administration**

As of December 31, 2022, the City's government-wide capital assets were valued at \$666,138,693 net of accumulated depreciation, an increase of \$30,409,351 or 4.8%, over values on December 31, 2021. The aggregate value of capital assets related to governmental activities amounted to \$349,148,602 net of depreciation, while the aggregate value of capital assets related to business type activities totaled \$316,990,091.

Construction in Progress totaled \$75,398,379 a decrease of \$28,334,808 from the prior year end, as the City continued to progress and complete significant infrastructure improvements throughout the City.

Capital assets in buildings and systems, improvements, machinery and equipment, and infrastructure including roads and highways, totaled \$510,742,199, an increase of \$58,266,484, net of depreciation, since December 31, 2021.

At December 31, 2022, the net value of Infrastructure \$414,037,283 was the major asset class, followed by buildings \$60,108,492 and machinery and equipment \$23,469,143.

Total depreciation expense was \$20,854,193 for 2022, compared to \$19,343,932 for 2021. Depreciation expense was \$9,582,632 for governmental activities and \$11,271,561 for business-type activities in 2022.

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	
	2022	2021	2022	2021	2022	2021
Land	\$ 75,987	\$ 75,863	\$ 4,011	\$ 3,658	\$ 79,998	\$ 79,521
Buildings	64,500	39,625	21,196	20,439	85,696	60,064
Improvements other than buildings	11,231	8,720	602	609	11,833	9,329
Machinery and equipment	12,432	11,529	88,529	85,453	100,961	96,982
Vehicles	21,606	20,358	6,703	5,950	28,309	26,308
Infrastructure	253,242	239,868	320,134	290,024	573,376	529,892
Construction in progress	54,249	58,861	21,150	44,872	75,399	103,733
Less: accumulated depreciation	(144,098)	(135,398)	(145,335)	(134,701)	(289,433)	(270,099)
<b>Total capital assets</b>	<b>\$ 349,149</b>	<b>\$ 319,426</b>	<b>\$ 316,990</b>	<b>\$ 316,304</b>	<b>\$ 666,139</b>	<b>\$ 635,730</b>

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

City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(Continued)

**Long-term debt**

At the end of the current fiscal year, the City had total long-term debt outstanding (net of discount and premiums) of \$134,205,769 related to governmental activities and \$123,633,322 related to business-type activities. Of this amount, \$11,059,426 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 11,059	\$ 11,588	\$ -	\$ -	\$ 11,059	\$ 11,588
Other financing arrangements	445	729	-	-	445	729
Notes & loans payable	-	-	-	-	-	-
Revenue bonds	122,701	111,017	123,633	135,619	246,334	246,636
<b>Total long-term debt</b>	<b><u>\$ 134,205</u></b>	<b><u>\$ 123,334</u></b>	<b><u>\$ 123,633</u></b>	<b><u>\$ 135,619</u></b>	<b><u>\$ 257,839</u></b>	<b><u>\$ 258,953</u></b>

The City's long-term debt for governmental activities increased by \$10,871,246 during FY 2022. The City's new long-term debt issued of \$29,935,000 was offset by principal payments of \$18,951,513 on other long-term debt issues. Additional information of the City's long-term debt can be found in Note II - F.

**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 create "circuit breaker credits", borne by all taxing units in a district. This legislation has produced extensive reduction in property taxes available to the City since 2010. In 2022, the City lost approximately \$3,316,725 in property tax levy due to circuit breaker credits. Since 2010 the City has realized approximately \$25,141,965 in circuit breaker credits. To offset the impact of this lost revenue, 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 51. 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.

**Economic Trends**

The City's future growth will depend on continued economic growth. The City and the Tippecanoe County area is 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

City of Lafayette  
Management Discussion and Analysis  
For the Year Ended December 31, 2022  
(Continued)

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 2022 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 61,332,634	\$ 49,998,848	\$ 111,331,482	\$ 7,526,506
Cash with fiscal agent	12,670,348	-	12,670,348	-
Receivables, net:				
Loans	31,192	-	31,192	-
Taxes	57,325,305	1,987	57,327,292	3,128,409
Accounts	981,906	6,609,868	7,591,774	585,914
Intergovernmental	7,993,729	-	7,993,729	823,940
Lease	2,136,667	777,420	2,914,087	-
Inventories	682,731	1,064,049	1,746,780	499,921
Prepaid items	817,840	200,400	1,018,240	120,961
Total current assets	<u>143,972,352</u>	<u>58,652,572</u>	<u>202,624,924</u>	<u>12,685,651</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	41,018,800	726,651	41,745,451	1,585,888
Investments	-	5,750,660	5,750,660	-
Revenue bond covenant cash & equivalents	-	10,984,074	10,984,074	-
Consumer meter deposit cash	-	145,785	145,785	-
Total restricted assets	<u>41,018,800</u>	<u>17,607,170</u>	<u>58,625,970</u>	<u>1,585,888</u>
Capital assets:				
Land, improvements and construction in progress	130,235,506	25,160,988	155,396,494	3,467,598
Other capital assets, net of depreciation	218,913,096	291,829,103	510,742,199	23,413,038
Total capital assets	<u>349,148,602</u>	<u>316,990,091</u>	<u>666,138,693</u>	<u>26,880,636</u>
Total noncurrent assets	<u>390,167,402</u>	<u>334,597,261</u>	<u>724,764,663</u>	<u>28,466,524</u>
Total assets	<u>534,139,754</u>	<u>393,249,833</u>	<u>927,389,587</u>	<u>41,152,175</u>
<u>Deferred outflows of resources</u>				
Pension items	19,893,468	1,932,123	21,825,591	1,706,338
OPEB items	669,939	505,393	1,175,332	-
Deferred charge on refunding	560,435	2,044,034	2,604,469	-
Total deferred outflows of resources	<u>21,123,842</u>	<u>4,481,550</u>	<u>25,605,392</u>	<u>1,706,338</u>
Total assets and deferred outflows of resources	<u>555,263,596</u>	<u>397,731,383</u>	<u>952,994,979</u>	<u>42,858,513</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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Liabilities</u>				
Current liabilities:				
Accounts Payable	\$ 10,711,785	\$ 757,774	\$ 11,469,559	\$ 461,872
Contracts payable	-	1,525,152	1,525,152	-
Accrued payroll and withholding payable	1,917,730	187,357	2,105,087	244,866
Accrued interest payable	1,337,365	1,040,058	2,377,423	-
Claims payable	41,613	-	41,613	-
Unearned revenue	13,381,886	-	13,381,886	-
Customer deposits payable	145,638	153,603	299,241	-
Retainage payable	2,559,538	116,844	2,676,382	-
General obligation bonds payable	540,000	-	540,000	-
Revenue bonds payable	4,726,000	8,355,000	13,081,000	-
Other financing arrangements	143,089	-	143,089	-
Accrued compensated absences	-	-	-	276,583
Other liabilities	-	-	-	7,606
<b>Total current liabilities</b>	<b>35,504,644</b>	<b>12,135,788</b>	<b>47,640,432</b>	<b>990,927</b>
Noncurrent liabilities:				
General obligation bonds payable, net	10,519,426	-	10,519,426	-
Revenue bonds payable, net	117,974,859	115,278,322	233,253,181	-
Other financing arrangements	302,395	-	302,395	-
Total OPEB liability	3,876,897	2,924,677	6,801,574	-
Net pension liability	52,773,282	4,834,260	57,607,542	3,906,652
<b>Total noncurrent liabilities</b>	<b>185,446,859</b>	<b>123,037,259</b>	<b>308,484,118</b>	<b>3,906,652</b>
<b>Total liabilities</b>	<b>220,951,503</b>	<b>135,173,047</b>	<b>356,124,550</b>	<b>4,897,579</b>
<u>Deferred inflows of resources</u>				
Unavailable revenue	56,216,759	-	56,216,759	3,128,409
Pension related	1,635,435	312,514	1,947,949	282,260
OPEB related	1,929,576	1,455,645	3,385,221	-
Leases	2,136,667	777,420	2,914,087	-
<b>Total deferred inflows of resources</b>	<b>61,918,437</b>	<b>2,545,579</b>	<b>64,464,016</b>	<b>3,410,669</b>
<u>Net position</u>				
Net investment in capital assets	249,258,347	205,241,613	454,499,960	26,880,636
Restricted for:				
Debt service	2,351,224	14,793,824	17,145,048	-
Capital outlay	15,875,782	2,667,561	18,543,343	-
Economic Development	44,393,139	-	44,393,139	-
Public Safety	2,768,869	-	2,768,869	-
Street Maintenance	3,779,687	-	3,779,687	-
Parks Maintenance	1,759,915	-	1,759,915	-
Grantors	706,752	-	706,752	1,111,018
Customer deposits	-	145,785	145,785	-
Unrestricted	(48,500,059)	37,163,974	(11,336,085)	6,558,611
<b>Total net position</b>	<b>\$ 272,393,656</b>	<b>\$ 260,012,757</b>	<b>\$ 532,406,413</b>	<b>\$ 34,550,265</b>

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

CITY OF LAFAYETTE  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022

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	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary government:								
Governmental activities:								
General government	\$ 3,946,479	\$ 703,681	\$ 3,217,425	\$ -	\$ (25,373)	\$ -	\$ (25,373)	\$ -
Public safety	29,210,861	283,780	569,890	-	(28,357,191)	-	(28,357,191)	-
Highways and streets	12,033,312	27,575	-	2,898,389	(9,107,348)	-	(9,107,348)	-
Sanitation	4,027,024	-	-	-	(4,027,024)	-	(4,027,024)	-
Culture and recreation	8,204,905	1,829,165	-	548,998	(5,826,742)	-	(5,826,742)	-
Economic development	11,939,984	388	1,700,541	56,144	(10,182,911)	-	(10,182,911)	-
Interest on Long Term Debt	3,360,209	-	-	-	(3,360,209)	-	(3,360,209)	-
Total governmental activities	<u>72,722,774</u>	<u>2,844,589</u>	<u>5,487,856</u>	<u>3,503,531</u>	<u>(60,886,798)</u>	<u>-</u>	<u>(60,886,798)</u>	<u>-</u>
Business-type activities:								
Water Utility	10,694,350	11,587,964	-	316,324	-	1,209,938	1,209,938	-
Water Pollution	29,979,457	39,961,733	-	484,380	-	10,466,656	10,466,656	-
Parking Operations	508,585	469,458	-	-	-	(39,127)	(39,127)	-
Total business-type activities	<u>41,182,392</u>	<u>52,019,155</u>	<u>-</u>	<u>800,704</u>	<u>-</u>	<u>11,637,467</u>	<u>11,637,467</u>	<u>-</u>
Total primary government	<u>\$ 113,905,166</u>	<u>\$ 54,863,744</u>	<u>\$ 5,487,856</u>	<u>\$ 4,304,235</u>	<u>\$ (60,886,798)</u>	<u>\$ 11,637,467</u>	<u>\$ (49,249,331)</u>	<u>\$ -</u>
Component unit	<u>\$ 18,149,273</u>	<u>\$ 4,092,167</u>	<u>\$ 9,600,346</u>	<u>\$ 498,136</u>				<u>(3,958,624)</u>
General revenues:								
Property taxes					58,555,771	-	58,555,771	3,837,288
Intergovernmental revenues					29,154,901	-	29,154,901	-
Payment in lieu of taxes					2,559,500	-	2,559,500	-
Other revenues					2,870,188	1,324,698	4,194,886	-
Investment earnings					1,183,699	99,718	1,283,417	60,585
Transfers					(23,637)	23,637	-	-
Total general revenues					<u>94,300,422</u>	<u>1,448,053</u>	<u>95,748,475</u>	<u>3,897,873</u>
Change in net position					<u>33,413,624</u>	<u>13,085,520</u>	<u>46,499,144</u>	<u>(60,751)</u>
Net position, Beginning					<u>238,980,032</u>	<u>246,927,237</u>	<u>485,907,269</u>	<u>34,611,016</u>
Net position, Ending					<u>\$ 272,393,656</u>	<u>\$ 260,012,757</u>	<u>\$ 532,406,413</u>	<u>\$ 34,550,265</u>

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

CITY OF LAFAYETTE  
BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2022

	General	American Rescue Plan Grant	Motor Vehicle Highway	Redevelopment Authority	TIF Creasy Central Consolidated	Total Nonmajor Funds	Total Governmental Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 18,203,055	\$ 13,623,779	\$ 3,003,826	\$ 795,570	\$ 8,518,062	\$ 16,588,694	\$ 60,732,986
Restricted cash, cash equivalents and investments	-	-	-	19,848,648	15,992,613	5,177,539	41,018,800
Cash with fiscal agents	-	-	-	768,786	-	11,901,562	12,670,348
Receivables, net:							
Loans	-	-	-	-	-	31,193	31,193
Taxes	28,563,752	-	3,542,438	-	13,738,248	11,480,867	57,325,305
Accounts	485,966	-	54,283	-	66,640	374,941	981,830
Intergovernmental	2,008,223	-	827,991	-	-	5,157,515	7,993,729
Leases	1,183,243	-	-	-	-	953,424	2,136,667
Total assets	<u>\$ 50,444,239</u>	<u>\$ 13,623,779</u>	<u>\$ 7,428,538</u>	<u>\$ 21,413,004</u>	<u>\$ 38,315,563</u>	<u>\$ 51,665,735</u>	<u>\$ 182,890,858</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 202,227	\$ 91,931	\$ 108,641	\$ 1,568,791	\$ 2,568,613	\$ 6,042,510	\$ 10,582,713
Accrued payroll and withholding payable	1,793,375	-	64,920	-	-	59,435	1,917,730
Accrued interest payable	-	-	-	662,636	415,171	259,558	1,337,365
Retainage payable	-	200,463	-	1,999,970	357,754	1,350	2,559,537
Unearned Revenue	-	13,331,385	-	-	-	50,501	13,381,886
Customer deposits	127,712	-	-	-	10,000	7,925	145,637
Total liabilities	<u>2,123,314</u>	<u>13,623,779</u>	<u>173,561</u>	<u>4,231,397</u>	<u>3,351,538</u>	<u>6,421,279</u>	<u>29,924,868</u>
Deferred Inflows of Resources:							
Lease	1,183,243	-	-	-	-	953,424	2,136,667
Unavailable revenue	30,497,384	-	3,574,445	-	13,738,248	16,595,537	64,405,614
Total deferred inflows of resources	<u>31,680,627</u>	<u>-</u>	<u>3,574,445</u>	<u>-</u>	<u>13,738,248</u>	<u>17,548,961</u>	<u>66,542,281</u>
Fund Balances:							
Restricted	-	-	3,680,532	17,181,607	21,225,777	26,905,088	68,993,004
Committed	-	-	-	-	-	754,455	754,455
Assigned	-	-	-	-	-	92,380	92,380
Unassigned	16,640,298	-	-	-	-	(56,428)	16,583,870
Total fund balances	<u>16,640,298</u>	<u>-</u>	<u>3,680,532</u>	<u>17,181,607</u>	<u>21,225,777</u>	<u>27,695,495</u>	<u>86,423,709</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 50,444,239</u>	<u>\$ 13,623,779</u>	<u>\$ 7,428,538</u>	<u>\$ 21,413,004</u>	<u>\$ 38,315,563</u>	<u>\$ 51,665,735</u>	<u>\$ 182,890,858</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, 2022

<b>Fund Balance, Governmental Funds</b>		<b>\$ 86,423,709</b>
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:		
Land and construction in progress	\$ 130,235,506	
Other capital assets, net of depreciation	<u>218,907,221</u>	349,142,727
Prepays are not current financial resources and, therefore, are not reported in the funds.		
		817,840
Pension liability is not paid from current financial resources and, therefore, is not shown in the funds.		
OPEB liability	(3,876,897)	
Net pension liability	<u>(52,773,282)</u>	(56,650,179)
Deferred outflows of resources on Pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		19,893,468
Deferred outflows of resources on deferred debt related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		560,435
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		669,939
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		(1,635,438)
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		(1,929,576)
Inventory amounts recorded in the Government wide Statements but not in governmental funds, but are recorded in the statement of net position		
		311,741
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		
		8,188,855
Internal service funds are used by management to charge the costs of insurance to General and Highway Funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		
		805,904
Long-term liabilities, including other financing arrangements, are not due and payable in the current period and, therefore, are not reported in the funds:		
		(445,484)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	(11,059,426)	
Revenue bonds	<u>(122,700,859)</u>	<u>(133,760,285)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 272,393,656</u></b>

The notes to the 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, 2022

	General	American Rescue Plan	Motor Vehicle Highway	Redevelopment Authority	TIF Creasy Central Consolidated	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>							
General property taxes	\$ 27,214,682	\$ -	\$ 3,306,675	\$ -	\$ 12,629,301	\$ 15,158,338	\$ 58,308,996
Licenses and permits	528,150	-	-	-	-	-	528,150
Intergovernmental	12,031,789	2,549,675	5,279,514	-	-	14,440,978	34,301,956
Payment in lieu of taxes	2,559,500	-	-	-	-	-	2,559,500
Charges for services	39,279	-	26,525	-	-	2,026,776	2,092,580
Fines and forfeits	136,093	-	-	-	-	87,873	223,966
Other	1,458,274	-	148,609	-	15,098	741,287	2,363,268
Capital contributions	-	-	-	-	-	56,144	56,144
Interest and investment revenue	616,640	-	-	288,263	147,538	130,625	1,183,066
<b>Total revenues</b>	<b>44,584,407</b>	<b>2,549,675</b>	<b>8,761,323</b>	<b>288,263</b>	<b>12,791,937</b>	<b>32,642,021</b>	<b>101,617,626</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	3,367,892	-	-	-	-	383,588	3,751,480
Public safety	35,349,231	-	-	-	-	2,290,517	37,639,748
Highways and streets	-	-	8,219,849	-	-	-	8,219,849
Sanitation	2,636,405	-	-	-	-	995,907	3,632,312
Culture and recreation	-	-	-	-	-	6,598,653	6,598,653
Economic development	-	-	-	95,362	4,623,221	7,246,230	11,964,813
<b>Debt Service:</b>							
Administrative charges	-	-	-	167,252	172,449	-	339,701
Interest	-	-	-	1,528,176	769,848	1,182,842	3,480,866
Principal retirement	-	-	-	1,440,000	1,638,000	1,223,513	4,301,513
<b>Capital Outlay:</b>							
General government	-	2,549,675	-	-	-	-	2,549,675
Public safety	2,715	-	-	-	-	139,270	141,985
Highways and streets	-	-	57,403	-	-	-	57,403
Culture and recreation	-	-	-	-	-	652,972	652,972
Economic development	-	-	-	24,715,360	5,460,597	2,814,421	32,990,378
<b>Total expenditures</b>	<b>41,356,243</b>	<b>2,549,675</b>	<b>8,277,252</b>	<b>27,946,150</b>	<b>12,664,115</b>	<b>23,527,913</b>	<b>116,321,348</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,228,164</b>	<b>-</b>	<b>484,071</b>	<b>(27,657,887)</b>	<b>127,822</b>	<b>9,114,108</b>	<b>(14,703,722)</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	13,935,000	16,000,000	-	29,935,000
Payment to refunded bond escrow agent	-	-	-	(15,108,157)	-	-	(15,108,157)
Transfers in	-	-	-	3,034,500	-	-	3,034,500
Transfer out	-	-	-	-	(1,349,500)	(1,685,000)	(3,034,500)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,861,343</b>	<b>14,650,500</b>	<b>(1,685,000)</b>	<b>14,826,843</b>
<b>Net change in fund balances</b>	<b>3,228,164</b>	<b>-</b>	<b>484,071</b>	<b>(25,796,544)</b>	<b>14,778,322</b>	<b>7,429,108</b>	<b>123,121</b>
Fund Balances - beginning	13,412,134	-	3,196,461	42,978,151	6,447,455	20,266,387	86,300,588
<b>Fund Balances - ending</b>	<b>\$ 16,640,298</b>	<b>\$ -</b>	<b>\$ 3,680,532</b>	<b>\$ 17,181,607</b>	<b>\$ 21,225,777</b>	<b>\$ 27,695,495</b>	<b>\$ 86,423,709</b>

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  
Year Ended December 31, 2022

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

Net change in fund balances, total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 123,121
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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 in the current period:

Capital outlays	35,871,044
Contributed capital	3,503,531
Loss on capital disposal of assets	(45,537)
Asset transfers to proprietary funds	(23,637)
Depreciation expense	(9,582,632)

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 the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	\$ 4,301,513
Principal payments on other financial arrangements	283,513
Payments on refunded debt	14,403,990
Net Amortization of bond premium/discount	112,241
Net Amortization of deferred charges on bond refinancing	(37,503)
Bond proceeds	(29,935,000)
	<u>(10,871,246)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred inflows, pensions	21,332,422
Deferred inflows - OPEB	(456,885)
Unavailable revenue	6,481,639

Expenses in the Statement of Activities that do not provide current financial resources are not reported as expenditures in the funds:

Deferred outflows of resources, pensions	6,710,152
Deferred outflows of resources, OPEB	(115,916)
Amortization of deferred amount on refundings	382,585
Inventory	193,621

Prepays amortized in the Statement of Activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.	(9,083)
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Change in Pension assets are considered revenues of the general government and, therefore, are not reported as current revenues in the funds.	(11,426,689)
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Change in Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.	(8,560,581)
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Change in OPEB liability reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.	547,829
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Change in Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	89,653
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Other	<u>(729,767)</u>
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<b>Change in Net Position of Governmental Activities (Statement of Activities)</b>	<b><u>\$ 33,413,624</u></b>
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The notes to the financial statements are an integral part of this statement.

CITY OF LAFAYETTE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents - unrestricted					
Operating cash	\$ 2,248,238	\$ 26,032,997	\$ 694,576	\$ 28,975,811	\$ 599,648
Depreciation cash	2,258,523	15,825,316	-	18,083,839	-
Bond and Interest cash	247,729	2,691,469	-	2,939,198	-
Accounts receivable, net	1,715,041	5,661,681	12,553	7,389,275	76
Inventories	363,096	700,953	-	1,064,049	370,990
Prepaid items	95,200	105,200	-	200,400	-
<b>Total current assets</b>	<b>6,927,827</b>	<b>51,017,616</b>	<b>707,129</b>	<b>58,652,572</b>	<b>970,714</b>
<b>Noncurrent assets:</b>					
Cash, cash equivalents and investments - restricted:					
Cash and cash equivalents	726,651	-	-	726,651	-
Customer deposits	145,785	-	-	145,785	-
Revenue bond covenant accounts	2,715,679	8,268,395	-	10,984,074	-
Investments	-	5,750,660	-	5,750,660	-
<b>Total restricted assets</b>	<b>3,588,115</b>	<b>14,019,055</b>	<b>-</b>	<b>17,607,170</b>	<b>-</b>
<b>Capital assets:</b>					
Land, improvements, and construction in progress	17,326,754	7,150,253	683,981	25,160,988	-
Other capital assets, net of depreciation	41,166,386	247,907,480	2,755,237	291,829,103	5,875
<b>Total capital assets</b>	<b>58,493,140</b>	<b>255,057,733</b>	<b>3,439,218</b>	<b>316,990,091</b>	<b>5,875</b>
<b>Total noncurrent assets</b>	<b>62,081,255</b>	<b>269,076,788</b>	<b>3,439,218</b>	<b>334,597,261</b>	<b>5,875</b>
<b>Total assets</b>	<b>69,009,082</b>	<b>320,094,404</b>	<b>4,146,347</b>	<b>393,249,833</b>	<b>976,589</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions	718,930	1,213,193	-	1,932,123	-
Deferred outflows related to OPEB	188,053	317,340	-	505,393	-
Deferred charge on refunding	-	2,044,034	-	2,044,034	-
<b>Total deferred outflows of resources</b>	<b>906,983</b>	<b>3,574,567</b>	<b>-</b>	<b>4,481,550</b>	<b>-</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	399,179	355,513	3,082	757,774	129,072
Contracts payable	577,633	947,519	-	1,525,152	-
Accrued payroll and withholding payable	67,111	115,490	4,756	187,357	-
Accrued interest payable	-	1,040,058	-	1,040,058	-
Retainage payable	-	116,844	-	116,844	-
Customer deposits payable	150,920	-	2,683	153,603	-
Revenue bonds payable	405,000	7,950,000	-	8,355,000	-
Claims payable	-	-	-	-	41,613
<b>Total current liabilities</b>	<b>1,599,843</b>	<b>10,525,424</b>	<b>10,521</b>	<b>12,135,788</b>	<b>170,685</b>
<b>Noncurrent liabilities:</b>					
Revenue bonds payable	15,946,912	99,331,410	-	115,278,322	-
Total OPEB liability	1,088,252	1,836,425	-	2,924,677	-
Net pension obligation	1,798,794	3,035,466	-	4,834,260	-
<b>Total noncurrent liabilities</b>	<b>18,833,958</b>	<b>104,203,301</b>	<b>-</b>	<b>123,037,259</b>	<b>-</b>
<b>Total liabilities</b>	<b>20,433,801</b>	<b>114,728,725</b>	<b>10,521</b>	<b>135,173,047</b>	<b>170,685</b>
<b>Deferred Inflows of Resources</b>					
Leases	777,420	-	-	777,420	-
Deferred inflows related to pensions	116,284	196,230	-	312,514	-
Deferred inflows related to OPEB	541,635	914,010	-	1,455,645	-
<b>Total deferred inflows of resources</b>	<b>1,435,339</b>	<b>1,110,240</b>	<b>-</b>	<b>2,545,579</b>	<b>-</b>
<b>Net Position</b>					
Net investment in capital assets	44,530,003	157,272,392	3,439,218	205,241,613	-
Restricted for:					
Debt service	1,437,457	13,356,367	-	14,793,824	-
Capital Outlay	2,004,873	662,688	-	2,667,561	-
Customer Deposits	145,785	-	-	145,785	-
Unrestricted	(71,193)	36,538,559	696,608	37,163,974	805,904
<b>Total net position</b>	<b>\$ 48,046,925</b>	<b>\$ 207,830,006</b>	<b>\$ 4,135,826</b>	<b>\$ 260,012,757</b>	<b>\$ 805,904</b>

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, 2022

	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	\$4,525,009	\$ -	\$ -	\$ 4,525,009	\$ -
Commercial	2,980,126	-	-	2,980,126	-
Industrial	1,523,277	-	-	1,523,277	-
Fire protection	2,205,161	-	-	2,205,161	-
Measured revenue:					
Residential	-	10,297,751	-	10,297,751	-
Commercial	-	6,745,936	-	6,745,936	-
Industrial	-	17,972,466	-	17,972,466	-
Stormwater	-	3,921,968	-	3,921,968	-
Parking	-	-	469,458	469,458	-
Other	354,391	1,023,612	-	1,378,003	450,776
	<u>11,587,964</u>	<u>39,961,733</u>	<u>469,458</u>	<u>52,019,155</u>	<u>450,776</u>
Total operating revenues					
Operating expenses:					
Supplies and services	2,229,534	-	-	2,229,534	-
Water treatment	417,887	-	-	417,887	-
Transmission and distribution	1,246,613	-	-	1,246,613	-
Pumping	118,630	-	-	118,630	-
Collection system	-	2,715,215	-	2,715,215	-
Treatment and disposal	-	5,345,278	-	5,345,278	-
Customer accounts	674,840	917,576	-	1,592,416	-
Administration and general	3,787,321	5,121,008	-	8,908,329	361,123
Stormwater operations and maintenance	-	1,768,633	-	1,768,633	-
Parking operations and maintenance	-	-	377,378	377,378	-
Bad debt	14,867	19,772	-	34,639	-
Depreciation and amortization	1,406,497	9,757,494	107,570	11,271,561	-
Change in pension, OPEB and pension related	(323,960)	(525,636)	-	(849,596)	-
	<u>9,572,229</u>	<u>25,119,340</u>	<u>484,948</u>	<u>35,176,517</u>	<u>361,123</u>
Total operating expenses					
Operating income (loss)	<u>2,015,735</u>	<u>14,842,393</u>	<u>(15,490)</u>	<u>16,842,638</u>	<u>89,653</u>
Nonoperating revenues (expenses):					
Interest and investment revenue	90,720	8,998	-	99,718	-
Miscellaneous revenue	361,567	961,588	1,543	1,324,698	-
Interest expense	(549,121)	(2,930,117)	-	(3,479,238)	-
Payment in lieu of taxes	(573,000)	(1,930,000)	-	(2,503,000)	-
	<u>(669,834)</u>	<u>(3,889,531)</u>	<u>1,543</u>	<u>(4,557,822)</u>	<u>-</u>
Total nonoperating revenues (expenses)					
Income (loss) before contributions and transfers	<u>1,345,901</u>	<u>10,952,862</u>	<u>(13,947)</u>	<u>12,284,816</u>	<u>89,653</u>
Capital contributions	316,324	484,380	-	800,704	-
Transfers in	2,379,219	-	-	2,379,219	-
Transfer out	-	(2,379,219)	-	(2,379,219)	-
Change in net position	<u>4,041,444</u>	<u>9,058,023</u>	<u>(13,947)</u>	<u>13,085,520</u>	<u>89,653</u>
Total net position - beginning	<u>44,005,481</u>	<u>198,771,983</u>	<u>4,149,773</u>	<u>246,927,237</u>	<u>716,251</u>
Total net position - ending	<u>\$ 48,046,925</u>	<u>\$ 207,830,006</u>	<u>\$ 4,135,826</u>	<u>\$ 260,012,757</u>	<u>\$ 805,904</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, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Wastewater Utility	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 12,433,091	\$ 42,234,454	\$ 434,247	\$ 55,101,792	\$ 451,014
Payments to employees	(4,915,264)	(8,268,131)	(326,252)	(13,509,647)	-
Payments to suppliers	(3,892,258)	(9,401,253)	(74,358)	(13,367,869)	(395,481)
Net cash provided (used) by operating activities	<u>3,625,569</u>	<u>24,565,070</u>	<u>33,637</u>	<u>28,224,276</u>	<u>55,533</u>
Cash flows from noncapital financing activities:					
Nonoperating revenue	361,567	942,675	1,543	1,305,785	-
Payment in lieu of taxes	(573,000)	(1,930,000)	-	(2,503,000)	-
Net cash provided (used) by noncapital financing activities	<u>(211,433)</u>	<u>(987,325)</u>	<u>1,543</u>	<u>(1,197,215)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(4,237,675)	(7,955,956)	(24,636)	(12,218,267)	(47,088)
Principal paid on capital debt	(795,000)	(10,660,000)	-	(11,455,000)	-
Interest paid on capital debt	(546,456)	(2,405,290)	-	(2,951,746)	-
Other	-	-	-	-	41,213
Net cash provided (used) by capital and related financing activities	<u>(5,579,131)</u>	<u>(21,021,246)</u>	<u>(24,636)</u>	<u>(26,625,013)</u>	<u>(5,875)</u>
Cash flows from investing activities:					
Sale of investments	-	(12,643)	-	(12,643)	-
Interest received	50,580	246,860	-	297,440	-
Net cash provided (used) by investing activities	<u>50,580</u>	<u>234,217</u>	<u>-</u>	<u>284,797</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,114,415)	2,790,716	10,544	686,845	49,658
Balances - beginning of year	10,457,020	50,027,461	684,032	61,168,513	549,990
Balances - end of the year	<u>\$ 8,342,605</u>	<u>\$ 52,818,177</u>	<u>\$ 694,576</u>	<u>\$ 61,855,358</u>	<u>\$ 599,648</u>
Reconciliation of operating income (loss) to net cash provided (used)					
by operating activities:					
Operating income (loss)	\$ 2,015,735	\$ 14,842,393	\$ (15,490)	\$ 16,842,638	\$ 89,653
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,406,497	9,757,494	107,570	11,271,561	-
Changes in assets and liabilities:					
Accounts receivable	887,296	238,786	(5,319)	1,120,763	238
Inventories	(53,897)	(58,617)	-	(112,514)	(46,255)
Customer deposits payable	4,847	-	(30,673)	(25,826)	-
Pension and OPEB related deferred outflow	(71,683)	(43,372)	-	(115,055)	-
Deferred Outflow on Refunding	-	375,970	-	375,970	-
Accounts payable	153,800	(408,686)	284	(254,602)	(29,716)
Contracts payable	76,317	789,376	-	865,693	-
Accrued wages payable	13,237	22,294	902	36,433	-
Interfund Services Provided and Used	-	-	(23,637)	(23,637)	-
Claims Payable	-	-	-	-	41,613
OPEB liability	(76,150)	(337,125)	-	(413,275)	-
Net pension liability	754,573	1,596,812	-	2,351,385	-
Pension and OPEB related deferred inflow	(930,700)	(1,741,949)	-	(2,672,649)	-
Deferred Inflow on Leases	(25,316)	-	-	(25,316)	-
Retainage payable	(528,987)	(468,306)	-	(997,293)	-
Net cash provided (used) by operating activities	<u>\$ 3,625,569</u>	<u>\$ 24,565,070</u>	<u>\$ 33,637</u>	<u>\$ 28,224,276</u>	<u>\$ 55,533</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets from private contractors	\$ 316,324	\$ 484,380	\$ -	\$ 800,704	\$ -

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

CITY OF LAFAYETTE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2022

<u>Assets</u>	<u>Pension Trust Funds</u>
Cash and cash equivalents	\$1,781,670
Total cash	1,781,670
Total assets	\$ 1,781,670
<u>Net Position</u>	
Restricted for pensions	\$ 1,781,670
Total net position	\$ 1,781,670

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, 2022

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
State contributions	\$3,848,060
Miscellaneous revenue	7,000
	3,855,060
<u>Deductions</u>	
Administration and general	19,402
Benefits	3,813,208
	3,832,610
Net increase (decrease) in fiduciary net position	22,450
Net position - beginning of the year	1,759,220
	1,781,670
Net position - end of the year	\$ 1,781,670

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

Notes to Financial Statements

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I Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government:	City of Lafayette
Blended Component Unit:	Lafayette Redevelopment Authority
Discretely Presented Component Units:	Greater Lafayette Public Transportation Corporation

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.

## City of Lafayette

### Notes to Financial Statements

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#### 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

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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 and Rainy Day funds are included in the primary operating fund. They account for all financial resources of the general government, except those required to be accounted for in another fund.

The American Recovery Plan Act – State and Local Fiscal Recovery Fund Grant accounts for financial resources from the ARPA federal grant made 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. 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.

The Motor Vehicle and Highway fund (special revenue) accounts for the financial resources and expenses for construction, operation, and maintenance of local and arterial roads and street system as well as maintenance of the City’s fleet. The Motor Vehicle Highway, Motor Vehicle Highway Restricted, Local Roads & Streets, and Local Option Highway Use Tax funds have been combined to form the Motor Vehicle and Highway fund. The major revenue sources for these funds include Property Tax, Excise Tax, Financial Institutions Tax, Fuel Tax, and Local Wheel Tax/ Surtax.

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.

I Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

D. Assets, Liabilities and Net Position 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.

Notes to Financial Statements

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I Summary of Significant Accounting Policies (Continued)

2. Interfund Transactions and Balances

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

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statutes (IC 6 1.1 17 16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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, 2022. 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 2022 net certified levy amounts are recognized as taxes receivable on the fund's financial statements with an offset to unavailable revenue, since these amounts are not considered available.

4. Lease Receivable

The City is a lessor for noncancellable leases of certain buildings and water towers and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

Notes to Financial Statements

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I Summary of Significant Accounting Policies (Continued)

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.

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.

I Summary of Significant Accounting Policies (Continued)

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.

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 2022 for the 2023 budget year, as well as other certain intergovernmental receivables. The City has both deferred outflows and deferred inflows related to their Pension Plans (see III. Other Information Note G. Pension Plans for additional information on the City's Pension Plans). The City recognized a deferred outflow for City contributions made to Pension Plans made after the measurement date. In addition, the City has deferred outflows and deferred inflows related to differences between the Pension Plans expected and actual experience, differences between projected and actual investment earnings on Pension Plan investments, change in Pension Plan assumptions, and changes in the proportion and differences between employer contributions and proportionate share of contributions.

11. 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 may be carried over to the following year. Accumulated vacation leave is paid to employees through cash payments upon termination.

I Summary of Significant Accounting Policies (Continued)

- 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.

12. Long-Term Obligations

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

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

13. 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 nor committed. Fund Balance may be assigned by the Mayor, Clerk, Department Heads and the Board of Works. The authorization to assign amounts to a specific purpose is outlined in the City's Municipal Code.

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

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

The City has a formal minimum fund balance policy.

I Summary of Significant Accounting Policies (Continued)

14. 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 local governments maintain reserves equal to two months of operating revenue, or approximately 16.7% of annual revenue. The City's Rainy Day Fund year-end balance of \$7,011,335, represents 14.87% of General Fund budgeted expenditures for 2023. 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.

15. 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.

16. Adopted Accounting Policies

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activity. This standard was implemented January 1, 2022 and did not have an impact on beginning net position.

Notes to Financial Statements

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II 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, 2022, the City had deposit balances in the amount of \$182,234,761. 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, 2022, the City had the following investments:

Investment Type	Business-type	Investment in Maturities	
	Activities	(In Years)	
	Fair Value	Less Than 1	1-5
Federal agency securities	2,590,943	840,330	1,750,613
U. S. Bonds & Notes	3,159,717	624,990	2,534,727
	<u>\$ 5,750,660</u>	<u>\$ 1,465,320</u>	<u>\$ 4,285,340</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

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II 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, 2022, the City held investments in U.S. government agency securities totaling \$5,750,660. 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.

Investment Type	Standard & Poor's Rating	Fair Value
Federal Agency Securities	AAA	2,590,943
U. S. Bonds & Notes	AAA	3,159,717
Total		\$ 5,750,660

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 (56%), federal national mortgage association (32%) and federal farm credit bank (12%).

Notes to Financial Statements

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II 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 valuation 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, 2022:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Federal agency securities	2,590,943	-	2,590,943	-
U. S. Bonds & Notes	3,159,717	3,159,717	-	-
	\$5,750,660	\$3,159,717	\$2,590,943	\$ -

Notes to Financial Statements

II 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, 2022, component unit CityBus had deposit balances of \$9,112,394. At December 31, 2022, component unit CityBus had bank balances of \$9,211,529. 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, 2022, was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 75,862,554	\$ 124,376	\$ -	\$ 75,986,930
Construction in progress	58,861,208	34,464,600	(39,077,232)	54,248,576
Total capital assets, not being depreciated	134,723,762	34,588,976	(39,077,232)	130,235,506
Capital assets, being depreciated:				
Buildings	39,625,136	25,062,467	(187,500)	64,500,103
Improvements other than buildings	8,719,655	2,574,325	(62,550)	11,231,430
Machinery and equipment	11,529,142	969,892	(66,555)	12,432,479
Vehicles	20,357,963	1,849,009	(601,176)	21,605,796
Infrastructure	239,868,520	13,383,501	(10,500)	253,241,521
Total capital assets, being depreciated	320,100,416	43,839,194	(928,281)	363,011,329
Less accumulated depreciation for:				
Buildings	16,506,627	1,099,670	(144,908)	17,461,389
Improvements other than buildings	6,651,683	437,750	(62,550)	7,026,883
Machinery and equipment	6,633,534	894,237	(66,555)	7,461,216
Vehicles	13,724,938	1,896,112	(599,631)	15,021,419
Infrastructure	91,881,563	5,254,863	(9,100)	97,127,326
Total accumulated depreciation	135,398,345	9,582,632	(882,744)	144,098,233
Total capital assets, being depreciated, net	184,702,071	34,256,562	(45,537)	218,913,096
Total governmental activity capital assets, net	\$ 319,425,833	\$ 68,845,538	\$ (39,122,769)	\$ 349,148,602

**City of Lafayette**

**Notes to Financial Statements**

II Detailed Notes on All Funds (Continued)

Business Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,657,886	\$ 353,299	\$ -	\$ 4,011,185
Construction in progress	44,871,979	10,243,277	(33,965,453)	21,149,803
Total capital assets, not being depreciated	48,529,865	10,596,576	(33,965,453)	25,160,988
Capital assets, being depreciated:				
Buildings	20,438,517	757,374	-	21,195,891
Improvements other than buildings	609,343	-	(7,245)	602,098
Machinery and equipment	85,452,551	3,491,534	(415,070)	88,529,015
Vehicles	5,949,659	968,830	(215,467)	6,703,022
Infrastructure	290,024,307	30,109,282	-	320,133,589
Total capital assets, being depreciated	402,474,377	35,327,020	(637,782)	437,163,615
Less accumulated depreciation for:				
Buildings	7,661,419	464,694	-	8,126,113
Improvements other than buildings	404,719	43,565	(7,245)	441,039
Machinery and equipment	66,019,626	4,426,579	(415,070)	70,031,135
Vehicles	4,234,681	506,510	(215,467)	4,525,724
Infrastructure	56,380,288	5,830,213	-	62,210,501
Total accumulated depreciation	134,700,733	11,271,561	(637,782)	145,334,512
Total capital assets, being depreciated, net	267,773,644	24,055,459	-	291,829,103
Total business type activity capital assets, net	\$ 316,303,509	\$ 34,652,035	\$ (33,965,453)	\$ 316,990,091

**City of Lafayette**

**Notes to Financial Statements**

II Detailed Notes on All Funds (Continued)

Discretely presented component units	Beginning Balance	Increases	Decreases	Ending Balance
<b>Non- depreciable capital assets:</b>				
Land	\$ 926,471	\$ -	\$ -	\$ 926,471
Construction in progress	4,405,277	1,077,860	(2,942,010)	2,541,127
Total non- depreciable capital assets	<u>5,331,748</u>	<u>1,077,860</u>	<u>(2,942,010)</u>	<u>3,467,598</u>
<b>Depreciable capital assets:</b>				
Revenue equipment	34,613,909	2,857,159	(10,787,614)	26,683,454
Support vehicles	476,602	-	(4,827)	471,775
Building and structure	20,783,004	184,674	(3,754,384)	17,213,294
Equipment shop and garage	972,182	947	(484,059)	489,070
Revenue collection fareboxes	1,743,999	-	(14,536)	1,729,463
Communication equipment	3,479,880	36,607	(3,208,863)	307,624
Office equipment and furnishings	900,415	61,718	(665,613)	296,520
Total depreciable capital assets	<u>62,969,991</u>	<u>3,141,105</u>	<u>(18,919,896)</u>	<u>47,191,200</u>
<b>Less accumulated depreciation:</b>				
Revenue equipment	(21,280,697)	(2,445,828)	10,805,367	(12,921,158)
Support vehicles	(400,544)	(32,973)	2,927	(430,590)
Building and structure	(11,259,823)	(687,552)	3,702,796	(8,244,579)
Equipment shop and garage	(764,150)	(136,594)	484,245	(416,499)
Revenue collection fareboxes	(1,501,833)	(61,233)	14,536	(1,548,530)
Communication equipment	(3,175,349)	(91,113)	3,208,863	(57,599)
Office equipment and furnishings	(699,213)	(88,477)	628,483	(159,207)
Total accumulated depreciation	<u>(39,081,609)</u>	<u>(3,543,770)</u>	<u>18,847,217</u>	<u>(23,778,162)</u>
Total capital assets, being depreciated, net	<u>23,888,382</u>	<u>(402,665)</u>	<u>(72,679)</u>	<u>23,413,038</u>
Total governmental activity capital assets, net	<u>\$ 29,220,130</u>	<u>\$ 675,195</u>	<u>\$ (3,014,689)</u>	<u>\$ 26,880,636</u>

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

<b>Governmental activities:</b>	
General government	\$ 682,395
Public safety	1,637,167
Highways and streets	5,134,869
Sanitation	394,713
Culture and recreation	1,711,615
Economic development	21,453
Internal Service Funds	420
Total depreciation expense - governmental activities	<u>9,582,632</u>
<b>Business-type activities:</b>	
Water	1,406,497
Wastewater	9,757,494
Other	107,570
Total depreciation expense - business- type activities	<u>11,271,561</u>
Grand Total	<u>\$ 20,854,193</u>

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

C. Construction Commitments

The City of Lafayette has entered into many contracts for various construction projects. Remaining contract payments as of December 31, 2022 are as follows:

Governmental Activities	\$ 30,112,602
Enterprise Funds	<u>7,677,387</u>
	<u>\$ 37,789,989</u>

Major projects included in Governmental Activities are a New Public Works Campus, and a new Police Station. Major projects included in Enterprise Funds are the Solar Fields at our Renew campus, wastewater treatment improvements, and service area 11B.

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 statute 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 statute or budgetary authorizations.

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

Paying Fund	Receiving Fund	Amount
TIF Creasy Central Consolidated	Redevelopment Authority	\$ 1,349,500
Economic Development Income Tax Fund (EDIT)	Redevelopment Authority	388,000
LIT Public Safety	Redevelopment Authority	700,000
TIF Twyckenham	Redevelopment Authority	<u>597,000</u>
		<u>\$ 3,034,500</u>

E. Financing Arrangements

1. Financing Arrangements

The City has entered into a financed purchase agreement for recycling toters. Future minimum payments and present values of the net minimum payments under the financed purchase agreements at year end are as follows:

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

	<u>Governmental Activities</u>
2023	159,713
2024	159,713
2025	<u>159,713</u>
Total minimum payments	479,139
Less Interest	<u>(33,655)</u>
PV of net minimum payments	445,484
Due within one year	<u>143,089</u>
Due in more than one year	<u>\$ 302,395</u>

The following is an analysis of assets acquired through these financed purchase agreements still in effect at year end:

<u>Asset Category</u>	<u>Governmental Activities</u>
Equipment	\$ 1,312,888
Less: accumulated depreciation	<u>(1,312,888)</u>
	<u>\$ 0</u>

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)	
Tropicanoe Cove Slide, Memorial Island, Zoo Animal Exhibits	
Original issue: \$12,720,000	Interest rates: 3.0% to 4.0%
Installments of \$250,000 to \$450,000 plus interest	
Maturity: July 15, 2038	\$ 11,025,000

Revenue Bonds:

2010 C Redevelopment Authority Lease Rental Twyckenham TIF Refunding Bond (Open Market)	
Twyckenham Infrastructure	
Original issue: \$5,710,000	Interest rates: 3.5% to 3.7%
Installments of \$270,000 to \$290,000 plus interest	
Maturity: January 15, 2023	290,000

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

2012 Redevelopment District Consolidated TIF Refunding Revenue Bonds (Direct)	
Parking garage/ Renaissance Place	
Original issue: \$3,870,000	Interest rate: 1.64%
Installments of \$105,000 to \$115,000 plus interest	
Maturity: February 1, 2025	560,000
2013 A Redevelopment Authority Lease Rental Consolidated TIF Refunding Bonds (Direct)	
Greenbush/Pavilions	
Original issue: \$7,300,000	Interest rate: 1.75%
Installments of \$75,000 to \$80,000 plus interest	
Maturity: February 1, 2026	555,000
2013 B Redevelopment Authority Lease Rental Refunding Bonds Consolidated TIF (Direct)	
Railroad Relocation/ Depot/ Brady Lane	
Original issue: \$6,505,000	Interest rate: 2.0%
Installments of \$165,000 to \$195,000 plus interest	
Maturity: January 15, 2026	1,305,000
2014 Redevelopment District Twyckenham TIF Bonds (Open Market)	
Twyckenham/ Old Romney Road	
Original issue: \$5,185,000	Interest rates: 3.0% to 4.0%
Installments of \$135,000 to \$200,000 plus interest	
Maturity: July 15, 2039	5,185,000
2017 Economic Development Subordinate Tax Increment Revenue Bonds (Direct)	
NCC Project, Intersection Connection Project, GLC Project	
Original issue: \$5,765,000	Interest rate: 2.02%
Installments of \$580,000 to \$605,000 plus interest	
Maturity: February 1, 2023	605,000
2019 Local Income Tax Revenue Bonds (Open Market)	
Loeb Stadium	
Original issue: \$17,000,000	Interest rates: 3.00% to 5.00%
Installments of \$205,000 to \$715,000 plus interest	
Maturity: December 31, 2038	16,585,000
2020 Taxable Economic Development Subordinate Revenue Bonds (Direct)	
Ellsworth Project	
Original issue: \$3,435,000	Interest rate: 4.0%
Installments of \$81,000 to \$147,000 plus interest	
Maturity: August 1, 2039	3,435,000

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

2021 Taxable Economic Development Subordinate Revenue and Refunding Bonds (Direct) One Main Street-Marq, Pullman Station, Nova Tower; 631 Maint St.- Luna Project Original issue: \$9,910,000                      Interest rate: 2.68% Installments of \$94,000 to \$405,000 plus interest Maturity: August 1, 2039	9,568,000
2021A Redevelopment Authority Lease Rental Revenue Bonds (Direct) Police Station Project Original issue: \$45,000,000                      Interest rates: 1.94% to 2.10% 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 Original issue: \$9,275,000                      Interest rates: 1.95% Installments of \$315,000 to \$400,000 plus interest Maturity: February 2, 2036	9,275,000
2022 Redevelopment Authority Lease Rental Revenue Refunding Bonds (Direct) Rev Ref 2022-Creasy Original issue: \$13,935,000                      Interest rates: 2.55% Installments of \$125,000 to \$490,000 plus interest Maturity: August 1, 2039	13,735,000
2022 Redevelopment Authority Revenue Bonds (Direct) Public Works Campus Original issue: \$16,000,000                      Interest rates: 3.335% Installments of \$325,000 to \$610,000 plus interest Maturity: August 1, 2039	16,000,000
Total Governmental Activity Debt	\$ 133,123,000

City of Lafayette

Notes to Financial Statements

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II 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

Refunding original issue: \$1,385,000 Interest rates: 3.0%

Installments of \$220,000 to \$240,000 plus interest

Maturity: January 1, 2024

475,000

2016 Water Pollution Control Refunding Revenue Bonds (Open Market)

Pumping Station and elimination sewer

Original issue: \$18,560,000 Interest rates: 4.0% to 5.0%

Installments of \$480,000 to \$3,320,000 plus interest

Maturity: January 1, 2025

13,290,000

2017 Sewage Works Revenue Bonds (Direct)

Extensions and improvement to the sewage works

Original issue: \$55,000,000 Interest rate: 3.1%

Installments of \$1,040,000 to \$1,930,000 plus interest

Maturity: January 1, 2038

45,665,000

2018 Waterworks Revenue Bonds (Open Market)

Extensions and improvement to the sewage works

Original issue: \$19,705,000 Interest rate: 2.5% to 3.5%

Installments of \$380,000 to \$680,000 plus interest

Maturity: July 1, 2038

16,375,000

2021A Sewage Works Refunding Revenue Bonds (Open Market)

Extensions and improvement to the sewage works

Original issue: \$1,615,000 Interest rate: 2.00%

Installments of \$290,000 to \$1,030,000 plus interest

Maturity: January 1, 2035

1,615,000

2021B Sewage Works Refunding Revenue Bonds (Open Market)

Extensions and improvement to the sewage works

Original issue: \$37,505,000 Interest rate: .3% to 2.35%

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

Maturity: July 1, 2033

35,230,000

2021C Sewage Works Revenue Bonds (Open Market)

Extensions and improvement to the sewage works

Original issue: \$10,950,000 Interest rate: 2.00%

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

Maturity: July 1, 2041

10,235,000

Total Business-Type Activity Debt

\$ 122,885,000

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

Excluded from the governmental activities and the business-type amounts outstanding are total unamortized net premiums of \$641,674 and \$779,768 and unamortized discounts of \$4,389 and \$31,446 respectively.

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

	<u>Governmental Activities</u>		
	<u>General Obligation Bonds - Open Market</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year:			
2023	540,000	383,369	923,369
2024	555,000	367,094	922,094
2025	570,000	350,293	920,293
2026	590,000	333,043	923,043
2027	605,000	315,269	920,269
2028-2032	3,330,000	1,275,844	4,605,844
2033-2038	4,835,000	645,994	5,480,994
	<u>\$ 11,025,000</u>	<u>\$ 3,670,906</u>	<u>\$ 14,695,906</u>

City of Lafayette

Notes to Financial Statements

II Detailed Notes on All Funds (Continued)

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
2023	850,000	751,846	1,601,846	3,876,000	2,510,720	6,386,720	4,726,000	3,262,566	7,988,566
2024	700,000	719,156	1,419,156	4,955,000	2,302,701	7,257,701	5,655,000	3,021,857	8,676,857
2025	710,000	689,581	1,399,581	5,263,000	2,185,586	7,448,586	5,973,000	2,875,167	8,848,167
2026	1,285,000	652,582	1,937,582	5,192,000	2,060,865	7,252,865	6,477,000	2,713,447	9,190,447
2027	1,325,000	593,806	1,918,806	5,127,000	1,937,208	7,064,208	6,452,000	2,531,014	8,983,014
2028-2032	7,125,000	2,226,919	9,351,919	27,518,000	7,740,640	35,258,640	34,643,000	9,967,559	44,610,559
2033-2037	7,940,000	1,067,213	9,007,213	29,458,000	4,225,585	33,683,585	37,398,000	5,292,798	42,690,798
2038-2042	2,125,000	69,881	2,194,881	16,329,000	914,635	17,243,635	18,454,000	984,516	19,438,516
2043-2046	-	-	-	2,320,000	98,438	2,418,438	2,320,000	98,438	2,418,438
	<u>\$ 22,060,000</u>	<u>\$ 6,770,984</u>	<u>\$ 28,830,984</u>	<u>\$ 100,038,000</u>	<u>\$ 23,976,378</u>	<u>\$ 124,014,378</u>	<u>\$ 122,098,000</u>	<u>\$ 30,747,362</u>	<u>\$ 152,845,362</u>

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
2023	6,115,000	1,283,627	7,398,627	2,240,000	1,398,488	3,638,488	8,355,000	2,682,115	11,037,115
2024	10,720,000	1,615,352	12,335,352	2,315,000	1,328,505	3,643,505	13,035,000	2,943,857	15,978,857
2025	11,330,000	1,236,231	12,566,231	2,390,000	1,256,197	3,646,197	13,720,000	2,492,428	16,212,428
2026	11,785,000	1,035,876	12,820,876	2,470,000	1,181,487	3,651,487	14,255,000	2,217,363	16,472,363
2027	3,425,000	894,391	4,319,391	2,560,000	1,104,220	3,664,220	5,985,000	1,998,611	7,983,611
2028-2032	17,315,000	3,356,953	20,671,953	14,320,000	4,258,703	18,578,703	31,635,000	7,615,656	39,250,656
2033-2037	12,565,000	1,338,820	13,903,820	17,440,000	1,832,333	19,272,333	30,005,000	3,171,153	33,176,153
2038-2042	3,965,000	155,325	4,120,325	1,930,000	29,915	1,959,915	5,895,000	185,240	6,080,240
	<u>\$ 77,220,000</u>	<u>\$ 10,916,575</u>	<u>\$ 88,136,575</u>	<u>\$ 45,665,000</u>	<u>\$ 12,389,848</u>	<u>\$ 58,054,848</u>	<u>\$ 122,885,000</u>	<u>\$ 23,306,423</u>	<u>\$ 146,191,423</u>

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

Refunding

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.

G. Notes Payable

Discretely presented component unit:

The following disclosure provides details on CityBus debt obligations.

The following disclosure provides detail on CityBus debt obligations. As of December 31, 2022, CityBus had fully repaid the note payable to Bank of America related to the construction of the CNG Station issued in 2014. Quarterly payments of \$80,207 began in June 2015. The interest rate on the note was 3.56%. The debt was secured by a first priority security interest in the capital project. There were no financial debt covenants. Interest expense for the year totaled \$345. Changes in long-term debt were as follows:

	Balance January 1, 2022	Changes During Year		Balance December 31, 2022
		Additions	Reductions	
CityBus Note Payable	\$ 51,985	\$ -	\$ (51,985)	\$ -

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:

<u>Name of Bond</u>	<u>Amount</u>
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
2014 Redevelopment Authority Lease Rental Bonds - \$16,160,000	14,475,000
	<u>\$ 48,295,000</u>

**City of Lafayette**

**Notes to Financial Statements**

II Detailed Notes on All Funds (Continued)

I. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds from open market	\$ 11,550,000	\$ -	\$ 525,000	\$ 11,025,000	\$ 540,000
Bond premium	38,171	-	3,745	34,426	-
Total general obligation bonds payable	11,588,171	-	528,745	11,059,426	540,000
Revenue bonds from open market	37,860,000		15,800,000	22,060,000	850,000
Revenue bonds from direct borrowings and direct placements	72,446,000	29,935,000	2,343,000	100,038,000	3,876,000
Bond premium	718,337		111,089	607,248	-
Bond discount	(6,982)	2,593		(4,389)	-
Total revenue bonds payable	111,017,355	29,937,593	18,254,089	122,700,859	4,726,000
Other financing arrangements	728,997	-	283,513	445,484	143,089
Total OPEB liability	4,424,726	-	547,829	3,876,897	-
Net pension liabilities	46,339,017	6,434,265	-	52,773,282	-
Net pension assets	(11,426,689)		11,426,689	-	-
Total governmental activities long-term liabilities	\$ 174,098,266	\$ 36,371,858	\$ 19,614,176	\$ 190,855,948	\$ 5,409,089
<b>Business- type activities:</b>					
<b>Revenue bonds payable:</b>					
Wastewater utility revenue bonds from open market	\$ 70,405,000		\$ 9,560,000	\$ 60,845,000	\$ 5,710,000
Wastewater utility revenue bonds from direct borrowings and direct placements	46,765,000		1,100,000	45,665,000	2,240,000
Water utility revenue bonds from open market	17,170,000	-	795,000	16,375,000	405,000
Bond premium	1,313,712		533,944	779,768	-
Bond discount	(34,853)	3,407		(31,446)	-
Total revenue bonds payable	135,618,859	3,407	11,988,944	123,633,322	8,355,000
Loans payable	-	-	-	-	-
Total OPEB liability	3,337,952		413,275	2,924,677	-
Net pension liabilities	2,482,875	2,351,385		4,834,260	-
Total business- type activities long-term liabilities	\$ 141,439,686	\$ 2,354,792	\$ 12,402,219	\$ 131,392,259	\$ 8,355,000
<b>Discretely presented component units:</b>					
Note payable	\$ 51,985	\$ -	\$ 51,985	\$ -	\$ -
Total discretely presented component units long-term liabilities	\$ 51,985	\$ -	\$ 51,985	\$ -	\$ -

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.

**City of Lafayette**

**Notes to Financial Statements**

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II Detailed Notes on All Funds (Continued)

J. Lease Receivables

The City is a lessor on certain governmental activities leases including a ground lease to a downtown hotel, and lease of Loeb Stadium to the operator of a prospect league baseball team.

The City is a lessor on certain business-type activities leases involving lease of space atop elevated water towers owned by Lafayette Water Works.

Lease terms range up to 20 years and all rental amounts are fixed. Lease arrangements summarized below:

<u>Lease Receivable Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Receivable Balance December 31, 2022</u>
Government Activities Leases:				
Holiday Inn City Centre	5/24/2001	4/30/2033	5.00%	1,183,243.00
Lafayette Family Entertainment	5/2/2021	4/30/2031	5.00%	953,424.00
Business Activities Leases:				
AT&T	6/19/2009	6/30/2029	5.00%	328,366.40
Verizon	4/12/2017	4/30/2029	5.00%	449,053.45

On a government-wide basis, the City recognized \$188,710 of lease revenue, and \$ 66,747 of interest revenue during the fiscal year. The City reported a lease receivable of \$2,914,087 and a corresponding deferred inflow of resources of the same amount related to leases during 2022.

K. Contingent Receivable – Forgivable Loans

The City has contingent receivables resulting from rehabilitation and improvement loans made through various Community Development Block Grant and Home Investment Partnership Programs. The loans become receivable only if recipients do not meet occupancy or other requirements. Loans balances are systematically "forgiven" (reduced without cash payment) each year the recipient meets the requirements. The receivable is contingent upon the recipient not meeting the requirements and the amount of the receivable is not known until that time. The following schedule shows the changes in this contingent receivable for 2022:

Beginning balance, January 1, 2022	\$ 4,293,654
New loans	85,501
Amount forgiven	(1,110,134)
Principal amount paid on loans	(14,433)
Ending balance, December 31, 2022	<u>\$ 3,254,588</u>

II Detailed Notes on All Funds (Continued)

L. Restricted Assets

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

Debt Service Reserve

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

Capital Outlay

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

TIF

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

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

Debt Service Reserve

An amount of money that is required to maintain the reserve account in the full amount of a sum equal to the least of (i) the maximum semiannual debt service on the bonds, or (ii) 125% 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**

II Detailed Notes on All Funds (Continued)

Customer Deposits

Customer deposits are refundable amounts received from customers of Water Utility to ensure 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
	TIFCreasy Central Consolidated	Redevelopment Authority	Nonmajor Funds	
Cash and cash equivalents:				
Debt service reserve	\$ 604,153	\$ 25	\$ 447,488	\$ 1,051,666
Capital outlay	15,388,460	19,848,623	4,349,616	39,586,699
Other	-	-	380,435	380,435
Total restricted assets	\$ 15,992,613	\$ 19,848,648	\$ 5,177,539	\$ 41,018,800

	Enterprise Funds		
	Water Utility	Wastewater Utility	Total
Cash and cash equivalents:			
Debt service reserve	\$ 1,437,457	\$ 7,605,707	\$ 9,043,164
Revenue bond covenant accounts	1,278,222	662,688	1,940,910
Customer deposits	145,785	-	145,785
Other	726,651	-	726,651
Subtotal	3,588,115	8,268,395	11,856,510
Investments	-	5,750,660	5,750,660
Total restricted assets	\$ 3,588,115	\$ 14,019,055	\$ 17,607,170

**City of Lafayette**

**Notes to Financial Statements**

II Detailed Notes on All Funds (Continued)

M. Fund Balance Classification

The City's governmental fund balances as of December 31, 2022 are classified as below:

	General Fund	American Rescue Plan Grant	Motor Vehicle Highway	Redevelopment Authority	TIF Creasy Central Consolidated	Nonmajor Funds	Total
<b>Fund Balances:</b>							
<b>Restricted:</b>							
Capital Outlay	\$ -	\$ -	\$ -	\$ 17,181,582	\$ 15,388,460	\$ 2,236,622	\$ 34,806,664
Debt service	-	-	-	25	604,153	447,487	1,051,665
General administration	-	-	-	-	-	83,928	83,928
Public safety	-	-	-	-	-	2,169,200	2,169,200
Street maintenance	-	-	3,680,532	-	-	23,350	3,703,882
Economic development	-	-	-	-	5,233,164	19,636,547	24,869,711
Parks maintenance	-	-	-	-	-	1,601,202	1,601,202
Grantors	-	-	-	-	-	706,752	706,752
<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>3,680,532</b>	<b>17,181,607</b>	<b>21,225,777</b>	<b>26,905,088</b>	<b>68,993,004</b>
<b>Committed:</b>							
General administration	-	-	-	-	-	217,387	217,387
Public safety	-	-	-	-	-	518,448	518,448
Culture and recreation	-	-	-	-	-	18,620	18,620
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>754,455</b>	<b>754,455</b>
<b>Assigned:</b>							
Public safety	-	-	-	-	-	92,380	92,380
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,380</b>	<b>92,380</b>
<b>Unassigned</b>	<b>16,640,298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(56,428)</b>	<b>16,583,870</b>
<b>Total fund balances</b>	<b>\$ 16,640,298</b>	<b>\$ -</b>	<b>\$ 3,680,532</b>	<b>\$ 17,181,607</b>	<b>\$ 21,225,777</b>	<b>\$ 27,695,495</b>	<b>\$ 86,423,709</b>

N. Deficit Fund Balances

The following fund(s) had a deficit balance as of December 31, 2022:

Non-major special revenue funds - deficit fund balance:

Park Bond fund	\$ (56,428)
	<u>\$ (56,428)</u>

Notes to Financial Statements

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III 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 internal service 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 \$500,000 or \$600,000, depending on risk classification, and \$1,000,000 per aggregate annually. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years.

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

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

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning of year	\$ 35,391	\$ 5,549
Incurred claims and changes in estimates	297,679	329,900
Claim payments	<u>(291,457)</u>	<u>(300,058)</u>
Unpaid claims, end of year	<u>\$ 41,613</u>	<u>\$ 35,391</u>

Notes to Financial Statements

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III Other Information (Continued)

Unemployment Compensation Benefits

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

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

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

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning of year	\$ -	\$ 11,850
Incurred claims and changes in estimates	10,193	18,730
Claim payments	<u>(10,193)</u>	<u>(30,580)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

B. Related-Party Transactions

During the period in which financial statements are presented, the City had material transactions with Gary Henriott, Board of Works member in relation to the following types of insurance coverage: Business Auto, General Liability, Umbrella, Inland Marine, Professional Liability and Commercial Property. The premiums paid to the Henriott Group in 2022 covered the first 6 months of the year totaling \$601,756. No amount was due as of the balance sheet date.

C. Subsequent Events

On April 1, 2024, the Common Council passed Ordinance 2024-08, which approved the pledge of local income tax revenues

On April 1, 2024, the Common Council authorized issuance of sewage revenue bonds in aggregate principal not to exceed \$80,000,000 to improve and extend sewage works infrastructure. Two main projects will be enabled with the financing. Extension of water and sewer infrastructure to “Service Area 11-B”, and completion of the final phase of the Lafayette Sewage Works’ long-term control plan, which will enable high-rate treatment during wet weather events and minimize their environmental impact. Lafayette Sewage Works Revenue Bonds, Series 2024A entails issuance of \$33,720,000 of bonds expected to close on June 27, 2024. This issue will provide financing to complete the Service Area 11-B water and sewer utility extensions and open approximately 4,000 additional acres to residential and commercial development. The 2024A Revenue Bonds include approximately \$8.55 Million that will be used to construct water utility infrastructure, and which is treated as a short-term loan to be repaid by Lafayette Water Works within one year of expense incurrence. Lafayette Sewage Works Revenue Bonds, Series 2024 B are planned for issuance later in the year.

On April 18, 2024, the primary government, through its Redevelopment Commission, issued Redevelopment District Revenue Bonds, Series 2024A in the amount of \$5,020,000, as well as Redevelopment District Revenue Bonds, Series 2024B in the amount of \$10,155,000 to partially fund construction of local public improvements including expansion of Park East Boulevard from McCarty Lane to Haggerty Lane, as well as related street extensions, road and trail access improvements, and water, sewer and drainage improvements. The total project cost is estimated at \$22,500,000.

III Other Information (Continued)

The 2024A Bonds are secured and payable from a pledge of the tax increment from the Southeast Industrial and the McCarty Allocation Areas, which are shared equally between the City of Lafayette and Tippecanoe County. Should TIF revenues be insufficient to satisfy the debt service obligation of this issue, a pledge of the City's Economic Development Income Tax is also offered. Bonds were issued through public sale with a net interest rate of 5.0%.

The 2024B Bonds are secured and payable from a pledge of the tax increment from the Southeast Industrial and the McCarty Allocation Areas, which are shared equally between the City of Lafayette and Tippecanoe County. Should TIF revenues be insufficient to satisfy the debt service obligation of this issue, a backup pledge of the Tippecanoe County Economic Development Income Tax is also offered. Bonds were issued through public sale with a net interest rate of 5.0%.

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 \$120,000.

E. City/County Interlocal Agreement

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

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

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

Under the terms of the agreement, the County 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, 2022, the Southeast Industrial TIF Fund had \$11,901,562 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, 2022, the TIF County's South East Fund had \$4,348,917 held for these capital projects.

III Other Information (Continued)

F. Other Postemployment Benefits

Multiple Employer Welfare Arrangement (MEWA)

Plan Description

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

Funding Policy

The contribution requirements of plan members for the City of Lafayette Retiree Healthcare Plan are established and can be amended by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2022 the City contributed \$217,814 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 (ARC) of the employer, 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 prepared with a measurement date of December 31, 2022. 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**

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III 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 2022</u>
Total OPEB liability:	
Total OPEB liability - beginning of year	<u>\$ 7,762,678</u>
Service cost	473,909
Interest	182,886
Changes in assumptions	(1,139,350)
Differences between expected and actual experience	(260,735)
Benefits payments	<u>(217,814)</u>
Net change in total OPEB liability	<u>(961,104)</u>
Total OPEB liability - end of year	<u>\$ 6,801,574</u>
Plan fiduciary net position:	
Plan fiduciary net position - beginning of year	<u>\$ -</u>
Contributions - employer	217,814
Benefit Payments	<u>(217,814)</u>
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>\$ 6,801,574</u>
Covered payroll	\$ 39,374,378
Total OPEB liability as % of covered payroll	17.3%
OPEB expense	<u>FY 2022</u>
Discount rate:	
Beginning of year	2.25%
End of year	4.31%
Service cost	\$ 473,909
Interest	182,886
Current period recognition of deferred outflows/(inflows) of resources:	
Differences between expected and actual experience	(381,729)
Changes in assumptions	<u>(13,444)</u>
Total current period recognition	<u>(395,173)</u>
Total OPEB expense	<u>\$ 261,622</u>

**City of Lafayette**

**Notes to Financial Statements**

III 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 Outflow s/(Inflow s) of Resources

As of December 31, 2022	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance
Differences between expected and actual experience for FYE	\$ (3,435,864)	9	\$ (381,729)	\$(1,957,241)
Changes in assumptions for FYE	(121,002)	9	(13,444)	(252,648)
Net difference between projected and actual earnings in OPEB plan investments for FYE	-	N/A	-	-
		<u>Deferred Outflow s</u>	<u>Deferred Inflow s</u>	<u>Total</u>
Governmental activities:				
Differences between expected and actual experience	\$ 34,025	\$ (1,149,652)	\$ (1,115,627)	
Changes in assumptions	635,914	(779,924)	(144,009)	
Total	<u>\$ 669,939</u>	<u>\$ (1,929,576)</u>	<u>\$ (1,259,637)</u>	
		<u>Deferred Outflow s</u>	<u>Deferred Inflow s</u>	<u>Total</u>
Business-type activities:				
Differences between expected and actual experience	\$ 25,668	\$ (867,282)	\$ (841,614)	
Changes in assumptions	479,725	(588,363)	(108,639)	
Total	<u>\$ 505,393</u>	<u>\$ (1,455,645)</u>	<u>\$ (950,252)</u>	

Notes to Financial Statements

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III Other Information (Continued)

Annual Amortization of Deferred Outflows/(Inflows)

The balances of December 31, 2022 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>
2023	\$ (395,173)
2024	(395,173)
2025	(395,173)
2026	(395,179)
2027	(152,886)
Thereafter	<u>(476,305)</u>
	<u>\$ (2,209,889)</u>

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2022, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 4.31%.
- The 1% decrease in discount rate would be 3.31%.
- The 1% increase in discount rate would be 5.31%.

<u>As of December 31, 2022</u>	<u>Total OPEB Liability</u>
1% Decrease	\$ 7,439,620
Current discount rate	6,801,574
1% Increase	6,219,904

The following presents the total OPEB liability as of December 31, 2022, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

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

<u>As of December 31, 2022</u>	<u>Total OPEB Liability</u>
1% Decrease	\$ 6,053,173
Current trend rates	6,801,574
1% Increase	7,681,895

III Other Information (Continued)

Funding Status and Funding Progress

As of December 31, 2022, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$6,801,574 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of (UAAL) of \$6,801,574. The covered payroll (annual payroll of active employees covered by the plan) was \$39,374,378 and the ratio to UAAL was 17.3%.

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

Actuarial Methods and Assumptions

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

In the December 31, 2022 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 scale MP-2020 to scale MP-2021 to the following. The impact of this change was an increase in liabilities.

The discount rate as of the measurement date is based on a yield for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The prior valuation used a discount rate of 2.25% as of January 1, 2022. The current full valuation uses a discount rate of 4.31% as of December 31, 2022. This change has caused a significant decrease in liabilities.

Claims costs and premiums were also updated which caused a significant increase in liabilities. The updated census data resulted in a significant decrease in liabilities mostly due to a higher number of active employees terminating and not electing coverage upon retirement.

Notes to Financial Statements

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III Other Information (Continued)

G. Pension Plans

1. Primary Government

a. Cost Sharing Multiple-Employer Defined Benefit Pension Plans

(1) Public Employees Retirement Fund

Plan Description

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

Benefits Provided

The INPRS retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member. As part of the implementation of GASB Statement No. 67, INPRS changed from an agent to a cost sharing, multiple-employer defined plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.2-2-11 (b).

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

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

Contributions

PERF members are required to contribute 3% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 11.2% of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by the Board of Trustees of INPRS. The City's contributions to the plan for the years ending December 31, 2022 were \$2,297,711 which were equal to the required contributions for each year.

Notes to Financial Statements

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III Other Information (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 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, 2022 valuation were based on census data collected as of June 30, 2021. 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.

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	20.00%	3.60%
Private markets	15.00%	7.70%
Fixed income - ex inflation linked	20.00%	1.40%
Fixed income - inflation linked	15.00%	-0.30%
Commodities	10.00%	0.90%
Real estate	10.00%	3.70%
Absolute return	5.00%	2.10%
Risk parity	20.00%	3.80%
Cash and Cash Overlay	N/A	-1.70%

Notes to Financial Statements

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III Other Information (Continued)

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.

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	\$18,992,639	\$11,242,465	\$4,778,256

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 (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

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

At December 31, 2022, the City reported a liability of \$11,242,465 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, 2022 measurement date was 0.0035647.

Notes to Financial Statements

III Other Information (Continued)

For the year ended December 31, 2022, the City recognized pension expense of \$1,475,430, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2022, 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	\$ 242,428	\$ 42,757
Net difference between projected and actual earnings on pension plan investments	1,387,439	-
Changes in assumptions	1,522,736	480,990
Changes in proportion and differences between City contributions and proportionate share of contributions	62,559	203,029
Total that will be recognized in pension expense based on table below	3,215,162	726,776
City's contributions subsequent to the measurement date	1,278,150	-
	<u>\$ 4,493,312</u>	<u>\$ 726,776</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2022 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2023. 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:

2023	\$ 420,462
2024	829,768
2025	(229,485)
2026	1,467,641
	<u>\$ 2,488,386</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.

III Other Information (Continued)

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.

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 3.0% effective July 1, 2022.

Significant Actuarial Assumptions

The actuarial assumptions used in the June 30, 2022 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:

Notes to Financial Statements

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III Other Information (Continued)

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.

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:

Notes to Financial Statements

III Other Information (Continued)

Global Asset Class	Target Allocation	Long- Term Expected Rate of Return
Public equity	20.00%	3.60%
Private markets	15.00%	7.70%
Fixed income - ex inflation linked	20.00%	1.40%
Fixed income - inflation linked	15.00%	-0.30%
Commodities	10.00%	0.90%
Real estate	10.00%	3.70%
Absolute return	5.00%	2.10%
Risk parity	20.00%	3.80%
Leverage offset	N/A	-1.70%

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.

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%)
1977 Police Officers	\$17,998,225	\$6,002,995	(\$3,678,998)
1977 Firefighters	\$18,756,536	\$6,255,917	(\$3,834,004)

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](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**City of Lafayette**

**Notes to Financial Statements**

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III Other Information (Continued)

1977 Police Officers' Pension and Disability Fund

The primary government's contributions to the plan for the year ended December 31, 2022 were \$1,639,102 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, 2022, the City reported a net pension liability of \$6,002,995 for its proportionate share. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2022 measurement date was 0.0092660.

For the year ended December 31, 2022, the City recognized pension expense of \$1,583,507 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Police Officers' Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 3,070,143	\$ 83,767
Net difference between projected and actual earnings on pension plan investments	1,910,618	-
Changes in assumptions	2,561,490	473,411
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>43,875</u>	<u>59,202</u>
Total that will be recognized in pension expense based on table below	7,586,126	616,380
City's contributions subsequent to the measurement date	896,719	-
	<u>\$ 8,482,845</u>	<u>\$ 616,380</u>

1977 Firefighters' Pension and Disability Fund

The primary government's contributions to the plan for the year ended December 31, 2022 were \$1,708,158 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, 2022, the City reported a net pension liability of \$6,255,917 for its proportionate share. The City's proportionate share of the net pension liability was based on the City's wages

Notes to Financial Statements

III Other Information (Continued)

as a proportion of total wages for the Plan. The proportionate share used at the June 30, 2022 measurement date was 0.0096564.

For the year ended December 31, 2022, the City recognized pension expense of \$1,652,016 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2022, 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	\$ 3,199,496	\$ 87,296
Net difference between projected and actual earnings on pension plan investments	1,991,117	-
Changes in assumptions	2,669,413	493,358
Changes in proportion and differences between City contributions and proportionate share of contributions	25,442	24,139
Total that will be recognized in pension expense based on table below	7,885,468	604,793
City's contributions subsequent to the measurement date	963,968	-
	<u>\$ 8,849,436</u>	<u>\$ 604,793</u>

Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period will be recognized as reductions of the net pension liability in the year ended December 31, 2023. 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 Police Officers' Pension and Disability Fund	1977 Firefighters' Pension and Disability Fund
	2023	\$ 709,674
2024	1,033,722	1,080,782
2025	610,617	639,957
2026	2,827,956	2,951,104
2027	774,527	811,391
Thereafter	1,013,250	1,055,590
	<u>\$ 6,969,746</u>	<u>\$ 7,280,675</u>

III Other Information (Continued)

b. Single-Employer Defined Benefit Pension Plans

(1) 1925 Police Officers' Pension Plan

Plan Description

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

Benefits Provided

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

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are age fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First-Class 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.

III Other Information (Continued)

Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether or not the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First Class 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.

Deferred Retirement Option Plan

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

Notes to Financial Statements

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III Other Information (Continued)

Plan Membership

Plan membership at December 31, 2022, consisted of the following:

	1925 Police Officers' Pension	Average Age	Average Monthly Benefit
Retired members, beneficiaries and benefits	42	78.10	\$ 2,901
Total membership	42		

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.

Net Pension Liability

The components of the Net Pension Liability for the 1925 Police Officers' Pension Plan as of December 31, 2022, are as follows:

Total pension liability	\$ 14,977,065
Plan fiduciary net position	(917,183)
Net pension liability	\$ 14,059,882
Plan fiduciary net position as a percentage of total pension liability	6.12%

Notes to Financial Statements

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III Other Information (Continued)

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2022 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, 2022 valuation were generally unchanged from the prior year. The interest rate continues to be the Barclay's 20-year Municipal Bond Index rate as of the measurement date, which increased from 1.39% as of December 31, 2021 to 4.12% as of December 31, 2022.

The total pension liability was determined by an actuarial valuation as of January 1, 2022, 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	3.00% on July 1, 2022 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.

Discount Rate

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 4.12% as of December 31, 2022. The discount rate increased from the 1.39% used for the December 31, 2021 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.

Notes to Financial Statements

III Other Information (Continued)

Schedule of Changes in Net Pension Liability (Assets)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2021	\$ 19,221,430	\$ 914,867	\$ 18,306,563
Changes for the year:			
Interest cost	265,209	-	265,209
Plan amendments	-	-	-
Experience (gains) losses	593,600	-	593,600
Change of assumptions	(3,632,725)	-	(3,632,725)
Projected benefit payments	(1,470,449)	-	(1,470,449)
Non- employer contributing entity contribution	-	1,495,643	(1,495,643)
Actual benefit payments	-	(1,486,894)	1,486,894
Other net changes	-	(6,433)	6,433
Net changes	(4,244,365)	2,316	(4,246,681)
Balance at December 31, 2022	\$ 14,977,065	\$ 917,183	\$ 14,059,882

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 4.12%, 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 (3.12%)	Current (4.12%)	1% Increase (5.12%)
Net pension liability	\$15,234,065	\$14,059,882	\$13,030,262

Pension Expense

Interest cost	\$ 265,209
Experience (gains) losses	593,600
Change of assumptions	(3,632,725)
Total pension expense	\$ (2,773,916)

III 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

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III 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, 2022, consisted of the following:

	1937 Firefighters' Pension	Average Age	Average Monthly Benefit
Retired Members, beneficiaries and disabled members receiving benefits	62	80.50	\$ 3,057
Active plan members	62		

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

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III 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, 2022, are as follows:

Net Pension Liability 1937 Firefighters' Pension Plan	
Total pension liability	\$ 20,910,770
Plan fiduciary net position	<u>(864,487)</u>
Net pension liability	<u>\$ 20,046,283</u>
Plan fiduciary net position as a percentage of total pension liability	4.13%

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2022 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, 2022 valuation were generally unchanged from the prior year. The interest rate continues to be the Barclay’s 20-year Municipal Bond Index rate as of the measurement date, which increased from 1.39% as of December 31, 2021 to 4.12% as of December 31, 2022.

The total pension liability was determined by an actuarial valuation as of January 1, 2022, 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	3.00% on July 1, 2022 1.95% thereafter

Notes to Financial Statements

III 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 4.12% as of December 31, 2022. The discount rate increased from the 1.39% used for the December 31, 2021 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 4.12% for the Measurement Date and 1.39% 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, 2021	\$ 26,618,024	\$ 844,352	\$ 25,773,672
Changes for the year:			
Interest cost	368,949	-	368,949
Plan amendments	-	-	-
Experience (gains) losses	1,064,209	-	1,064,209
Change of assumptions	(4,862,076)	-	(4,862,076)
Projected benefit payments	(2,278,336)	-	(2,278,336)
Non-employer contributing entity contributic	-	2,352,417	(2,352,417)
Contributions - other	-	-	-
Actual benefit payments	-	(2,326,313)	2,326,313
Other net changes	-	(5,969)	5,969
Net changes	(5,707,254)	20,135	(5,727,389)
Balance at December 31, 2022	\$ 20,910,770	\$ 864,487	\$ 20,046,283

Notes to Financial Statements

III 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 (3.12%)</u>	<u>Current (4.12%)</u>	<u>1% Increase (5.12%)</u>
Net pension liability	\$21,620,344	\$20,046,283	\$18,663,601
Interest cost		\$ 368,949	
Experience (gains) losses		1,064,209	
Change of assumptions		(4,862,076)	
Other net changes		-	
Total pension expense		<u>\$ (3,428,918)</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	01-01-22	01-01-2022
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 expense)	0.00%	0.00%
Discount Rate	4.12%	4.12%
Projected future salary increases	2.65%	2.65%
Cost-of-living adjustments	2.65% & 3.00%	2.65% & 3.00%
Retirement	Based on 2020 Study	Based on 2020 Study

Notes to Financial Statements

III 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
<b>Assets:</b>			
Cash and cash equivalents	\$ 917,183	\$ 864,487	\$ 1,781,670
Total assets	\$ 917,183	\$ 864,487	\$ 1,781,670
<b>Net Position:</b>			
Restricted for pensions	\$ 917,183	\$ 864,487	\$ 1,781,670
Total net position	\$ 917,183	\$ 864,487	\$ 1,781,670

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
<b>Additions:</b>			
<b>Contributions:</b>			
State contributions	\$ 1,495,643	\$ 2,352,417	\$ 3,848,060
Miscellaneous revenue	3,500	3,500	7,000
Total contributions	1,499,143	2,355,917	3,855,060
<b>Deductions:</b>			
Administration and general	9,933	9,469	19,402
Benefits	1,486,894	2,326,313	3,813,207
Total deductions	1,496,827	2,335,782	3,832,609
Change in net position	2,316	20,135	22,451
Net position - beginning of the year	914,867	844,352	1,759,219
Net position - end of the year	\$ 917,183	\$ 864,487	\$ 1,781,670

**City of Lafayette**

**Notes to Financial Statements**

III Other Information (Continued)

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension	1937 Firefighters' Pension	Total
Pension liability	\$ 64,172,421	\$ 156,712,760	\$ 14,977,065	\$ 20,910,770	\$ 256,773,016
Pension assets	\$ 52,929,956	\$ 144,453,848	\$ 917,183	\$ 864,487	\$ 199,165,474
Net pension liability	\$ 11,242,465	\$ 12,258,912	\$ 14,059,882	\$ 20,046,283	\$ 57,607,542
Deferred outflows of resources	\$ 4,493,312	\$ 17,332,279	\$ -	\$ -	\$ 21,825,591
Deferred inflows of resources	\$ 726,776	\$ 1,221,173	\$ -	\$ -	\$ 1,947,949
Pension expense (income)	\$ 1,475,430	\$ 3,235,523	\$ (2,773,916)	\$ (3,428,918)	\$ (1,491,881)

	Governmental Activities	Business-type Activities	Total
Net pension liability	\$52,773,282	\$ 4,834,260	\$57,607,542
Deferred outflow of resources	\$19,893,468	\$ 1,932,123	\$21,825,591
Deferred inflow of resources	\$ 1,635,435	\$ 312,514	\$ 1,947,949
Pension expense(income)	\$ (2,126,316)	\$ 634,435	\$ (1,491,881)

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).

III Other Information (Continued)

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), the defined contribution component. New employees hired by the State or a participating political subdivision have a one-time election to join either the PERF Hybrid or the PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF Hybrid and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

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

Retirement benefits

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

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 2022, all participating employers were required to contribute 11.2% of covered payroll for Hybrid members.

Notes to Financial Statements

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III Other Information (Continued)

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 \$797,305 for 2022. These total contributions represent 11.2% of covered payroll for 2022.

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

Year Ended December 31, 2022	Annual Required Contribution	Percentage Contributed
2022	\$ 797,305	100%

Significant Actuarial Assumptions

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

Asset valuation date	June 30, 2022
Liability valuation date	June 30 – Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. The valuation results from June 30, 2021 were rolled-forward to June 30, 2022 to reflect benefit accruals during the year less benefits paid.
Experience study date	Period of 5 years ended June 30, 2021
Actuarial cost method	Entry age normal (level percent of payroll)

Notes to Financial Statements

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III Other Information (Continued)

Investment rate of return	6.25%
COLA	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

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](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://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.

Notes to Financial Statements

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III Other Information (Continued)

Discount Rate

Total pension liability for each defined benefit pension plan tier was calculated using the discount rate of 6.25%. There was no change in the discount rate used from 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.

Changes Since Measurement Date

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

Changes in Assumptions and Benefit Terms

There were no significant changes in assumptions or benefit terms in 2022.

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	\$ 6,599,765	\$ 3,906,652	\$ 1,660,399

Notes to Financial Statements

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III Other Information (Continued)

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](http://www.in.gov/inprs).

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

At December 31, 2022, CityBus reported a liability of \$3,906,652 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, 2022 measurement date was 0.002387. The proportionate share at June 30, 2022 has increased 0.0000803 since the prior measurement date.

For the year ended December 31, 2022, CityBus recognized pension expense of 547,123, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$47,605. At December 31, 2022, 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	\$ 84,242	\$ 14,858
Net difference between projected and actual earnings on pension plan investments	482,122	-
Changes in assumptions	529,136	167,140
Changes in proportion and differences between City contributions and proportionate share of contributions	185,471	100,262
Total that will be recognized in pension expense based on table below	1,280,971	282,260
Pension contributions subsequent to measurement date	425,367	-
	<u>\$ 1,706,338</u>	<u>\$ 282,260</u>

Notes to Financial Statements

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III Other Information (Continued)

Deferred outflows of resources resulting from \$425,367 of employer contributions subsequent to the June 30, 2022 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:	
2023	\$ 193,179
2024	327,995
2025	(32,453)
2026	509,990
	\$ 998,711

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.

III Other Information (Continued)

- Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
- Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
- Adverse environmental impacts will negatively affect the consideration of abatement.
- Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
- Major development projects will be individually evaluated.
- The time period of depreciation of equipment will be considered in the length of abatement for equipment.

Abatement is only given on increases in assessed value. It cannot be used to reduce current taxes. The abatement phases in the full tax rate gradually over a time period of 1 to 10 years. If the investment does not take place as expected, there may be no increase in assessed value and no tax abatement. The City has provisions for recapturing abated taxes when personal property is moved out of the taxing district during the abatement period. Total amount of taxes abated for the year ending December 31, 2022 was \$3,614,292.

# **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,495,643	\$ 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 in relation to the actuarially determined contributions	\$ 1,495,643	\$ 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
Contribution excess / (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A									

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\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability:										
Interest cost	\$ 265,209	\$ 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	593,600	708,867	554,487	208,996	1,019,016	618,361	315,820	63,768	-	29,441
Assumption changes	(3,632,725)	(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	(1,470,449)	(1,488,929)	(1,518,120)	(1,503,022)	(1,517,588)	(1,472,568)	(1,425,223)	(1,442,779)	(1,422,776)	(1,438,259)
Net change in total pension liability	(4,244,365)	(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	19,221,430	19,752,527	20,568,954	19,459,081	20,004,756	19,388,281	21,160,018	22,049,109	20,031,949	17,647,223
Total pension liability - ending	\$ 14,977,065	\$ 19,221,430	\$ 19,752,527	\$ 20,568,954	\$ 19,459,081	\$ 20,004,756	\$ 19,388,281	\$ 21,160,018	\$ 22,049,109	\$ 20,031,949
Plan fiduciary net position:										
Non employer contributing entity contributions	\$ 1,495,643	\$ 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	(1,486,894)	(1,518,529)	(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	(6,433)	(5,397)	(9,566)	(9,090)	(8,918)	(5,550)	(55,283)	(1,435)	(4,743)	(133,743)
Net change in plan fiduciary net position	2,316	(1,897)	(6,400)	15,990	8,666	(12,176)	(55,283)	80,092	(61,959)	(165,699)
Plan fiduciary net position - beginning	914,867	916,764	923,164	907,174	898,508	910,684	965,967	885,875	947,834	1,113,533
Plan fiduciary net position - ending	\$ 917,183	\$ 914,867	\$ 916,764	\$ 923,164	\$ 907,174	\$ 898,508	\$ 910,684	\$ 965,967	\$ 885,875	\$ 947,834
Net pension liability	\$ 14,059,882	\$ 18,306,563	\$ 18,835,763	\$ 19,645,790	\$ 18,551,907	\$ 19,106,248	\$ 18,477,597	\$ 20,194,051	\$ 21,163,234	\$ 19,084,115
Plan fiduciary net position as a percentage of the total pension liability	6.12%	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									

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2022</u>	<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>
Actuarially determined contribution	\$ 2,352,417	\$ 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 in relation to the actuarially determined contributions	\$ 2,352,417	\$ 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
Contribution excess / (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A									

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
1937 Firefighters' Pension Plan  
Single-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability:										
Interest cost	\$ 368,949	\$ 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	1,064,209	(528,437)	(660,790)	108,512	752,350	467,395	751,240	(656,985)	-	(575,554)
Assumption changes	(4,862,076)	(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	(2,278,336)	(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	(5,707,254)	(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	26,618,024	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>\$ 20,910,770</u>	<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	\$ 2,352,417	\$ 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	(2,326,313)	(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	(5,969)	(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	20,135	(94,375)	15,697	20,495	(10,497)	(8,372)	(76,452)	(15,677)	(2,922)	(1,459)
Plan fiduciary net position - beginning	844,352	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>\$ 864,487</u>	<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>\$ 20,046,283</u>	<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	4.13%	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									

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2022</u>	<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>
Contractually required contribution	\$ 2,297,711	\$ 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
Contributions in relation to the actuarially required contribution	<u>2,297,711</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$ 20,515,317	\$ 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
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.0%

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2022</u>	<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)	0.35647%	0.36035%	0.36747%	0.36640%	0.35477%	0.33804%	0.33227%	0.32056%
City's proportionate share of the net pension liability (asset)	\$ 11,242,465	\$ 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	\$ 20,515,317	\$ 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	54.8%	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	82.5%	92.5%	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%

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

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CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

Discretely presented component unit:	<u>2022</u>	<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	0.0012387	0.0011584	0.0012175	0.0011969	0.0011738	0.0012113	0.0011212
Citybus' proportionate share of the net pension liability	\$ 3,906,652	\$ 1,524,278	\$ 3,677,330	\$ 3,955,831	\$ 3,987,452	\$ 5,404,268	\$ 5,088,504
Citybus' covered payroll	\$ 7,128,853	\$ 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	54.80%	23.87%	55.95%	63.44%	66.58%	92.97%	94.42%
Plan fiduciary net position as a percentage of the total pension liability	82.50%	92.51%	81.45%	80.10%	78.90%	76.60%	75.30%
Discretely presented component unit:	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 797,305	\$ 749,005	\$ 747,019	\$ 715,670	\$ 686,937	\$ 649,790	\$ 600,539
Contributions in relation to the statutorily required contribution	<u>(797,305)</u>	<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%	100%
CityBus' covered payroll	\$ 7,128,853	\$ 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	11.20%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,639,102	\$ 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>1,639,102</u>	<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	\$ 9,366,364	\$ 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%	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 \*

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.92660%	0.95403%	0.97297%	1.02715%	1.04103%	1.04097%	0.98086%	0.98881%
City's proportionate share of the net pension liability (asset)	\$ 6,002,995	\$ (5,638,463)	\$ 2,362,447	\$ 94,662	\$ (915,182)	\$ (160,574)	\$ 871,366	\$ (1,460,671)
City's covered payroll	\$ 9,366,364	\$ 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	64.09%	-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	92.2%	107.8%	38.8%	100.0%	100.0%	104.5%	104.5%	104.5%

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

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,708,158	\$ 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>1,708,158</u>	<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	\$ 9,760,971	\$ 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%	17.5%	18.6%	19.7%	19.7%

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

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2022</u>	<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)	0.96564%	0.97937%	0.98034%	1.01000%	1.0128%	1.0281%	1.0058%	1.0065%
City's proportionate share of the net pension liability (asset)	\$ 6,255,917	\$ (5,788,226)	\$ 2,380,342	\$ 93,077	\$ (890,373)	\$ (158,581)	\$ 893,513	\$ (1,486,788)
City's covered payroll	\$ 9,760,971	\$ 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	64.09%	-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	92.2%	107.8%	39.4%	100.0%	100.0%	100.0%	103.1%	100.0%

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

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

CITY OF LAFAYETTE, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOTAL OPEB LIABILITY  
LAST 10 YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
1. Total OPEB Liability	\$ 6,801,574	\$ 7,762,678	\$ 7,320,350	\$ 6,980,456	\$ 6,462,934
2. Plan Fiduciary Net Position	-	-	-	-	-
3. Total OPEB Liability	<u>\$ 6,801,574</u>	<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	\$ 39,374,378	\$ 37,740,384	\$ 37,811,665	\$ 37,330,474	\$ 35,621,289
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	17.27%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 473,909	\$ 471,103	\$ 399,841	\$ 349,800	\$ 452,057
Interest	182,886	163,256	236,885	275,752	292,040
Differences between expected and actual experience	(260,735)	76,749	(1,340,451)	(379,296)	(1,531,831)
Changes in assumptions	(1,139,350)	(86,391)	1,273,266	480,231	(648,758)
Benefit payments	<u>(217,814)</u>	<u>(182,389)</u>	<u>(229,647)</u>	<u>(208,965)</u>	<u>(273,798)</u>
Net change in Total OPEB Liability	(961,104)	442,328	339,894	517,522	(1,710,290)
Total OPEB liability - beginning of year	<u>7,762,678</u>	<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>\$ 6,801,574</u>	<u>\$ 7,762,678</u>	<u>\$ 7,320,350</u>	<u>\$ 6,980,456</u>	<u>\$ 6,462,934</u>

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 EMPLOYER CONTRIBUTIONS  
Last 10 Years

<b>OPEB Contributions</b>	<u>2022</u>	<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>
Actuarially determined contribution	\$ 217,814	\$ 182,389	\$ 229,647	\$ 208,965	\$ 273,798	\$ 221,831	\$ 203,515	\$ 211,122	\$ 193,690	\$ 176,554
Actual employer contributions	<u>217,814</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$ 39,374,378	\$ 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
Contributions as a percentage of covered pay	0.55%	0.48%	0.61%	0.56%	0.77%	0.64%	0.61%	0.74%	0.70%	0.62%

Notes to schedule:

Valuation date:

Valuations are performed every other year. The last valuation was December 31, 2022.

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	4.31% as of 12/31/22; 2.25% as of 1/1/22
Payroll Growth	2.65% 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	2.00% per year
Mortality	General Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021 Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

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, 2022

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 27,317,062	\$ 27,317,062	\$ 27,214,682	\$ (102,380)
Licenses and permits	395,100	395,100	528,150	133,050
Intergovernmental	11,490,165	11,490,165	12,031,789	541,624
Payment in lieu of taxes	2,503,000	2,503,000	2,559,500	56,500
Charges for services	29,500	29,500	39,279	9,779
Fines and forfeits	136,000	136,000	136,093	93
Other	547,500	547,500	1,458,274	910,774
Interest and investment revenue	35,000	35,000	616,640	581,640
<b>Total revenues</b>	<b>42,453,327</b>	<b>42,453,327</b>	<b>44,584,407</b>	<b>2,131,080</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor	\$ 124,610	\$ 124,610	\$ 123,924	(686)
Controller	181,070	181,070	149,103	(31,967)
Clerk	125,780	125,780	121,081	(4,699)
Human Resources	143,050	143,050	126,908	(16,142)
Common Council	143,170	142,220	123,612	(18,608)
Facilities	619,585	619,585	529,014	(90,571)
Engineering	1,136,935	1,131,435	1,042,445	(88,990)
Purchasing	47,955	47,955	44,564	(3,391)
IT	394,620	394,620	354,955	(39,665)
Human Relations	2,500	2,500	844	(1,656)
Board of Works	221,600	173,705	141,559	(32,146)
Animal Control	349,980	349,980	319,627	(30,353)
Legal	-	56,145	52,206	(3,939)
Unappropriated	-	-	238,024	238,024
<b>Total general government</b>	<b>3,490,855</b>	<b>3,492,655</b>	<b>3,367,866</b>	<b>(124,789)</b>
<b>Public safety:</b>				
Fire	17,128,110	17,128,110	16,686,610	(441,500)
Police	20,152,870	20,151,070	18,665,362	(1,485,708)
<b>Total public safety</b>	<b>37,280,980</b>	<b>37,279,180</b>	<b>35,351,972</b>	<b>(1,927,208)</b>
<b>Sanitation:</b>	<b>2,781,870</b>	<b>2,781,870</b>	<b>2,636,405</b>	<b>(145,465)</b>
<b>Total expenditures</b>	<b>43,553,705</b>	<b>43,553,705</b>	<b>41,356,243</b>	<b>(2,197,462)</b>
<b>Net change in fund balances</b>	<b>(1,100,378)</b>	<b>(1,100,378)</b>	<b>3,228,164</b>	<b>4,328,542</b>
<b>Fund balances - beginning</b>	<b>(1,207,460)</b>	<b>(1,297,327)</b>	<b>7,066,548</b>	<b>8,363,875</b>
<b>Fund balances - ending</b>	<b>\$ (2,307,838)</b>	<b>\$ (2,397,705)</b>	<b>\$ 10,294,712</b>	<b>\$ 12,692,417</b>

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, 2022

	American Rescue Plan Grant				Motor Vehicle Highway			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,328,033	\$ 3,328,033	\$ 3,306,675	\$ (21,358)
Intergovernmental	-	-	-	-	3,879,665	3,879,665	5,279,514	1,399,849
Charges for services	-	-	-	-	\$ 20,000	20,000	26,525	-
Other	-	7,940,530	2,549,675	(5,390,855)	10,000	10,000	148,609	138,609
Capital contributions	-	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>7,940,530</b>	<b>2,549,675</b>	<b>(5,390,855)</b>	<b>7,237,698</b>	<b>7,237,698</b>	<b>8,761,323</b>	<b>1,517,100</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General Government:								
Other services and charges	-	-	-	-	-	-	-	-
Capital outlays	-	7,940,530	2,549,675	(5,390,855)	-	-	-	-
<b>Total economic development</b>	<b>-</b>	<b>7,940,530</b>	<b>2,549,675</b>	<b>(5,390,855)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Highways and streets:								
Personal services	-	-	-	-	5,029,200	4,877,500	4,819,878	-
Supplies	-	-	-	-	978,600	990,800	957,624	-
Other services and charges	-	-	-	-	1,266,300	2,347,100	2,442,347	-
Capital outlays	-	-	-	-	70,000	70,000	57,403	(12,597)
<b>Total highways and streets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,344,100</b>	<b>8,285,400</b>	<b>8,277,252</b>	<b>(12,597)</b>
Debt service:								
Administrative charges	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-	-	-	-
Principal paid on leases	-	-	-	-	-	-	-	-
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>-</b>	<b>7,940,530</b>	<b>2,549,675</b>	<b>(5,390,855)</b>	<b>7,344,100</b>	<b>8,285,400</b>	<b>8,277,252</b>	<b>(12,597)</b>
<b>Other financing sources and uses</b>								
Bond Proceeds	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(106,402)</b>	<b>(1,047,702)</b>	<b>484,071</b>	<b>1,529,697</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,196,461</b>	<b>3,196,461</b>	<b>3,196,461</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,090,059</b>	<b>\$ 2,148,759</b>	<b>\$ 3,680,532</b>	<b>\$ 1,529,697</b>

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, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,649,301	\$ 12,649,301
Other	-	-	288,263	288,263	-	-	147,538	147,538
Interest and investment revenue	-	-	-	-	-	-	15,098	15,098
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>288,263</b>	<b>288,263</b>	<b>-</b>	<b>-</b>	<b>12,811,937</b>	<b>12,811,937</b>
Expenditures:								
Current:								
Economic development:								
Other services and charges	-	-	95,362	95,362	-	-	4,623,221	4,623,221
Capital outlays	-	-	24,715,360	24,715,360	-	-	5,460,597	5,460,597
<b>Total economic development</b>	<b>-</b>	<b>-</b>	<b>24,810,722</b>	<b>24,810,722</b>	<b>-</b>	<b>-</b>	<b>10,083,818</b>	<b>10,083,818</b>
Debt service:								
Administrative charges	-	-	167,252	167,252	-	-	172,449	172,449
Interest	-	-	1,528,176	1,528,176	-	-	769,848	769,848
Principal retirement	-	-	1,440,000	1,440,000	-	-	1,638,000	1,638,000
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>3,135,428</b>	<b>3,135,428</b>	<b>-</b>	<b>-</b>	<b>2,580,297</b>	<b>2,580,297</b>
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>27,946,150</b>	<b>27,946,150</b>	<b>-</b>	<b>-</b>	<b>12,664,115</b>	<b>12,664,115</b>
Other financing sources and uses								
Bond Proceeds	-	-	13,935,000	13,935,000	-	-	16,000,000	16,000,000
Proceeds from leases	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	(15,108,157)	(15,108,157)	-	-	-	-
Transfer in	-	-	3,034,500	3,034,500	-	-	-	-
Transfer out	-	-	-	-	-	-	(1,349,500)	(1,349,500)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>1,861,343</b>	<b>1,861,343</b>	<b>-</b>	<b>-</b>	<b>14,650,500</b>	<b>14,650,500</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(25,796,544)</b>	<b>(25,796,544)</b>	<b>-</b>	<b>-</b>	<b>14,798,322</b>	<b>14,798,322</b>
Fund balances - beginning	42,978,151	42,978,151	42,978,151	455,702	6,447,455	6,447,455	6,447,455	-
<b>Fund balances - ending</b>	<b>\$ 42,978,151</b>	<b>\$ 42,978,151</b>	<b>\$ 17,181,607</b>	<b>\$ (25,340,842)</b>	<b>\$ 6,447,455</b>	<b>\$ 6,447,455</b>	<b>\$ 21,245,777</b>	<b>\$ 14,798,322</b>

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

## **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 for the following funds:

Major funds:

General fund

Special revenue funds – American Rescue Plan, Motor Vehicle Highway, Redevelopment Authority, TIF Creasy Central Consolidated.

Nonmajor governmental funds:

Special revenue funds – Opioid Settlement Unrestricted, Opioid Settlement Restricted, Next Level Trails, Park Operating, Economic Development Income Tax (EDIT), Park Nonreverting, Health and Wellness, Police Donations, Economic Development, LIT Public Safety, Federal Grants, Police Continuing Education, Unsafe Building, State Grants, LOIT Special Distribution, Fire Donations, Band, Police Training, Fire Training, Police Unclaimed Property, Police Drug Free, HOME-Community Development, CDBG-Community Development, Beautification, Park Bond, Thoroughfare, TIF McCarty, TIF Twykenham.

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 or 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 Animal Control department, which replaced a vehicle with proceeds of insurance settlement received the prior year.

**Note 2. Financial Reporting – Pension Plans**

A. Change of assumptions

1. The discount rate used for the 1925 Police Officers’ and 1937 Firefighters’ Pension plan valuations as of December 31, 2022 was 4.12%, as directed by INPRS. This was an increase from the 1.39% used 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 2022 there were no changes in assumptions.
3. For the 1977 Police Officers’ and Firefighters Pension plans, in 2022, there were no changes in assumptions.

**Note 3. OPEB Plan**

Cost Method Assumptions	Entry age normal level percent of salary
Discount rate	4.31% per annum
Discount rate basis	20-year tax-exempt general obligation municipal bond index
Inflation rate	2.25% per year
Investment return	Not applicable since the plan is not currently prefunded
Disability	None assumed
Healthcare cost trend rates	Medical/Rx costs were trended at 8.0% in the first year, graded down to 4.5% over a 20 year period.
Payroll growth rate	2.75%

Healthcare cost trend rate:

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

# **OTHER SUPPLEMENTARY INFORMATION**

CITY OF LAFAYETTE  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For The Year Ended December 31, 2022

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
General government:				
Mayor	\$ 124,610	\$ 124,610	\$ 123,683	\$ 927
Controller	181,070	181,070	148,807	32,263
Clerk	125,780	125,780	120,716	5,064
Human Resources	143,050	143,050	126,551	16,499
Common Council	143,170	142,220	123,044	19,176
Facilities	619,585	619,585	528,083	91,502
Engineering	1,136,935	1,131,435	1,039,879	91,556
Board of Works	221,600	173,705	141,559	32,146
Animal Control	349,980	349,980	318,866	31,114
Purchasing	47,955	47,955	44,432	3,523
IT	394,620	394,620	354,463	40,157
Human Relations	2,500	2,500	44	2,456
Unappropriated	-	-	-	-
Total general government	<u>3,490,855</u>	<u>3,436,510</u>	<u>3,070,127</u>	<u>366,383</u>
Public safety:				
Fire	17,128,110	17,128,110	16,644,920	483,190
Police	<u>20,152,870</u>	<u>20,151,070</u>	<u>18,622,502</u>	<u>1,528,568</u>
Total public safety	<u>37,280,980</u>	<u>37,279,180</u>	<u>35,267,422</u>	<u>2,011,758</u>
Sanitation	<u>2,781,870</u>	<u>2,781,870</u>	<u>2,630,614</u>	<u>151,256</u>
Total expenditures	<u>\$ 43,553,705</u>	<u>\$ 43,497,560</u>	<u>\$ 40,968,163</u>	<u>\$ 2,529,397</u>

CITY OF LAFAYETTE  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Special Revenue Funds

Opioid Settlement Unrestricted — To account for funds received from litigation and settlement agreement associated with IC 4-6-15, which were paid by pharmaceutical companies to aid in the mitigation of opioid use disorder. The unrestricted portion may be spent in the same manner as money in the general fund.

Opioid Settlement Restricted - to account for the funds received from litigation and settlement agreement associated with IC 4-6-15, which were paid by pharmaceutical companies to aid in the mitigation of opioid use disorder.

Next Level Trails Grant—To account for resources of the state-awarded NLT Grant, which is used to construct new pedestrian and bicycle trails in the City.

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.

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, 2022

	Opioid Settlement Unrestricted	Opioid Settlement Restricted	Next Level Trails Grant	Park and Recreation Operating	Economic Dev Income Tax(EDIT)	Park Nonreverting Operating	Health and Wellness	Police Donations
<u>Assets</u>								
Cash and cash equivalents	\$ 92,380		\$ -	\$ 1,135,642	\$ 6,637,730	\$ 608,967	\$ 166,903	\$ 6,671
Restricted cash, cash equivalents and investments		380,435	-	-	167	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-	-
Receivables, net:								
Loans	-	-	-	-	-	-	-	-
Taxes	-	-	-	4,789,338	-	-	-	-
Accounts	-	-	192,589	152	1,076	-	-	-
Lease	-	-	-	-	-	953,424	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-
Intergovernmental	815,316	2,274,904	-	43,559	1,342,010	-	-	-
<b>Total assets</b>	<b>\$ 907,696</b>	<b>\$ 2,655,339</b>	<b>\$ 192,589</b>	<b>\$ 5,968,691</b>	<b>\$ 7,980,983</b>	<b>\$ 1,562,391</b>	<b>\$ 166,903</b>	<b>\$ 6,671</b>
<u>Liabilities, Deferred Inflows and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 192,589	\$ 46,635	\$ 367,283	\$ 16,361	\$ 1,625	\$ -
Accrued payroll and withholding payable	-	-	-	48,314	-	3,499	-	-
Due to other funds	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	739	-	-	-
Unearned revenue	-	-	-	-	-	22,325	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	6,425	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>192,589</b>	<b>94,949</b>	<b>368,022</b>	<b>48,610</b>	<b>1,625</b>	<b>-</b>
Deferred Inflows of Resources:								
Lease	-	-	-	-	-	953,424	-	-
Unavailable revenue	815,316	2,274,904	-	4,832,897	1,342,010	-	-	-
<b>Total deferred inflows of resources</b>	<b>815,316</b>	<b>2,274,904</b>	<b>-</b>	<b>4,832,897</b>	<b>1,342,010</b>	<b>953,424</b>	<b>-</b>	<b>-</b>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	380,435	-	1,040,845	6,270,951	560,357	-	-
Committed	-	-	-	-	-	-	165,278	6,671
Assigned	92,380	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>92,380</b>	<b>380,435</b>	<b>-</b>	<b>1,040,845</b>	<b>6,270,951</b>	<b>560,357</b>	<b>165,278</b>	<b>6,671</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 907,696</b>	<b>\$ 2,655,339</b>	<b>\$ 192,589</b>	<b>\$ 5,968,691</b>	<b>\$ 7,980,983</b>	<b>\$ 1,562,391</b>	<b>\$ 166,903</b>	<b>\$ 6,671</b>

Continued on next page

CITY OF LAFAYETTE  
 COMBINING BALANCE SHEET  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	Economic Development	LIT Public Safety	Federal Grants	Police Continuing Education	COVID Emergency Funding	Unsafe Building	State Grants
<u>Assets</u>							
Cash and cash equivalents - unrestricted	\$ 219,179	\$ 1,194,922	\$ 40,700	\$ 456,092	\$ -	\$ 53,609	\$ 645,684
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-
Receivables, net:							
Loans	-	-	-	-	-	-	-
Taxes	535,276	-	-	-	-	-	-
Accounts	-	-	60,484	-	-	-	-
Lease	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-
Intergovernmental	4,914	599,669	-	-	-	-	-
Total assets	<u>\$ 759,369</u>	<u>\$ 1,794,591</u>	<u>\$ 101,184</u>	<u>\$ 456,092</u>	<u>\$ -</u>	<u>\$ 53,609</u>	<u>\$ 645,684</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 172,850	\$ 15,213	\$ 10,590	\$ 6,841	\$ -	\$ -	\$ -
Accrued payroll and withholding payable	7,622	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenue	-	-	28,176	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	1,350
Customer deposits	-	-	-	-	-	1,500	-
Total liabilities	<u>180,472</u>	<u>15,213</u>	<u>38,766</u>	<u>6,841</u>	<u>-</u>	<u>1,500</u>	<u>1,350</u>
Deferred Inflows or Resources:							
Lease	-	-	-	-	-	-	-
Unavailable revenue	540,190	599,669	-	-	-	-	-
Total deferred inflows of resources	<u>540,190</u>	<u>599,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	38,707	1,179,709	62,418	-	-	-	644,334
Committed	-	-	-	449,251	-	52,109	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>38,707</u>	<u>1,179,709</u>	<u>62,418</u>	<u>449,251</u>	<u>-</u>	<u>52,109</u>	<u>644,334</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 759,369</u>	<u>\$ 1,794,591</u>	<u>\$ 101,184</u>	<u>\$ 456,092</u>	<u>\$ -</u>	<u>\$ 53,609</u>	<u>\$ 645,684</u>

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CITY OF LAFAYETTE  
 COMBINING BALANCE SHEET  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	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	\$ 32,656	\$ 11,861	\$ 726	\$ 20,344	\$ 586,231	\$ 22,825
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-
Cash with fiscal agents	-	-	-	-	-	-	-
Receivables, net:							
Loans	-	-	-	-	-	-	-
Taxes	-	-	23,659	-	-	-	-
Accounts	-	-	-	-	8,800	-	-
Lease	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-
Intergovernmental	-	-	191	-	-	-	-
Total assets	<u>\$ 7,001</u>	<u>\$ 32,656</u>	<u>\$ 35,711</u>	<u>\$ 726</u>	<u>\$ 29,144</u>	<u>\$ 586,231</u>	<u>\$ 22,825</u>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities:</u>							
Accounts payable	\$ -	\$ -	\$ 11,438	\$ -	\$ -	\$ -	\$ -
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>11,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows or Resources:</u>							
Lease	-	-	-	-	-	-	-
Unavailable revenue	-	-	23,850	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>23,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,001	-	423	-	-	586,231	22,825
Committed	-	32,656	-	726	29,144	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>7,001</u>	<u>32,656</u>	<u>423</u>	<u>726</u>	<u>29,144</u>	<u>586,231</u>	<u>22,825</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,001</u>	<u>\$ 32,656</u>	<u>\$ 35,711</u>	<u>\$ 726</u>	<u>\$ 29,144</u>	<u>\$ 586,231</u>	<u>\$ 22,825</u>

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CITY OF LAFAYETTE  
 COMBINING BALANCE SHEET  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	HOME - Community Development	CDBG - Community Development	Beautification	Park Bond	Thoroughfare	TIF MCCarty	TIF Twyckenham	Total Nonmajor Special Revenue Funds
<b>Assets</b>								
Cash and cash equivalents - unrestricted	\$ 21,945	\$ 452,523	\$ 18,620	\$ 120,958	\$ 23,350	\$ 954,041	\$ 616,922	\$ 14,148,482
Restricted cash, cash equivalents and investments	-	-	-	532	-	4,348,917	447,488	5,177,539
Cash with fiscal agents	-	-	-	-	-	11,901,562	-	11,901,562
Receivables, net:								
Loans	25,326	5,867	-	-	-	-	-	31,193
Taxes	-	-	-	769,959	-	1,721,952	1,946,110	9,786,294
Accounts	66,779	45,061	-	-	-	-	-	374,941
Lease	-	-	-	-	-	-	-	953,424
Cash and cash equivalents	-	-	-	-	-	-	-	0
Intergovernmental	-	-	-	7,244	-	-	42,845	5,130,652
Total assets	<u>\$ 114,050</u>	<u>\$ 503,451</u>	<u>\$ 18,620</u>	<u>\$ 898,693</u>	<u>\$ 23,350</u>	<u>\$ 18,926,472</u>	<u>\$ 3,053,365</u>	<u>\$ 47,504,087</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 64,871	\$ 494,960	\$ -	\$ -	\$ -	\$ 4,477,020	\$ 37,148	5,915,424
Accrued payroll and withholding payable	-	-	-	-	-	-	-	59,435
Due to other funds	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	177,918	-	-	80,901	259,558
Unearned revenue	-	-	-	-	-	-	-	50,501
Performance deposits payable	-	-	-	-	-	-	-	1,350
Customer deposits	-	-	-	-	-	-	-	7,925
Total liabilities	<u>64,871</u>	<u>494,960</u>	<u>-</u>	<u>177,918</u>	<u>-</u>	<u>4,477,020</u>	<u>118,049</u>	<u>6,294,193</u>
<b>Deferred Inflows or Resources:</b>								
Lease	-	-	-	-	-	-	-	953,424
Unavailable revenue	-	-	-	777,203	-	1,721,952	1,946,110	14,874,101
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,203</u>	<u>-</u>	<u>1,721,952</u>	<u>1,946,110</u>	<u>15,827,525</u>
<b>Fund Balances:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	49,179	8,491	-	-	23,350	12,727,500	989,206	24,591,962
Committed	-	-	18,620	-	-	-	-	754,455
Assigned	-	-	-	-	-	-	-	92,380
Unassigned	-	-	-	(56,428)	-	-	-	(56,428)
Total fund balances	<u>49,179</u>	<u>8,491</u>	<u>18,620</u>	<u>(56,428)</u>	<u>23,350</u>	<u>12,727,500</u>	<u>989,206</u>	<u>25,382,369</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 114,050</u>	<u>\$ 503,451</u>	<u>\$ 18,620</u>	<u>\$ 898,693</u>	<u>\$ 23,350</u>	<u>\$ 18,926,472</u>	<u>\$ 3,053,365</u>	<u>\$ 47,504,087</u>

CITY OF LAFAYETTE  
 COMBINING BALANCE SHEET  
 Nonmajor Governmental Funds - Capital Project Funds  
 December 31, 2022

	<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	\$ 80,779	\$ 2,359,433	\$ 2,440,212
Cash with fiscal agents	-	-	-
Receivables, net:			
Loans	-	-	-
Taxes	-	1,694,573	1,694,573
Accounts	-	-	-
Intergovernmental	<u>10,971</u>	<u>15,892</u>	<u>26,863</u>
Total assets	<u>\$ 91,750</u>	<u>\$ 4,069,898</u>	<u>\$ 4,161,648</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 4,275	\$ 122,811	\$ 127,086
Accrued payroll and withholding payable	-	-	-
Due to other funds	-	-	-
Intergovernmental payable	-	-	-
Performance deposits payable	-	-	-
Customer deposits	-	-	-
Total liabilities	<u>4,275</u>	<u>122,811</u>	<u>127,086</u>
Deferred Inflows or Resources:			
Unavailable revenue	<u>10,971</u>	<u>1,710,465</u>	<u>1,721,436</u>
Fund Balances:			
Restricted	76,504	2,236,622	2,313,126
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>76,504</u>	<u>2,236,622</u>	<u>2,313,126</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 91,750</u>	<u>\$ 4,069,898</u>	<u>\$ 4,161,648</u>

CITY OF LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	Opioid Settlement Unrestricted	Opioid Settlement Restricted	Next Level Trails Grant	Park and Recreation Operating	Economic Dev Income Tax(EDIT)	Park Nonreverting Operating	Health and Wellness	Police Donations	Economic Development
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ 4,500,144	\$ -	\$ -	\$ -	\$ -	\$ 508,622
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	92,380	380,435	192,589	361,070	7,477,882	-	-	-	40,736
Charges for services	-	-	-	76,094	-	1,753,072	-	-	500
Fines and forfeits	-	-	-	-	-	-	-	-	-
Other	-	-	-	184,208	46,970	62,266	242,256	-	934
Capital contributions	-	-	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	94	822	-	-	-
<b>Total revenues</b>	<b>92,380</b>	<b>380,435</b>	<b>192,589</b>	<b>5,121,516</b>	<b>7,524,946</b>	<b>1,816,160</b>	<b>242,256</b>	<b>-</b>	<b>550,792</b>
<b>Expenditures</b>									
<b>Current:</b>									
General government	-	-	-	-	-	-	115,760	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	995,907	-	-	-	-
Culture and recreation	-	-	-	4,907,403	-	1,657,645	-	-	-
Economic development	-	-	-	-	4,219,176	-	-	-	531,688
<b>Debt service:</b>									
Interest	-	-	-	-	612,737	-	-	-	-
Principal retirement	-	-	-	-	552,941	-	-	-	-
<b>Capital outlay:</b>									
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	192,589	125,812	-	-	-	-	-
Economic development	-	-	-	-	60,660	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>192,589</b>	<b>5,033,215</b>	<b>6,441,421</b>	<b>1,657,645</b>	<b>115,760</b>	<b>-</b>	<b>531,688</b>
Excess (deficiency) of revenues over (under) expenditures	92,380	380,435	-	88,301	1,083,525	158,515	126,496	-	19,104
<b>Other Financing Sources (Uses)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(388,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(388,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>92,380</b>	<b>380,435</b>	<b>-</b>	<b>88,301</b>	<b>695,525</b>	<b>158,515</b>	<b>126,496</b>	<b>-</b>	<b>19,104</b>
Fund balances - beginning	-	-	-	952,544	5,575,426	401,842	38,782	6,671	19,603
<b>Fund balances - ending</b>	<b>\$ 92,380</b>	<b>\$ 380,435</b>	<b>\$ -</b>	<b>\$ 1,040,845</b>	<b>\$ 6,270,951</b>	<b>\$ 560,357</b>	<b>\$ 165,278</b>	<b>\$ 6,671</b>	<b>\$ 38,707</b>

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CITY OF LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	LIT Public Safety	Federal Grants	Police Continuing Education	COVID Emergency Funding	Unsafe Building	State Grants	LOIT Special Distribution
<u>Revenues</u>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,303,733	266,152	-	-	-	685,488	-
Charges for services	-	-	195,314	-	1,675	-	-
Fines and forfeits	-	-	48,360	-	-	-	-
Other	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-
Total revenues	<u>3,303,733</u>	<u>266,152</u>	<u>243,674</u>	<u>-</u>	<u>1,675</u>	<u>685,488</u>	<u>-</u>
<u>Expenditures</u>							
Current:							
General government	-	-	-	-	-	243,422	-
Public safety	1,891,129	57,941	131,258	10,126	-	8,279	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	209,604	-	-	-	-	-
Debt service:							
Interest	1,907	-	-	-	-	-	-
Principal retirement	145,572	-	-	-	-	-	-
Capital outlay:							
Public safety	94,870	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total expenditures	<u>2,133,478</u>	<u>267,545</u>	<u>131,258</u>	<u>10,126</u>	<u>-</u>	<u>251,701</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,170,255</u>	<u>(1,393)</u>	<u>112,416</u>	<u>(10,126)</u>	<u>1,675</u>	<u>433,787</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(700,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	470,255	(1,393)	112,416	(10,126)	1,675	433,787	-
Fund balances - beginning	<u>709,454</u>	<u>63,811</u>	<u>336,835</u>	<u>10,126</u>	<u>50,434</u>	<u>210,547</u>	<u>7,001</u>
Fund balances - ending	<u>\$ 1,179,709</u>	<u>\$ 62,418</u>	<u>\$ 449,251</u>	<u>\$ -</u>	<u>\$ 52,109</u>	<u>\$ 644,334</u>	<u>\$ 7,001</u>

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CITY OF LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	Fire Donations	Band	Police Training	Fire Training (Arsn Invstg)	Police Unclaimed Property	Police Drug Free	HOME - Community Development
<u>Revenues</u>							
Property taxes	\$ -	\$ 19,818	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,587	-	-	-	22,099	252,174
Charges for services	121	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	39,513	-
Other	89,050	-	1,122	11,517	61,868	-	15,334
Capital contributions	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-
Total revenues	<u>89,171</u>	<u>21,405</u>	<u>1,122</u>	<u>11,517</u>	<u>61,868</u>	<u>61,612</u>	<u>267,508</u>
<u>Expenditures</u>							
Current:							
General government	-	23,938	-	-	-	-	-
Public safety	58,598	-	454	708	112,666	19,358	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	255,761
Debt service:							
Interest	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Capital outlay:							
Public safety	-	-	-	-	-	44,400	-
Highways and streets	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total expenditures	<u>58,598</u>	<u>23,938</u>	<u>454</u>	<u>708</u>	<u>112,666</u>	<u>63,758</u>	<u>255,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,573</u>	<u>(2,533)</u>	<u>668</u>	<u>10,809</u>	<u>(50,798)</u>	<u>(2,146)</u>	<u>11,747</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	30,573	(2,533)	668	10,809	(50,798)	(2,146)	11,747
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 32,656</u>	<u>\$ 423</u>	<u>\$ 726</u>	<u>\$ 29,144</u>	<u>\$ 586,231</u>	<u>\$ 22,825</u>	<u>\$ 49,179</u>

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CITY OF LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	CDBG - Community Development	Beautification	Park Bond	Thoroughfare	TIF MCCarty	TIF Twychenham	Total Nonmajor Special Revenue Funds
<u>Revenues</u>							
Property taxes	\$ -	\$ -	\$ 816,228	\$ -	\$ 6,017,834	\$ 1,653,663	\$ 13,516,309
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,046,751	-	57,701	-	-	-	14,180,777
Charges for services	-	-	-	-	-	-	2,026,776
Fines and forfeits	-	-	-	-	-	-	87,873
Other	-	25,762	-	-	-	-	741,287
Capital contributions	-	-	-	-	-	56,144	56,144
Interest and investment revenue	-	-	36	-	129,124	549	130,625
<b>Total revenues</b>	<b>1,046,751</b>	<b>25,762</b>	<b>873,965</b>	<b>-</b>	<b>6,146,958</b>	<b>1,710,356</b>	<b>30,739,791</b>
<u>Expenditures</u>							
Current:							
General government	468	-	-	-	-	-	383,588
Public safety	-	-	-	-	-	-	2,290,517
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	995,907
Culture and recreation	-	33,605	-	-	-	-	6,598,653
Economic development	1,051,331	-	-	-	85,245	293,787	6,646,592
Debt service:							
Interest	-	-	392,036	-	-	176,162	1,182,842
Principal retirement	-	-	525,000	-	-	-	1,223,513
Capital outlay:							
Public safety	-	-	-	-	-	-	139,270
Highways and streets	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	318,401
Economic development	-	-	-	-	2,317,970	435,791	2,814,421
<b>Total expenditures</b>	<b>1,051,799</b>	<b>33,605</b>	<b>917,036</b>	<b>-</b>	<b>2,403,215</b>	<b>905,740</b>	<b>22,593,704</b>
Excess (deficiency) of revenues over (under) expenditures	(5,048)	(7,843)	(43,071)	-	3,743,743	804,616	8,146,087
<u>Other Financing Sources (Uses)</u>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(597,000)	(1,685,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(597,000)</b>	<b>(1,685,000)</b>
<b>Net change in fund balances</b>	<b>(5,048)</b>	<b>(7,843)</b>	<b>(43,071)</b>	<b>-</b>	<b>3,743,743</b>	<b>207,616</b>	<b>6,461,087</b>
Fund balances - beginning	13,539	26,463	(13,357)	23,350	8,983,757	781,590	18,921,282
<b>Fund balances - ending</b>	<b>\$ 8,491</b>	<b>\$ 18,620</b>	<b>\$ (56,428)</b>	<b>\$ 23,350</b>	<b>\$ 12,727,500</b>	<b>\$ 989,206</b>	<b>\$ 25,382,369</b>

CITY OF LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES  
 Nonmajor Governmental Funds - Capital Project Funds  
 December 31, 2022

	Cumulative Capital Improvement	Cumulative Capital Development	Total Nonmajor Capital Projects Funds
<u>Revenues</u>			
Property taxes	\$ -	\$ 1,642,029	\$ 1,642,029
Licenses and permits	-	-	-
Intergovernmental	128,470	131,731	260,201
Charges for services	-	-	-
Fines and forfeits	-	-	-
Other	-	-	-
Interest and investment revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	128,470	1,773,760	1,902,230
<u>Expenditures</u>			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Economic development	137,213	462,425	599,638
Capital outlay:			
Public safety	-	-	-
Highways and streets	-	-	-
Culture and Recreation	-	-	-
Economic development	-	334,571	334,571
	<hr/>	<hr/>	<hr/>
Total expenditures	137,213	796,996	934,209
Excess (deficiency) of revenues over (under) expenditures	<hr/> (8,743)	<hr/> 976,764	<hr/> 968,021
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net change in fund balances	(8,743)	976,764	968,021
Fund balances - beginning	<hr/> 85,247	<hr/> 1,259,858	<hr/> 1,345,105
Fund balances - ending	<hr/> <hr/> \$ 76,504	<hr/> <hr/> \$ 2,236,622	<hr/> <hr/> \$ 2,313,126

CITY OF LAFAYETTE  
 COMBINING BALANCE SHEET  
 Nonmajor Governmental Funds - Special Revenue Funds and Capital Projects Funds  
 December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 14,148,482	\$ 2,440,212	\$ 16,588,694
Restricted cash, cash equivalents and investments	5,177,539	-	5,177,539
Cash with fiscal agents	11,901,562	-	11,901,562
Receivables, net:			
Loans	31,193	-	31,193
Taxes	9,786,294	1,694,573	11,480,867
Accounts	374,941	-	374,941
Lease	953,424	-	953,424
Intergovernmental	5,130,652	26,863	5,157,515
<b>Total assets</b>	<b>47,504,087</b>	<b>4,161,648</b>	<b>51,665,735</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 5,915,424	\$ 127,086	\$ 6,042,510
Accrued payroll and withholding payable	59,435	-	59,435
Due to other funds	-	-	-
Intergovernmental payable	-	-	-
Accrued interest payable	259,558	-	259,558
Performance deposits payable	1,350	-	1,350
Unearned revenue	50,501	-	50,501
Customer deposits	7,925	-	7,925
<b>Total liabilities</b>	<b>6,294,193</b>	<b>127,086</b>	<b>6,421,279</b>
<b>Deferred Inflows of Resources:</b>			
Lease	953,424	-	953,424
Unavailable revenue	14,874,101	1,721,436	16,595,537
<b>Total deferred inflows</b>	<b>15,827,525</b>	<b>1,721,436</b>	<b>17,548,961</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	24,591,962	2,313,126	26,905,088
Committed	754,455	-	754,455
Assigned	92,380	-	92,380
Unassigned	(56,428)	-	(56,428)
<b>Total fund balances</b>	<b>25,382,369</b>	<b>2,313,126</b>	<b>27,695,495</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 47,504,087</b>	<b>\$ 4,161,648</b>	<b>\$ 51,665,735</b>

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, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 13,516,309	\$ 1,642,029	\$ 15,158,338
Licenses and permits	-	-	-
Intergovernmental	14,180,777	260,201	14,440,978
Charges for services	2,026,776	-	2,026,776
Fines and forfeits	87,873	-	87,873
Other	741,287	-	741,287
Capital contributions	56,144	-	56,144
Interest and investment revenue	130,625	-	130,625
	<hr/>	<hr/>	<hr/>
Total revenues	30,739,791	1,902,230	32,642,021
Expenditures:			
Current:			
General government	383,588	-	383,588
Public safety	2,290,517	-	2,290,517
Highways and streets	-	-	-
Sanitation	995,907	-	995,907
Culture and recreation	6,598,653	-	6,598,653
Economic development	6,646,592	599,638	7,246,230
Debt service:			
Interest	1,182,842	-	1,182,842
Principal retirement	1,223,513	-	1,223,513
Capital outlay:			
General government	-	-	-
Public safety	139,270	-	139,270
Culture and recreation	318,401	334,571	652,972
Economic development	2,814,421	-	2,814,421
	<hr/>	<hr/>	<hr/>
Total expenditures	22,593,704	934,209	23,527,913
Excess (deficiency) of revenues over (under) expenditures	8,146,087	968,021	9,114,108
Other Financing Sources:			
Transfers Out	(1,685,000)	-	(1,685,000)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	6,461,087	968,021	7,429,108
Fund balances - beginning	18,921,282	1,345,105	20,266,387
	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 25,382,369	\$ 2,313,126	\$ 27,695,495
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2022

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 917,183	\$ 864,487	\$ 1,781,670
Total assets	\$ 917,183	\$ 864,487	\$ 1,781,670
Net Position			
Restricted for pensions	917,183	864,487	1,781,670
Total net position	\$ 917,183	\$ 864,487	\$ 1,781,670

CITY OF LAFAYETTE  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 Fiduciary Funds  
 For the Year Ended December 31, 2022

	Pension Trust Funds		
	Police Pension	Fire Pension	Total Pension Trust Funds
Additions			
Contributions:			
State contributions	\$ 1,495,643	\$ 2,352,417	\$ 3,848,060
Miscellaneous revenue	3,500	3,500	7,000
Total contributions	<u>1,499,143</u>	<u>2,355,917</u>	<u>3,855,060</u>
Deductions			
Administration and general	9,933	9,469	19,402
Benefits	<u>1,486,894</u>	<u>2,326,314</u>	<u>3,813,208</u>
Total deductions	<u>1,496,827</u>	<u>2,335,783</u>	<u>3,832,610</u>
Change in net position	2,316	20,134	22,450
Net Position -- beginning of the year	<u>914,867</u>	<u>844,353</u>	<u>1,759,220</u>
Net Position -- end of the year	<u><u>\$ 917,183</u></u>	<u><u>\$ 864,487</u></u>	<u><u>\$ 1,781,670</u></u>

CITY OF LAFAYETTE  
 BUDGETARY COMPARISON SCHEDULES  
 Other Nonmajor Governmental Funds  
 For The Calendar Year Ended December 31, 2022

	Economic Dev Income Tax (EDIT)			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,266,300	7,266,300	7,477,882	211,582
Charges for services	-	-	-	-
Other	-	-	46,970	46,970
Interest and investment revenue	-	-	94	94
Total revenues	<u>7,266,300</u>	<u>7,266,300</u>	<u>7,524,946</u>	<u>258,646</u>
Expenditures:				
Current:				
Economic development:				
Supplies	333,500	333,500	213,884	(119,616)
Other services and charges	5,092,487	5,092,487	5,001,200	(91,287)
Debt service	1,553,907	1,553,907	1,165,678	(388,229)
Capital outlays	<u>200,000</u>	<u>200,000</u>	<u>60,660</u>	<u>(139,340)</u>
Total economic development	<u>7,179,894</u>	<u>7,179,894</u>	<u>6,441,422</u>	<u>(738,472)</u>
Total expenditures	<u>7,179,894</u>	<u>7,179,894</u>	<u>6,441,422</u>	<u>(738,472)</u>
Other financing sources and uses:				
Transfers out	-	-	(388,000)	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>(388,000)</u>	<u>-</u>
Net change in fund balances	86,406	86,406	695,524	997,118
Fund balances - beginning	<u>5,575,427</u>	<u>5,575,427</u>	<u>5,575,427</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,661,833</u>	<u>\$ 5,661,833</u>	<u>\$ 6,270,951</u>	<u>\$ 997,118</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 Calendar Year Ended December 31, 2022

	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	\$ 806,472	\$ 806,472	\$ 816,228	\$ 9,756	\$ 4,521,751	\$ 4,521,751	\$ 4,500,144	\$ (21,607)
Intergovernmental	61,701	61,701	57,701	(4,000)	296,283	296,283	361,070	64,787
Charges for services	-	-	-	-	61,000	61,000	76,094	15,094
Other	-	-	36	36	40,000	40,000	184,208	144,208
<b>Total revenues</b>	<b>868,173</b>	<b>868,173</b>	<b>873,965</b>	<b>5,792</b>	<b>4,919,034</b>	<b>4,919,034</b>	<b>5,121,516</b>	<b>202,482</b>
Expenditures:								
Current:								
Culture and recreation:								
Personal services	-	-	-	-	3,847,510	3,843,310	3,578,870	(264,440)
Supplies	-	-	-	-	423,950	413,950	413,235	(715)
Other srv & chrgs	1,100	1,100	-	(1,100)	897,500	911,700	915,298	3,598
Capital outlays	-	-	-	-	-	-	125,812	125,812
<b>Total culture and recreation</b>	<b>1,100</b>	<b>1,100</b>	<b>-</b>	<b>(1,100)</b>	<b>5,168,960</b>	<b>5,168,960</b>	<b>5,033,215</b>	<b>(135,745)</b>
Debt service:								
Interest	399,268	399,268	392,036	(7,232)	-	-	-	-
Principal retirement	525,000	525,000	525,000	-	-	-	-	-
<b>Total debt service</b>	<b>924,268</b>	<b>924,268</b>	<b>917,036</b>	<b>(7,232)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>925,368</b>	<b>925,368</b>	<b>917,036</b>	<b>(8,332)</b>	<b>5,168,960</b>	<b>5,168,960</b>	<b>5,033,215</b>	<b>(135,745)</b>
Net change in fund balances	(57,195)	(57,195)	(43,071)	14,124	(249,926)	(249,926)	88,301	338,227
Fund balances - beginning	(13,357)	(13,357)	(13,357)	-	952,544	952,544	952,544	-
<b>Fund balances - ending</b>	<b>\$ (70,552)</b>	<b>\$ (70,552)</b>	<b>\$ (56,428)</b>	<b>\$ 14,124</b>	<b>\$ 702,618</b>	<b>\$ 702,618</b>	<b>\$ 1,040,845</b>	<b>\$ 338,227</b>

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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, 2022

	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	\$ 506,123	\$ 506,123	\$ 508,622	\$ 2,499	\$ 864,560	\$ 864,560	\$ 6,017,834	\$ 5,153,274
Intergovernmental	37,061	37,061	40,736	3,675	-	-	-	-
Charges for services	-	-	500	500	-	-	-	-
Other	-	-	934	934	-	-	129,124	129,124
<b>Total revenues</b>	<b>543,184</b>	<b>543,184</b>	<b>550,792</b>	<b>7,608</b>	<b>864,560</b>	<b>864,560</b>	<b>6,146,958</b>	<b>5,282,398</b>
Economic development:								
Personal services	547,610	547,610	516,037	(31,573)	-	-	-	-
Supplies	3,000	4,000	3,952	(48)	-	-	-	-
Other services and charges	18,400	17,400	11,699	(5,701)	54,500	54,500	85,245	30,745
Capital outlays	-	-	-	-	810,060	810,060	2,317,970	1,507,910
<b>Total economic development</b>	<b>569,010</b>	<b>569,010</b>	<b>531,688</b>	<b>(37,322)</b>	<b>864,560</b>	<b>864,560</b>	<b>2,403,215</b>	<b>1,538,655</b>
<b>Total expenditures</b>	<b>569,010</b>	<b>569,010</b>	<b>531,688</b>	<b>(37,322)</b>	<b>864,560</b>	<b>864,560</b>	<b>2,403,215</b>	<b>1,538,655</b>
<b>Net change in fund balances</b>	<b>(25,826)</b>	<b>(25,826)</b>	<b>19,104</b>	<b>44,930</b>	<b>-</b>	<b>-</b>	<b>3,743,743</b>	<b>3,743,743</b>
Fund balances - beginning	19,603	19,603	19,603	-	8,983,757	8,983,757	8,983,757	-
<b>Fund balances - ending</b>	<b>\$ (6,223)</b>	<b>\$ (6,223)</b>	<b>\$ 38,707</b>	<b>\$ 44,930</b>	<b>\$ 8,983,757</b>	<b>\$ 8,983,757</b>	<b>\$ 12,727,500</b>	<b>\$ 3,743,743</b>

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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, 2022

	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	\$ 1,524,360	\$ 1,524,360	\$ 1,653,663	\$ 129,303	\$ 140,300	\$ 140,300	\$ 128,470	\$ (11,830)
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Other	-	-	56,693	56,693	-	-	-	-
<b>Total revenues</b>	<b>1,524,360</b>	<b>1,524,360</b>	<b>1,710,356</b>	<b>185,996</b>	<b>140,300</b>	<b>140,300</b>	<b>128,470</b>	<b>(11,830)</b>
Expenditures:								
Current:								
Economic development:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	291,000	291,000	293,787	2,787	150,000	150,000	137,213	(12,787)
Capital outlays	720,198	720,198	435,791	(284,407)	-	-	-	-
<b>Total economic development</b>	<b>1,011,198</b>	<b>1,011,198</b>	<b>729,578</b>	<b>(281,620)</b>	<b>150,000</b>	<b>150,000</b>	<b>137,213</b>	<b>(12,787)</b>
Debt service:								
Interest	176,162	176,162	176,162	-	-	-	-	-
Principal retirement	597,000	597,000	-	(597,000)	-	-	-	-
<b>Total debt service</b>	<b>773,162</b>	<b>773,162</b>	<b>176,162</b>	<b>(597,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>1,784,360</b>	<b>1,784,360</b>	<b>905,740</b>	<b>(878,620)</b>	<b>150,000</b>	<b>150,000</b>	<b>137,213</b>	<b>(12,787)</b>
Other Financing Sources								
Transfer Out	-	-	(597,000)					
<b>Net change in fund balances</b>	<b>(260,000)</b>	<b>(260,000)</b>	<b>207,616</b>	<b>1,064,616</b>	<b>(9,700)</b>	<b>(9,700)</b>	<b>(8,743)</b>	<b>957</b>
Fund balances - beginning	781,590	781,590	781,590	-	85,247	85,247	85,247	-
<b>Fund balances - ending</b>	<b>\$ 521,590</b>	<b>\$ 521,590</b>	<b>\$ 989,206</b>	<b>\$ 1,064,616</b>	<b>\$ 75,547</b>	<b>\$ 75,547</b>	<b>\$ 76,504</b>	<b>\$ 957</b>

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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, 2022

	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	\$ 1,642,724	\$ 1,642,724	\$ 1,642,029	\$ (695)	\$ 19,476	\$ 19,476	\$ 19,818	\$ 342
Intergovernmental	114,388	114,388	131,731	17,343	1,660	1,660	1,587	(73)
Charges for services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,757,112</b>	<b>1,757,112</b>	<b>1,773,760</b>	<b>16,648</b>	<b>21,136</b>	<b>21,136</b>	<b>21,405</b>	<b>269</b>
Expenditures:								
Current:								
General Government:								
Other services and charges	-	-	-	-	25,000	25,000	23,938	\$ (1,062)
<b>Total general government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>	<b>23,938</b>	<b>(1,062)</b>
Economic development:								
Supplies	-	-	-	-	-	-	-	-
Other services and charges	1,050,000	1,050,000	462,425	(587,575)	-	-	-	-
Capital outlays	-	-	334,571	334,571	-	-	-	-
<b>Total economic development</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>796,996</b>	<b>(253,004)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>796,996</b>	<b>(253,004)</b>	<b>25,000</b>	<b>25,000</b>	<b>23,938</b>	<b>(1,062)</b>
Net change in fund balances	707,112	707,112	976,764	269,652	(3,864)	(3,864)	(2,533)	1,331
Fund balances - beginning	1,259,858	1,259,858	1,259,858	-	2,956	2,956	2,956	-
<b>Fund balances - ending</b>	<b>\$ 1,966,970</b>	<b>\$ 1,966,970</b>	<b>\$ 2,236,622</b>	<b>\$ 269,652</b>	<b>\$ (908)</b>	<b>\$ (908)</b>	<b>\$ 423</b>	<b>\$ 1,331</b>

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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, 2022

	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:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,208,980	3,208,980	3,303,733	94,753	-	-	-	-
Charges for services	-	-	-	-	-	195,314	-	-
Other	-	-	-	-	97,000	97,000	48,360	(48,640)
<b>Total revenues</b>	<b>\$ 3,208,980</b>	<b>\$ 3,208,980</b>	<b>\$ 3,303,733</b>	<b>\$ 94,753</b>	<b>\$ 97,000</b>	<b>\$ 97,000</b>	<b>\$ 243,674</b>	<b>\$ (48,640)</b>
Expenditures:								
Current:								
Public Safety:								
Personal services	1,140,700	1,155,500	925,538	(229,962)	15,000	35,000	10,722	(24,278)
Supplies	225,000	455,010	455,006	(4)	45,000	70,200	70,136	(64)
Other services and charges	446,710	536,910	510,585	(26,325)	42,000	66,800	50,400	(16,400)
Capital outlays	498,024	163,014	94,870	(68,144)	15,000	8,000	-	(8,000)
<b>Total public safety</b>	<b>2,310,434</b>	<b>2,310,434</b>	<b>1,985,999</b>	<b>(324,435)</b>	<b>117,000</b>	<b>180,000</b>	<b>131,258</b>	<b>(48,742)</b>
Debt service:								
Interest	4,266	4,266	1,907	(2,359)	-	-	-	-
Principal retirement	845,572	845,572	145,572	(700,000)	-	-	-	-
<b>Total debt service</b>	<b>849,838</b>	<b>849,838</b>	<b>147,479</b>	<b>(702,359)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>3,160,272</b>	<b>3,160,272</b>	<b>2,133,478</b>	<b>(1,026,794)</b>	<b>117,000</b>	<b>180,000</b>	<b>131,258</b>	<b>(48,742)</b>
Other Financing Sources								
Transfer Out	-	-	(700,000)					
<b>Net change in fund balances</b>	<b>48,708</b>	<b>48,708</b>	<b>470,255</b>	<b>1,121,547</b>	<b>(20,000)</b>	<b>(83,000)</b>	<b>112,416</b>	<b>102</b>
Fund balances - beginning	709,454	709,454	709,454	-	336,835	336,835	336,835	-
<b>Fund balances - ending</b>	<b>\$ 758,162</b>	<b>\$ 758,162</b>	<b>\$ 1,179,709</b>	<b>\$ 421,547</b>	<b>\$ 316,835</b>	<b>\$ 253,835</b>	<b>\$ 449,251</b>	<b>\$ 195,416</b>

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

# **STATISTICAL SECTION**

## Statistical Section

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

The statistical section is organized into the following main categories:

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

CITY OF LAFAYETTE  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017 (2)	2016	2015 (1)	2014 (1)	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 249,258,347	\$ 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
Restricted	71,635,368	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
Unrestricted	(48,500,059)	(80,529,087)	(41,108,184)	(55,128,010)	(36,733,801)	(36,000,481)	(27,671,396)	(19,238,638)	35,301,468	20,905,747
<b>Total governmental activities</b>	<b>\$ 272,393,656</b>	<b>\$ 238,980,032</b>	<b>\$ 205,257,867</b>	<b>\$ 185,237,788</b>	<b>\$ 179,425,706</b>	<b>\$ 170,326,910</b>	<b>\$ 168,293,265</b>	<b>\$ 155,233,726</b>	<b>\$ 191,624,014</b>	<b>\$ 184,325,154</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 205,241,613	\$ 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
Restricted	17,607,169	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
Unrestricted	37,163,975	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
<b>Total business-type activities</b>	<b>\$ 260,012,757</b>	<b>\$ 246,927,237</b>	<b>\$ 228,205,921</b>	<b>\$ 205,099,161</b>	<b>\$ 190,905,001</b>	<b>\$ 176,034,776</b>	<b>\$ 168,662,175</b>	<b>\$ 163,056,354</b>	<b>\$ 158,370,186</b>	<b>\$ 149,042,073</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 454,499,960	\$ 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
Restricted	89,242,537	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
Unrestricted	(11,336,084)	(53,966,857)	(15,200,775)	(42,254,803)	(6,028,603)	(11,332,083)	(5,889,024)	7,588,178	72,224,989	57,232,081
<b>Total primary government</b>	<b>\$ 532,406,413</b>	<b>\$ 485,907,269</b>	<b>\$ 433,463,788</b>	<b>\$ 390,336,949</b>	<b>\$ 370,330,707</b>	<b>\$ 346,361,686</b>	<b>\$ 336,955,440</b>	<b>\$ 318,290,080</b>	<b>\$ 349,994,200</b>	<b>\$ 333,367,227</b>

Source - 2022 City of Lafayette Annual Comprehensive Financial Report, 2013-2021 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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,946,479	\$ 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
Public safety	29,210,861	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
Highways and streets	12,033,312	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
Sanitation	4,027,024	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
Culture and recreation	8,204,905	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
Economic development	11,939,984	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
Interest on long-term debt	3,360,209	-	-	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>72,722,774</b>	<b>72,860,691</b>	<b>75,413,387</b>	<b>78,566,350</b>	<b>72,946,115</b>	<b>74,701,508</b>	<b>66,633,073</b>	<b>62,650,009</b>	<b>58,634,220</b>	<b>56,294,530</b>
<b>Business-type activities:</b>										
Water utility	10,694,350	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
Wastewater utility	29,979,457	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
Parking operations	508,585	492,128	467,635	468,008	458,717	385,410	451,504	334,239	237,129	86,535
Community Dev Blk Grant (LHR)	-	-	-	-	17,761	42,541	64,520	73,192	75,512	74,216
<b>Total business-type activities expenses</b>	<b>41,182,392</b>	<b>35,401,199</b>	<b>35,884,467</b>	<b>37,804,999</b>	<b>34,640,782</b>	<b>33,785,755</b>	<b>36,368,425</b>	<b>33,032,441</b>	<b>30,373,205</b>	<b>33,114,790</b>
<b>Total primary government expenses</b>	<b>\$ 113,905,166</b>	<b>\$ 108,261,890</b>	<b>\$ 111,297,854</b>	<b>\$ 116,371,349</b>	<b>\$ 107,586,897</b>	<b>\$ 108,487,263</b>	<b>\$ 103,001,498</b>	<b>\$ 95,682,450</b>	<b>\$ 89,007,425</b>	<b>\$ 89,409,320</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 703,681	\$ 626,356	\$ 622,104	\$ 756,940	\$ 686,818	\$ 605,723	\$ 728,408	\$ 707,752	\$ 763,846	\$ 449,543
Public safety	283,780	210,416	151,571	115,940	72,886	84,689	107,467	164,163	100,794	127,729
Highways and streets	27,575	23,113	26,453	33,260	38,889	33,034	46,131	31,133	3,026,579	2,718,171
Sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,829,165	1,687,894	753,896	1,299,184	1,190,482	1,130,758	1,130,853	978,904	886,756	8,356
Economic development	388	21,460	40,192	28,649	2,654	38,792	13,541	2,100	8,655	1,002,517
Operating grants and contributions	5,487,856	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
Capital grants and contributions	3,503,531	739,402	816,267	-	3,053,686	4,722,960	2,919,780	10,385	39,050	172,965
<b>Total governmental activities program revenue:</b>	<b>11,835,976</b>	<b>5,381,678</b>	<b>7,235,245</b>	<b>3,842,192</b>	<b>6,775,816</b>	<b>8,161,795</b>	<b>7,200,815</b>	<b>4,614,215</b>	<b>7,020,108</b>	<b>6,435,304</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water utility	11,587,964	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
Wastewater utility	39,961,733	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
Parking operations	469,458	436,360	405,007	467,683	435,063	446,297	380,178	328,006	287,114	84,366
Community Dev Blk Grant (LHR)	-	-	-	-	-	-	-	-	62,923	73,997
Capital grants and contributions	800,704	3,036,835	3,700,625	623,868	1,163,554	1,167,195	-	-	-	-
<b>Total business-type activities program revenue</b>	<b>52,819,859</b>	<b>53,897,375</b>	<b>52,736,562</b>	<b>50,555,446</b>	<b>48,445,249</b>	<b>44,666,674</b>	<b>40,438,746</b>	<b>39,352,022</b>	<b>38,341,101</b>	<b>35,231,939</b>
<b>Total primary government program revenues</b>	<b>\$ 64,655,835</b>	<b>\$ 59,279,053</b>	<b>\$ 59,971,807</b>	<b>\$ 54,397,638</b>	<b>\$ 55,221,065</b>	<b>\$ 52,828,469</b>	<b>\$ 47,639,561</b>	<b>\$ 43,966,237</b>	<b>\$ 45,361,209</b>	<b>\$ 41,667,243</b>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (60,886,798)	\$ (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)
Business-type activities	11,637,467	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
<b>Total primary government net expenses</b>	<b>\$ (49,249,331)</b>	<b>\$ (48,982,837)</b>	<b>\$ (51,326,047)</b>	<b>\$ (61,973,711)</b>	<b>\$ (52,365,832)</b>	<b>\$ (55,658,794)</b>	<b>\$ (55,361,937)</b>	<b>\$ (51,716,213)</b>	<b>\$ (43,646,216)</b>	<b>\$ (47,742,077)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 58,555,771	\$ 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
Intergovernmental revenues	29,154,901	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
Payment in lieu of taxes	2,559,500	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
Investment earnings	1,183,699	66,341	299,545	959,236	357,699	122,044	46,835	39,986	19,277	30,833
Other	2,870,188	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
Transfers	\$ (23,637)	\$ -	\$ -	-	58,755	-	-	-	-	-
<b>Total governmental activities</b>	<b>94,300,422</b>	<b>90,027,169</b>	<b>89,102,460</b>	<b>80,536,240</b>	<b>75,269,095</b>	<b>70,587,512</b>	<b>72,492,328</b>	<b>63,747,893</b>	<b>58,516,543</b>	<b>54,364,582</b>
Business-type activities:										
Investment earnings	99,718	8,749	947,995	1,333,170	875,010	322,048	141,449	149,674	250,039	59,490
Other	1,324,698	651,623	518,957	110,543	249,503	197,941	217,122	202,741	8,359	121,808
Transfers	23,637	-	-	-	(58,755)	-	-	-	-	-
Contributed capital	-	-	-	-	-	-	1,176,923	1,090,107	858,847	1,372,650
<b>Total business-type activities</b>	<b>1,448,053</b>	<b>660,372</b>	<b>1,466,952</b>	<b>1,443,713</b>	<b>1,065,758</b>	<b>519,989</b>	<b>1,535,494</b>	<b>1,442,522</b>	<b>1,117,245</b>	<b>1,553,948</b>
<b>Total primary government</b>	<b>\$ 95,748,475</b>	<b>\$ 90,687,541</b>	<b>\$ 90,569,412</b>	<b>\$ 81,979,953</b>	<b>\$ 76,334,853</b>	<b>\$ 71,107,501</b>	<b>\$ 74,027,822</b>	<b>\$ 65,190,415</b>	<b>\$ 59,633,788</b>	<b>\$ 55,918,530</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 33,413,624	\$ 22,548,156	\$ 20,924,318	\$ 5,812,082	\$ 9,098,796	\$ 4,047,799	\$ 13,060,070	\$ 5,712,099	\$ 6,902,431	\$ 4,505,356
Business-type activities	13,085,520	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
<b>Total primary government</b>	<b>\$ 46,499,144</b>	<b>\$ 41,704,704</b>	<b>\$ 39,243,365</b>	<b>\$ 20,006,242</b>	<b>\$ 23,969,021</b>	<b>\$ 15,448,707</b>	<b>\$ 18,665,885</b>	<b>\$ 13,474,202</b>	<b>\$ 15,987,572</b>	<b>\$ 8,176,453</b>

Source - 2022 City of Lafayette Annual Comprehensive Financial Report, 2013-2021 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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Unassigned fund balance	\$ 16,640,298	\$ 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)
Total general fund	16,640,298	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)
All Other Governmental Funds										
Restricted fund balance	68,993,004	72,828,401	28,452,341	19,713,636	23,094,771	13,545,811	16,568,759	28,250,624	42,849,878	28,569,046
Committed fund balance	754,455	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
Assigned fund balance	92,380	-	-	2,462,629	7,910,822	2,253,160	3,108,625	1,696,153	1,555,337	4,060,365
Unassigned fund balance	(56,428)	(13,357)	(80,710)	5,566,994	-	4,041,613	4,004,302	2,804,302	2,869,203	-
Total all other governmental funds	69,783,411	73,294,705	28,750,377	46,860,814	33,533,994	24,978,285	29,137,779	40,932,920	54,489,227	41,627,366
Total all funds	\$ 86,423,709	\$ 86,706,839	\$ 39,258,105	\$ 48,535,011	\$ 35,592,475	\$ 29,018,700	\$ 33,555,155	\$ 43,672,713	\$ 55,092,752	\$ 41,206,632

Source - 2022 City of Lafayette Annual Comprehensive Financial Report, 2013-2021 City of Lafayette Audited Financial Statements

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
General property taxes	\$ 58,308,996	\$ 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
Licenses and permits	528,150	412,909	447,852	530,886	480,045	484,553	563,600	476,710	495,789	216,641
Intergovernmental	34,301,956	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
Payment in lieu of taxes	2,559,500	2,559,500	2,559,500	2,559,500	2,503,000	1,930,000	2,700,000	2,700,000		
Charges for services	2,092,580	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
Fines and forfeits	223,966	249,265	151,720	190,860	201,592	112,899	149,868	190,064	316,875	180,493
Other revenues	3,602,478	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
<b>Total revenues</b>	<b>101,617,626</b>	<b>95,334,018</b>	<b>93,779,209</b>	<b>86,801,260</b>	<b>80,522,256</b>	<b>79,140,578</b>	<b>85,800,882</b>	<b>74,201,707</b>	<b>72,381,326</b>	<b>66,612,511</b>
<b>Expenditures</b>										
General government	3,751,480	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
Public safety	37,639,748	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
Highways and streets	8,219,849	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
Sanitation	3,632,312	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
Culture and recreation	6,598,653	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
Economic development	12,304,514	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
Capital outlay	36,392,413	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
Debt service										
Principal	4,301,513	4,587,229	8,042,148	9,494,227	9,004,205	11,975,043	11,188,078	-	-	-
Interest	3,480,866	2,908,884	2,194,719	2,203,703	1,375,908	1,365,904	1,206,495	-	-	-
<b>Total expenditures</b>	<b>116,321,348</b>	<b>103,810,191</b>	<b>107,259,877</b>	<b>93,563,623</b>	<b>87,316,255</b>	<b>89,442,034</b>	<b>96,700,847</b>	<b>91,354,634</b>	<b>79,621,686</b>	<b>72,982,351</b>
Excess of revenues over (under) expenditures	(14,703,722)	(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)
<b>Other Financing Sources (Uses)</b>										
Transfers in	3,034,500	2,257,000	354,000	860,562	4,536,755	9,599,188	1,550,000	4,501,626	74,053	-
Transfers out	(3,034,500)	(2,257,000)	(354,000)	(860,562)	(4,978,000)	(9,599,188)	(1,550,000)	(4,501,626)	(74,053)	-
Bond issue proceeds	29,935,000	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
Premium on sale of bond	-	-	-	804,899	48,841	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	32,192	-	-	-
Contribution in aid of construction	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(15,108,157)	(6,667,209)	-	-	-	-	-	-	-	(14,554,782)
Loans proceeds	-	-	-	-	-	-	-	-	-	46,399
Capital lease proceeds	-	-	-	700,000	918,618	-	-	1,312,888	-	-
<b>Total other financing sources (uses)</b>	<b>14,826,843</b>	<b>57,517,791</b>	<b>5,108,000</b>	<b>19,704,899</b>	<b>13,367,773</b>	<b>5,765,000</b>	<b>782,402</b>	<b>5,732,888</b>	<b>21,126,480</b>	<b>462,094</b>
<b>Net change in fund balances</b>	<b>\$ 123,121</b>	<b>\$ 49,041,618</b>	<b>\$ (8,372,668)</b>	<b>\$ 12,942,536</b>	<b>\$ 6,573,774</b>	<b>\$ (4,536,456)</b>	<b>\$ (10,117,563)</b>	<b>\$ (11,420,039)</b>	<b>\$ 13,886,120</b>	<b>\$ (5,907,746)</b>
Debt service as a percentage of noncapital expenditures (a)	9.7%	9.5%	12.8%	15.9%	14.7%	19.1%	17.0%			

Source - 2022 City of Lafayette Annual Comprehensive Financial Report, 2013-2021 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
2022	\$ 38,005,851	\$ 2,101,783	\$ 970,891	\$ 742,165	\$ 204,912	\$ 9,184,071	\$ 7,477,882	\$ 3,208,983	\$ 61,896,539
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

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:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Tax Levy	\$ 40,948,878.00	\$ 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
Circuit Breaker Levy Reduction	3,316,725	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
Adjusted Current Tax Levy	37,632,153	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
Current Tax Collections	37,235,322	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
Percent of Current Tax Levy Collected	90.9%	91.5%	90.3%	92.7%	94.8%	92.3%	90.9%	88.5%	83.2%	76.8%
Delinquent Tax Collections	770,529	1,187,813	728,093	1,382,587	750,724	679,909	1,863,588	2,183,483	3,701,908	3,925,878
Total Tax Collections	38,005,851	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
Percent of Total Tax Collections of Current Tax Levy	101.0%	101.8%	99.2%	103.6%	103.4%	100.0%	101.5%	101.1%	101.4%	95.7%
Outstanding Delinquent Taxes	1,166,892	904,654	1,340,916	2,079,148	733,501	2,104,199	882,999	2,270,478	2,838,429	4,426,191
Percent of Delinquent Taxes to Current Tax Levy	3.1%	2.5%	3.9%	6.3%	2.3%	6.7%	2.9%	7.4%	9.7%	15.6%

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

CITY OF LAFAYETTE  
ACTUAL AND ASSESSED VALUE OF TAXABLE PROPERTY

Fiscal Year	Actual Value	Assessed Valuation	Assessed Valuation Percent Increase	Assessed Valuation Percent of Actual	Total Direct Tax Rate
2022	\$ 6,456,081,315	\$ 3,552,739,763	3.3%	55.0%	1.1526
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
Average Annual Rate of Increase (Decrease)			2.7%		

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
2022	\$ 0.8273	\$ 0.0154	\$ 0.0498	\$ 0.0006	\$ 0.1003	\$ 0.1365	\$ 0.0227	\$ 1.1526
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

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 normally 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total District Certified Tax Rate (1)										
Lafayette - Fairfield Twp. - LSC - B	\$ 2.6650	\$ 2.6577	\$ 2.6529	\$ 2.6608	\$ 2.5899	\$ 2.5415	\$ 2.4224	\$ 2.5474	\$ 2.5183	\$ 2.6016
Lafayette - Fairfield Twp. - TSC - B	2.6034	2.5875	2.5848	2.5195	2.5255	2.4641	2.4742	2.4109	2.4686	2.5896
Lafayette - Wea Twp. - LSC	2.6680	2.6611	2.6562	2.6646	2.5941	2.5463	2.4278	2.5518	2.5215	2.6076
Lafayette - Wea Twp. - TSC	2.6064	2.5909	2.5881	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956
Lafayette - Sheffield Twp. - TSCB	2.5989	2.5826	2.5793	2.5139	2.5200	2.4583	2.4686	2.4053	2.4633	2.5833
Lafayette - Wea Twp. - TSC - B Annex	2.6064	2.5909	2.5881	2.5233	2.5297	2.4689	2.4796	2.4153	2.4718	2.5956
Lafayette - Perry Twp. - TSC	2.5936	2.5775	2.5739	2.5092	2.5150	2.4543	2.4650	2.4018	2.4593	2.5803

(1) Includes certified tax rates of overlapping taxing units

CITY OF LAFAYETTE  
 DETAIL OF NET ASSESSED VALUATION  
 (Assessment for the Year 2021 Payable in 2022)

	Lafayette Fairfield Twp-LSC-B	Lafayette Fairfield Twp-TSC-B	Lafayette Wea Twp-LSC	Lafayette Wea Twp-TSC	Lafayette Sheffield Twp-TSCB	Lafayette Wea Twp-TSC-Annex	Lafayette Perry Twp-TSC	Totals	Percent
Value of Land	\$ 422,095,300	\$ 34,833,600	\$ 78,921,400	\$ 109,190,900	\$ 13,118,500	\$ 8,166,500	\$ 8,929,900	\$ 675,256,100	
Value of Improvements	2,539,607,200	331,781,200	409,464,700	764,437,100	96,193,500	39,221,500	121,215,100	4,301,920,300	
Total value of real estate	2,961,702,500	366,614,800	488,386,100	873,628,000	109,312,000	47,388,000	130,145,000	4,977,176,400	
Less: Mortgage, veterans, blind, age 65 & other deductions	(675,191,540)	(11,646,914)	(201,131,773)	(230,719,036)	-	-	-	(1,118,689,263)	
Tax-exempt property	(158,124,610)	(16,067,166)	(6,325,500)	(13,950,181)	-	(11,351,195)	(42,897,238)	(248,715,890)	
Tax increment financing	(491,805,146)	(125,453,271)	(55,612,295)	(143,580,341)	(39,104,928)	(15,405,851)	(24,168,087)	(895,129,919)	
Tax abatements	(12,314,225)	(3,177,300)	-	(22,400,281)	(15,732,882)	-	(27,024,201)	(80,648,889)	
Net value of real estate	1,624,266,979	210,270,149	225,316,532	462,978,161	54,474,190	20,630,954	36,055,474	2,633,992,439	72.99%
Business Personal Property	590,702,690	86,419,700	4,067,990	249,547,515	442,000,640	4,510,310	32,433,500	1,409,682,345	
Less: Enterprise zone deductions	(9,998,931)	(3,525,320)	-	-	-	-	-	(13,524,251)	
Tax-exempt property	(40,996,251)	(992,440)	(142,255)	(497,450)	-	(762,280)	(25,275,120)	(68,665,796)	
Tax increment financing	(10,270,180)	-	(228,490)	(861,760)	(171,111,560)	(18,850)	(65,070)	(182,555,910)	
Tax abatements	(65,951,860)	-	-	(48,661,980)	(124,561,800)	-	(829,510)	(240,005,150)	
Net value of personal property	463,485,468	81,901,940	3,697,245	199,526,325	146,327,280	3,729,180	6,263,800	904,931,238	25.08%
Net value of railroads and utilities	53,953,050	4,993,900	4,658,690	5,167,700	50,610	181,640	216,980	69,222,570	1.92%
Total net assessed valuation	\$ 2,141,705,497	\$ 297,165,989	\$ 233,672,467	\$ 667,672,186	\$ 200,852,080	\$ 24,541,774	\$ 42,536,254	\$ 3,608,146,247	100.00%
Percentage of Total	59.36%	8.24%	6.48%	18.50%	5.57%	0.68%	1.18%	100.00%	
<b>Summary</b>									
	Real Property	Personal Property/ Utilities	Total	Percent					
Total Value	\$ 4,977,176,400	\$ 1,478,904,915	\$ 6,456,081,315	100.00%					
Deduction & exemptions	(1,118,689,263)	(13,524,251)	(1,132,213,514)	-17.54%					
Tax exempt property	(248,715,890)	(68,665,796)	(317,381,686)	-4.92%					
Tax increment financing	(895,129,919)	(182,555,910)	(1,077,685,829)	-16.69%					
Tax abatements	(80,648,889)	(240,005,150)	(320,654,039)	-4.97%					
Total net assessed valuation	\$ 2,633,992,439	\$ 974,153,808	\$ 3,608,146,247	55.89%					
Percent	73.00%	27.00%	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  
2013-2022

Fund Name	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
General	\$ 27,214,682	\$ 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
MVH	3,306,674	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
Park and Recreation	4,500,144	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
Park Bond	813,882	943,203	901,726	864,567	872,878	814,022	900,254	652,140	733,581	939,666
Economic Development	508,622	526,529	535,478	370,859	358,588	439,742	422,796	276,347	405,333	379,809
Band	19,818	-	21,305	18,092	20,919	21,085	20,991	20,362	22,676	15,197
Cumulative Capital Development	1,642,029	1,622,198	608,527	602,871	597,499	602,232	599,720	581,760	566,900	506,558
<b>Total</b>	<b>\$ 38,005,851</b>	<b>\$ 36,954,342</b>	<b>\$ 34,200,299</b>	<b>\$ 32,918,193</b>	<b>\$ 32,817,834</b>	<b>\$ 31,571,808</b>	<b>\$ 31,013,759</b>	<b>\$ 29,388,807</b>	<b>\$ 28,035,955</b>	<b>\$ 25,664,220</b>

Source: City's tax collection records

CITY OF LAFAYETTE  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR

Taxpayer	2021 Pay 2022 Net Assessed Value	Percentage of Total City Taxable Assessed Value (1)	Type of Business
Subaru of Indiana Automotive, Inc. (SIA) (2)	\$ 409,615,228	11.53%	Automotive manufacturer
Caterpillar, Inc. (2)	158,562,290	4.46%	Manufacturing diesel engines
Tate & Lyle Ingredients America, Inc. (2)	194,485,240	5.47%	Food Manufacturing
Arconic (2)	58,311,292	1.64%	Manufacturing
Wabash National LP (2)	56,636,830	1.59%	Manufacturing
ARCP MT LLC	59,416,500	1.67%	Real Estate
Nanshan America Advanced Aluminum Technologies LLC (2)	59,822,015	1.68%	Manufacturing
Fairfield Manufacturing Company	34,402,180	0.97%	Manufacturing
Hawthorne Holdings LLC	36,424,720	1.03%	Real Estate and Apartments
Wal-Mart Real Estate Business Trust	<u>27,081,200</u>	<u>0.76%</u>	Real Estate
<b>Total</b>	<b><u>\$ 1,094,757,495</u></b>	<b>30.82%</b>	

(1) The total net assessed valuation of the City is \$3,552,739,763 for taxes payable in 2022, 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 2022

Certified net assessed valuation	\$	3,552,739,763
divided by 3		
Subtotal	\$	1,184,246,588
Statutory debt limit rate		<u>2%</u>
Debt limit	\$	23,684,931
Debt applicable to limit (A)		<u>17,148,446</u>
Legal Debt Margin	\$	<u><u>6,536,485</u></u>

Legal Debt Margin Calculation for Fiscal Years 2013 Through 2022

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
2022	71,402	23,684,931	\$ 17,148,446	6,536,485	72.40%	240
2021	70,835	22,922,225	17,629,537	5,292,688	76.91%	249
2020	74,624	21,944,034	17,696,200	4,247,834	80.64%	237
2019	75,402	21,499,528	17,762,864	3,736,664	82.62%	236
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

(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 12/31/2022, the Park District had \$11,059,426 outstanding Park District Bonds subject to its limit.

CITY OF LAFAYETTE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022

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	\$ 157,384,567	96.67%	\$ 152,143,661			
Tippecanoe County Public Library	11,311,786	45.80%	5,180,798			
Tippecanoe County	36,049,469	40.87%	14,733,418			
Tippecanoe School Corporation	483,224,712	24.01%	<u>116,022,253</u>			
Subtotal, overlapping debt			<u>288,080,130</u>	\$ 4,035	7.98%	8.38%
City direct debt						
General obligation bonds	11,059,426	100%	11,059,426			
Redevelopment bonds	123,000,859	100%	123,000,859			
Other financing arrangements	445,484	100%	<u>445,484</u>			
Subtotal, city direct debt			<u>134,505,769</u>	\$ 1,884	3.73%	3.91%
Total direct and overlapping debt			<u>\$ 422,585,900</u>	\$ 5,918	11.71%	12.29%

(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, 2022

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/ Other Financing Arrangements	Sewer Revenue Bonds	Water Revenue Bonds	Parking Revenue Bonds	Notes and Loans Payable					
2022	\$ 11,059,426	\$ 122,700,859	\$ 445,484	\$ 107,281,410	\$ 16,351,912	\$ -	\$ -	\$ 257,839,091	71,402	\$ 3,611	\$ 3,438,577,516	7.5%
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%

CITY OF LAFAYETTE  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
AS OF DECEMBER 31, 2022

Year	General Bonded Debt Outstanding			Debt as Percentage of Taxable Value of Property	Per Capita
	General Obligation Bonds	EDIT Bonds	Total		
2022	\$ 11,059,426	\$ 17,148,446	28,207,872	0.8%	395.06
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

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		Total	Coverage %
				Principal	Interest		
2022	\$ 39,961,732	\$ 17,410,061	\$ 22,551,671	\$ 11,575,000	\$ 3,318,018	\$ 14,893,018	1.51
2021	38,857,294	12,723,096	26,134,198	11,400,000	3,334,511	14,734,511	1.77
2020	37,628,248	13,299,361	24,328,887	9,775,000	4,458,943	14,233,943	1.71
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

Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: * Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage %
				Principal	Interest		
2022	\$ 11,587,964	\$ 8,492,552	\$ 3,095,412	\$ 785,000	\$ 566,269	\$ 1,351,269	2.29
2021	11,566,886	6,836,305	4,730,581	775,000	565,956	1,340,956	3.53
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 (%)
2022	71,402	3,438,578	48,158	2.8%
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%

CITY OF LAFAYETTE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR

		2022		
Employer	Type of Business	Employees	Rank	Percentage of Total (%)
Purdue University	Education	11,000	1	50.98%
Subaru (SIA)	Automotive Manufacturing	6,000	2	27.80%
Wabash National	Manufacturing	1,950	3	9.04%
Caterpillar	Manufacturing	1,900	4	8.80%
IU Health Arnett	Health Care	1,699	5	7.87%
Franciscan-St. E Health	Health Care	1,525	6	7.07%
Oerlikon Fairfield Mfg Corp	Manufacturing	1,400	7	6.49%
Tippecanoe School Corp.	Education	1,300	8	6.02%
Lafayette School Corp.	Education	1,250	9	5.79%
Kirby Risk Electrical Supply	Manufacturing	650	10	3.01%
Walmart Supercenter	Retail	605	11	2.80%
Lafayette Venetian Blind	Manufacturing	600	12	2.78%
Ivy Tech Community College	Education	550	13	2.55%
ZF Commercial Steering	Manufacturing	525	14	2.43%
Tate & Lyle/Primary Products	Manufacturing	500	15	2.32%
Greenbush Industries	Janitorial Service	425	16	1.97%
Meijer	Retail	400	17	1.85%
Landis & Gyr Technology	Manufacturing	300	18	1.39%
Total Number of Employees		<u>21,579</u>		<u>100.00%</u>
Total Employees - Lafayette Area Labor Force (Employers >300 Employees)		<u>21,579</u>		<u>100.00%</u>

Sources: Hoosierdata.in.gov

CITY OF LAFAYETTE  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 AS OF DECEMBER 31, 2022

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	34	33	32	28	28	26	24	24	23	23
Public Safety										
Police	175	176	182	184	185	187	183	174	171	168
Fire	142	142	145	149	147	150	145	142	141	136
Highways and Streets	62	61	60	62	63	63	58	56	57	58
Sanitation	26	27	27	27	27	23	24	23	23	23
Culture and Recreation	43	41	37	39	40	39	33	34	33	35
Economic Development	5	6	5	5	5	5	5	5	5	5
Urban redevelopment and housing	-	-	-	-	-	-	-	2	3	3
City Business-type Activities										
Parking Operations	4	5	5	5	4	3	3	2	2	-
Water Utility	56	55	55	53	52	54	52	50	50	50
Wastewater Utility	84	94	94	94	94	94	88	83	83	85
<b>Total</b>	<b>631</b>	<b>640</b>	<b>642</b>	<b>646</b>	<b>645</b>	<b>644</b>	<b>615</b>	<b>595</b>	<b>591</b>	<b>586</b>

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, 2022

Function/program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Police</b>										
Physical arrests	4,646	6,338	6,813	8,714	9,409	8,244	6,810	6,268	4,927	5,199
Parking violations	42	58	35	60	103	89	98	104	410	259
Traffic violations	5,200	7,776	8,658	12,737	17,468	18,932	17,883	14,201	12,752	13,198
<b>Fire</b>										
Emergency responses	6,296	6,520	5,188	5,675	7,651	7,645	7,333	7,406	5,844	6,260
Fires extinguished	302	266	262	261	281	346	269	256	321	376
Inspections	6,764	4,551	4,953	4,122	3,320	3,430	3,011	4,629	4,095	3,327
<b>Refuse collection</b>										
Refuse collected (tons/month)	1,701	1,816	1,436	1,712	1,577	1,551	1,550	1,583	1,743	1,649
Recycling collected (tons/month)	337	325	303	322	406	423	415	385	389	354
<b>Other public works</b>										
Street Maintained (miles)	289	289	289	289	289	303	303	268	268	265
Potholes repaired (tonnage)	2,117	2,221	2,178	2,151	1,497	2,322	2,014	1,977	1,873	1,636
Crack Sealing (tons used)	26	24	-	21	26	27	25	26	31	18
<b>Parks and recreation</b>										
Zoo Education Programs	924	940	619	2,414	2,462	2,526	2,208	1,981	1,857	1,933
Zoo Education Participation	38,000	18,300	12,180	45,196	43,567	53,672	43,363	38,017	33,233	37,540
Kids Camp Participation	9,625	6,650	3,842	9,327	10,254	9,956	11,475	9,471	8,947	10,051
Camp Participation Hours	77,000	53,200	30,736	74,616	82,032	76,768	91,800	72,768	71,576	80,592
<b>Water</b>										
New billable housing starts	190	170	175	214	195	218	99	87	81	83
Water main breaks	81	69	54	57	70	52	60	59	92	79
Average daily consumption (millions of gallons)	9.6	9.3	8.7	8.7	9.27	9.01	8.77	8.50	7.40	8.23
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	16,400	16,500	17,200	20,200	19,300	19,950	18,660	19,970	18,570	18,420
Sources - Various city departments										

CITY OF LAFAYETTE  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 AS OF DECEMBER 31, 2022

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Public Safety:</b>										
<b>Police</b>										
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	104	120	120	105	102	90	90	66	66	66
<b>Fire</b>										
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	16	17	17	17	16	15	15	15	15	15
<b>Refuse Collection</b>										
Collection Trucks	30	27	25	24	23	23	23	24	21	21
<b>Highways and Streets</b>										
Traffic Signals	104	112	110	110	110	110	110	107	107	106
Miles of Streets	288	289	289	289	289	303	303	268	268	265
<b>Culture and Recreation</b>										
Acreage	700	700	700	700	700	700	700	700	700	700
Playgrounds	18	17	17	16	16	16	16	16	16	16
Baseball/Softball Diamonds	15	15	14	12	12	11	11	11	11	11
Soccer/Football Fields	9	9	9	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
<b>Water</b>										
Water Mains (miles)	391.09	387.47	343.91	343.84	342.34	341.07	341.07	340.17	339.13	337.47
Fire Hydrants	3,653.00	3,577	3,386	3,388	3,385	3,368	3,368	3,360	3,347	3,332
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
<b>Wastewater</b>										
Sanitary Sewers (miles)	315.79	315.73	314.03	311.26	310.99	309.72	309.72	309.09	308.33	307.54
Storm Sewers (miles)	168.68	168.48	168.24	166.84	166.79	166.77	166.77	166.43	166.02	165.59
Treatment Capacity (thousand of gallons)	66,000	66,000	66,000	66,000	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**

## **Single Audit Report**

December 31, 2022



**City of Lafayette**  
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**December 31, 2022**

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**City of Lafayette**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2022**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed-Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Justice</b>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	None	\$ -	\$ 10,126
Edward Byrne Memorial Justice Assistance Grant Program	16.738	None	-	704
Indiana Criminal Justice Institute				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-2022-00057	-	2,800
<b>Total U.S. Department of Justice</b>			<u>-</u>	<u>13,630</u>
<b>U.S. Department of Housing and Urban Development</b>				
HOME Investment Partnerships	14.239	None	115,300	207,636
Community Development Block Grants - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	None	81,825	1,081,717
Indiana Housing and Community Development				
Continuum of Care Program	14.267	SC-021-0155-1 SC-022-0155-1	-	200,245
<b>Total U.S. Department of Housing and Urban Development</b>			<u>197,125</u>	<u>1,489,598</u>
<b>U.S. Department of Transportation</b>				
Indiana Criminal Justice Institute				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	58047	-	2,379
Highway Safety Cluster				
State and Community Highway Safety	20.600	58047	-	27,006
Indiana Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1900482 L 190151	-	100,916
<b>Total U.S. Department of Transportation</b>			<u>-</u>	<u>130,301</u>
<b>U.S. Department of Treasury</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	None	-	2,257,280
<b>Total U.S. Department of Treasury</b>			<u>-</u>	<u>2,257,280</u>
			<u>\$ 197,125</u>	<u>\$ 3,890,809</u>

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Lafayette (City) under programs of the federal government for the year ended December 31, 2022. The accompanying notes are an integral part of this Schedule. The information in this Schedule 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 Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-102, "Grant Awards and Cooperative Agreements with State and Local Governments", or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

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

**Note 4. Federal Loan Programs**

The City of Lafayette had no federal loans that they were administering as of December 31, 2022.

## **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**

Management and Common Council  
City of Lafayette  
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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette (City) as of December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic statement of financial statements, and have issued our report thereon dated August 15, 2024.

Our report includes a reference to other auditors who audited the financial statements of 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 auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### ***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 opinion 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 entity'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 a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

### ***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 financial statements. 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 Response 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. 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 entity'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.

***Forvis Mazars, LLP***

**Indianapolis, Indiana  
August 15, 2024**

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

### **Independent Auditor's Report**

Management and Common Council  
City of Lafayette  
Lafayette, Indiana

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited the City of Lafayette'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 the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended December 31, 2022.

#### ***Basis for Opinion on the 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 the 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 the 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.

### **Other Matter – Federal Expenditures Not Included in the Compliance Audit**

City of Lafayette's basic financial statements include the operations of Greater Lafayette Public Transportation Corporation, which expended \$5,589,793 in federal awards, which is not included in City of Lafayette's schedule of expenditures of federal awards during the year ended December 31, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program" section above, does not include the operations of Greater Lafayette Public Transportation Corporation because Greater Lafayette Public Transportation Corporation engaged other auditors to perform an audit of compliance.

## **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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated August 15, 2024, which contained unmodified opinions on those financial statements and included a reference to other auditors who audited a discretely presented component unit of the City. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Forvis Mazars, LLP**

**Indianapolis, Indiana  
August 15, 2024**



**City of Lafayette**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2022**

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7. Identification of major federal program:

<b>Assistance Listing Numbers</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

9. Auditee qualified as a low-risk auditee?  Yes  No

City of Lafayette  
 Schedule of Findings and Questioned Costs (Continued)  
 Year Ended December 31, 2022

**Section II – Financial Statement Findings**

Reference Number	Finding
2022-001	<p><b>Criteria:</b> 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.</p> <p><b>Condition:</b> 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. This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-002.</p> <p><b>Cause:</b> 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 prepare accurate financial statements.</p> <p><b>Effect or Potential Effect:</b> Lack of timely and accurate financial statements can lead to the users of the financial statements making decisions based upon outdated or inaccurate financial data.</p> <p><b>Recommendation:</b> We recommend that the processes and procedures for year-end financial statement preparation be formally documented with annual updates for changes to allow for timely completion. We also recommend the City evaluate the need for additional resources, internal or external, to assist with preparation of year-end financial statements.</p> <p><b>Views of Responsible Officials and Planned Corrective Action Plan:</b> For the views of responsible officials, refer to the Corrective Action Plan.</p>

**Section III – Federal Award Findings and Questioned Costs**

Reference Number	Finding
	No matters are reportable.

**City of Lafayette**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2022**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
2021-001	<p><b>Construction in progress and capital contributions reporting and expenditure recognition:</b>            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.</p>	Resolved
2021-002	<p><b>Preparation of year-end financial statements:</b>            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.</p>	Partially resolved; See finding 2022-001
2021-003	<p><b>Bond transaction accounting and reporting:</b>            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.</p>	Resolved
2021-004	<p><b>Accounts payable cutoff:</b>            Internal controls were not in place to ensure transactions were recorded in the period when the service or goods were provided.</p>	Resolved
2021-005	<p><b>Total OPEB liability allocation:</b>            Controls were not in place to ensure the total OPEB liability and related deferrals were properly allocated among the contributing funds.</p>	Resolved

## CORRECTIVE ACTION PLAN

### ***FINDING 2022-001***

Contact Person Responsible for Corrective Action: Jeremy Diehl

Contact Phone Number: 765-807-1011

Views of Responsible Official: Concurred

Description of Correction Action Plan: Controller will review and refine documented year-end processes and procedures to prioritize tasks and staff assignments. Controller will seek timely addition of temporary staffing to respond to seasonal demands and work backlog. Controller will continue working with financial advisor for assistance with mapping, preparation of core financial statements, and adoption of new GASB standards to enable timely report/audit completion.

Anticipated Completion Date: December 31, 2024