

COMPREHENSIVE ANNUAL FINANCIAL REPORT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF NOBLESVILLE, INDIANA

Year Ended December 31, 2017

Prepared by:

Jeffrey Spalding, Controller

INTRODUCTORY SECTION

CITY OF NOBLESVILLE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2017

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MEMBERS OF THE BOARD OF PUBLIC WORKS



JACK MARTIN, JOHN DITSLEAR, LAWRENCE STORK



NOBLESVILLE

★ I N D I A N A ★

June 29, 2018

Dear Citizens of Noblesville and Interested Persons,

I am proud and pleased to present to you the 2017 Comprehensive Annual Financial Report, as well as, a summary of all the services, projects and activities that make Noblesville a community of exceptional opportunities and great potential. This report has been prepared by our outstanding fiscal steward, Controller Jeffrey L. Spalding, and follows the guidelines set forth by the Government Finance Officers Association (GFOA) of the United States and Canada. This report will be submitted to the GFOA for review.

Noblesville is a great city in which to live, work, and play. Like all aspiring communities, we must provide the necessary public amenities and lifestyle opportunities to support and encourage essential private investment. Our city provides high quality services to its citizens, including public safety, sanitation and recycling service, transportation infrastructure, community planning and zoning, parks and recreation, and general administration. Our uncompromising goal is to provide those services to our citizens in an efficient, cost effective manner. To that end, we strive to hire well, plan insightfully, and provide employees with up-to-date equipment and on-going training.

This report would not be possible without the support of the entire Noblesville Common Council, City administration, our auditors from the State Board of Accounts, and most importantly, the commitment of our accountants at O. W. Krohn & Associates to quality reporting and absolute compliance with statutory and regulatory requirements. We invite your comments and questions concerning the information contained in this document.

John Ditslear, Mayor
City of Noblesville

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NOBLESVILLE

★ I N D I A N A ★

June 25, 2018

Honorable Mayor John Ditslear
Honorable Members of Common Council
City of Noblesville
Noblesville, Indiana 46060

The Comprehensive Annual Financial Report (CAFR) of the City of Noblesville, Indiana, for the year ended December 31, 2017, is submitted herewith. The CAFR is presented as part of a continuing effort to provide the citizens of Noblesville with the highest standards of financial accountability and disclosure.

This report was prepared by O.W. Krohn and Associates, LLP on behalf of the City and in conjunction with the Controller's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable a knowledgeable reader to gain full understanding of the City's financial activity have been included.

The Board of Accounts of the State of Indiana has issued an unmodified opinion on the City of Noblesville's financial statements for the year ended December 31, 2017. The independent auditor's opinion is located at the front of the financial section of this report.

REPORT FORMAT

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

PROFILE OF THE GOVERNMENT

The City of Noblesville was incorporated in 1851 and is the County seat of Hamilton County. It is located in central Indiana 17 miles northeast of downtown Indianapolis. Noblesville is one of the most rapidly growing municipalities in the State, serving a current estimated population of 61,054, covering an area of approximately 33.76 square miles with 266.08

miles of public roadways.

The City government is comprised of executive, legislative, and judicial branches. The Mayor serves as the head of the executive branch and is elected to a four-year term. On January 1, 2016, Noblesville became a second-class city under Indiana law. The Mayor appoints the Controller, who serves as the chief fiscal officer of the City. The legislative branch duties reside with the City's nine-member Common Council which serves as the official fiscal body. The Council is comprised of six in-district and three at-large seats. All serve four-year terms. The Council meets formally twice a month to conduct business. Their duties include the enactment of all ordinances and resolutions and approving the annual budget and any additional appropriations. All local judicial branch duties reside with the Noblesville City Court which is led by an elected judge.

The administrative body for the City is the Board of Public Works. The Board of Works is composed of three members, two appointed by the Mayor and the Mayor, who presides. The Board of Works is also administrator to the Wastewater Utility. That utility served 20,489 customers as of December 31, 2017, an increase of 457 over the prior year.

The City of Noblesville provides the full range of municipal services to its residents. These include police and fire protection, emergency medical services, highways and streets, public parks, recreational activities, cultural activities, public improvements, wastewater utility services, business recruitment and retention, development planning, zoning enforcement, engineering services, and general administrative services. Certain public financing functions are provided by the Noblesville Economic Development Infrastructure Building Corporation and the Noblesville Redevelopment Authority. Although both are legally separate entities, they provide service almost exclusively to the City, and therefore are included as an integral part of the City's financial statements. Additional information on those entities is provided in Note I.A. of the notes to the financial statements.

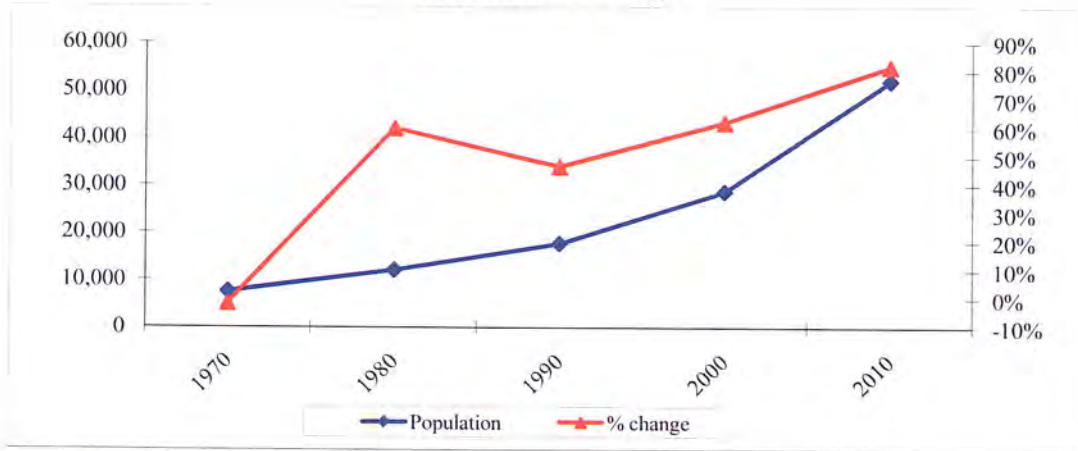
FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements may be better understood when economic and related environmental factors specifically impacting the City of Noblesville are considered. The following sections provide brief summaries of certain key factors related to the local economy, long term financial planning, and other matters intended to assist readers of this report in assessing the City's financial condition.

Local Economy

Growth in and around the City of Noblesville continues to be a positive factor affecting the state of the local economy. Population increases in the last four U. S. census surveys were as follows: 1980 increased 59.7%; 1990 increased 46.4%, 2000 increased 61.8% and 2010 increased 81.8%.

Population Change



Throughout 2017, the City received attention from site selectors and businesses looking for assistance in locating, relocating, or expanding their businesses. The Economic Development Department estimates that the City realized over \$53 million in private capital investments in 2017, which is expected to bring 521 new jobs.

The City issued 437 new single-family residential building permits in 2017, spread over 32 active subdivisions, within the corporate limits which was a modest 5% decline from the prior year. That drop is partly attributable to the implementation of a Residential Market Analysis, developed in 2016 with assistance from Greenstreet, Ltd and expected to be completed in 2018, which identified shifts in family types and composition to help define the City's future needs for homesteads. It included both short-term and long-term recommendations to align the City's housing inventory with future demand for a more diverse range of housing types without compromising the current architectural standards.

The City continues to actively seek new investment from both the commercial and industrial sectors as well as prioritizing retention and expansion of existing businesses to maintain stability in the local tax base. Non-residential building permits issued in 2017 totaled \$94.4 million in total capital investment. In 2014, the Mayor initiated the "Stay Here, Grow Here" business retention and expansion program. Current projects that are a part of that effort include: PAL Properties, LLC is building a 16,946 square-foot spec building on 1.68 acres to attract a business to the City with this move-in ready industrial space; Heritage Woods is a \$23,000,000 investment of a four-story, 105,145 square-foot senior housing development, anticipated to employ fifty-six new full-time employees; with a new capital investment of \$1,140,325 in real estate and personal property, Universal Blower Pac is expanding its facility by 8,925 square feet and anticipates hiring sixteen new employees while retaining its current thirty-one employees.

Noblesville's Hamilton Town Center life style mall, officially opened in 2008, is still attracting tenants and continues to be a strong positive influence on site selector profiles. New additions to the Mall and the surrounding area in 2017 included Chipotle restaurant, Pot Belly restaurant, a Red Bull distribution center and an American Mattress store.

The industrial sector of Noblesville manufactures a variety of products including air springs, glass reinforced polyester sheet and molding, disposable medical equipment, plastic components, and aquariums. Retail, governmental, health care, and educational services are also among the largest employers in the City. Many local residents are employed in the nearby the cities of Carmel, Fishers, Indianapolis, Anderson, Muncie, and Kokomo. Based upon State employment data, Noblesville's 2017 labor force totals 33,843. The City unemployment rate in 2017 averaged 2.8%, below the state-wide average unemployment rate of 3.5%.

In response to the community's strong growth, the City's leadership has been focused expanding and extending services to residents. The City continues to invest in roadway infrastructure improvements throughout its jurisdiction, including the completion of the Carrigan and Hague Road roundabout, the Brooks School Road/Boden Road realignment and the addition of 9.3 miles of trails. Significant completion of the Five Points roundabout and Midland Trace Trail bridges occurred in 2017. Planning is underway for four new roundabouts, another street realignment, and numerous other projects throughout the city.

Long-Range Planning

PLANoblesville, the 2013 Comprehensive Plan, establishes a vision and strategic framework for the City's future. The creation of this plan was the culmination of a twelve-month process that included focus groups, stakeholder interviews, public workshops, and a series of open houses. Throughout that process, we assessed past progress and set a series of goals, objectives, and implementation actions to guide future development, redevelopment, and community building efforts. The core purpose of this comprehensive plan is to promote and enhance the City's many unique assets, protect its valuable natural features, and maintain a healthy variety of housing options thereby creating a stronger community while also strengthening the tax base.

The primary areas of emphasis are aggressively promoting the Corporate Campus and Hamilton Town Center areas to potential private investors. Those two areas, strategically located on the far east side of the City adjacent to I-69, are crucial to connecting the City regionally and spurring future economic growth. Additional economic development efforts are focused on the downtown riverfront, city gateways, trails, cultural districts, brownfield redevelopment, and downtown livability, and residential diversity.

In 2015, construction began on the Federal Hill Commons project, which is located on approximately 6 acres of property on the west side of the White River just west of the city's old town square. The project was envisioned to better utilize an area, mostly located in the flood plain, to provide a community gathering space and a place to highlight the City's rich history and public art. The project included an amphitheater, public restrooms, an art wall, a playground, nature areas, and walking paths. Federal Hill Commons officially opened in 2017 and began hosting the city's Main Street Farmer's Market, a summer concert series and other arts and cultural programs.

In 2016, the City invested \$6,000,000 to support the construction of a new Embassy Suites Hotel located in the Corporate Campus area. That 187,000 square-foot hotel will have 198 suites, a 20,000 square-foot conference center, and 5,000 square-feet of meeting space. The total capital investment is estimated to be approximately \$30,000,000. With close proximity to I-69 and Hamilton Town Center, the project will provide for the growing need of hotel rooms for visitors and business accommodations, due to the areas continuing private development and growth. That hotel opened in early 2018.

In 2017, the City was selected by BorgWarner as the site of a new technical center along the I-69 corridor. The center is focused on propulsion system solutions for combustion, hybrid and electric vehicles. The City invested \$6,535,000 to support the construction of BorgWarner, with construction beginning in 2017. The \$15,000,000, 100,000 square-foot, two-story building is expected to open in 2018. The company plans to invest in an additional \$13,000,000 in new personal property, such as machinery and lab equipment, to be installed within five years.

The City's Wastewater Utility continued work on implementation of its Long-Term Sewer Control Plan throughout 2017. In 2017, the Utility began the Phosphorus Removal Project (PRP) at the treatment facility and Phase IV sewer separation project. The PRP will convert the treatment facility into a Bio-P removal process; this project is scheduled to be completed in August 2018. In 2017, Phase IV has installed 5,167 feet of new storm sewer lines in Old Town Noblesville with an additional 1,271 feet to be installed by October 2018.

Relevant Financial Policies

The executive management of the City of Noblesville is responsible for establishing and maintaining a system of internal financial controls. The purpose of those controls is to ensure that the assets of the City are protected from loss, theft, or misuse with reasonable assurance that those objectives are met within appropriate cost-benefit trade-offs. The executive management is also tasked with providing adequate accounting data to allow for the preparation of financial statements in conformance with generally accepted accounting principles.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be received; and that the evaluation of cost and benefits requires estimates and judgments by management. It is the assessment of City management that the internal control structure does meet that standard. The City consults with the Indiana State Board of Accounts, not only during the audit, but also routinely throughout the year as needed.

The City is responding to the effects of state-wide property tax caps instituted in 2009 (see discussion in the MD&A). As an example, the City's budgeting process is instituting a "right size and realign" structure which will assist the policy makers determine the best use of taxpayer dollars and how they are allocated for this growing community with increasing public demands and expectations.

Local Income Tax

The City has long been a recipient of a distributive share of the formerly entitled Hamilton County Option Income Tax (“COIT”) and pledged a portion of its distributive share to pay debt service (“COIT Statute”). In 2015, the General Assembly enacted legislation to consolidate and simplify the various local income tax laws, including COIT, into a uniform law and to transition each county from the former taxes, including COIT, to a single tax governed by the Local Income Tax Statute (“LIT Statute”). Further amendments were made to the LIT Statute in 2016. Although the LIT Statute repealed the COIT Statute, effective January 1, 2017, the LIT Statute makes it clear that the pledge of the City’s distributive share of COIT to the payment of debt service on bonds will be treated as a pledge of the City’s allocation of the Hamilton County LIT. Under the LIT Statute, any pledge of revenues received from a tax imposed under any of the provisions of the COIT Statute ,prior to its repeal, to the payment of debt service due on bonds is binding and enforceable and remains in full force and effect as long as the debt service remains unpaid.

Under the LIT Statute, the County’s maximum LIT rate may consist of: (i) a property tax relief rate, not to exceed 1.25%; and (ii) an expenditure rate, not to exceed 2.5% (“Expenditure Rate”). In Hamilton County, the total LIT rate is 1% on the adjusted gross income of local taxpayers in the County and consists solely of an Expenditure Rate.

Budgetary Controls

In accordance with Indiana law, the City maintains budgetary controls integrated within their enterprise accounting system. The purpose of these budgetary controls is to ensure compliance with the appropriation limits set by the Common Council and approved by the state’s Department of Local Government Finance.

For all of the City’s tax increment financing district (TIF) funds, state law designates the Redevelopment Commission as the official fiscal body with approval authority over the expenditure of those monies. No budget approval or additional appropriation requirements are established in state law for local public utilities. However, the City of Noblesville’s wastewater utility does prepare and present an advisory budget, as do most other such utilities across the state.

The budgetary control thresholds established in state law are set by: a) major expense classification within a fund; and b) department within a fund. The four major expense classifications defined in Indiana law are: Personal Services; Supplies; Services & Other Charges; and Capital Outlay. Departments may be established at local discretion and typical examples include Police Protection, Fire Protection, Street Maintenance, and Parks and Recreation. The Common Council maintains sole appropriation authority over all City funds with the exception of utility funds and TIF funds. Additionally, the Park Board may also exercise appropriation authority over the certain park funds. Finally, for all funds supported by a property tax levy, additional appropriations, in excess of the original budget, must be approved by the Common Council and subsequently submitted for approval to the state’s Department of Local Government Finance.

The City also maintains an encumbrance account system as one technique of maintaining budget compliance. Encumbered amounts, for goods or services, which are yet to be delivered and/or invoiced, are set aside to ensure that those monies are not unintentionally spent for another purpose. Consequently, at year end, any encumbered funds may be carried over to the subsequent year and expended once the good or service is delivered with further approval by the Common Council.

Under Indiana law, an annual budget must be prepared for all planned spending from funds that require appropriation approval by the state's Department of Local Government Finance. That annual budget must be adopted by the local fiscal body (i.e. the Common Council) no later than November 1 of the preceding year.

The annual budget ordinance is prepared, under the Mayor's direction, for introduction to the Common Council at its first meeting in October. That proposed budget must be publicly disclosed as prescribed in the Indiana Code, and a public hearing must be held prior to the final adoption by the Common Council.

During their review process, the Common Council may reduce any appropriation amount proposed by the Mayor, but they may not increase any appropriation amount in that proposed budget.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 92-95. For other governmental funds with appropriated annual budgets, the comparison is presented in the governmental fund subsection of this report on pages 132-139.

INDEPENDENT AUDIT

Indiana Code (IC) section 5-13-1 requires each municipality to be audited by the Board of Accounts, an agency of the State of Indiana. That requirement has been satisfied and the auditor's opinion is included in this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate) to the City of Noblesville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. The Certificate is a prestigious national award-recognizing conformance with the highest standards for preparation of a state and local government financial report.

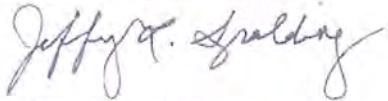
In order to be awarded a Certificate, a government must publish an easily readable and efficiently organized CAFR that also complies with generally accepted accounting principles and all applicable legal requirements.

The Certificate is valid for a period of one year. The City has received the Certificate for the last twenty-nine consecutive years (December 31, 1988 - December 31, 2016). We believe our 2017 CAFR continues to meet the full requirements of GFOA and it will be submitted for their review and consideration.

The successful preparation of this report would not have been possible without the dedication and cooperation of city officials, council members, department directors, and many others. Special appreciation is also extended to the Chief Accountant, Heather Trexler. Finally, I must acknowledge the skillful and insightful oversight of Shannon Lopez and Matthew Roberts, our lead auditors from the state's Board of Accounts, the other members of their full audit team, and the tremendous effort and guidance of both Jim Treat and Rosy Oshry, our accountants from O.W. Krohn & Associates, LLP, in the completion of this report.

I believe this report to be of value to the citizens of Noblesville, our many visitors, and any prospective investors in our community.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Controller

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Noblesville
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrell

Executive Director/CEO

ELECTED OFFICIALS



CITY COUNCIL

FRONT ROW (LEFT TO RIGHT): MARK BOICE, MARY SUE ROWLAND, MEGAN WILES, ROY JOHNSON

BACK ROW (LEFT TO RIGHT): CHRIS JENSEN, GREG O'CONNOR, RICK TAYLOR, BRIAN AYER, WIL HAMPTON



MAYOR JOHN DISTLEAR



CLERK EVELYN LEES



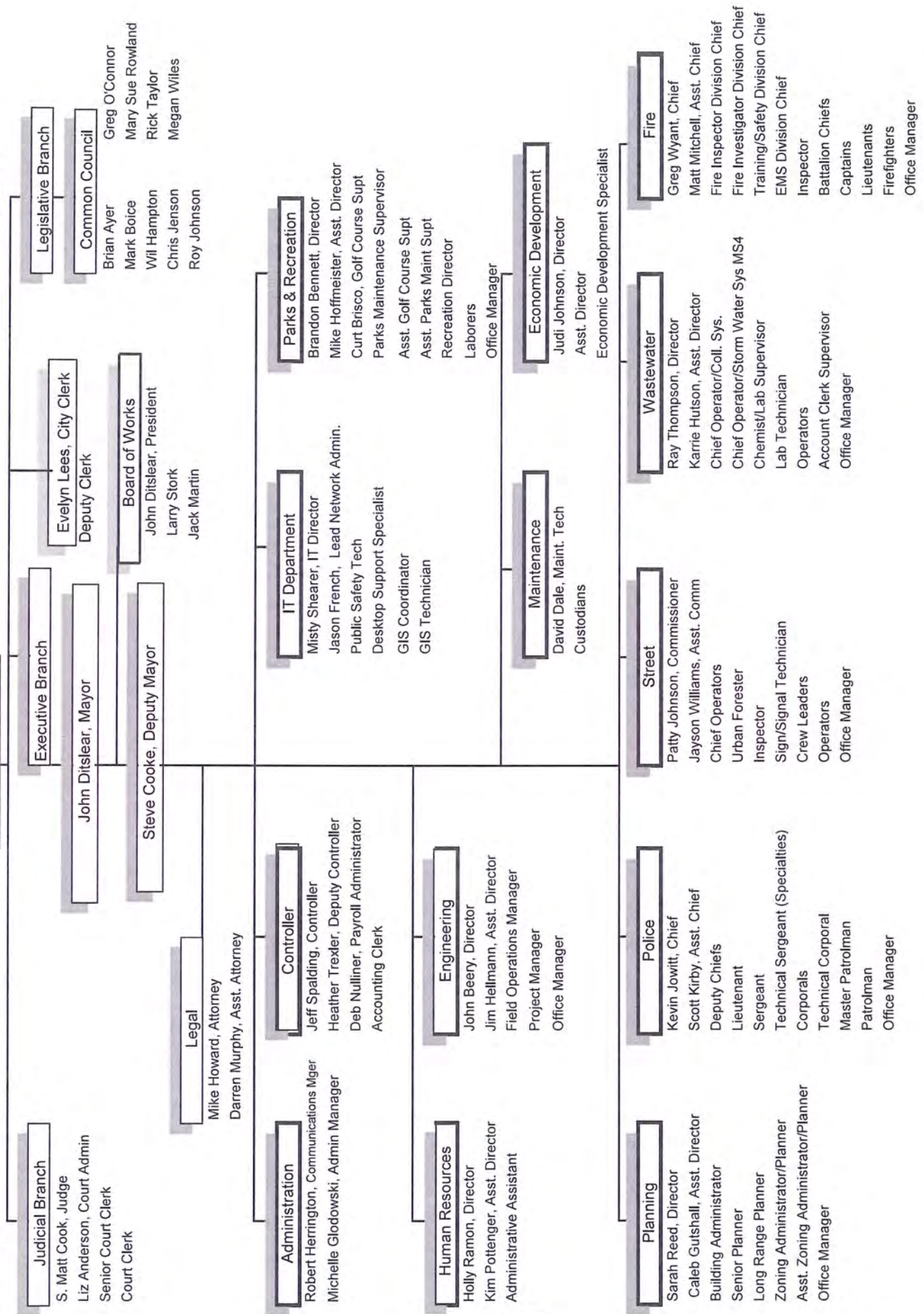
JUDGE S. MATT COOK

NOBLESVILLE CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	John Ditslear	01/01/16 to 12/31/19
City Clerk	Evelyn Lees	01/01/16 to 12/31/19
Controller	Jeffrey L. Spalding	Appointed
Judge	S. Matthew Cook	12/07/16 to 12/31/19
Common Council Members	Brian Ayer	01/01/16 to 12/31/19
	Mark Boice	01/01/16 to 12/31/19
	Wil Hampton	01/01/16 to 12/31/19
	Chris Jensen	01/01/16 to 12/31/19
	Roy Johnson	01/01/16 to 12/31/19
	Gregory O'Connor	01/01/16 to 12/31/19
	Mary Sue Rowland	01/01/16 to 12/31/19
	Rick Taylor	01/01/16 to 12/31/19
	Megan Wiles	01/01/16 to 12/31/19
President of the Board of Public Works and Safety	John Ditslear	01/01/16 to 12/31/19
Member of the Board of Public Works and Safety	Jack Martin	Appointed
	Larry Stork	Appointed

City of Noblesville

2017



FINANCIAL SECTION



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF NOBLESVILLE, HAMILTON COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Noblesville (City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters

Required Supplementary Information

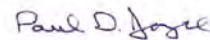
Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Schedule of Changes in Net Position Liability, Schedule of Net Position Liability and Related Ratios, Schedule of Proportionate Share of the Net Position Liability, Schedule of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

Other Information

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

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

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


Paul D. Joyce, CPA
State Examiner

June 25, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Noblesville, Indiana, we offer readers of the City of Noblesville's financial statements this narrative overview and analysis of the financial activities of the City of Noblesville for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages VI-XIII of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Noblesville exceeded its liabilities at the close of the most recent fiscal year, with a total of \$307,185,495 (*net position*). Of this amount, \$25,362,008 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$21,397,207 as compared to the 2016 total net position. Overall, the City increased revenues by approximately \$5.4 million while increasing expenditures by approximately \$1.3 million in 2017. The majority of the increase relates to governmental activities; revenue increased by approximately \$3.2 million while expenses decreased by approximately \$1.7 million, creating excess revenue of \$16,007,996. Revenues for the business-type activities also increased due to the billing of a full-year of trash fees, the implementation of another phase of the adopted rate increases and an increase in the collection of tap fees. Another component of the overall increase in net position was related to the receipt of additional capital grants and contributions. Capital grants and contributions include \$4.1 million of developer contributed infrastructure assets and \$1.7 million of utility infrastructure assets from developers.
- At the end of the current fiscal year, the City's government funds reported ending fund balances of \$87,963,042, an increase of \$1,262,362 from last year. This increase was due to net funds provided by other financing sources including a bond issue and capital lease transactions. Approximately 61% of the total governmental fund balance, or \$53.6 million is designated by the City as committed, assigned and unassigned. The remaining 39% is designated as restricted.
- The City of Noblesville total outstanding debt obligations decreased by \$75,000 during the current fiscal year. A total of \$15,635,000 in bonds were issued and \$15,710,000 in bonds were retired by scheduled principal payments during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Noblesville's basic financial statements. The City of Noblesville's basic financial statements comprise three components:

1. Government-wide financial statements, providing information for the City as a whole.
2. Fund financial statements, providing detailed information for the City's significant funds.
3. Notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. Additional explanation of these sections of the financial statements follows.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Noblesville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Noblesville's assets, liabilities and deferred outflows/inflows of resources with the difference between all of these items reported as *net*

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Noblesville is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but not used, compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Noblesville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Noblesville include general government, public safety, highways and streets, culture and recreation and economic development. The business-type activity of the City of Noblesville includes a wastewater utility.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Noblesville, 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 of Noblesville can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Noblesville maintains 47 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, redevelopment authority debt service fund and redevelopment authority capital projects, all of which are considered to be major funds. Data from the other 44 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Noblesville adopts an annual appropriated budget for its general fund, certain special revenue funds, certain debt service funds and certain capital projects funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the other funds subsequent to the combining non major fund information, as other information, to demonstrate compliance with the budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Proprietary funds. The City of Noblesville maintains two different types of proprietary funds, *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Noblesville uses enterprise funds to account for its wastewater utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Noblesville's various functions. The City of Noblesville uses an internal service fund to account for its employee health and life insurance programs. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the wastewater utility which is considered to be a major fund of the City. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Noblesville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-84 of this report.

Other Information. The combining statements referred to earlier in connection with non major governmental funds and fiduciary funds can be found on pages 108-144 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Noblesville, assets exceeded liabilities by \$307,185,495 at the close of the most recent fiscal year.

By far the largest portion of the City of Noblesville's net position (78 percent) reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Noblesville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Noblesville'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, since the capital assets themselves cannot be used to liquidate these liabilities. The comparison is presented for purposes of additional analysis.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

City of Noblesville's Net Position as of December 31, 2017

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 92,677,745	\$ 96,805,519	\$ 33,231,060	\$ 44,911,922	\$ 125,908,805	\$ 141,717,441
Capital assets	323,085,397	333,258,817	117,626,021	119,536,841	440,711,418	452,795,658
Total assets	\$ 415,763,142	\$ 430,064,336	\$ 150,857,081	\$ 164,448,763	\$ 566,620,223	\$ 594,513,099
Deferred outflows of resources	20,466,756	16,635,096	1,137,461	1,003,643	21,604,217	17,638,739
Total assets and deferred outflows	436,229,898	446,699,432	151,994,542	165,452,406	588,224,440	612,151,838
Long-term liabilities outstanding	234,077,202	228,852,752	36,777,217	43,034,942	270,854,419	271,887,694
Other liabilities	21,511,606	21,901,380	2,933,282	4,432,689	24,444,888	26,334,069
Total liabilities	\$ 255,588,808	\$ 250,754,132	\$ 39,710,499	\$ 47,467,631	\$ 295,299,307	\$ 298,221,763
Deferred inflows of resources	7,136,845	6,433,059	-	311,521	7,136,845	6,744,580
Total liabilities and deferred inflows	\$ 262,725,653	\$ 257,187,191	\$ 39,710,499	\$ 47,779,152	\$ 302,436,152	\$ 304,966,343
Net position:						
Investment in capital assets	145,567,900	155,288,238	82,597,844	85,356,440	228,165,744	240,644,678
Restricted	42,660,844	34,389,473	5,821,267	6,789,336	48,482,111	41,178,809
Unrestricted	(14,724,499)	(165,470)	23,864,932	25,527,478	9,140,433	25,362,008
Total net position	\$ 173,504,245	\$ 189,512,241	\$ 112,284,043	\$ 117,673,254	\$ 285,788,288	\$ 307,185,495

A portion of the City of Noblesville's net position (13 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$25,362,008 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Noblesville is able to report positive balances in most of the categories of net position, both for the government as a whole, as well as for its business-type activities. The negative unrestricted balance in the governmental activities is primarily due to the pension reporting requirement of GASB 68 and GASB 71 beginning in 2015. The biggest factor for the \$14.6 million shift is due to a reclassification of funds from restricted to unrestricted. If the classifications were the same in 2016, the unrestricted amount would have been (\$4,265,325). Another factor that contributed to the change in the unrestricted balance from 2016 was approximately \$15.3 million in new debt was issued in 2016, while \$6.5 million was issued in 2017. This results in a lesser amount of restricted construction funds.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

The following is a summary of the information presented in the Statement of Activities for 2017 found on page 18 of this report compared to 2016:

City of Noblesville Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Revenue:						
Program revenues:						
Charges for services	\$ 12,262,583	\$ 14,044,371	\$ 14,602,625	\$ 17,970,880	\$ 26,865,208	\$ 32,015,251
Operating grants and contributions	2,660,424	3,631,423	-	-	2,660,424	3,631,423
Capital grants and contributions	6,757,792	4,094,787	2,991,116	1,710,077	9,748,908	5,804,864
General revenues:						
Taxes:						
Property taxes	39,176,776	41,082,153	-	-	39,176,776	41,082,153
Income	19,915,934	20,416,538	-	-	19,915,934	20,416,538
Other	5,175,168	5,354,485	-	-	5,175,168	5,354,485
Other	373,768	937,008	93,916	146,632	467,684	1,083,640
Total revenues	<u>\$ 86,322,445</u>	<u>\$ 89,560,765</u>	<u>\$ 17,687,657</u>	<u>\$ 19,827,589</u>	<u>\$ 104,010,102</u>	<u>\$ 109,388,354</u>
Expenses:						
General government	22,570,301	20,453,103	-	-	22,570,301	20,453,103
Public safety	26,272,849	27,777,236	-	-	26,272,849	27,777,236
Highways and streets	11,390,173	8,406,837	-	-	11,390,173	8,406,837
Culture and recreation	3,743,991	3,721,783	-	-	3,743,991	3,721,783
Economic Development	5,933,414	7,879,352	-	-	5,933,414	7,879,352
Interest on long-term debt	5,539,319	5,514,458	-	-	5,539,319	5,514,458
Wastewater	-	-	11,269,497	14,238,378	11,269,497	14,238,378
Total expenses	<u>\$ 75,450,047</u>	<u>\$ 73,752,769</u>	<u>\$ 11,269,497</u>	<u>\$ 14,238,378</u>	<u>\$ 86,719,544</u>	<u>\$ 87,991,147</u>
Excess revenues	<u>\$ 10,872,398</u>	<u>\$ 15,807,996</u>	<u>\$ 6,418,160</u>	<u>\$ 5,589,211</u>	<u>\$ 17,290,558</u>	<u>\$ 21,397,207</u>
Transfers:						
Capital asset transfer	67,451	-	(67,451)	-	-	-
Fund transfer	200,000	200,000	(200,000)	(200,000)	-	-
	<u>\$ 267,451</u>	<u>\$ 200,000</u>	<u>\$ (267,451)</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Increase(Decrease) in net position	11,139,849	16,007,996	6,150,709	5,389,211	17,290,558	21,397,207
Net position, beginning of year	<u>162,364,396</u>	<u>173,504,245</u>	<u>106,133,334</u>	<u>112,284,043</u>	<u>268,497,730</u>	<u>285,788,288</u>
Net position, end of year	<u>\$ 173,504,245</u>	<u>\$ 189,512,241</u>	<u>\$ 112,284,043</u>	<u>\$ 117,673,254</u>	<u>\$ 285,788,288</u>	<u>\$ 307,185,495</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Activities

Governmental activities increased the City's net position by \$16,007,996. Total assets and deferred outflows increased approximately \$10.5 million while total liabilities and deferred inflows decreased approximately \$5.5 million. The increase in net position included \$4.9 million in developer contributed infrastructure assets, approximately \$9.4 million in additional capital assets and general revenue (see below for details). The decrease to total liabilities and deferred outflow of resources was due to the decrease of approximately \$1.4 million on the pension liability and a \$6.6 million decrease in the outstanding amount of general obligation bonds and capital lease.

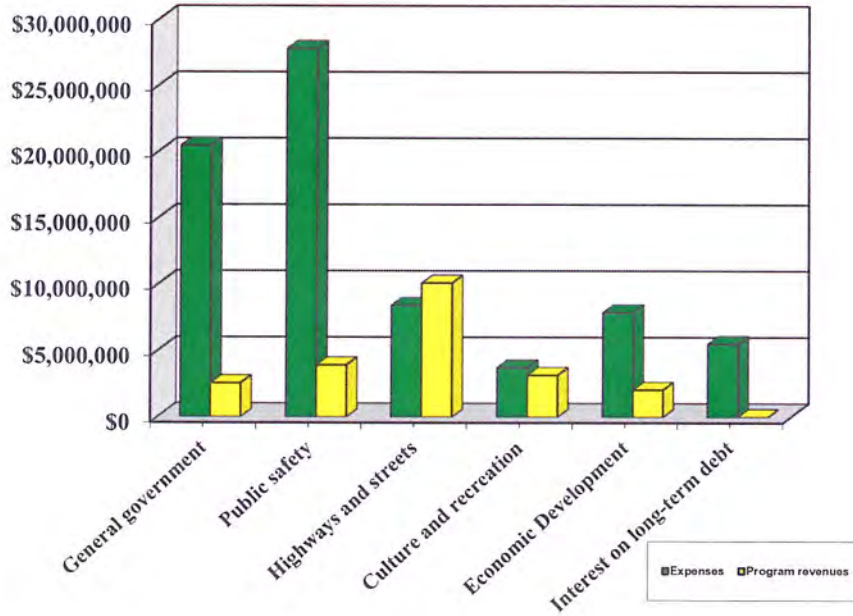
Notable changes in governmental activities revenues and expenses in 2017 compared to the 2016 included the following:

- Governmental revenues increased approximately \$3.2 million in total with the biggest components related to property taxes and the Local Income Tax (LIT). Property taxes increased by approximately \$1.9 million through normal levy adjustments and additional Tax Increment Revenue from the continuing development of the City's Tax Increment Financing areas. There was also an 11% increase in the overall LIT distributions for the county in 2017. The City received approximately \$1.4 million in additional LIT in 2017. The increase in LIT distributions is an indication of the continued strong economy in the county. As further indication of the strong economy in the county, the City will receive a one-time distribution from the LIT trust account held by the State in mid-year 2018 in the amount of \$2.7 million.
- Governmental expenses decreased overall by approximately \$1.7 million. The City reduced its general government and highway and streets expenditures while increasing its public safety and economic development expenditures. The \$1.5 million in the public safety increase includes additional staffing in both the police and fire departments, as well as, enhanced reporting software for both departments. Police calls for services increased by 15%, however, arrests and property crimes fell by 16%. Emergency medical responses increased 16% in 2017, while fire runs decreased by 18%. The entire increase in expenses of \$1.9 million for economic development relates to BorgWarner selecting the City as home to its new \$15 million, 100,000 square-foot, two story technical center focused on propulsion system solutions for combustion, hybrid and electric vehicles and is expected to open in 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

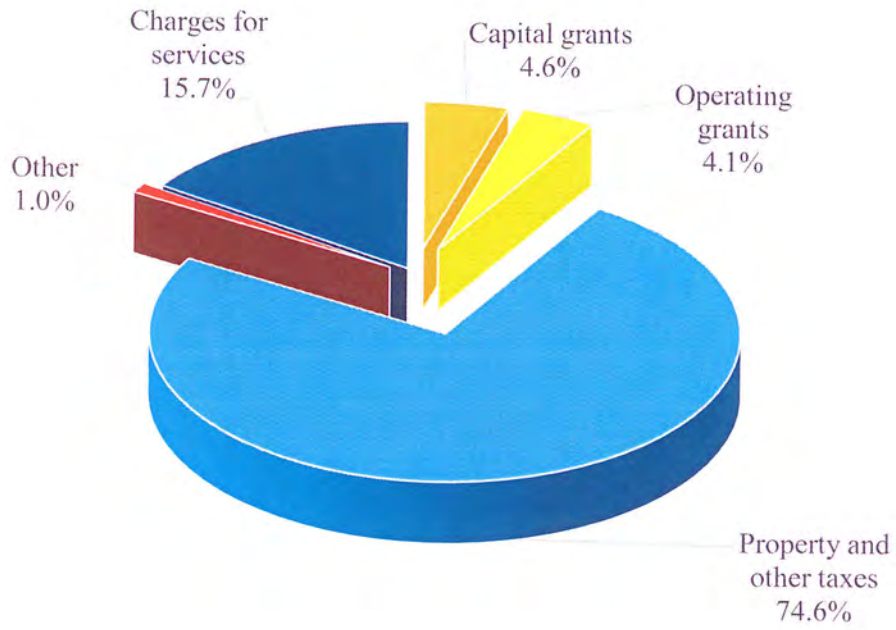
The following chart compares expenses with program revenues for the City of Noblesville's governmental activities.

Expenses and Program Revenues – Governmental Activities



**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

The following graph shows the composition of revenues for the City of Noblesville's governmental activities:



**MANAGEMENT’S DISCUSSION AND ANALYSIS
(CONTINUED)**

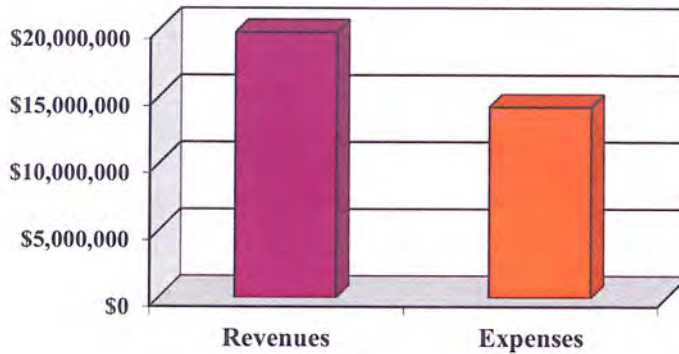
Business-type Activities

Net position for business-type activities increased \$5,389,211. This increase was due to the receipt of \$1,710,077 contributed infrastructure and funds from developers and the City.

Total revenues for the Utility increased \$2,139,932 in 2017, with an increase in total expenses in the amount of \$2,968,881. There was an overall increase in operating revenues by approximately 23% (\$3,368,255), relating to growth in the customer base, the implementation of the final phase of a three-phase rate increase, a full year of trash fees, along with an increase in tap fees.

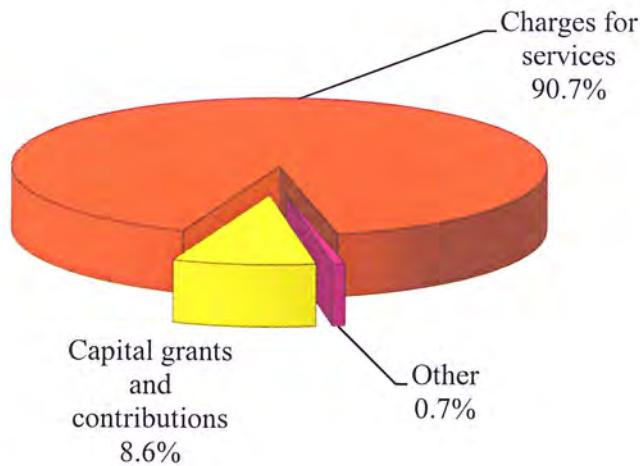
The following chart compares expenses with program revenues for the City of Noblesville’s business-type activities:

Expenses and Program Revenues – Business-type Activities



The following graph shows the composition of revenues for the City of Noblesville’s business-type activities:

Revenues by Source – Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial analysis of the Government's Funds

As noted earlier, the City of Noblesville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City of Noblesville's governmental funds reported combined ending fund balances of \$87,963,042, an increase of \$1,262,362. A total of \$34,389,473 of the ending fund balances is restricted and the remaining fund balances totaling \$53,573,569 are either committed, assigned or unassigned.

The general fund is the chief operating fund of the City of Noblesville. At the end of the current fiscal year, the total general fund balance was \$27,371,643 of which \$886,939 was assigned and the remaining \$26,484,704 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 59 percent of total general fund expenditures. The general fund's balance had an overall increase of \$2,501,959. The County Option Income Tax Fund had been deemed a stabilization fund in 2016 and all revenues and expenditures have been folded into the General Fund for 2017. The City established a Rainy Day Fund in 2016 as a replacement of the County Option Income Tax Fund. The City is in the process of spending down the County Option Income Tax Fund to eventually eliminate the fund. All 2017 revenues and expenditures for the Rainy Day Fund have also been folded into the General Fund. The 2017 ending fund balances for the General Fund, the County Option Income Tax Fund and the Rainy Day Fund are \$18,481,559, \$842,454 and \$8,047,630, respectfully. Another factor for the increase in the fund balance is related to an increase in property tax revenue of \$0.9 million from a scheduled increase of 3.9% in the maximum levy. The general fund also issued a capital lease in the amount of \$1,230,501.

The Redevelopment Authority Debt Service fund level remained about the same as 2016 with an increase of \$607,972.

The Redevelopment Authority Capital Projects fund decreased \$6,776,295 from the prior fiscal year due to multiple bond refundings and new issues in 2016. In 2017, new bond proceeds, net of capital project expenditures, in the amount of \$4,280,573 were issued.

Proprietary funds. The City of Noblesville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Wastewater Utility at the end of the year amounted to \$25,527,478. Net position for the Wastewater Utility increased \$5,389,211 during 2017. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Noblesville's business-type activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

General Fund Budgetary Highlights

The increase between the original budget and final amended budget for total expenditures is solely from encumbered expenditures from the previous fiscal year. The City of Noblesville did not request any additional appropriations for the current fiscal year.

General fund budget basis revenues exceeded the final budgeted amounts by \$4,273,582. Total expenditures on a budgetary basis were 14% under the final budget. All departments were under budget with the most significant favorable variance relating to Unclassified. The Unclassified budget, in the amount of \$5,841,207, relates to the County Option Income Tax Fund, which was first folded into the General Fund's budget in 2016. In the General Fund, the City uses the Council's capital outlay budget category each year to ensure that the budgetary needs meet the State requirements for successfully capturing the maximum levy amount. The total public safety variance of \$1,011,053 was due to lower expenditures in personal services and capital outlays.

Capital Asset and Debt Management.

Capital assets. The City of Noblesville's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$452,795,658 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, traffic signals, and storm sewers. Total net investment in capital assets increased \$12,084,240 in 2017. The net investment in capital assets is a combination of the additions of assets and the amount of accumulated depreciation. Major capital assets added for governmental activities included \$4.9 million of contributed infrastructure (roads, right of ways, storm sewers), \$3.1 million of road project expenditures, primarily the realignment of Brooks School Road at Boden Road. Also, \$2.3 million was spent on the Federal Hill Park project, a portion of which was completed and capitalized in 2016 and \$3 million was expended for a land purchase relating to the BorgWarner project. For business-type transactions, additions in 2017, which totaled approximately \$5.5 million, included \$1,710,000 of developer contributed sewers and \$3,220,000 for Phase IV of the LTCP and a phosphorus project.

Additional information on the City of Noblesville's capital assets can be found in Note II C, on pages 38-39 of this report.

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Land	65,721,387	69,686,849	772,915	781,165	66,494,302	70,468,014
Buildings	35,031,831	34,173,009	31,674,997	30,742,420	66,706,828	64,915,429
Improvements other than buildings	9,795,727	11,782,949	71,856,584	72,152,675	81,652,311	83,935,624
Machinery and equipment	8,643,116	10,066,330	12,978,943	12,103,938	21,622,059	22,170,268
Infrastructure	195,560,445	198,677,936	-	-	195,560,445	198,677,936
Construction in progress	8,332,891	8,871,744	342,582	3,756,643	8,675,473	12,628,387
Total	\$323,085,397	\$333,258,817	117,626,021	119,536,841	\$440,711,418	\$452,795,658

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

Long-term debt. At the end of the current fiscal year, the City of Noblesville had \$233,115,000 in long-term bonds outstanding. Of this amount, \$187,615,000 comprises debt backed by the full faith and credit of the government and \$45,500,000 represents revenue bonds issued by the Wastewater Utility secured solely by the net revenues of the utility.

City of Noblesville's Outstanding Debt as of December 31, 2017

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
General Obligations bonds:						
Property Tax	\$ 27,110,000	\$ 24,390,000	\$ -	\$ -	\$ 27,110,000	\$ 24,390,000
Local Income Tax	5,420,000	4,640,000	-	-	5,420,000	4,640,000
Tax Increment	161,970,000	158,585,000	-	-	161,970,000	158,585,000
Total	\$ 194,500,000	\$ 187,615,000	\$ -	\$ -	\$ 194,500,000	\$ 187,615,000
Revenue Bonds	-	-	38,690,000	45,500,000	38,690,000	45,500,000
Total Outstanding Debt	\$ 194,500,000	\$ 187,615,000	\$ 38,690,000	\$ 45,500,000	\$ 233,190,000	\$ 233,115,000

The City's total bonds payable decreased by \$75,000 during the current fiscal year. The decrease was a combination of the following bond transactions net of the payment of \$15,710,000 of scheduled principal payments.

- \$6,535,000 taxable economic development revenue bonds to fund a portion of construction costs of a 100,000 square foot BorgWarner Technology Center and acquisition of real estate parcels on which the facility will be located.
- \$9,100,000 sewage works revenue bonds to fund the north region CSO elimination and bio phosphorus removal and main air header replacement projects.

The City of Noblesville's carries an "AA" from Standard & Poor's on G.O. Bond issues and an "AA+" on the Local Income Tax bond issues. The Wastewater Utility carries an "Aa2" rating from Moody's.

The State of Indiana limits the amount of general obligation debt a City may issue to 2% of its current assessed value. For the City of Noblesville, this amount is \$17,749,060. The City of Noblesville Redevelopment Commission also may issue general obligation debt subject to the same limit. As of December 31, 2017, the City has \$7,665,000 of outstanding debt subject to this limit and the Redevelopment Commission has \$9,520,000 outstanding. The remaining outstanding City and Redevelopment Commission debt was issued as lease rental obligations or tax increment district bonds which are not subject to the 2% limit. Additional information on the City's long-term liabilities can be found in Note II H, on pages 45-50 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Noblesville ended 2017 at 2.8 percent. This compares favorably to the State's average unemployment rate of 3.4 percent and the National average rate of 4.1 percent.
- The number of building permits decreased 22% from the previous year. The biggest contributing factor to this decrease was the City of Noblesville has capped the number of permits it will issue for multi-family residential units. In 2016, the City of Noblesville issued 136 permits for multi-family residential units, while 44 permits were issued in 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Local income tax (LIT) was 30% of the City's 2017 governmental revenues compared to 31% in 2016. These funds which can be used for capital projects, as well as, ongoing operating expenses, and have shown notable increases in the past few years due to the positive improvements in the local economy. The City will hold this revenue increase as a reserve to offset possible future volatility in tax revenues and potential increases in property tax cap adjustments, as discussed below. The City of Noblesville also created a Rainy Day Fund in 2016 for additional general resources; by the end of 2017, the fund had a balance of over \$8 million, an increase of \$6 million. In 2017, 39% of the total annual LIT revenue was deposited into the Rainy Day Fund.
- State wide property tax caps (based upon a percent of gross AV by property class) became effective beginning in 2009. In 2017, the circuit breaker adjustments from these caps resulted in a loss of approximately \$4.3 million in revenue. Those losses are estimated to decrease to \$3.6 million for 2018. As it has done over the last few years, the City of Noblesville continues to take several steps to right size the budget for these losses including: hiring freeze, staff reductions through attrition, overtime reductions and departmental cost sharing.

All of these factors were considered in preparing the City of Noblesville's budget for the 2018 fiscal year. To compensate for both cycles in the economy and plans for future capital expansion, the City of Noblesville routinely puts aside resources.

Requests for Information

This financial report is designed to provide a general overview of the City of Noblesville's finances for all those with an interest in the City of Noblesville's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Controller, City of Noblesville, 16 South 10th Street, Noblesville, Indiana 46060-2809.

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CITY OF NOBLESVILLE
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<u>Assets</u>			
Cash and cash equivalents	\$ 86,630,878	\$ 26,064,852	\$ 112,695,730
Receivables (net of allowances for uncollectibles):			
Taxes	7,591,559	-	7,591,559
Accounts - customers	442,814	1,307,340	1,750,154
Intergovernmental	1,816,749	-	1,816,749
Other	-	59,082	59,082
Inventories	-	98,308	98,308
Internal balances	90,928	(90,928)	-
Restricted assets:			
Cash and cash equivalents	-	17,122,818	17,122,818
Regulatory assets	-	350,450	350,450
Net pension asset	232,591	-	232,591
Capital assets:			
Land, improvements, and construction in progress	78,558,593	4,537,808	83,096,401
Other capital assets, net of depreciation	254,700,224	114,999,033	369,699,257
Total assets	430,064,336	164,448,763	594,513,099
Deferred outflows of resources			
Deferred pension	7,094,011	-	7,094,011
Deferred losses on refunding	9,541,085	1,003,643	10,544,728
Total assets and deferred outflows of resources	446,699,432	165,452,406	612,151,838
<u>Liabilities</u>			
Accounts payable	504,071	116,173	620,244
Accrued payroll and withholdings payable	923,833	90,769	1,014,602
Contracts payable	429,032	1,205,277	1,634,309
Unpaid claims payable	492,014	-	492,014
Accrued interest payable	2,305,989	-	2,305,989
Noncurrent liabilities:			
Due within one year:			
Compensated absences payable	1,737,161	143,140	1,880,301
General obligation bonds payable	14,070,000	-	14,070,000
Revenue bonds	-	2,825,000	2,825,000
Capital lease obligations	1,439,280	52,330	1,491,610
Due in more than one year:			
Compensated absences payable	4,042,995	394,746	4,437,741
General obligation bonds payable	174,381,150	-	174,381,150
Revenue bonds payable	-	42,640,196	42,640,196
Capital lease obligations	2,467,682	-	2,467,682
Net pension liability	19,024,794	-	19,024,794
Net OPEB obligation	28,936,131	-	28,936,131
Total liabilities	250,754,132	47,467,631	298,221,763
Deferred inflows of resources			
Deferred pension	6,433,059	-	6,433,059
Deferred bond premium	-	311,521	311,521
Total liabilities and deferred inflows of resources	257,187,191	47,779,152	304,966,343
<u>Net Position</u>			
Net investment in capital assets	155,288,238	85,356,440	240,644,678
Restricted for:			
Public safety	292,124	-	292,124
Highways and streets	13,721,570	-	13,721,570
Culture and recreation	-	-	-
Debt service	16,151,107	3,569,319	19,720,426
Capital projects	3,925,366	3,220,017	7,145,383
Other purposes	299,306	-	299,306
Unrestricted	(165,470)	25,527,478	25,362,008
Total net position	\$ 189,512,241	\$ 117,673,254	\$ 307,185,495

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

CITY OF NOBLESVILLE
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 20,453,103	\$ 2,553,291	\$ -	\$ -	\$ (17,899,812)	\$ -	\$ (17,899,812)
Public safety	27,777,236	3,917,174	-	-	(23,860,062)	-	(23,860,062)
Highways and streets	8,406,837	2,369,642	3,631,423	4,094,787	1,689,015	-	1,689,015
Culture and recreation	3,721,783	3,154,264	-	-	(567,519)	-	(567,519)
Economic development	7,879,352	2,050,000	-	-	(5,829,352)	-	(5,829,352)
Interest on long-term debt	5,514,458	-	-	-	(5,514,458)	-	(5,514,458)
Total governmental activities	<u>73,752,769</u>	<u>14,044,371</u>	<u>3,631,423</u>	<u>4,094,787</u>	<u>(51,982,188)</u>	<u>-</u>	<u>(51,982,188)</u>
Business-type activities:							
Wastewater	14,238,378	17,970,880	-	1,710,077	-	5,442,579	5,442,579
Total primary government	<u>\$ 87,991,147</u>	<u>\$ 32,015,251</u>	<u>\$ 3,631,423</u>	<u>\$ 5,804,864</u>	<u>(51,982,188)</u>	<u>5,442,579</u>	<u>(46,539,609)</u>
General revenues:							
Property taxes					41,082,153	-	41,082,153
Local income tax					20,416,538	-	20,416,538
Local shared revenues					2,764,150	-	2,764,150
General state distributions					2,590,335	-	2,590,335
Other miscellaneous					701,538	-	701,538
Unrestricted investment earnings					235,470	146,632	382,102
Total general revenues					<u>67,790,184</u>	<u>146,632</u>	<u>67,936,816</u>
Transfers:							
Fund transfer					200,000	(200,000)	-
Total transfers					<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Change in net position					<u>16,007,996</u>	<u>5,389,211</u>	<u>21,397,207</u>
Net position - beginning					<u>173,504,245</u>	<u>112,284,043</u>	<u>285,788,288</u>
Net position - ending					<u>\$ 189,512,241</u>	<u>\$ 117,673,254</u>	<u>\$ 307,185,495</u>

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

CITY OF NOBLESVILLE
BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2017

	General	Redevelopment Authority - Debt Service	Redevelopment Authority - Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 24,416,871	\$ 12,441,503	\$ 4,846,448	\$ 43,482,414	\$ 85,187,236
Receivables (net of allowances for uncollectibles)					
Taxes	7,273,078	-	-	318,481	7,591,559
Accounts	442,814	-	-	-	442,814
Intergovernmental	844,556	-	-	972,193	1,816,749
Total assets	\$ 32,977,319	\$ 12,441,503	\$ 4,846,448	\$ 44,773,088	\$ 95,038,358
<u>Liabilities, Deferred Inflows and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 267,026	\$ -	\$ -	\$ 237,045	\$ 504,071
Accrued payroll and withholdings payable	766,886	-	-	156,947	923,833
Contracts payable	29,601	-	-	399,431	429,032
Total liabilities	1,063,513	-	-	793,423	1,856,936
Deferred inflows of resources:					
Unavailable revenue	4,542,163	-	-	676,217	5,218,380
Total liabilities and deferred inflows of resources	5,605,676	-	-	1,469,640	7,075,316
Fund balances:					
Spendable:					
Restricted	-	12,441,503	-	21,947,970	34,389,473
Committed	-	-	4,846,448	18,828,014	23,674,462
Assigned	886,939	-	-	2,554,161	3,441,100
Unassigned	26,484,704	-	-	(26,697)	26,458,007
Total fund balances	27,371,643	12,441,503	4,846,448	43,303,448	87,963,042
Total liabilities, deferred inflows and fund balances	\$ 32,977,319	\$ 12,441,503	\$ 4,846,448	\$ 44,773,088	\$ 95,038,358

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

CITY OF NOBLESVILLE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2017

Fund balance - governmental funds		\$ 87,963,042
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	78,558,593	
Other capital assets, net of depreciation	254,700,224	333,258,817
Internal Service funds are used by management to charge the costs of insurances to general and highway funds. The assets and liabilities of the Internal Services fund are included in governmental activities in the Statement of Net Position.		
		1,042,556
Deferred outflows of revenue are the net losses on refunding of bonds and is not a current financial resource, and, therefore, are not reported in the funds.		
		9,541,085
Deferred outflows of revenue related to pension liabilities are included in the governmental activities in the statement of net position.		
		7,094,011
Deferred inflows of revenue are unavailable funds and are not available to pay current resources, and, therefore, are not reported in the Statement of Net Position.		
		5,218,380
Deferred inflows of revenue related to pension liabilities are included in the governmental activities in the statement of net position.		
		(6,433,059)
Compensated absences that are not due and payable in the current period and, therefore, are not reported in the funds.		
		(5,780,156)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		
		(2,305,989)
Net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.		
		(19,024,794)
Net OPEB obligation is not due and payable in the current period and, therefore, is not reported in the funds.		
		(28,936,131)
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	(188,451,150)	
Capital leases	(3,906,962)	(192,358,112)
Net position of governmental activities		\$ 189,512,241

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

CITY OF NOBLESVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2017

	General	Redevelopment Authority - Debt Service	Redevelopment Authority - Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 33,494,976	\$ -	\$ -	\$ 26,052,874	\$ 59,547,850
Licenses and permits	1,588,975	-	-	45,558	1,634,533
Intergovernmental	4,901,385	-	-	4,856,696	9,758,081
Charges for services	3,744,580	-	-	4,884,028	8,628,608
Fines and forfeits	255,505	-	-	12,791	268,296
Other	2,643,723	39,312	30,959	895,554	3,609,548
Total revenues	46,629,144	39,312	30,959	36,747,501	83,446,916
Expenditures:					
Current:					
General government	12,803,786	12,050	57,998	1,209,901	14,083,735
Public safety	25,789,809	-	-	80,935	25,870,744
Highways and streets	426,170	-	-	4,056,497	4,482,667
Economic Development	-	-	4,800,000	-	4,800,000
Culture and recreation	-	-	-	3,417,574	3,417,574
Debt service:					
Principal	891,115	9,875,000	-	4,230,766	14,996,881
Interest	33,282	4,478,954	-	981,182	5,493,418
Bond issuance costs	-	-	206,207	-	206,207
Capital outlay	4,955,648	-	3,452,612	9,006,757	17,415,017
Total expenditures	44,899,810	14,366,004	8,516,817	22,983,612	90,766,243
Excess (deficiency) of revenues over (under) expenditures	1,729,334	(14,326,692)	(8,485,858)	13,763,889	(7,319,327)
Other financing sources (uses):					
Transfers in	108,769	-	164	5,111,448	5,220,381
Transfers in - lease payments	-	14,684,675	-	2,831,742	17,516,417
Transfers out	(436,000)	(224,177)	(4,351,435)	(208,769)	(5,220,381)
Transfers out - lease payments	(259,975)	-	-	(17,256,442)	(17,516,417)
Transfer from proprietary fund	-	-	-	200,000	200,000
Bonds issuance	-	474,166	6,060,834	-	6,535,000
Financing by capital lease	1,359,831	-	-	486,858	1,846,689
Total other financing sources and uses	772,625	14,934,664	1,709,563	(8,835,163)	8,581,689
Net change in fund balances	2,501,959	607,972	(6,776,295)	4,928,726	1,262,362
Fund balances	24,869,684	11,833,531	11,622,743	38,374,722	86,700,680
Fund balances - ending	\$ 27,371,643	\$ 12,441,503	\$ 4,846,448	\$ 43,303,448	\$ 87,963,042

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

CITY OF NOBLESVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2017

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)	\$	1,262,362
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay per the funds statement	17,415,017	
Capital outlay for items costing less than the capitalization threshold	(2,612,746)	
Depreciation expense	<u>(8,627,187)</u>	6,175,084
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
Asset disposals	(96,451)	
Donated assets	<u>4,094,787</u>	3,998,336
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Unavailable revenue		2,019,062
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 Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Bond issuance:		
Bonds	(6,535,000)	
Refunding bonds	-	
Recognize deferred loss	-	
Capital leases	(1,922,796)	
Principal payments:		
General obligation bonds	13,420,000	
Capital leases	1,568,512	
Payment to escrow agent for refunding	-	
Amortization of bond discount	<u>(731,879)</u>	5,798,837
Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.		
		(21,040)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		
Change in net position		945,592
Change in internal balance		74,842
Compensated absences which are not due and payable in the current period are, therefore, not reported in the funds.		
		(418,128)
Net pension liability and net OPEB obligation are not due and payable in the current period and, therefore, are not reported in the funds, but are included in the government-wide statements.		
		<u>(3,826,951)</u>
Change in net position of governmental activities (Statement of Activities)	\$	<u>16,007,996</u>

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

CITY OF NOBLESVILLE
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
December 31, 2017

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Wastewater Utility</u>	
<u>Assets and Deferred Outflows</u>		
Current assets:		
Cash and cash equivalents	\$ 26,064,852	\$ 1,443,642
Accounts receivable (net of allowance)	1,307,340	-
Other receivable	59,082	-
Inventories	98,308	-
Restricted cash, cash equivalents, and investments:		
Revenue bond covenant accounts	<u>17,122,818</u>	<u>-</u>
Total current assets	<u>44,652,400</u>	<u>1,443,642</u>
Noncurrent assets:		
Regulatory assets	350,450	
Capital assets:		
Land, improvements to land, and construction in progress	4,537,808	-
Other capital assets (net of accumulated depreciation)	<u>114,999,033</u>	<u>-</u>
Total noncurrent assets	<u>119,887,291</u>	<u>1,443,642</u>
Deferred outflows of resources:		
Deferred loss on refunding	<u>1,003,643</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>165,543,334</u>	<u>1,443,642</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	116,173	-
Accrued payroll and withholdings payable	90,769	-
Contracts payable	1,205,277	-
Compensated absences payable	143,140	-
Unpaid claims payable	-	492,014
Current liabilities payable from restricted assets:		
Capital lease obligations	52,330	-
Revenue bonds payable	<u>2,825,000</u>	<u>-</u>
Total current liabilities	<u>4,432,689</u>	<u>492,014</u>
Noncurrent liabilities:		
Compensated absences	394,746	-
Revenue bonds payable (net of unamortized discount and premium)	<u>42,640,196</u>	<u>-</u>
Total noncurrent liabilities	<u>43,034,942</u>	<u>-</u>
Deferred inflow of resources:		
Deferred bond premium	<u>311,521</u>	<u>-</u>
Total liabilities and deferred inflow of resources	<u>47,779,152</u>	<u>492,014</u>
<u>Net Position</u>		
Investment in capital assets	85,356,440	-
Restricted for debt service	3,569,319	-
Restricted for capital outlay	3,220,017	-
Unrestricted	<u>25,618,406</u>	<u>951,628</u>
Total net position	117,764,182	<u>\$ 951,628</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>(90,928)</u>	
Net position of business-type activities	<u>\$ 117,673,254</u>	

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

CITY OF NOBLESVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
For The Year Ended December 31, 2017

	<u>Enterprise Fund</u>		<u>Internal</u>
	<u>Wastewater</u>		<u>Service Fund</u>
	<u>Utility</u>		
Operating revenues:			
Metered revenue	\$ 12,271,587	\$	-
Trash services	2,527,693		-
Charges for services	-		10,341,988
Tap fees	2,942,750		-
Other	<u>228,850</u>		<u>281,309</u>
Total operating revenues	<u>17,970,880</u>		<u>10,623,297</u>
Operating expenses:			
Collection system - operations and maintenance	1,001,212		-
Treatment and disposal expense - operations and maintenance	2,047,829		-
Stormwater	364,278		-
Trash contract services	2,255,433		-
Customer accounts	432,380		-
Administration and general	668,686		-
Employee pensions and benefits	1,385,957		9,677,705
Rents	14,143		-
Transportation	86,978		-
Insurance	122,117		-
Miscellaneous	779,172		-
Depreciation	<u>3,627,843</u>		<u>-</u>
Total operating expenses	<u>12,786,028</u>		<u>9,677,705</u>
Operating income	<u>5,184,852</u>		<u>945,592</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	146,632		-
Contributions of capital assets to the City	(34,298)		-
Capital asset contributions from the City	18,679		-
Amortization expense	(150,866)		-
Interest expense	<u>(1,192,344)</u>		<u>-</u>
Total nonoperating revenue (expenses)	<u>(1,212,197)</u>		<u>-</u>
Income (loss) before contributions	3,972,655		945,592
Transfer to City funds	(200,000)		-
Capital asset contributions from developers	<u>1,691,398</u>		<u>-</u>
Change in net position	5,464,053		945,592
Total net position - beginning	<u>112,300,129</u>		<u>6,036</u>
Total net position - ending	<u>\$ 117,764,182</u>	<u>\$</u>	<u>951,628</u>
Some amounts reported for business-type activities in the Statement of Activities are different because:			
Change in net position proprietary fund	\$ 5,464,053		
The net revenue of certain internal service funds is reported with business-type activities	<u>(74,842)</u>		
Change in net position of business-type activities	<u>\$ 5,389,211</u>		

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

CITY OF NOBLESVILLE
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For The Year Ended December 31, 2017

	<u>Enterprise Fund</u>	
	Wastewater Utility	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 17,702,539	\$ 10,623,297
Payments to suppliers	(5,853,367)	(9,638,152)
Payments to employees	(2,330,631)	-
Other receipts	228,850	-
	<u>9,747,391</u>	<u>985,145</u>
Net cash provided by operating activities		
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(3,862,884)	-
Net bond proceeds	9,215,476	-
Transfers to City funds	(200,000)	-
Principal paid on capital debt	(2,340,948)	-
Interest paid on capital debt	(1,189,667)	-
	<u>1,621,977</u>	<u>-</u>
Net cash provided by capital and related financing activities		
Cash flows from investing activities:		
Interest received	146,632	-
	<u>146,632</u>	<u>-</u>
Net increase in cash and cash equivalents	11,516,000	985,145
Cash and cash equivalents, January 1 (Including \$8,450,803 for the Wastewater Utility reported in restricted accounts)	<u>31,671,670</u>	<u>458,497</u>
Cash and cash equivalents, December 31 (Including \$17,122,818 for the Wastewater Utility reported in restricted accounts)	<u>\$ 43,187,670</u>	<u>\$ 1,443,642</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 5,184,852	\$ 945,592
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	3,627,843	-
(Increase) decrease in assets:		
Accounts receivable	(61,978)	-
Other receivable	22,487	-
Inventories	(21,216)	-
Increase (decrease) in liabilities:		
Contracts payable	1,099,619	-
Accounts payable	(148,123)	-
Unpaid claim payable	-	39,553
Accrued payroll and payroll withholdings payable	(2,009)	-
Compensated absence payable	45,916	-
	<u>4,562,539</u>	<u>39,553</u>
Total adjustments		
Net cash provided by operating activities	<u>\$ 9,747,391</u>	<u>\$ 985,145</u>

Noncash transactions:

Capital assets were contributed by private developers in the amount of \$1,7691,398
Capital assets were contributed from the utility to the City in the amount of \$34,298.
Capital assets were contributed to the utility from the City in the amount of \$18,679.

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

CITY OF NOBLESVILLE
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
December 31, 2017

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,286,697	\$ 433,699
Total assets	<u>1,286,697</u>	<u>433,699</u>
<u>Liabilities</u>		
Trust payable	-	46,938
Performance deposits payable	-	386,546
Payroll withholdings payable	<u>-</u>	<u>215</u>
Total liabilities	<u>-</u>	<u>433,699</u>
Net position restricted for pensions	<u>\$ 1,286,697</u>	<u>\$ -</u>

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

CITY OF NOBLESVILLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For The Year Ended December 31, 2017

	Pension Trust Funds
<u>Additions</u>	
Contributions:	
Employer	\$ -
Non-employer contributing entity contributions	767,945
Total contributions	767,945
Reimbursements	6,000
Total additions	773,945
<u>Deductions</u>	
Benefits	711,989
Administrative expenses	9,074
Total deductions	721,063
Net decrease in net position	52,882
<u>Net position restricted for pensions</u>	
Net position - beginning	1,233,815
Net position - ending	\$ 1,286,697

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

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body of establishing governmental accounting and financial reporting principles.

A. Reporting Entity

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

The accompanying financial statements present the activities of the primary government and its significant component units. The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities, are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government.

Blended Component Units

The Noblesville Building Corporation (Building Corporation) is a significant blended component unit of the primary government. It was created by the primary government for the purpose of constructing and financing buildings and infrastructure. The primary government appoints a voting majority of the Building Corporation's board and a financial benefit/burden relationship exists between the primary government and the Building Corporation. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government.

The Noblesville Redevelopment Authority (Redevelopment Authority) is a significant blended component unit of the primary government. It was created by the primary government for the purpose of constructing and financing development and redevelopment of areas within the corporate boundaries of the City. The primary government appoints a voting majority of the Redevelopment Authority's Board and a financial benefit/burden relationship exists between the primary government and the Redevelopment Authority. Although it is legally separate from the primary government, the Redevelopment Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government.

Jointly Governed Organization

The primary government and the City of Fishers jointly own, on an equal basis, a certain railroad right-of-way obtained from a railroad company extending approximately 37 miles from the City of Tipton, Indiana, to near downtown City of Indianapolis, Indiana. The primary government and the

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

City of Fishers created the Historic Railroad Multi-Jurisdictional Port Authority (Port Authority) for the purpose of protecting and preserving the existence of real property, contained within the railroad's right-of-way, as a single parcel of real estate in perpetuity for such uses as may benefit the citizens of Noblesville and Fishers, including, but not necessarily limited to, recreational, transportation, and tourism purposes. Subsequently, Hamilton County joined with the primary government and the City of Fishers to become part of the Port Authority. The Port Authority's Board consists of six members with two appointed by the Mayor of the primary government, two appointed by the Mayor of Fishers, and two appointed by the County Commissioners of Hamilton County. The primary government, City of Fishers, and Hamilton County do not have any obligations for or any interests in Port Authority matters.

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 nonfiduciary activities of the primary government. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government reports the following major governmental funds:

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

The Redevelopment Authority – Debt Service Fund (debt service) accounts for the accumulation of resources and payments of general obligation bonds issued by the Noblesville Redevelopment Authority (a component unit of the City of Noblesville). Financing is provided by semiannual lease payments from the Redevelopment Tax Increment Financing funds.

The Redevelopment Authority - Capital Projects Fund (capital projects) accounts for expenditures related to the construction of various infrastructure projects. Financing is provided by general obligation bonds issued by the Noblesville Redevelopment Authority (a component unit of the City of Noblesville).

The primary government reports the following major proprietary funds:

The Wastewater Utility Fund accounts for the operation of the primary government's wastewater treatment plant, pumping stations and collection systems.

Additionally, the primary government reports the following fund types:

The internal service fund accounts for the collection and payment to an insurance third party administrator for the City's employees' health and life insurance programs provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 Police Officers' and 1937 Firefighters' pension funds which accumulate resources for pension benefit payments.

The agency funds account for payroll withholdings held by the primary government as an agent for the federal and state governments, and various employee insurance companies; tracking of vendor fees related to security, maintenance and performance bonds; and, assets related to court costs and fees. Agency funds, however, report only assets and liabilities. Since they do not report equity (or changes in equity), they have no measurement focus.

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 government's wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

When both restricted and unrestricted resources are available for use, it is the primary government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The primary government'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.

State statute (IC 5-13-9) authorizes the primary government 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.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

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 "interfund receivables/payables" (i.e., the current and noncurrent 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."

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statutes (IC 6-1.1-17-16) require the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's January 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to deferred inflow of resources-unavailable revenue since the amounts are not considered available within 60 days.

4. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

CITY OF NOBLESVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

5. Inventories

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.

6. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because City Ordinance No. 34-5-03 requires the establishment of a Bond and Interest Fund and a Depreciation Fund.

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.

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Governmental activities:			
Land	\$ 5,000	N/A	N/A
Buildings and improvements	5,000	Straight-line	20 - 50 yrs
Machinery and equipment	5,000	Straight-line	3 - 25 yrs
Roads – collectors and residential	5,000	Straight-line	10 - 50 yrs
Business-type activities:			
Land	5,000	N/A	N/A
Buildings and improvements	5,000	Straight-line	20 - 50 yrs
Machinery and equipment	5,000	Straight-line	3 - 25 yrs
Wastewater distribution and collection systems	5,000	Straight-line	50 yrs

N/A = Not applicable

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental-type and business-type activities is included as part of the capitalized value of the assets constructed. Interest expense incurred by the primary government in its business-type activities was capitalized during 2017 in the amount of \$102,284.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. Compensated Absences

- a. Sick Leave – primary government employees earn sick leave at the rate of 7 hours per month worked. Unused sick leave may be accumulated to a maximum of 120 days. Full-time employees terminating their employment on or after January 1, 2007, are entitled to payment of their unused sick time, based on the years of full-time service with the City.
- b. Vacation Leave – primary government employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave may not be accumulated. Unused accrued vacation leave is paid to employees through cash payments upon termination.

Vacation and sick leave are accrued when incurred in government-wide statements and proprietary fund statements and are reported as a liability in the Statement of Net Position. Only amounts due and payable at year end to terminated employees are included in the fund statements.

9. Unavailable and Unearned Revenue

Unavailable and unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

10. Long-Term Obligations

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

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.

In the government-wide financial statements and the proprietary fund types in the fund financial statements, issuance costs are reported as regulatory assets and amortized over the life of the bonds using the interest method. This practice is used for rate-making purposes.

11. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial 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 and so will *not* be recognized as an outflow of resources (expense/expenditures) until then. Items that qualify for reporting in this category includes a deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price and pension contributions subsequent to the measurement date of June 30, 2017.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

In addition to liabilities, the statement of financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, the first arises under a modified accrual basis of accounting, while the second item arises under a full-accrual basis, that qualifies for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The government funds report unavailable revenues from three sources: property taxes, income taxes and intergovernmental distributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to a change in actuarial assumptions, such as, a change in proportion of the proportionate shares of the collective net pension liability.

12. Net Position

In the government-wide Statement of Net Position, certain assets are reported as restricted if such assets are restricted based upon limitations set by outside parties or documents. These would include bond covenants, which require certain debt payments and capital expenditures, grant agreements, donations by outside sources or funds from the State of Indiana specifying disbursement or use requirements.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2017, the City held no investments.

All investments are considered cash and cash equivalents and therefore are not subject to the GASB Statement 72 disclosure requirements.

Statutory Authorization for 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 no more than 2 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,

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities or interest in an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial 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 does not have a formal investment policy for custodial credit risk for investments. At December 31, 2017, the City held no investments.

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 must follow state statute and limit the stated final maturities of the investments to no more than 2 years. The City does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a formal investment policy for credit risk for investments. All of the City's investments are FDIC insured and therefore are not subject to a credit risk.

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 does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Receivables

The Emergency Management Service receivable accounts have timing and credit characteristics different from typical accounts receivable. Many of these receivables are due from insurance companies and collection experience indicates that most are received in excess of 90 days.

C. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 18,046,827	\$ 3,047,371	\$ -	\$ 21,094,198
Right-of-ways	47,674,560	918,091	-	48,592,651
Construction in progress	8,332,891	9,359,353	8,820,500	8,871,744
	<u>74,054,278</u>	<u>13,324,815</u>	<u>8,820,500</u>	<u>78,558,593</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	45,641,452	101,216	43,000	45,699,668
Improvements other than buildings	12,432,513	2,252,237	-	14,684,750
Machinery and equipment	22,180,843	3,162,109	1,573,731	23,769,221
Roads being depreciated	203,393,927	6,238,862	-	209,632,789
Storm sewers being depreciated	45,138,292	2,638,319	-	47,776,611
Traffic signals	2,039,476	-	-	2,039,476
	<u>330,826,503</u>	<u>14,392,743</u>	<u>1,616,731</u>	<u>343,602,515</u>
Totals				
Less accumulated depreciation for:				
Buildings	10,609,621	941,978	24,940	11,526,659
Improvements other than buildings	2,636,786	265,015	-	2,901,801
Machinery and equipment	13,537,727	1,660,504	1,495,340	13,702,891
Roads being depreciated	46,026,368	4,552,945	-	50,579,313
Storm sewers being depreciated	7,600,577	1,073,175	-	8,673,752
Traffic signals	1,384,305	133,570	-	1,517,875
	<u>81,795,384</u>	<u>8,627,187</u>	<u>1,520,280</u>	<u>88,902,291</u>
Totals				
Total capital assets, being depreciated, net	<u>249,031,119</u>	<u>5,765,556</u>	<u>96,451</u>	<u>254,700,224</u>
Total governmental activities capital assets, net	<u>\$ 323,085,397</u>	<u>\$ 19,090,371</u>	<u>\$ 8,916,951</u>	<u>\$ 333,258,817</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 772,915	\$ 8,250	\$ -	\$ 781,165
Construction in progress	342,582	3,414,061	-	3,756,643
	<u>1,115,497</u>	<u>3,422,311</u>	<u>-</u>	<u>4,537,808</u>
Total capital assets, not being depreciated				
	<u>1,115,497</u>	<u>3,422,311</u>	<u>-</u>	<u>4,537,808</u>
Capital assets, being depreciated:				
Buildings	43,725,581	65,775	-	43,791,356
Improvements other than buildings	87,623,789	1,744,647	-	89,368,436
Machinery and equipment	26,055,529	305,930	198,687	26,162,772
	<u>157,404,899</u>	<u>2,116,352</u>	<u>198,687</u>	<u>159,322,564</u>
Totals				
	<u>157,404,899</u>	<u>2,116,352</u>	<u>198,687</u>	<u>159,322,564</u>
Less accumulated depreciation for:				
Buildings	12,050,584	998,352	-	13,048,936
Improvements other than buildings	15,767,205	1,448,556	-	17,215,761
Machinery and equipment	13,076,586	1,180,935	198,687	14,058,834
	<u>40,894,375</u>	<u>3,627,843</u>	<u>198,687</u>	<u>44,323,531</u>
Totals				
	<u>40,894,375</u>	<u>3,627,843</u>	<u>198,687</u>	<u>44,323,531</u>
Total capital assets, being depreciated, net	<u>116,510,524</u>	<u>(1,511,491)</u>	<u>-</u>	<u>114,999,033</u>
Total business-type activities capital assets, net	<u>\$ 117,626,021</u>	<u>\$ 1,910,820</u>	<u>\$ -</u>	<u>\$ 119,536,841</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Governmental activities:	
General government	\$ 689,462
Public safety	1,101,693
Highways and streets	6,262,375
Culture and recreation	<u>573,657</u>
Total depreciation expense - governmental activities	<u>\$ 8,627,187</u>
Business-type activities:	
Wastewater	<u>\$ 3,627,843</u>
Total depreciation expense - business-type activities	<u>\$ 3,627,843</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Construction Commitments

Construction work in progress is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2017	Committed	Required Future Funding
Governmental activities:				
Highways and roadways	\$ 6,000,000	\$ 5,636,887	\$ 363,113	\$ -
Trails	2,325,663	2,325,663	-	-
Culture and recreation	10,300,000	909,194	9,390,806	9,390,806
Totals - governmental activities	<u>18,625,663</u>	<u>8,871,744</u>	<u>9,753,919</u>	<u>9,390,806</u>
Business-type activities:				
WWTP Phase I - Engineering	5,456	5,456	-	-
Phosphorus Project	6,480,900	1,303,441	5,177,459	-
Sly Run Interceptor	91,544	91,544	-	-
LTCP Phase 4 - Preliminary Design	3,392,669	2,356,202	1,036,467	-
Total - business-type activities	<u>9,970,569</u>	<u>3,756,643</u>	<u>6,213,926</u>	<u>-</u>
Totals	<u>\$ 28,596,232</u>	<u>\$ 12,628,387</u>	<u>\$ 15,967,845</u>	<u>\$ 9,390,806</u>

E. Interfund Activity

Interfund transfers at December 31, 2017, were as follows:

Transfer From	General	Transfer To			Totals
		Redevelopment Authority - Debt Service	Redevelopment Authority - Capital Projects	Nonmajor Governmental	
Governmental					
Major funds:					
General	\$ -	\$ -	\$ -	\$ 436,000	\$ 436,000
Redevelopment Authority - Debt Service	-	-	164	224,013	224,177
Redevelopment Authority - Capital Projects	-	-	-	4,351,435	4,351,435
Nonmajor governmental	108,769	14,684,675	-	2,931,742	17,725,186
Totals	<u>\$ 108,769</u>	<u>\$ 14,684,675</u>	<u>\$ 164</u>	<u>\$ 7,943,190</u>	<u>\$ 22,736,798</u>

The primary government typically uses transfers to fund ongoing operating subsidies and current-year debt service requirements. The transfers are from nonmajor governmental funds to Debt Service Funds and other nonmajor governmental funds.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To Governmental Activities	Transfer To Enterprise Fund	Totals
Governmental:			
Nonmajor governmental	\$ -	\$ 18,679	\$ 18,679
Proprietary			
Enterprise fund:			
Wastewater Utility - Cash	200,000	-	200,000
Wastewater Utility - infrastructure assets	34,298	-	34,298
Totals	<u>\$ 234,298</u>	<u>\$ 18,679</u>	<u>\$ 252,977</u>

In 2009, the City issued COIT Bonds, the proceeds of which were used for City park infrastructure. During the course of the project, it was determined there was a need for sewer replacement within the project area. The \$200,000 transfer is that portion of the debt service payment attributable to the sewer project.

In 2017, the wastewater utility had a sewer capital assets project that included the construction of stormwater assets in the amount of \$34,298, for a culvert along Willowview Road. Stormwater assets have always been included in the governmental activities, therefore the completed stormwater assets were transferred from the wastewater utility to the governmental activities.

Additionally in 2017, the City had a capital assets project that included construction of sewer assets in the amount of \$18,679, as a portion of the Brooks School Road project. Consequently, these completed sewer assets were transferred from the governmental activities to the wastewater utility.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Other Income

The other income shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances is comprised of the following:

Description	General Fund	Redevelopment Authority - Debt Service	Redevelopment Authority - Capital Projects	Nonmajor Governmental Funds	Totals
Interest Earned	\$ 104,838	\$ 39,312	\$ 30,959	\$ 60,361	\$ 235,470
Refunds and Reimbursements	2,538,683	-	-	181,774	2,720,457
Sale of Property	202	-	-	502,124	502,326
Donations	-	-	-	151,295	151,295
Totals	\$ 2,643,723	\$ 39,312	\$ 30,959	\$ 895,554	\$ 3,609,548

G. Leases

1. Operating Leases

The primary government has entered into operating leases having initial or remaining non-cancelable terms exceeding one year for postage meters. Rental expenditures for these leases were \$1,440 and \$6,768. The following is a schedule by years of future minimum rental payments as of December 31, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2018	\$ 1,440	\$ -
2019	300	-
2020	-	-
Totals	\$ 1,740	\$ -

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To Governmental Activities	Transfer To Enterprise Fund	Totals
Governmental:			
Nonmajor governmental	\$ -	\$ 18,679	\$ 18,679
Proprietary			
Enterprise fund:			
Wastewater Utility - Cash	200,000	-	200,000
Wastewater Utility - infrastructure assets	34,298	-	34,298
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CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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Sale of Property	202	-	-	502,124	502,326
Donations	-	-	-	151,295	151,295
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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2018	\$ 1,440	\$ -
2019	300	-
2020	-	-
Totals	<u>\$ 1,740</u>	<u>\$ -</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Capital Leases

The primary government has entered into various capital leases for equipment for various departments including Police, Fire, Street, Emergency Medical Services, Park, Network and Wastewater. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2017, are as follows:

	Governmental Activities	Business-Type Activities
2018	\$ 1,509,137	\$ 53,750
2019	1,240,103	-
2020	862,673	-
2021	428,781	-
2022	38,853	-
	<hr/>	<hr/>
Total minimum lease payments	4,079,547	53,750
	<hr/>	<hr/>
Less amount representing interest	(148,021)	(1,420)
	<hr/>	<hr/>
Present value of net minimum lease payments	3,931,526	52,330
	<hr/>	<hr/>
Less current portion of capital lease	(1,439,280)	(52,330)
	<hr/>	<hr/>
Total long-term portion	\$ 2,492,246	\$ -
	<hr/> <hr/>	<hr/> <hr/>

The City entered into one lease in 2015 and one lease in 2017 for which the entire amount of the lease was not fully expended in 2015, 2016 or 2017. A five-year lease for public safety, park and IT vehicles and equipment has a remaining balance of \$4,950 and a five-year lease for public safety, maintenance, planning and parks vehicles and equipment has a remaining balance of \$19,614. The total remaining amount of \$24,564 will be used to make future additional principal payments towards the respective outstanding leases. The obligation on the Statement of Net Position excludes this amount.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Assets acquired through capital leases still in effect are as follows:

	Governmental Activities	Business-Type Activities
Machinery and equipment	\$ 5,746,859	\$ 254,921
Accumulated depreciation	(1,369,085)	(186,742)
Total	\$ 4,377,774	\$ 68,179

H. Long-Term Liabilities

1. General Obligation Bonds

The primary government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the primary government. General obligation bonds currently outstanding at year end are as follows:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Rates	Issued	Principal
2003 Redevelopment District Bonds (Field Dr. Project) due in installments of \$55,000 to \$65,000 plus interest through January 15, 2023	5.00%	\$ 900,000	\$ 300,000
2001 Building Corporation Bonds (Fire Station 2) due in installments of \$55,000 to \$60,000 plus interest through January 15, 2019	5.00%	1,330,000	170,000
2010 Redevelopment Authority Lease Rental Refunding Bonds (Fox Prairie Golf Course) due in installments of \$120,000 to \$125,000 plus interest through January 1, 2020	3.00% to 3.50%	1,985,000	615,000
2009 Redevelopment Authority Lease Rental Refunding Bonds (Stoney Creek East) due in installments of \$165,000 to \$190,000 plus interest through February 1, 2022	3.40% to 4.05%	4,080,000	1,600,000
2010 Redevelopment Authority Lease Rental Refunding Bonds (Hague Rd./Field Dr.) due in installments of \$465,000 to \$605,000 plus interest through January 15, 2024	2.65% to 5.00%	12,885,000	6,950,000
2016 Building Corporation Refunding Bonds (Fire Station 7) due in installments of \$265,000 to \$330,000 plus interest through July 15, 2028	2.15%	7,410,000	6,535,000
2016 Redevelopment Authority Lease Rental Refunding Bonds (SMC) due in installments of \$350,000 to \$460,000 plus interest through February 1, 2031	2.13%	11,950,000	10,840,000
2016 Redevelopment Authority Lease Rental Refunding Bonds (Union Chapel) due in installments of \$255,000 to \$560,000 plus interest through August 1, 2029	2.20%	10,795,000	10,185,000
2009 COIT Revenue Bonds due in installments of \$105,000 to \$170,000 plus interest through December 15, 2028	4.00% to 5.00%	4,480,000	2,965,000
2010 Redevelopment Authority Lease Rental Bonds (Union Chapel) due in installments of \$140,000 to \$215,000 plus interest through February 1, 2030	3.00% to 4.25%	5,860,000	4,330,000
2012 Redevelopment Authority Lease Rental Refunding Bonds, Series A (Exit 10) due in installments of \$705,000 to \$770,000 plus interest through July 15, 2022	1.985%	14,845,000	7,355,000
2012 Redevelopment Authority Lease Rental Refunding Bonds, Series B (Exit 10) due in installments of \$775,000 to \$935,000 plus interest through January 15, 2028	2.75% to 5.00%	9,390,000	9,390,000
2013 Redevelopment Authority Lease Rental Refunding Bonds (Little Chicago Road) due in installments of \$210,000 to \$260,000 plus interest through January 15, 2026	2.75%	5,570,000	3,935,000
2013 Taxable Economic Development Revenue Bonds (Earthfare) due in installments of \$170,000 to \$180,000 plus interest through December 15, 2020	1.87%	2,400,000	1,060,000

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Interest Rates	Original Debt Issued	Outstanding Principal
2014 Redevelopment District Bonds (Cabela's Project) due in installments of \$105,000 to \$125,000 plus interest through January 15, 2026	2.50%	2,250,000	1,950,000
2014 Redevelopment District Bonds (Ivy Tech) due in installments of \$270,000 to \$370,000 plus interest through January 15, 2029	2.96%	8,550,000	7,005,000
2014 Redevelopment Authority Lease Rental Refunding Bonds (146th Street Expansion) due in installments of \$1,145,000 to \$1,680,000 plus interest through February 1, 2030	3.20%	41,235,000	34,885,000
2014 Redevelopment Authority Lease Rental Refunding Bonds, Series B (Hamilton Town Center) due in installments of \$480,000 to \$715,000 plus interest through February 1, 2032	2.85%	20,130,000	17,205,000
2014 Building Corporation Refunding Bonds (Fire Station 5 and 6) due in installments of \$230,000 to \$275,000 plus interest through January 15, 2025	2.70%	5,305,000	3,785,000
2014B Building Corporation Refunding Bonds (City Hall) due in installments of \$610,000 to \$720,000 plus interest through January 15, 2025	2.34%	14,195,000	9,965,000
2015 Economic Development Lease Rental Refunding Bonds (Hazel Dell Road) due in installments of \$730,000 to \$955,000 plus interest through February 1, 2029	2.45%	22,945,000	19,310,000
2015 Redevelopment Lease Rental Bonds (Federal Hill) due in installments of \$80,000 to \$190,000 plus interest through February 1, 2040	3.000% to 4.125%	5,895,000	5,735,000
2016 Taxable Economic Development Revenue Bonds (Embassy Suites) due in installments of \$55,000 to \$340,000 plus interest through July 15, 2031	4.25%	6,835,000	6,710,000
2016 Taxable Redevelopment Revenue Bonds (BlueSky Technologies) due in installments of \$50,000 to \$260,000 plus interest through July 15, 2029	3.62%	3,640,000	3,640,000
2016 Redevelopment Authority Lease Rental Bonds (Stoney Creek) due in installments of \$160,000 to \$220,000 plus interest through February 1, 2030	2.60%	4,800,000	4,660,000
2017 Taxable Economic Development Revenue Bonds (BorgWarner) due in installments of \$120,000 to \$300,000 plus interest through January 15, 2035	2.180% to 3.850%	6,535,000	6,535,000
Totals		<u>\$ 236,195,000</u>	187,615,000
Current portion of debt			(14,070,000)
Unamortized bond discount			(13,443)
Unamortized bond premium			<u>849,593</u>
Total long-term portion			<u>\$ 174,381,150</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ended December 31	Governmental Activities		Totals
	Principal	Interest	
2018	\$ 14,070,000	\$ 5,419,210	\$ 19,489,210
2019	14,575,000	5,088,538	19,663,538
2020	14,990,000	4,672,889	19,662,889
2021	15,040,000	4,248,922	19,288,922
2022	15,475,000	3,912,647	19,387,647
2023-2027	75,015,000	12,073,156	87,088,156
2028-2032	34,505,000	2,753,037	37,258,037
2033-2037	3,030,000	456,194	3,486,194
2038-2042	915,000	57,338	972,338
Totals	<u>\$ 187,615,000</u>	<u>\$ 38,681,931</u>	<u>\$ 226,296,931</u>

2. Revenue Bonds

The primary government issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Original Debt Issued	Outstanding Principal
2011 Revenue Bonds due in installments of \$90,000 to \$1,625,000 plus interest through January 1, 2031	3.00% to 5.00%	\$ 12,000,000	\$ 11,235,000
2013 Revenue and Refunding Revenue Bonds due in installments of \$110,000 to \$560,000 plus interest through January 1, 2033	2.20%	12,995,000	8,545,000
2015 Refunding Revenue Bonds due in installments of \$560,000 to \$1,225,000 plus interest through January 1, 2028	2.52%	19,505,000	16,620,000
2017 Revenue Bonds due in installments of \$245,000 to \$365,000 plus interest through January 1, 2033	2.00% to 3.00%	9,100,000	9,100,000
Totals		<u>\$ 53,600,000</u>	45,500,000
Current portion of debt			(2,825,000)
Unamortized discount			<u>(34,804)</u>
Total long-term portion			<u>\$ 42,640,196</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The City has pledged future receipts, net of specified operating expenditures, to repay revenue bonds issued in 2011, 2013, 2015 and 2017. Proceeds from the bonds provided financing for Wastewater Treatment Plant improvements. The bonds are payable solely from net receipts and are payable through 2033. Annual principal and interest payments are expected to require approximately 47.8 percent of net receipts. The total principal and interest remaining to be paid on the revenue bonds is \$57,029,741. Principal and interest paid in the current year and total customer net revenues were \$3,579,149 and \$8,812,695, respectfully.

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Business-Type Activities		
	Principal	Interest	Totals
2018	\$ 2,825,000	\$ 1,377,623	\$ 4,202,623
2019	2,900,000	1,310,323	4,210,323
2020	2,975,000	1,240,277	4,215,277
2021	3,050,000	1,168,076	4,218,076
2022	3,130,000	1,094,377	4,224,377
2023-2027	17,000,000	4,172,820	21,172,820
2028-2032	13,620,000	1,166,245	14,786,245
Totals	<u>\$ 45,500,000</u>	<u>\$ 11,529,741</u>	<u>\$ 57,029,741</u>

3. Advance Refunding

On April 14, 2016, the primary government through its Building Corporation issued \$7,410,000 Ad Valorem Property Tax First Mortgage Refunding Bonds of 2016 to advance refund \$6,705,000 First Mortgage Bonds of 2008. Bond proceeds were used to purchase U.S. government securities which were deposited in an irrevocable trust to provide for all future debt service payments of \$7,471,706 of the 2008 bonds. As a result, the 2008 bonds are considered to be defeased and the primary government has removed the liability from its accounts.

At December 31, 2016, bonds totaling \$6,705,000 were considered to be defeased. The advanced refunding reduced total debt service payments over the next 12.5 years by \$658,084. This results in an economic gain of \$509,268.

On April 19, 2016, the primary government through its Redevelopment Authority issued \$11,950,000 Economic Development Lease Rental Refunding Bonds of 2016 to advance refund \$11,265,000 Economic Development Lease Rental Revenue Bonds of 2008. Bond proceeds were used to purchase U.S. government securities which were deposited in an irrevocable trust to provide for all future debt service payments of \$12,581,882 of the 2008 bonds. As a result, the 2008 bonds are considered to be defeased and the primary government has removed the liability from its accounts.

At December 31, 2016, bonds totaling \$11,265,000 were considered to be defeased. The advanced refunding reduced total debt service payments over the next 15 years by \$2,178,867. This results in an economic gain of \$1,286,363.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

On November 23, 2016, the primary government through its Redevelopment Authority issued \$10,795,000 Economic Development Lease Rental Refunding Bonds of 2016 to advance refund \$10,420,000 Economic Development Lease Rental Revenue Bonds of 2009. Bond proceeds were used to purchase U.S. government securities which were deposited in an irrevocable trust to provide for all future debt service payments of \$11,501,425 of the 2009 bonds. As a result, the 2009 bonds are considered to be defeased and the primary government has removed the liability from its accounts.

At December 31, 2016, bonds totaling \$10,420,000 were considered to be defeased. The advanced refunding reduced total debt service payments over the next 13 years by \$1,616,473. This results in an economic gain of \$725,489.

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 195,424,458	\$ 6,535,000	\$ 13,508,308	\$ 188,451,150	\$ 14,070,000
Compensated absences	5,362,028	2,378,602	1,960,474	5,780,156	1,737,161
Capital leases	3,552,678	1,922,796	1,568,512	3,906,962	1,439,280
Net pension liability	20,391,658	408,149	1,775,013	19,024,794	-
Net OPEB obligation	25,817,412	3,118,719	-	28,936,131	-
Total governmental activities long-term liabilities	\$ 250,548,234	\$ 14,363,266	\$ 18,812,307	\$ 246,099,193	\$ 17,246,441

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds payable	\$ 38,652,519	\$ 9,100,000	\$ 2,287,323	\$ 45,465,196	\$ 2,825,000
Capital leases	103,278	-	50,948	52,330	52,330
Compensated absences	491,970	217,282	171,366	537,886	143,140
Total business-type activities long-term liabilities	\$ 39,247,767	\$ 9,317,282	\$ 2,509,637	\$ 46,055,412	\$ 3,020,470

Compensated absences, net other postemployment benefit obligations and net pension liabilities for governmental activities typically have been liquidated from the general fund and special revenue funds.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

I. Fund Balances

Fund balances are classified as Nonspendable, Restricted, Committed, Assigned, and Unassigned based on the extent to which the City is bound to observe constraints imposed on the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. The City does not have any nonspendable fund balance.

Restricted – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors through debt covenants, grantors, contributors, or laws or regulation of other governments or it is imposed by law through enabling legislation.

Committed – The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of the City Council. Those committed amounts cannot be used for other purposes unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council.

Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds, other than the General Fund, if liabilities incurred exceeded the assets, the fund may report a negative fund balance.

Generally, the City would first apply restricted resources, then committed, assigned, and unassigned resources when an expense is incurred for purposes for more than one classification of fund balance are available.

Fund Deficit – The Parks Nonreverting Operating Fund had a deficit fund balance of \$25,953. This fund had a positive cash balance of \$13,306 at year end; however, accruals of payroll and trade accounts payable totaling \$39,259, resulted in the deficit fund balance.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

	General	Redevelopment Authority - Debt Service	Redevelopment Authority - Capital Projects	Nonmajor Governmental Funds	Total
Fund Balance:					
Restricted for:					
Highway and road maintenance	\$ -	\$ -	\$ -	\$ 13,721,570	\$ 13,721,570
Police	-	-	-	168,963	168,963
Courts	-	-	-	299,306	299,306
Grants	-	-	-	123,161	123,161
Fire Station Debt Service	-	-	-	740,274	740,274
City Hall Debt Service	-	-	-	682,832	682,832
Little Chicago Road Debt Service	-	-	-	250,742	250,742
Building Corp Debt Service	-	-	-	1,597,638	1,597,638
Debt service	-	12,441,503	-	-	12,441,503
Capital projects	-	-	-	3,248,250	3,248,250
Fire Capital Improvements/Equip.	-	-	-	1,115,234	1,115,234
Committed to:					
Emergency Services	-	-	-	40,653	40,653
Hazardous Materials	-	-	-	5	5
Capital projects:					
Park Capital Projects	-	-	-	3,085,081	3,085,081
Roadway Capital Projects	-	-	-	6,225,404	6,225,404
Field Drive Improvements	-	-	-	105,122	105,122
Economic Development Projects	-	-	4,846,448	1,669,210	6,515,658
Stoney Creek EDA Projects	-	-	-	5,080,080	5,080,080
Corporate Campus Infrastructure	-	-	-	834,639	834,639
146th Street Infrastructure	-	-	-	1,536,968	1,536,968
Promise Road Improvements	-	-	-	250,852	250,852
Assigned to:					
Fiscal Year 2016 Appropriations	886,939	-	-	86,826	973,765
Parking Lot Maintenance/Improvements	-	-	-	580,121	580,121
Police	-	-	-	19,289	19,289
Fire	-	-	-	6,655	6,655
Cultural Arts	-	-	-	94,661	94,661
Employee Benefits	-	-	-	587	587
Park Capital	-	-	-	1,538,459	1,538,459
Other purposes	-	-	-	227,563	227,563
Unassigned	26,484,704	-	-	(26,697)	26,458,007
Total	\$ 27,371,643	\$ 12,441,503	\$ 4,846,448	\$ 43,303,448	\$ 87,963,042

Under House Enrolled Act 1145, Section 1, the City may transfer at any time any unused and unencumbered local income tax funds. Local income tax is the revenue source, which is not restricted or committed, for the County Option Income Tax Fund. It is the intent of the City to phase-out this fund and replace it with a Rainy Day Fund, which was established in 2016. The County Option Income Tax Fund was the previous incarnation of the Rainy Day Fund. The Rainy Day Fund's revenue source will also be

CITY OF
NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

from local income tax. While the funds are shown as unassigned in the above table, the City's Common Council may approve an annual budget for these funds, in the event it becomes necessary. As of December 31, 2017, the ending fund balance for the County Option Income Tax Fund was \$842,454 and for the Rainy Day Fund was \$8,047,630. Both funds have been folded into the General Fund.

J. Restricted Net Position

The government-wide Statement of Net Position report restricted net position for the governmental activities and business-type activities of \$34,389,473 and \$6,789,336, respectively, all of which are restricted by enabling legislation.

K. Net Investment in Capital Assets

The net investment in capital assets is composed of the outstanding debt associated with the acquisition of capital assets less the cash on hand from bond issues and the deferred loss on refunding at year end. The breakdown is scheduled as follows:

	Governmental Activities	Business-Type Activities
Total Capital Assets	\$ 333,258,817	\$ 119,536,841
Less:		
Bonds payable	188,451,150	45,465,196
Capital lease payable	3,906,962	52,330
Deduct cash on hand	(4,846,448)	(10,333,482)
Deferred loss on refunding	(9,541,085)	(1,003,643)
Total related net debt	177,970,579	34,180,401
Net investment in capital assets	\$ 155,288,238	\$ 85,356,440

CITY OF
NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

L. Unavailable Revenue

The unavailable revenue balances in the governmental funds are as follows:

	<u>Taxes</u>	<u>Intergovernmental</u>	<u>Totals</u>
Unavailable revenue:			
General	\$ 4,019,968	\$ 522,195	\$ 4,542,163
Motor vehicle highway	93,383	98,402	191,785
Park and recreation	60,951	64,227	125,178
Fire station 2 debt	3,200	3,373	6,573
Fire stations 5 and 6 debt	14,438	15,213	29,651
Little Chicago road debt	13,300	14,015	27,315
Hazel dell debt	34,920	36,798	71,718
City hall debt	36,485	38,447	74,932
Fire station 7 and street debt	18,633	19,636	38,269
Cumulative capital improvement	-	22,134	22,134
Cumulative capital development	31,080	32,750	63,830
Cumulative building and fire fighting equipment	12,091	12,741	24,832
Total unavailable revenue	<u>\$ 4,338,449</u>	<u>\$ 879,931</u>	<u>\$ 5,218,380</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

M. Subsequent Events

On April 27, 2018, the primary government entered into a capital lease agreement in the amount of \$5,264,496 for the purchase of fire, parks, police and street equipment. The effective interest rate on the capital lease is 2.78% with a final maturity of January 1, 2023.

On June 13, 2018, the primary government issued \$7,500,000 in Park District Bonds for design, construction and site work for Phase I of the Finch Creek Park project. The project includes a shelter, multiple playgrounds, pickle ball courts, a basketball court, a spray ground, along with access points onto Boden Road, parking facilities, a maintenance building and a trail system to navigate the park amenities. The interest rate on the bonds is 2.5% - 4.00%, with a net interest cost of 3.21% and a final maturity of December 31, 2037.

N. Conduit Debt

From time to time, the primary government has issued economic development revenue bonds and loaned the proceeds to a qualified borrower to provide financial assistance for the financing of economic development facilities which will be of benefit to the health or general welfare of the City of Noblesville and its citizens. Repayment of the bonds is secured solely by payments of the borrower made in accordance with the Amended and Restated Master Indenture and the Loan Agreement. The bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Noblesville or Hamilton County, nor are the bonds payable in any manner from revenues raised by taxation. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2017, the economic development revenue bonds were outstanding in the principal amount payable of \$11,010,000.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

N. Tax Abatements

The City of Noblesville negotiates property and personal tax abatement agreements on an individual basis. The City has tax abatement agreements with the following entities as of December 31, 2017:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Real Taxes Abated during the Fiscal Year - Civil	Amount of Personal Taxes Abated during the Fiscal Year - Civil	Amount of Real Taxes Abated during the Fiscal Year - Redevelopment Commission
Insurance company constructed office building and added staff	40%	\$ 4,305	\$ -	\$ -
Oral health research and product testing facility constructed corporate headquarters, added new equipment and added staff	20% - 40%	25	371	25,623
Constructed multi-tenant office space	5%	-	-	3,030
Manufacturing facility and research center relocated and added staff	11% - 65%	15,868	9,624	3,959
Constructed business park and added staff	20% - 30%	535	-	-
Manufacturing facility constructed office and warehouse space and added staff	85%	-	-	22,279
Manufacturing facility constructed corporate headquarters, added new equipment and added staff (a)	3% - 65%	1,355	77,700	505,773
Steel erectors company office and warehouse relocation and added staff	50%	-	-	10,359
Industrial buildings constructed	10% - 65%	95	-	136,108
Event marketing company constructed corporate headquarters and added staff	40% - 50%	14	-	19,357
Constructed office and warehouse space	10%	5	-	6,552
Medical office constructed	10%	192	-	14,102
Constructed office space and added staff	30%	1,727	-	126,952
Facility and loading dock improvements and added staff	34%	1,507	-	-
Pharmaceutical company renovated space, new equipment and added staff	15% - 100%	133	4,623	190,764
Fabrication company building improvements and added staff	91%	-	50,275	-
Medical manufacturing company added new equipment and staff	11% - 37%	-	30,154	-
Medical manufacturing company added new equipment and staff	73%	-	5,227	-
Medical manufacturing company constructed corporate headquarters, added new equipment and staff	17%	-	6,023	-
Medical manufacturing company added new equipment and staff	15%	-	2,521	-
Fabrication company added new equipment and staff	20%	-	1,069	-
Totals		<u>\$ 25,761</u>	<u>\$ 187,587</u>	<u>\$ 1,064,858</u>

(a) In addition to the current abatements, bonds were issued to provide for the construction of new roads and improvements to existing roads serving or benefiting the manufacturing facility. See Note H.1. 2016 Redevelopment Authority Lease Rental Refunding Bonds for further information.

Each agreement was negotiated under Indiana Code §6-1.1-12.1 and allows local communities to offer real and personal property tax abatements as an incentive to new and expanding businesses. Property tax abatements, both real and personal, allows a property owner to phase in payment of

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

property taxes over a designated period. This period may be any number of years between one and ten. The City determines the period, up to a maximum of ten (10) years and sets the percentage of eligible assessed value which is abated each year. The code does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

The City of Noblesville has not made any future commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. All of the current abatement agreements, shown in the schedule, have been disclosed. The abatements range from 5 percent to 100 percent of the total dollar amount of taxes abated during the year.

III. Other Information

A. Risk Management

The primary government 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; medical benefits to employees, retirees, and dependents (excluding postemployment 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, retirees, and dependents (excluding postemployment benefits); 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 three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

The primary government has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Employee Benefit Trust Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$40,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for payroll expenses. The total charge allocated to each of the funds is calculated as it relates to payroll. Provisions are also made for unexpected and unusual claims.

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:

	2017	2016
	<u> </u>	<u> </u>
Unpaid claims, beginning of fiscal year	\$ 452,461	\$ 672,979
Incurred claims and changes in estimates	9,677,705	9,108,606
Claim payments	<u>9,638,152</u>	<u>9,329,124</u>
Unpaid claims, end of fiscal year	<u>\$ 492,014</u>	<u>\$ 452,461</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Job Related Illnesses or Injuries to Employees

During 1997, the primary government joined together with other governmental entities to form the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for approximately 515 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of benefits for job related illnesses or injuries to employees. The primary government pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Noblesville Healthcare Plan is a single-employer defined benefit healthcare plan administered by the City of Noblesville. The plan provides health, vision and dental benefits to eligible retirees and their spouses. Local ordinance assigns the authority to establish and amend benefit provisions to the City. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information for the plan.

Funding Policy

The contribution requirements of plan members for the Noblesville Healthcare Plan are established and can be amended by the City's insurance committee and approved by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the governing board. For the year ended December 31, 2017, the City contributed \$628,515 to the plan for current premiums. Plan members receiving benefits contributed \$114,852, or approximately 15 percent of the total premiums.

Annual OPEB Cost and Net OPEB Obligation

The City's Annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the Annual Required Contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Annual required contribution	\$	4,247,352
Interest on net OPEB obligation		903,609
Adjustment to annual required contribution		<u>(1,403,727)</u>
Annual OPEB cost		3,747,234
Contributions made		<u>628,515</u>
Increase in net OPEB obligation		3,118,719
Net OPEB obligation, beginning of year		<u>25,817,412</u>
Net OPEB obligation, end of year	\$	<u><u>28,936,131</u></u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-15	\$ 3,212,252	9.1%	\$20,899,438
12-31-16	5,305,441	7.3%	25,817,412
12-31-17	3,747,234	16.8%	28,936,131

Funded Status and Funding Progress

As of December 31, 2017, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$46,309,699, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$46,306,699. The covered payroll (annual payroll of active employees covered by the plan) was \$23,700,991, and the ratio of the UAAL to covered payroll was 195 percent.

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. Examples include 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 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 Assumption

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 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 the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

In the December 31, 2017 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, a general inflation rate assumption of 2.0 percent and an annual healthcare cost trend inflation rate of 9.0 percent initially, reduced by decrements to an ultimate inflation rate of 5.0 percent after 11 years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017, was 30 years.

C. Pension Plans

1. Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The primary government contributes to the Public Employees' Retirement Fund (PERF), a cost-sharing, multiple-employer defined benefit plan based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10-2.2-11(b). State statutes (IC 5-10.2, 5-10.3, 5-1.3-12 and IC 5-10.5) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system and give the primary government authority to contribute to the plan. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is My Choice: Retirement Savings Plan for Public Employees (MY Choice), formally known as the Public Employees' Annuity Savings Account Only Plan. There are two aspects of the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement. My Choice is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. Members are full-time employees of the primary government, who elected to participate in My Choice, and are in a position eligible for membership in the PERF Hybrid Plan and elect to become members of My Choice.

INPRS administers the plans and issues a publicly available financial report that includes financial statements and required supplementary information for the plans as a whole and for its participants. The report is available online at www.in.gov/inprs/annualreports.htm or may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Membership

The primary government's PERF members become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the PERF Hybrid Plan. The ordinance or resolution is then filed with and approved by INPRS. In order to be a member, employees hired after June 30, 1982, must occupy positions normally requiring performance of service of more than 1,000 hours during a year.

CITY OF NOBLESVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

As of December 31, 2017, the PERF membership consisted of:

	PERF - Civil
Retired members, beneficiaries, and disabled members receiving benefits	30
Inactive vested members entitled to but not yet receiving benefits	-
Inactive non-vested members entitled to a distribution of ASA balance	-
Active members: vested and non-vested	165
Total	195

Contributions

The PERF Hybrid Plan or My Choice members are obligated, by state statute, to make contributions to the plan. The required contributions of the PERF Hybrid Plan members and primary government are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. The current rate is 11.2 percent of annual covered payroll.

For My Choice, the primary government are required to contribute a supplemental cost of 5.4 percent of covered payroll as of July 1, 2016, which increased to 7.2 percent as of January 1, 2017. In additions, the amount credited to the member's account for the normal cost ranged up to 5.8 percent as of July 1, 2016, and up to 4 percent as of January 1, 2017.

PERF Hybrid and My Choice members contribute 3 percent of covered payroll to their ASA, which is not used to fund the defined benefit pension for PERF Hybrid. For PERF Hybrid, the employer may elect to make the contributions on behalf of the member. The primary government may choose to pay part or all of the member's contributions on behalf of the member for My Choice. In addition, members of PERF Hybrid and My Choice may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their ASA. The primary government, if it participates in My Choice, may elect to match voluntary contributions at a rate of 50 percent.

The primary government's contributions to the PERF Hybrid Plan for the years ending December 31, 2017 and 2016 were \$1,311,159 and \$1,251,159, respectively, equal to the required contributions for each year. As of December 31, 2017, the primary government did not participate in the My Choice option.

For 2017, the primary government's annual pension cost and related information for the PERF Hybrid Plan, as provided by the actuary, is presented in section c. of this note.

Retirement Benefits – Defined Benefit Pension

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's ASA. Pension benefits (non ASA) vest after ten years of creditable service. The vesting period is eight years for certain elected officials. Members are immediately vested in their ASA. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's ASA,

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait thirty days after termination, may withdraw their ASA and will not forfeit creditable service or full retirement benefit. However, if a member is eligible for a full retirement at the time of withdrawal request, the member will have to begin drawing the member's pension benefit in order to withdraw the ASA. A non-vested member who terminates employment prior to retirement may withdraw from the ASA after thirty days, but by doing so, forfeits the member's creditable service. A member who returns to covered service and works no less than six months in a covered position may reclaim the member's forfeited creditable service.

A member who has reached age sixty-five and has at least ten years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in calculation uses the highest twenty calendar quarters of salary in a covered position. All twenty calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. For PERF members who serve as an elected official, the highest one year (total of four consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as a part of the member's annual compensation.

A member who has reached age sixty and has at least fifteen years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least fifty-five years old and whose age plus number of years of creditable service is at least eighty-five is entitled to 100 percent of the benefits, as described above.

A member who has reached at least the age of fifty and has a least fifteen years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age fifty-nine, the early retirement percentage of the normal annual pension benefit is 89 percent. The amount is reduced five percentage points per year (e.g., age fifty-eight is 84 percent) to age fifty being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the period ending June 30, 2017; however, eligible members received a one-time check (a.k.a. 13th check) in September 2016. The amount of the one-time check ranged from \$150 to \$450 depending upon a member's years of service and was for a member who retired or was disabled on/or before December 1, 2015, and who was entitled to receive a monthly benefit on July 1, 2016.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service, on FLMA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Upon the death in service of a member with fifteen or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two or more years or surviving dependent children under the age of eighteen. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age fifty or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who has at least sixty-five years of age and had at least ten but not more than fourteen years of creditable service.

Retirement Benefits – Annuity Savings Account

Members are required to participate in an ASA. The ASA consists of the member's contributions, set by statute at 3 percent of compensation, as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of the compensation into their ASA. A member's contribution and investment earnings belong to the member and do not belong to the primary government.

Investments in the members' ASA are individually directed and controlled by the plan participants who direct the investment of their account balances amount the following eight investment options, with varying degrees of risk and return potential:

1. Stable Value Fund – This fund's objective is to provide a market rate of return consistent with the preservation of principal through a shorter maturity, high quality portfolio. Effective January 1, 2017, the Guaranteed Fund was replaced by the Stable Value Fund (IC 5-10.2-2-3).
2. Large Cap Equity Index Fund – This fund's objective is to seek investment growth/capital appreciation through passive investment in the stocks of the 500 largest U.S. companies. Market risk is assumed by the member.
3. Small/Mid Cap Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in the stocks of small- and mid-sized U.S. companies. Market risk is assumed by the member.
4. International Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in the stocks of non-U.S. companies in both developed and emerging markets. Market risk is assumed by the member.
5. Fixed Income Fund – This fund's objective is to seek total return, consisting of income and capital appreciation. Market risk is assumed by the member.
6. Inflation-Linked Fixed Income Fund – This fund's objective is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation. Market risk is assumed by the member.
7. Target Date Funds – The Funds are designated to seek an appropriate amount of total return, commensurate with risk, given the specific time horizon of each Fund. The Target Date Funds provide participants with a one-stop shop for investing. Participants simply choose the Fund most appropriate for the member, based upon the year in which the member plans to withdraw money (usually the member's retirement year). Once a participant selects the appropriate fund, the underlying asset allocation automatically adjusts over time. Market risk is assumed by the member.
8. Money Market Fund – This fund's objective is to provide a market rate of return consistent with the preservation of capital through a shorter maturity, high quality portfolio. Market risk is assumed by the member.

CITY OF NOBLESVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Members may make changes to their investment directions daily and investments are reported at fair market value.

b. 1977 Police Officers' and Firefighters' Retirement Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Retirement Fund (1977 Fund), a cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to all full-time police officers and firefighters who are hired (or rehired) after April 30, 1977. The 1977 Fund is governed by the Indiana Public Retirement System (INPRS) Board of Trustees in accordance with IC 36-8-8 to provide coverage to full-time sworn officers of the police force and full-time firefighters.

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. The report is available online at www.in.gov/inprs/annualreports.htm or may be obtained by contacting:

Indiana Public Retirement System
 One North Capitol, Suite 001
 Indianapolis, IN 46204
 Ph. (888) 526-1687

Membership

As of December 31, 2017, the 1977 Fund membership consisted of:

	PERF - 1977 Police	PERF - 1977 Firefighters
Retired members, beneficiaries, and disabled members receiving benefits	10	19
Inactive vested members entitled to but not yet receiving benefits	-	-
Inactive non-vested members entitled to a distribution of ASA balance	-	-
Active members: vested and non-vested	78	127
Total	88	146

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
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Contributions

The funding policy for the 1977 Fund requires remittances of member and employer contributions based on percentages of the salary of a first class officer or firefighter rather than actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 36-8-8-6. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2017, all participating employers were required to contribute 19.7 percent of the salary of a first class officer or firefighter and the rate was reduced to 17.5 percent effective January 1, 2017.

The member contribution rate is established by statute, IC 36-8-8-8, at six percent of the salary of a first class officer or firefighter. Each fund member shall contribute during the period of the funds member's employment or for thirty-two years, whichever is shorter. The employer may pay all or a part of the contribution for the member. Member contributions are used to fund a portion of the defined benefit payment, unless the member ends employment other than by death or disability before the fund member completes twenty years of active service. The accumulated value of the member's contribution, including interest at a rate set by the INPRS Board of Trustees, may be withdrawn if the member terminates employment prior to completing twenty years of service. The INPRS Board of Trustees shall return to the fund member in a lump sum the fund member's contributions plus interest, as determined by the INPRS Board of Trustee, in accordance with IC 36-8-8-8.

The primary government's contributions to the plan for the years ending December 31, 2017 and 2016, were \$2,906,397 and \$3,186,832, respectively, equal to the required contributions for each year.

For 2017, the primary government's annual pension cost and related information for the 1977 Plan, as provided by the actuary, is presented in section c. of this note.

Retirement Benefits

A member vests after twenty years of service. If the member retires at or after the age of fifty-two with twenty years of service, the benefit is equal to 50 percent of the salary of a first class officer, as reported by the employer in the year the 1977 Fund member ended service plus 1 percent of that salary for each six months of active service over twenty years to a maximum of twelve years. At age fifty and with twenty years of service, a member may elect to receive a deducted benefit by a factor established by the fund's actuary, as established by statute IC 36-8-8-11. Currently, benefits are reduced 7 percent per year from age fifty-two to fifty.

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 percent. The COLA increase effective July 1, 2016 was 1.1 percent.

Disability and Survivor Benefits

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made by the local pension

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

board, and reviewed by the INPRS Board of Trustees, as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not. The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive \$12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and children to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving children are entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of eighteen, or age twenty-three, if a full-time student. If there is no eligible surviving spouse or children, a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

Deferred Retirement Option Plan

The Deferred Retirement Option Plan (DROP) for the 1977 Fund was established by the Indiana Legislature in 2002 and is governed by the INPRS Board of Trustees in accordance with IC 36-8-8.5. Members of the 1977 Fund that are eligible to retire may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remains in active service contributing to the fund until that date. The DROP retirement date must be not less the twelve months and not more than thirty-six months after their DROP entry date, and not after the date they reach any mandatory retirement age that may apply. The member may make an election to enter the DROP only once in their lifetime. The DROP and future retirement monthly benefit are calculated as of the member's DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2017, the amount held by the plan under the DROP is \$79.9 million.

c. Actuarial Information for the Above Plans

At December 31, 2017, the primary government reported a net pension asset of \$232,591 and a net pension liability of \$7,390,993 for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of June 30, 2017, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date for the above plans.

The primary government's proportionate percentage, deferred outflows of resources, deferred inflows of resources, net pension asset/liability and pension expense for the above plans is shown in the following table:

	PERF - Civil	PERF - 1977 Police	PERF - 1977 Firefighters	Totals
Proportionate share	0.0016566	0.0057805	0.0092979	
Net pension asset	\$ -	\$ 89,167	\$ 143,424	\$ 232,591
Net pension liability	7,390,993	-	-	7,390,993
Deferred outflow of resources	1,452,470	2,205,666	3,435,875	7,094,011
Deferred inflow of resources	601,995	2,237,092	3,593,972	6,433,059
Pension expense/(income)	1,343,089	740,528	1,178,957	3,262,574

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The components of the Net Pension Asset/Liability as of June 30, 2017 (measurement date) are as follows:

	PERF	PERF - 1977 Police	PERF - 1977 Firefighters
Total Pension Liability	\$ 31,651,356	\$ 31,132,346	\$ 50,076,194
Plan Fiduciary Net Position	24,260,363	31,221,513	50,219,618
Net Pension Asset	-	89,167	143,424
Net Pension Liability	7,390,993	-	-
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	76.6%	100.3%	100.3%

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERF - Civil 3.10 years		PERF - 1977 Police 8.83 years		PERF - 1977 Firefighters 8.83 years	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 140,363	\$ 5,736	\$ 359,072	\$ 280,187	\$ 577,565	\$ 450,679
Net difference between projected and actual investment earnings on pension plan investments	1,169,125	370,559	1,761,435	584,166	2,833,258	939,628
Change of assumptions	118,668	-	-	1,333,689	-	2,145,231
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,173	225,700	143,405	39,050	163,028	58,434
Reversal of prior year's contributions subsequent to the measurement date	(654,712)	-	(626,905)	-	(1,034,590)	-
Contributions subsequent to the measurement date	659,853	-	568,659	-	896,614	-
Total	\$ 1,452,470	\$ 601,995	\$ 2,205,666	\$ 2,237,092	\$ 3,435,875	\$ 3,593,972

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization of Net Deferred Outflows/(Inflows) of Resources - Debit/(Credit)	PERF	PERF - 1977 Police	PERF - 1977 Firefighters
2018	\$ 294,714	\$ 169,981	\$ 261,233
2019	430,364	466,162	737,639
2020	160,019	49,513	67,461
2021	(39,763)	(259,866)	(430,173)
2022	-	(187,870)	(314,368)
Thereafter	-	(211,100)	(341,913)
Total	<u>\$ 845,334</u>	<u>\$ 26,820</u>	<u>\$ (20,121)</u>

The components of the pension expense as of June 30, 2017 are as follows:

	PERF	PERF - 1977 Police	PERF - 1977 Firefighters
Service Cost			
Total service cost	\$ 321,549	\$ 777,416	\$ 1,250,471
Member contributions	(667)	(272,353)	(438,078)
Administrative and project expenses	38,393	9,290	14,942
Net employer service cost	359,275	514,353	827,335
Interest cost	1,741,447	1,990,786	3,202,167
Expected return on assets	(1,243,509)	(1,942,239)	(3,124,080)
Plan amendments	(37,714)	7,648	12,301
Recognition of deferred (inflows) / outflows of resources related to:			
Liability experience (gains) / losses	157,372	2,964	4,768
Assumption changes (gains) / losses	250,834	(207,671)	(334,038)
Investment (gains) / losses	233,237	357,850	575,600
Total	641,443	153,143	246,330
Proportionate share of plan pension expense	\$ 1,460,942	\$ 723,691	\$ 1,164,053
Net amortization of deferred amounts from changes in proportion and difference between employer contributions and proportionate share of contributions	(117,853)	16,837	\$ 14,904
Total pension expense	<u>\$ 1,343,089</u>	<u>\$ 740,528</u>	<u>\$ 1,178,957</u>

CITY OF NOBLESVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Actuarial Assumptions

PERF – Civil

Measurement date	June 30, 2017
Valuation date	
Assets	June 30, 2017
Liabilities	June 30, 2016 - Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. The valuation results from June 30, 2016 were rolled-forward to June 30, 2017 to reflect benefit accruals during the year less benefits paid.
Inflation	2.25%
Future salary increases	2.5% - 4.25%
Cost-of-living increases	1.00% compounded annually on employer funded pension, beginning January 1, 2020. Retired members were provided a 13th check by October 1, 2017, and will be provided a 13th check by October 1, 2018, which is reflected in the valuation.
Mortality assumption (Healthy)	RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table with future mortality improvement inherent in the Social Security Administrations' 2014 Trustee report.
Mortality assumption (Disabled)	RP-2014 (with MP-2014 improvement removed) Disability Mortality Table with future mortality improvement inherent in the Social Security Administrations' 2014 Trustee report.
Experience study	The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation based on the results of the study.
Discount rate	The discount rate used to measure the total pension liability as of June 30, 2017, is 6.75% and is equal to the long-term expected return on plan investments, net of administrative expenses. The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of: 1) the current contribution rate of 11.2%, or 2) the actuarially determined contribution rate computed by the actuary using the assumptions and methods selected by the Board for the annual actuarial valuations. The assumptions and methods selected by the Board for the June 30, 2017 actuarial valuation include a 6.75% expected return on assets assumption, a 20-year level dollar closed method for amortizing future layers of unfunded actuarial accrued liability (30 years for amortization layers established prior to June 30, 2016), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets. Therefore, if the Board continues to follow its current funding policy, which it has done for the past several years, the employer contribution rates established will be sufficient to fully fund the plan within 20 to 30 years. Furthermore, we note that a deterministic projection assuming no future gains or losses shows that the actuarially determined contribution rate is expected to reach a peak of 10.9%. As a result, a detailed projection of plan assets and cash flows was not separately prepared to demonstrate that plan assets will be sufficient to pay all future benefit payments for current members.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

PERF – 1977 Plans

Measurement date	June 30, 2017
Valuation date	
Assets	June 30, 2017
Liabilities	June 30, 2016 - Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. The valuation results from June 30, 2016 were rolled-forward to June 30, 2017 to reflect benefit accruals during the year less benefits paid.
Inflation	2.25%
Future salary increases	2.50%
Cost-of-living increases	2.00% compounded annually, beginning July 1, 2018. Actual COLA increases at July 1, 2016 (1.1%) and July 1, 2017 (2.5%) are reflected in the valuation.
Mortality assumption (Healthy)	RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administrations' 2014 Trustee report.
Mortality assumption (Disabled)	RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administrations' 2014 Trustee report.
Experience study	The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation based on the results of the study.
Discount rate	The discount rate used to measure the total pension liability as of June 30, 2017, is 6.75% and is equal to the long-term expected return on plan investments, net of administrative expenses. The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of: 1) the current contribution rate of 17.5%, or 2) the actuarially determined contribution rate computed by the actuary using the assumptions and methods selected by the Board for the annual actuarial valuations. The assumptions and methods selected by the Board for the June 30, 2017 actuarial valuation include a 6.75% expected return on assets assumption, a 30-year level dollar open method for amortizing the surplus of assets over the actuarially accrued liability (since the plan is over 100% funded as of June 30, 2017), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets. Therefore, if the Board continues to follow its current funding policy, which it has done for the past several years, the employer contribution rates established will be sufficient to maintain the fully funded status of the plan. Furthermore, we note that a deterministic projection assuming no future gains or losses shows that the actuarially determined contribution rate is expected to reach a peak of 9.1%. As a result, a detailed projection of plan assets and cash flows was not separately prepared to demonstrate that plan assets will be sufficient to pay all future benefit payments for current members.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the net pension liability to changes in the discount rate

PERF – Civil

Discount rate sensitivity	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability/(asset)	\$ 10,779,465	\$ 7,390,993	\$ 4,574,229

PERF – 1977 Police

Discount rate sensitivity	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability/(asset)	\$ 4,876,121	\$ (89,167)	\$ (4,101,282)

PERF – 1977 Firefighters

Discount rate sensitivity	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability/(asset)	\$ 7,843,212	\$ (143,424)	\$ (6,596,888)

Asset allocation of the pension plan's portfolio

For the PERF – Civil, PERF – 1977 Police and the PERF – 1977 Firefighters plans, the long-term return expectation 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 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.

	Target Asset Allocation	<u>Geometric Basis</u> Long-Term Expected Real Rate of Return
Public Equity	22.0%	4.9%
Private Equity	14.0%	5.7%
Fixed Income - Ex inflation-linked	20.0%	2.3%
Fixed Income - Inflation-linked	7.0%	0.6%
Commodities	8.0%	2.2%
Real Estate	7.0%	3.7%
Absolute Return	10.0%	3.9%
Risk Parity	12.0%	5.1%

Money-weighted rate of return

The money-weighted rate of return equals investment performance, net of pension plan investment expense, adjusted for the changing amount actually invested. For the measurement date of June 30, 2017, the money-weighted return on the plan assets is 7.6% for the PERF Plan and 7.97% for the 1977 Plans.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Single-Employer Defined Benefit Pension Plans

a. 1925 Police Officers' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The pension board consists of five members, four of which are elected by active members and one of which is elected by retired members. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by and may be amended 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.

Contributions

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to 6 percent of the salary of a first class patrolman. The primary government is required to contribute an amount equal to the funding deficit of the difference between receipts of the fund and the required disbursements including administrative costs of the fund (pay-as-you-go basis); the amount contributed for 2017 is \$240,226. The contribution requirements of plan members and the primary government are established by state statute. All of this amount is contributed by the State of Indiana on behalf of the primary government. On behalf contributions from the State of Indiana approximate the amount paid out for benefits and were recognized as revenues and expenditures in the pension trust fund during the year.

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The primary government's annual pension cost and related information, as provided the actuary, is presented in section c. of this note.

For 2017, the primary government's annual pension cost and related information for the 1925 Police Officers' Pension Plan, as provided by the actuary, is presented in section c. of this note.

Net Pension Liability and Pension Expense

The primary government's net pension liability of \$3,529,210 was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended December 31, 2017, the primary government recognized pension expense of \$346,810. At December 31, 2017, the primary government did not have any deferred inflow or outflows to report related to this plan.

Benefits Provided

The plan provides retirement, disability and death benefits. The benefit provisions of the 1925 Police Officers' Pension Plan for non-converted members are set forth in state statute (IC 36-8-6). The benefits provisions for converted members are set forth in state statute (IC 36-8-8). Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully-paid police officers who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Non-converted members of any age with twenty or more years of creditable service are eligible to receive early retirement without a benefit reduction. Converted members at age fifty with twenty or more years of creditable service are eligible to receive early retirement benefits, which are reduced by 7% per year for commencement between ages fifty and fifty-two. The late retirement benefit is calculated in the same manner as the normal retirement benefits.

The disability benefit for non-converted members is equal to a sum determined by the local board, 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. Time spent receiving disability benefits is considered active service for the purpose of determining retirement benefits until the fund member has a total of twenty years of service. If the disability is considered to have occurred while on duty or due to a duty related disease then the member is entitled to have the amount of the disability benefit to be computed as a retirement benefit when the fund member becomes age fifty-five. Converted members disability benefit is only available to members hired prior to January 1, 1990 and who do not choose to be covered by the disability benefit for members hired after 1989. The disability benefit is equal to the benefit the member would have received if the member had retired. If the member does not have twenty years of service or is not at least age 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. House Enrolled Act Number 1617 provided for enhanced disability benefit. In cases of catastrophic physical personal injuries that result in a degree of impairment of at least 67% and permanently prevents the member from performing any gainful work, the member will receive an enhanced disability benefit equal to 100% of base salary. Additionally, the benefit is increased by the increase in the base salary.

For converted members disability benefit is only available to members hired after 1989 or hired prior to January 1, 1990 who have chosen to be covered by the disability benefit, the following describes the three different classes of impairments and the amount of base benefit for each class:

1. Class 1 Impairment: A personal injury that occurs while on duty, while responding to an emergency, or due to an occupational disease. The disability benefit is equal to a base benefit of 45% of the base salary, plus an additional amount between 10% and 45% of this salary based upon the degree of impairment. The benefit is payable for life, at which time the member is entitled to a retirement benefit based upon the salary and service the member would have earned had the member remained in active service.
2. Class 2 Impairment: A proven duty-related disease. The disability benefit is equal to a base benefit of 22% of the base salary, plus an additional 0.5% of this salary for each year of service up to a maximum of thirty years of service, plus an additional amount between 10% and 45% of this salary based upon the degree of impairment. If the member's total benefit is less than 30% of this salary and the member has fewer than four years of service, then the benefit is payable for a period equal to the years of service of the member. Otherwise, the benefit is payable for life.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Class 3 Impairment: All other impairments that are not Class 1 or Class 2. The disability benefit is equal to a base benefit of 1% of base salary for each year of service up to a maximum of thirty years of service, plus an additional amount between 10% and 45% of this salary based upon the degree of impairment. If the member's total benefit is less than 30% of this salary and the member has fewer than four years of service, then the benefit is payable for a period equal to the years of service of the member. Otherwise, the benefit is payable until age fifty-two, at which time the member is entitled to a retirement benefit based upon twenty years of service.

House Enrolled Act Number 1617 provided for enhanced disability benefit. In cases of catastrophic physical personal injuries that result in a degree of impairment of at least 67% and permanently prevents the member from performing any gainful work, the member will receive an enhanced disability benefit equal to 100% of base salary. Additionally, the benefit is increased by the increase in the base salary after commencement.

Pre-retirement death benefits vary for converted and non-converted 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 30-55% of a First Class Police Officer monthly salary, with longevity, or from 50-100% 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 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 benefits 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.

Cost of living adjustments for non-converted retired members and disabled members are increased annually based upon increases in the first class salary as approved by the employer. Converted retired members and disabled members benefits are increased annually based upon increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

Investments

The pension plan investment policy is consistent with the overall policy of the City as described in Note II. A. – Deposits and Investments. The plan held no investments during the reporting period.

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 payable in a lump sum or three annual installments. 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 twelve months and not more than thirty-six months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

When a member enters the DROP, a "DROP frozen benefit" will be calculated. This is equal to the member's monthly retirement benefit based upon accrued service and base salary as of the date member enters the DROP. Upon DROP retirement, the member is eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. The member may elect to receive this amount in three annual installments instead of in a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. The member will not continue to accrue service credit for the years in the DROP. Cost of living adjustments will not apply to the frozen monthly benefit while in the DROP. The cost of living adjustments will begin to be applied to the frozen monthly benefit, however, in the year after the year in which the member retires.

If a member elected to participate in the DROP, the member may, upon retirement, elect to forego DROP benefits, and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. These benefits would be based upon accrued service and base salary as of the date the member retires. There is no balance of amounts held by the pension plan pursuant to the DROP.

b. 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The pension board consists of six members. Four members are elected from the active members, one is elected from retired members and the Fire Chief serves as executive by default. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by and may be amended 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.

Contributions

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to 6 percent of the salary of a fully paid first class firefighter. The primary government is required to contribute an amount equal to the funding deficit of the difference between receipts of the fund and the required disbursements including administrative costs of the fund (pay-as-you-go basis); the amount contributed for 2017 is \$527,719. The contribution requirements of plan members and the primary government are established by state statute. All of this amount is contributed by the State of Indiana on behalf of the primary government. On behalf contributions from the State of Indiana approximate the amount paid out for benefits and were recognized as revenues and expenditures of the pension trust fund during the year.

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The primary government's annual pension cost and related information, as provided the actuary, is presented in section c. of this note.

For 2017, the primary government's annual pension cost and related information for the 1937 Firefighters' Pension Plan, as provided by the actuary, is presented in section c. of this note.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Net Pension Liability and Pension Expense

The primary government's net pension liability of \$8,104,591 was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended December 31, 2017, the primary government recognized pension expense of \$785,063. At December 31, 2017, the primary government did not have any deferred inflow or outflows to report related to this plan.

Benefits Provided

The plan provides retirement, disability and death benefits. The benefit provisions of the 1937 Firefighters' Pension Plan for non-converted members are set forth in state statute (IC 36-8-7). The benefits provisions for converted members are set forth in state statute (IC 36-8-8). Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully-paid firefighters who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are 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 Firefighter, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with thirty-two years of service.

Non-converted members of any age with twenty or more years of creditable service are eligible to receive early retirement without a benefit reduction. Converted members at age fifty with twenty or more years of creditable service are eligible to receive early retirement benefits, which are reduced by 7% per year for commencement between ages fifty and fifty-two. The late retirement benefit is calculated in the same manner as the normal retirement benefits.

The disability benefit for non-converted members is equal to a sum determined by the local board, 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. Time spent receiving disability benefits is considered active service for the purpose of determining retirement benefits until the fund member has a total of twenty years of service. If the disability is considered to have occurred while on duty or due to a duty related disease then the member is entitled to have the amount of the disability benefit to be computed as a retirement benefit when the fund member becomes age fifty-five. Converted member's disability benefit is only available to members hired prior to January 1, 1990 and who do not choose to be covered by the disability benefit for members hired after 1989. The disability benefit is equal to the benefit the member would have received if the member had retired. If the member does not have twenty years of service or is not at least age 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. House Enrolled Act Number 1617 provided for enhanced disability benefit. In cases of catastrophic physical personal injuries that result in a degree of impairment of at least 67% and permanently prevents the member from performing any gainful work, the member will receive an enhanced disability benefit equal to 100% of base salary. Additionally, the benefit is increased by the increase in the base salary.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

For converted members disability benefit is only available to members hired after 1989 or hired prior to January 1, 1990 who have chosen to be covered by the disability benefit, the following describes the three different classes of impairments and the amount of base benefit for each class:

1. Class 1 Impairment: A personal injury that occurs while on duty, while responding to an emergency, or due to an occupational disease. The disability benefit is equal to a base benefit of 45% of the base salary, plus an additional amount between 10% and 45% of this salary based upon the degree of impairment. The benefit is payable for life, at which time the member is entitled to a retirement benefit based upon the salary and service the member would have earned had the member remained in active service.
2. Class 2 Impairment: A proven duty-related disease. The disability benefit is equal to a base benefit of 22% of the base salary, plus an additional 0.5% of this salary for each year of service up to a maximum of thirty years of service, plus an additional amount between 10% and 45% of this salary based upon the degree of impairment. If the member's total benefit is less than 30% of this salary and the member has fewer than four years of service, then the benefit is payable for a period equal to the years of service of the member. Otherwise, the benefit is payable for life.
3. Class 3 Impairment: All other impairments that are not Class 1 or Class 2. The disability benefit is equal to a base benefit of 1% of base salary for each year of service up to a maximum of thirty years of service, plus an additional amount between 10% and 45% of this salary based upon the degree of impairment. If the member's total benefit is less than 30% of this salary and the member has fewer than four years of service, then the benefit is payable for a period equal to the years of service of the member. Otherwise, the benefit is payable until age fifty-two, at which time the member is entitled to a retirement benefit based upon twenty years of service.

House Enrolled Act Number 1617 provided for enhanced disability benefit. In cases of catastrophic physical personal injuries that result in a degree of impairment of at least 67% and permanently prevents the member from performing any gainful work, the member will receive an enhanced disability benefit equal to 100% of base salary. Additionally, the benefit is increased by the increase in the base salary after commencement.

Pre-retirement death benefits vary for converted and non-converted 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 30-55% of a First Class Firefighter monthly salary, with longevity, or from 50-100% 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 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 benefits 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.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Cost of living adjustments for non-converted retired members and disabled members are increased annually based upon increases in the first class salary as approved by the employer. Converted retired members and disabled members benefits are increased annually based upon increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

Investments

The pension plan investment policy is consistent with the overall policy of the City as described in Note II. A. – Deposits and Investments. The plan held no investments during the reporting period.

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 payable in a lump sum or three annual installments. 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 twelve months and not more than thirty-six 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. This is equal to the member's monthly retirement benefit based upon accrued service and base salary as of the date member enters the DROP. Upon DROP retirement, the member is eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. The member may elect to receive this amount in three annual installments instead of in a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. The member will not continue to accrue service credit for the years in the DROP. Cost of living adjustments will not apply to the frozen monthly benefit while in the DROP. The cost of living adjustments will begin to be applied to the frozen monthly benefit, however, in the year after the year in which the member retires.

If a member elected to participate in the DROP, the member may, upon retirement, elect to forego DROP benefits, and instead receive monthly retirement benefits calculate as if the member never elected to participate in the DROP. These benefits would be based upon accrued service and base salary as of the date the member retires. There is no balance of amounts held by the pension plan pursuant to the DROP.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

c. Actuarial Information for the Above Plans

	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:		
City	0%	0%
Plan members	6%	6%
Actuarial valuation date	12-31-17	12-31-17
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period*	N/A	N/A
Asset valuation method – N/A-	N/A	N/A
Benefits are funded on a pay- as-you-go basis		

*The initial amortization period for liability experience gains / losses and assumption change gains / losses is the number of years equal to the average expected future working lifetime of all members, active and inactive. A period less than one results in the remaining balance being fully recognized during the current year.

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Actuarial Assumptions</u>		
Investment rate of return	2.75%	2.75%
Projected future salary increases:		
Total	2.50%	2.50%
Attributed to inflation	2.25%	2.25%
Cost-of-living adjustments	2.50/2.00%*	2.50/2.00%*

* Non-converted - 2.50% per year in retirement beginning July 1, 2017
Converted - 2.00% per year in retirement beginning July 1, 2018. The actual cost-of-living increase of 2.50% effective July 1, 2017 is reflected in the liability valuation at January 1, 2017.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

d. Financial Statements for Defined Benefits Plans

Statements of Net Position – Pension Trust Funds:

Assets	1925 Police Officers' Pension	1937 Firefighters' Pension	Totals
Cash and cash equivalents	\$ 556,383	\$ 730,314	\$ 1,286,697
Net position restricted for pensions	<u>\$ 556,383</u>	<u>\$ 730,314</u>	<u>\$ 1,286,697</u>

Statements of Changes in Net Position – Pension Trust Funds:

<u>Additions</u>	1925 Police Officers' Pension	1937 Firefighters' Pension	Totals
Contributions:			
Non-employer contributing entity contributions	\$ 240,226	\$ 527,719	\$ 767,945
Reimbursements	3,000	3,000	6,000
Total additions	<u>243,226</u>	<u>530,719</u>	<u>773,945</u>
<u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	230,001	481,988	711,989
Administrative expenses	4,749	4,325	9,074
Total deductions	<u>234,750</u>	<u>486,313</u>	<u>721,063</u>
Net increase in net position	8,476	44,406	52,882
<u>Net position restricted for pensions</u>			
Net Position - beginning	<u>547,907</u>	<u>685,908</u>	<u>1,233,815</u>
Net Position - ending	<u>\$ 556,383</u>	<u>\$ 730,314</u>	<u>\$ 1,286,697</u>

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the net pension liability to changes in the discount rate

1925 Police Officers' Pension Plan

	1% Decrease (1.75%)	Current Rate (2.75%)	1% Increase (3.75%)
Discount rate sensitivity			
Net pension liability	\$ 3,935,876	\$ 3,529,210	\$ 3,188,769

1937 Firefighters' Pension Plan

	1% Decrease (1.75%)	Current Rate (2.75%)	1% Increase (3.75%)
Discount rate sensitivity			
Net pension liability	\$ 9,081,702	\$ 8,104,591	\$ 7,289,195

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at December 31, 2017, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retired members, beneficiaries and disabled members receiving benefits	8	15
Terminated vested plan members entitled to but not yet receiving benefits	-	-
Active plan members	-	-
Total membership	8	15

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Components of the Changes in Net Pension Liability for the Plan as of December 31, 2017, are as follows:

	1925 Police Officers' Pension Plan	1937 Firefighters' Pension Plan
Total Pension Liability		
Total Pension Liability - Beginning of year	\$ 3,415,886	\$ 7,809,766
Service cost	-	-
Interest cost	108,736	248,448
Experience (gains)/losses	67,297	127,247
Assumption changes	170,777	409,368
Plan amendments	-	-
Projected benefits payments	(233,486)	(490,238)
Total Pension Liability - End of year	\$ 3,529,210	\$ 8,104,591
Plan Fiduciary Net Position		
Plan Fiduciary Net Position - Beginning of year	\$ -	\$ -
Employer contributions	(10,225)	(45,731)
Employee contributions	-	-
Non-employer contributing entity contributions	240,226	527,719
Net investment return	-	-
Actual benefits payments	(230,001)	(481,988)
Administrative and project expenses	-	-
Net Pension Liability	<u>\$ 3,529,210</u>	<u>\$ 8,104,591</u>

Components of the Net Pension Liability for the Plan as of December 31, 2017, are as follows:

Retirement Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
1925 Police Officers' Pension Plan	3,529,210	-	3,529,210	0.0%
1937 Firefighters' Pension Plan	8,104,591	-	8,104,591	0.0%

The net pension liability does not include the plan fiduciary net position in the amount of \$1,286,697 from the Fiduciary Statements. Although the funds could be used to reduce the liability, the funds are not held in an irrevocable trust and therefore, the net pension liability is not reduced by the plan fiduciary net position.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The components of the pension expense as of December 31, 2017 are as follows:

	1925 Police	1937 Firefighters
Service Cost	\$ -	\$ -
Interest cost	108,736	248,448
Expected return on assets	-	-
Plan amendments	-	-
Recognition of deferred (inflows) / outflows of resources related to:		
Liability experience (gains) / losses	67,297	127,247
Assumption changes (gains) / losses	170,777	409,368
Investment (gains) / losses	-	-
Total	238,074	536,615
Total pension expense	\$ 346,810	\$ 785,063

Deferred inflows and outflows of resources

All deferred inflows and outflows of resources arising prior to fiscal 2017 have been fully amortized. The initial amortization period for liability experience gains / losses and assumption change gains / losses is the number of years equal to the average expected future working lifetime of all members, active and inactive. A period less than one results in the remaining balance being fully recognized during the current year. For year-ending December 31, 2017, the period was less than one and therefore, the deferred inflows and outflows were recognized during the fiscal year.

CITY OF NOBLESVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Significant Actuarial Assumptions to Measure the Total Pension Liability

Measurement date	December 31, 2017
Valuation date	
Assets	Not applicable. Benefits are paid on a pay-as-you-go basis.
Liabilities	January 1, 2017 - Member census data as of January 1, 2017 was used in the valuation. Standard actuarial techniques were used to roll forward the total pension liability computed as of December 31, 2016 to the December 31, 2017 measurement date. Projected benefit payments, rather than actual benefit payments, were used in the roll forward due to fluctuation in actual benefit payments caused by the DROP payments and lump sum death benefits.
Inflation	2.25%
Future salary increases	2.50%
Cost-of-living adjustment	Non-converted - 2.50% per year in retirement beginning July 1, 2017 Converted - 2.00% per year in retirement beginning July 1, 2018. The actual cost-of-living increase of 2.50% effective July 1, 2017 is reflected in the liability valuation at January 1, 2017.
Mortality assumption (Healthy)	RP-2014 Blue Collar mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
Mortality assumption (Disabled)	RP-2014 Disabled mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
Experience study	The actuarial assumptions used in the valuation are based on the results of the actuarial experience study completed for the 1977 Police Officers" and Firefighters' Pension and Disability Fund in April, 2015, which covered the period beginning July 1, 2010 and ending June 30, 2014.
Discount rate	The discount rate used was 2.75%, a decrease from 3.2%. The 1925 Police Pension Fund and 1937 Firefighters' Pension Fund are not funded plans; therefore, the Fiduciary Net Position is projected to be depleted immediately and the discount rate is set equal to the Municipal Bond Index. At the direction of the Indiana Public Employees Retirement System, the Barclays 20-year Municipal Bond Index is used.

Required Supplementary Information

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION LIABILITY -
SINGLE-EMPLOYER DEFINED BENEFIT PENSION PLANS

	1925 Police Officers' Pension Plan				
	2013	2014	2015	2016	2017
Total Pension Liability					
Total Pension Liability - Beginning of year	\$ 2,876,399	\$ 3,756,754	\$ 4,126,737	\$ 3,757,162	\$ 3,415,886
Service cost	-	-	-	-	-
Interest cost	164,447	156,061	99,399	94,479	108,736
Experience (gains)/losses	426,806	-	(212,057)	33,150	67,297
Assumption changes	560,334	485,635	(12,637)	(242,473)	170,777
Plan amendments	-	-	-	-	-
Projected benefits payments	(271,232)	(271,713)	(244,280)	(226,432)	(233,486)
Total Pension Liability - End of year	\$ 3,756,754	\$ 4,126,737	\$ 3,757,162	\$ 3,415,886	\$ 3,529,210
Plan Fiduciary Net Position					
Plan Fiduciary Net Position - Beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -
Employer contributions	28,658	(33,436)	(11,971)	16,986	(10,225)
Employee contributions	-	-	-	-	-
Non-employer contributing entity contributions	242,574	306,874	246,005	216,186	240,226
Net investment return	-	-	-	-	-
Actual benefits payments	(271,232)	(273,438)	(234,034)	(233,172)	(230,001)
Administrative and project expenses	-	-	-	-	-
Net Pension Liability	\$ 3,756,754	\$ 4,126,737	\$ 3,757,162	\$ 3,415,886	\$ 3,529,210

	1937 Firefighters' Pension Plan				
	2013	2014	2015	2016	2017
Total Pension Liability					
Total Pension Liability - Beginning of year	\$ 6,166,336	\$ 7,712,175	\$ 8,716,709	\$ 7,907,143	\$ 7,809,766
Service cost	-	-	-	-	-
Interest cost	356,413	322,512	208,322	204,241	248,448
Experience (gains)/losses	391,242	-	(542,648)	725,743	127,247
Assumption changes	1,250,417	1,140,605	(28,212)	(579,810)	409,368
Plan amendments	-	-	-	-	-
Projected benefits payments	(452,233)	(458,583)	(447,028)	(447,551)	(490,238)
Total Pension Liability - End of year	\$ 7,712,175	\$ 8,716,709	\$ 7,907,143	\$ 7,809,766	\$ 8,104,591
Plan Fiduciary Net Position					
Plan Fiduciary Net Position - Beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -
Employer contributions	20,350	(31,428)	(1,165)	41,324	(45,731)
Employee contributions	-	-	-	-	-
Non-employer contributing entity contributions	431,883	487,333	444,350	443,708	527,719
Net investment return	-	-	-	-	-
Actual benefits payments	(452,233)	(455,905)	(443,185)	(485,032)	(481,988)
Administrative and project expenses	-	-	-	-	-
Net Pension Liability	\$ 7,712,175	\$ 8,716,709	\$ 7,907,143	\$ 7,809,766	\$ 8,104,591

Note: GASB 68 requires information to be shown for ten years. Until a full ten years trend is compiled, information will be shown for those years for which the information is available.

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF NET PENSION LIABILITY AND RELATED RATIOS -
SINGLE-EMPLOYER DEFINED BENEFIT PENSION PLANS

1925 Police Officers' Pension Plan

Year Ending	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)	Fiduciary Net Position as a Percentage of Total Pension Liability (b/a)	Covered Employer Payroll (c)	Net Pension Liability as a Percentage of Covered Payroll ((a-b)/c)
12-31-12	\$ 2,876,399	\$ -	\$ 2,876,399	0%	\$ -	No Covered Payroll
12-31-13	3,756,754	-	3,756,754	0%	-	No Covered Payroll
12-31-14	4,126,737	-	4,126,737	0%	-	No Covered Payroll
12-31-15	3,757,162	-	3,757,162	0%	-	No Covered Payroll
12-31-16	3,415,886	-	3,415,886	0%	-	No Covered Payroll
12-31-17	3,529,210	-	3,529,210	0%	-	No Covered Payroll

1937 Firefighters' Pension Plan

Year Ending	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)	Fiduciary Net Position as a Percentage of Total Pension Liability (b/a)	Covered Employer Payroll (c)	Net Pension Liability as a Percentage of Covered Payroll ((a-b)/c)
12-31-12	\$ 6,166,336	\$ -	\$ 6,166,336	0%	\$ -	No Covered Payroll
12-31-13	7,712,175	-	7,712,175	0%	-	No Covered Payroll
12-31-14	8,716,709	-	8,716,709	0%	-	No Covered Payroll
12-31-15	7,907,143	-	7,907,143	0%	-	No Covered Payroll
12-31-16	7,809,766	-	7,809,766	0%	-	No Covered Payroll
12-31-17	8,104,591	-	8,104,591	0%	-	No Covered Payroll

Note: GASB 68 requires information to be shown for ten years. Until a full ten years trend is compiled, information will be shown for those years for which the information is available.

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CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS

<u>PERF - Civil</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.0016566	0.0017088	0.0017379	0.0016850
Proportionate share of the net pension liability	\$ 7,390,993	\$ 7,755,293	\$ 7,078,296	\$ 4,428,071
Covered payroll	8,229,418	8,293,189	8,349,124	8,250,830
Proportionate share of the net pension liability as a percentage of covered payroll	89.8%	93.5%	84.8%	53.7%
Plan fiduciary net position as a percentage of the total pension liability	76.6%	75.3%	77.3%	84.3%

<u>PERF - 1977 Police</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.0057805	0.0059676	0.0060294	0.0063147
Proportionate share of the net pension liability	\$ (89,167)	\$ 530,143	\$ (890,664)	\$ (321,925)
Covered payroll	4,678,633	4,606,681	4,493,930	4,487,104
Proportionate share of the net pension liability as a percentage of covered payroll	-1.9%	11.5%	-19.8%	-7.2%
Plan fiduciary net position as a percentage of the total pension liability	100.3%	98.2%	103.2%	101.1%

<u>PERF - 1977 Firefighters</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.0092979	0.0099122	0.0097810	0.0101825
Proportionate share of the net pension liability	\$ (143,424)	\$ 880,570	\$ (1,444,850)	\$ (519,107)
Covered payroll	7,525,553	7,651,710	7,290,133	7,235,488
Proportionate share of the net pension liability as a percentage of covered payroll	-1.9%	11.5%	-19.8%	-7.2%
Plan fiduciary net position as a percentage of the total pension liability	100.3%	98.2%	103.2%	101.1%

The amounts presented for each fiscal year were determined as of the June 30 measurement date.

Note: GASB 68 requires information to be shown for ten years. Until a full ten years trend is compiled, information will be shown for those years for which the information is available.

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CITY CONTRIBUTIONS -
 SINGLE-EMPLOYER DEFINED BENEFIT PENSION PLANS

1925 Police Officers' Pension Plan						
Year Ending	Contributions in Relation to the					
	Actuarially Determined Contributions (a)	Actuarially Determined Contributions (b)	Contribution Excess / (Deficiency (b) - (a)	Covered Employer Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)	
12-31-12	\$ 234,500	\$ 234,500	\$ -	\$ -	0%	
12-31-13	271,232	271,232	-	-	0%	
12-31-14	273,438	273,438	-	-	0%	
12-31-15	234,034	234,034	-	-	0%	
12-31-16	233,172	233,172	-	-	0%	
12-31-17	230,001	230,001	-	-	0%	

1937 Firefighters' Pension Plan						
Year Ending	Contributions in Relation to the					
	Actuarially Determined Contributions (a)	Actuarially Determined Contributions (b)	Contribution Excess / (Deficiency (b) - (a)	Covered Employer Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)	
12-31-12	\$ 444,995	\$ 444,995	\$ -	\$ -	0%	
12-31-13	452,233	452,233	-	-	0%	
12-31-14	455,905	455,905	-	-	0%	
12-31-15	443,185	443,185	-	-	0%	
12-31-16	485,032	485,032	-	-	0%	
12-31-17	481,988	481,988	-	-	0%	

Note: GASB 68 requires information to be shown for ten years. Until a full ten years trend is compiled, information will be shown for those years for which the information is available.

The notes to the required supplementary information are
 an integral part of the required supplementary information.

CITY OF NOBLESVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CITY CONTRIBUTIONS -
 COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS

PERF - Civil					
Year Ending	Contractually Determined Contributions (a)	Contractually Determined Contributions (b)	Contribution Excess / (Deficiency (b) - (a)	Covered Employer Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)
12-31-14	\$ 1,211,339	\$ 1,211,339	\$ -	\$ 8,226,633	14.7%
12-31-15	1,227,153	1,227,153	-	8,324,154	14.7%
12-31-16	1,251,159	1,251,159	-	8,189,564	15.3%
12-31-17	1,311,159	1,311,159	-	8,218,839	16.0%

PERF - 1977 Police					
Year Ending	Contractually Determined Contributions (a)	Contractually Determined Contributions (b)	Contribution Excess / (Deficiency (b) - (a)	Covered Employer Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)
12-31-14	\$ 1,100,676	\$ 1,100,676	\$ -	\$ 4,482,709	24.6%
12-31-15	1,128,478	1,128,478	-	4,496,115	25.1%
12-31-16	1,182,619	1,182,619	-	4,612,272	25.6%
12-31-17	1,133,875	1,133,875	-	4,686,315	24.2%

PERF - 1977 Firefighters					
Year Ending	Contractually Determined Contributions (a)	Contractually Determined Contributions (b)	Contribution Excess / (Deficiency (b) - (a)	Covered Employer Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)
12-31-14	\$ 1,774,145	\$ 1,774,145	\$ -	\$ 7,228,380	24.5%
12-31-15	1,811,643	1,811,643	-	7,293,713	24.8%
12-31-16	2,004,213	2,004,213	-	7,661,050	26.2%
12-31-17	1,772,522	1,772,522	-	7,537,923	23.5%

Note: GASB 68 requires information to be shown for ten years. Until a full ten years trend is compiled, information will be shown for those years for which the information is available.

The notes to the required supplementary information are
 an integral part of the required supplementary information.

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-08	\$ -	\$ 17,885,929	\$ (17,885,929)	0%	\$ 15,699,600	(0,114%)
01-01-09	-	20,313,362	(20,313,362)	0%	18,074,247	(112%)
01-01-10	-	22,786,965	(22,786,965)	0%	18,616,475	(122%)
01-01-11	-	25,645,297	(25,645,297)	0%	19,174,969	(134%)
01-01-12	-	21,965,636	(21,965,636)	0%	19,912,927	(110%)
01-01-13	*	*	*	*	*	*
01-01-14	-	27,728,842	(27,728,842)	0%	20,953,006	(132%)
01-01-15	*	*	*	*	*	*
01-01-16	-	51,662,174	(51,662,174)	0%	22,229,044	(232%)
01-01-17	-	40,762,037	(40,762,037)	0%	22,994,997	(177%)
01-01-18	-	46,309,699	(46,309,699)	0%	23,700,991	(195%)

*Information is not available, no actuarial studies were provided for 1/1/13 or 1/1/15.

SCHEDULE OF CONTRIBUTIONS FROM THE
EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Other Postemployment Benefits

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed City
12-31-08	\$ 2,795,311	6%
12-31-09	2,882,014	3.3%
12-31-10	2,882,014	3.2%
12-31-11	2,951,291	5.3%
12-31-12	2,508,987	8.5%
12-31-13	2,508,987	12.7%
12-31-14	3,482,856	6.8%
12-31-15	3,482,856	8.4%
12-31-16	5,710,291	6.8%
12-31-17	4,247,352	14.8%

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
For The Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 18,226,510	\$ 15,180,498	\$ 15,191,628	\$ 11,130
Licenses and permits	1,440,000	1,440,000	1,923,308	483,308
Intergovernmental	21,471,125	21,483,118	22,691,714	1,208,596
Charges for services	3,243,000	3,243,000	2,919,435	(323,565)
Fines and forfeits	194,000	194,000	255,505	61,505
Other	42,000	42,000	2,874,608	2,832,608
Total revenues	44,616,635	41,582,616	45,856,198	4,273,582
Expenditures:				
Current:				
General government:				
Board of Works:				
Personal services	704,352	704,352	658,335	46,017
Other services and charges	3,794,952	3,797,531	3,404,434	393,097
Capital outlay	2,000	2,000	-	2,000
Total Board of Works	4,501,304	4,503,883	4,062,769	441,114
Mayor:				
Personal services	589,440	589,497	554,112	35,385
Supplies	9,000	9,496	7,809	1,687
Other services and charges	123,770	125,981	109,965	16,016
Capital outlay	500	500	-	500
Total Mayor	722,710	725,474	671,886	53,588
Controller:				
Personal services	420,257	430,257	422,251	8,006
Supplies	6,000	6,000	5,558	442
Other services and charges	45,600	45,600	35,853	9,747
Capital outlay	500	500	-	500
Total Controller	472,357	482,357	463,662	18,695
Clerk:				
Personal services	121,647	121,647	109,484	12,163
Supplies	1,500	1,500	1,881	(381)
Other services and charges	17,900	17,823	16,056	1,767
Capital outlay	500	500	-	500
Total Clerk	141,547	141,470	127,421	14,049
Planning:				
Personal services	1,277,856	1,277,856	1,250,723	27,133
Supplies	25,064	25,064	21,515	3,549
Other services and charges	144,684	213,433	215,566	(2,133)
Capital outlay	24,050	24,050	-	24,050
Total Planning	1,471,654	1,540,403	1,487,804	52,599
Court:				
Personal services	235,831	235,831	193,494	42,337
Supplies	2,565	2,565	2,087	478
Other services and charges	6,900	6,900	1,054	5,846
Capital outlay	500	500	-	500
Total Court	245,796	245,796	196,635	49,161

The notes to the required supplementary information are an integral part of the required supplementary information.

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CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
For The Year Ended December 31, 2017
(Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
General government (continued):				
IT:				
Personal services	723,594	723,594	634,787	88,807
Supplies	9,425	9,425	9,425	-
Other services and charges	157,619	162,308	162,293	15
Total IT	<u>890,638</u>	<u>895,327</u>	<u>806,505</u>	<u>88,822</u>
Council:				
Personal services	284,412	284,412	281,113	3,299
Supplies	500	501	360	141
Other services and charges	277,753	277,753	197,380	80,373
Capital outlay	6,000,000	3,640,024	3,047,372	592,652
Total Council	<u>6,562,665</u>	<u>4,202,690</u>	<u>3,526,225</u>	<u>676,465</u>
Human Resources:				
Personal services	301,421	301,421	299,102	2,319
Supplies	1,000	1,000	1,002	(2)
Other services and charges	9,625	9,625	6,066	3,559
Total Human Resources	<u>312,046</u>	<u>312,046</u>	<u>306,170</u>	<u>5,876</u>
Maintenance:				
Personal services	359,078	359,078	351,757	7,321
Supplies	41,875	41,990	41,938	52
Other services and charges	125,384	125,384	125,354	30
Total Maintenance	<u>526,337</u>	<u>526,452</u>	<u>519,049</u>	<u>7,403</u>
Economic Development:				
Personal services	398,258	398,327	353,627	44,700
Supplies	9,495	9,499	10,775	(1,276)
Other services and charges	242,693	243,137	238,269	4,868
Capital outlay	6,544	6,544	-	6,544
Total Economic Development	<u>656,990</u>	<u>657,507</u>	<u>602,671</u>	<u>54,836</u>
Engineering:				
Personal services	875,646	875,728	853,622	22,106
Supplies	29,600	29,601	17,856	11,745
Other services and charges	1,896,295	1,331,180	2,074,857	(743,677)
Capital outlay	550,000	747,279	-	747,279
Total Engineering	<u>3,351,541</u>	<u>2,983,788</u>	<u>2,946,335</u>	<u>37,453</u>
Unappropriated:				
Other services and charges	-	-	1,399,056	(1,399,056)
Total Unappropriated	<u>-</u>	<u>-</u>	<u>1,399,056</u>	<u>(1,399,056)</u>
Unclassified				
Other services and charges	1,000,000	1,000,000	783,730	216,270
Capital outlay	6,000,000	6,000,000	375,063	5,624,937
Total Unclassified	<u>7,000,000</u>	<u>7,000,000</u>	<u>1,158,793</u>	<u>5,841,207</u>
Total general government	<u>19,855,585</u>	<u>17,217,193</u>	<u>17,116,188</u>	<u>101,005</u>

The notes to the required supplementary information are an integral part of the required supplementary information.

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CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
For The Year Ended December 31, 2017
(Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
Public safety:				
Police:				
Personal services	9,343,867	9,389,284	9,065,754	323,530
Supplies	316,113	316,523	485,462	(168,939)
Other services and charges	364,161	389,541	883,953	(494,412)
Capital outlay	785,909	839,045	25,927	813,118
Total Police	<u>10,810,050</u>	<u>10,934,393</u>	<u>10,461,096</u>	<u>473,297</u>
Fire:				
Personal services	14,108,689	14,114,987	13,619,305	495,682
Supplies	422,948	445,127	766,340	(321,213)
Other services and charges	552,592	546,564	766,264	(219,700)
Capital outlay	523,359	582,987	-	582,987
Total Fire	<u>15,607,588</u>	<u>15,689,665</u>	<u>15,151,909</u>	<u>537,756</u>
Total public safety	<u>26,417,638</u>	<u>26,624,058</u>	<u>25,613,005</u>	<u>1,011,053</u>
Total expenditures	<u>53,273,223</u>	<u>50,841,251</u>	<u>43,887,986</u>	<u>6,953,265</u>
Net change in fund balances	(8,656,588)	(9,258,635)	1,968,212	11,226,847
Fund balance - beginning	<u>(50,878,000)</u>	<u>(61,759,888)</u>	<u>22,448,659</u>	<u>84,208,547</u>
Fund balance - December 31	<u>\$ (59,534,588)</u>	<u>\$ (71,018,523)</u>	<u>\$ 24,416,871</u>	<u>\$ 95,435,394</u>

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION -
 GENERAL FUND
 For The Year Ended December 31, 2017

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	General
Net change in fund balance (budgetary basis)	\$ 1,968,212
Adjustments:	
To adjust revenues for accruals	107,770
To adjust expenditures for accruals	425,977
Net change in fund balance (GAAP basis)	\$ 2,501,959

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note I. Financial Report – Pension Plans

A. Changes in assumptions

1925 Police Officers' and 1937 Firefighters' Pension Plans: The discount rate decreased from 3.23% for the December 31, 2016 valuation to 2.75% for the December 31, 2017 valuation, as directed by INPRS. The 2.75% interest rate is equal to the Barclay's 20-year Municipal Bond Index rates. For converted members, the July 1, 2017 COLA was updated from the ongoing valuation assumption of 2.0% to reflect the known increase of 2.5%. Beginning July 1, 2018, the assumption reverts back to the assumed annual rate of 2.0%. Incorporated 1% of future disabled converted participants as assumed to receive the enhanced benefit per the disability benefit enhancement from the plan change added by House Enrolled Act Number 1617.

PERF Plan: For active and inactive vested members, a salary load of \$400 was added to approximate the impact on average monthly earnings of unused sick leave accumulated at termination of employment.

1977 Plans: 1.0% of the members who become disabled are assumed to sustain a catastrophic disability and receive the enhanced disability benefit (100% of salary) added by House Enrolled Act Number 1617.

For all plans: For disabled members, the mortality assumption is updated from the RP-2014 (with MP-2014 improvement removed) Blue Collar Mortality tables to the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables.

- B. The net pension liability does not include the plan fiduciary net position from the Fiduciary Statements. The pension plan is not administered by a trust, but the funds are in an equivalent arrangement because they are legally protected by state statute. Therefore, while the funds are reported in the Pension Trust Fund, the net pension liability is not reduced by the plan fiduciary net position in order to report in the most conservative manner.

- C. Method and assumptions used in the calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of the 1925 Police Officers' and 1937 Firefighters' Pension plans contributions are calculated as of December 31, 2017 and are based upon the results of an experience study completed in April 2015. The following actuarial method and assumptions were used to determine contribution rates reported in their respective schedules:

CITY OF NOBLESVILLE
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 (Continued)

1925 Police Officers' and 1937 Firefighters' Pension Plans

Actuarial cost method	Entry Age Normal - Level percent of payroll
Amortization method	Level percentage of projected payroll, closed
Remaining amortization period	The initial amortization period for liability experience gains / losses and assumption change gains / losses is the number of years equal to the average expected future working lifetime of all members, active and inactive. A period less than one results in the remaining balance being fully recognized during the current year.
Inflation	2.25%
Salary increases	2.50%
Cost-of-Living increases	Non-converted - 2.50% per year in retirement beginning July 1, 2017 Converted - 2.00% per year in retirement beginning July 1, 2018. The actual cost-of-living increase of 2.50% effective July 1, 2017 is reflected in the liability valuation at January 1, 2017.
Discount rate	2.75% - based upon Barclay's 20-year Municipal Bond Index rate
Mortality assumption (Healthy)	RP-2014 Blue Collar mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
Mortality assumption (Disabled)	RP-2014 Disabled mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

An experience study was performed in April 2015 resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, ASA annuitization assumptions (PERF – Civil only), future salary increase assumptions, inflation assumptions and COLA assumptions (PERF – 77 Plans only). The following actuarial methods and assumptions were used to determine the actuarially determined contribution rates reported in their respective schedules:

CITY OF NOBLESVILLE
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 (Continued)

PERF and 1977 Fund Plans

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal - Level percent of payroll
Actuarial amortization method for unfunded liability	Level dollar
Actuarial amortization period for unfunded liability	30 years, closed
Remaining amortization period in years	30 years
Asset valuation method	5-year smoothing of gains and losses on the Market Value of assets subject to a 20% corridor
Investment rate of return (funding)	6.75%, net of administrative and investment expense, including inflation
Cost of living increases	PERF - Civil - 1%, 1977 Funds 2%
Future salary increases, including inflation	PERF - Civil - 2.5% - 4.25%, 1977 Funds 2.5%
Inflation	2.25%

Note II. Budgets and Budgetary Accounting

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

On or before August 31, the City Executive Fiscal Officer submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the Notice to Taxpayers is submitted through the State's Gateway portal, and a public hearing is conducted by the Common Council to obtain taxpayer comments. Prior to November 1 of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance, along with all budget forms for funds for which property taxes are levied or highway use taxes are received are submitted via Gateway to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City receives approval of the Indiana Department of Local Government Finance.

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

CITY OF NOBLESVILLE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

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

Major funds:

General – (includes Rainy Day and COIT Funds)

Nonmajor funds:

Special revenue:

Motor Vehicle Highway
Local Road and Street
Local Law Enforcement Continuing Education
Park and Recreation
Park Nonreverting Operating
Parking Meter

Debt service:

Fire Station 2 Debt
Fire Station 7/Street Department Debt
Fire Stations 5 & 6 Debt
Little Chicago Road Debt
City Hall Debt

Capital projects:

Cumulative Capital Improvement
Cumulative Capital Development
Cumulative Building and Fire Fighting Equipment
Hazel Dell Tax Increment Financing

Supplemental Schedules

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NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds - used to account for specific revenues that are legally restricted to expenditure for particular purposes. The title of the fund is descriptive of the activities involved. The primary government maintains the following nonmajor special revenue funds:

Motor Vehicle Highway -	To account for street construction and the operations of the street and maintenance department. Financing is provided by a specific annual property tax levy and by state motor vehicle highway distributions.
Local Road and Street -	To account for operation and maintenance of local and arterial road and street systems. Financing is provided by state gasoline tax distributions.
Local Law Enforcement Continuing Education -	To account for expenditures related to continuing education of law enforcement officers employed by the City. Financing is provided by fees collected for gun permit applications, accident report copies, motor checks, and the violation of City ordinances.
Park and Recreation -	To account for the operations of the City parks and activities sponsored by the parks department. Financing is provided by a specific annual property tax levy, charges for use of park facilities, and donations.
Park Nonreverting Operating -	To account for the operations of the City golf courses and special events. Financing is provided by golf revenue and fees charged for events.
Tree Board Nonreverting -	To account for Federal grant monies used for planting trees in urban areas.
Parking Meter -	To account for the acquisition and maintenance of parking lots. Financing is provided by fees collected for violation of City ordinance governing public parking.
Police Donation -	To account for donations received for police department expenditures.
Fire Donation -	To account for donations received for fire department expenditures.
Wastewater Holding -	To account for developer fees due to the wastewater utility. Fees collected from developers are received by the planning department and then are distributed to the appropriate departments.
Communications -	To account for costs of projects or equipment for communication needs. Financing is provided by enhanced 911 collections.
Electronic Sign -	To account for joint venture between property owners and the City for the maintenance of the electronic sign. Residents paid for the materials and the City provided the Labor.
Cultural Arts -	To account for a summer concert series. Financing is provided by donations from the community.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Court Record -	To account for equipment or supplies used by the City Court. Financing is provided by fax fees.
Hazardous Materials -	To account for the Fire Department cleanup of hazardous spills. Financing is provided by payment to the City by the responsible party.
Unemployment -	To account for the City's share of unemployment claims. Financing is provided by other funds of the City.
Deferral Program -	To account for fees collected from individuals involved in the deferral program and used to pay costs of prosecuting City ordinances.
Block Grant -	To account for State and Federal grant monies received by the City for various grant projects.
Sick Pay Out -	To allow the pay out of sick hours the employee has accumulated during employment with the City when the employee leaves their employment with the City. The payout is a percentage of the hours accumulated and is based on the number of years of service.
Trail Maintenance -	To account for funds accumulated for trail maintenance.

Debt service funds - used to account for the accumulation of resources for, and retirement of, general long-term debt principal and interest. The primary government maintains the following nonmajor debt service funds:

Fire Station 2 Debt -	To account for the accumulation of resources and payment of semiannual lease payments for Fire Station 2 through January 15, 2019. Financing is provided by an annual property tax levy.
Fire Stations 5 & 6 Debt -	To account for the accumulation of resources and payment of semiannual lease payments for Fire Stations 5 and 6 through January 15, 2025. Financing is provided by an annual property tax levy.
Little Chicago Road Debt -	To account for the accumulation of resources and payment of semiannual lease payments for Little Chicago Road through January 15, 2026. Financing is provided by an annual property tax levy.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

City Hall Debt -	To account for the accumulation of resources and payment of semiannual lease payments for the City Hall through January 15, 2025. Financing is provided by an annual property tax levy.
Fire Station 7/Street Debt -	To account for the accumulation of resources and payment of semiannual lease payments of Fire Station 7 and the new Street Department Facility through July 15, 2028. Financing is provided by an annual property tax levy.
Noblesville Building Corporation -	To account for the accumulation of resources and payments of general obligation bonds issued by the Noblesville Building Corporation (a component unit of the City of Noblesville). Financing is provided by semiannual lease payments from the Fire Station 2 Debt, Fire Station 5 & 6 Debt, Fire Station 7 Debt and City Hall Debt funds.

Capital projects funds - used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds. The primary government maintains the following nonmajor capital projects funds:

Cumulative Capital Improvement -	To account for financial resources related to the improvement projects financed by state cigarette tax distributions.
Cumulative Capital Development -	To account for expenditures related to the capital improvements for the City. Financing is provided by a specific property tax levy.
Cumulative Building and Fire Fighting Equipment -	To account for expenditures related to the Fire Department capital improvements and acquisitions. Financing is provided by a specific annual property tax levy.
Park Nonreverting Capital -	To account for park expenditures related to long-term maintenance or capital improvements. Financing is provided by golf course revenue.
2009 Construction -	To account for the upgrades to the sewer system on Maple Avenue and a reimbursement for money spent on the parks. Financing was provided by COIT revenues.
Forest Hill School -	To account for capital expenditures for the roadway improvements adjacent to the new Promise Road Elementary. Financing was provided by proceeds of the sale of the old Forest Hill School property.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

Park Impact Fee -	To account for expenditures relating to the maintenance, landscaping and development of parks. Financing is provided by permit charges assessed for new residential and commercial construction.
Road Impact Fee -	To account for expenditures relating to the maintenance of City streets. Financing is provided by permit charges assessed for new residential and commercial construction.
Field Drive Capital -	To account for the expenditures for capital improvements related to Field Drive infrastructure. Financing was provided by note and bond proceeds.
Redevelopment Tax Increment Financing -	To account for the expenditures for capital improvements. Financing is provided by an annual property tax levy.
Business Park Tax Increment Financing -	To account for the accumulation of resources and payment of semiannual lease payments for the repayment of refunding bonds issued by the Noblesville Redevelopment Authority (a component of the City of Noblesville), payment of semiannual bond payments for Ivy Tech through January 15, 2029 and to account for the expenditures for capital improvements related to the Business Park. Financing is provided by an annual property tax levy.
	This fund was previously classified as a debt service fund. The fund has been reclassified to a capital projects fund in 2017
Stoney Creek East Tax Increment Financing -	To account for the expenditures for capital improvements related to Stoney Creek East infrastructure. Financing is provided by an annual property tax levy.
Corporate Campus Tax Increment Financing – West -	To account for the expenditures for capital improvements related to Corporate Campus infrastructure. Financing is provided by an annual property tax levy.
Corporate Campus Tax Increment Financing – East -	To account for the expenditures for capital improvements related to Corporate Campus infrastructure. Financing is provided by an annual property tax levy.
Hazel Dell Tax Increment Financing -	To account for the expenditures for capital improvements related to Hazel Dell Road expansion. Financing is provided by an annual property tax levy.
146 th Street Reimbursement -	To account for the reimbursement of funds from the Federal grant monies. Financing came from Federal grants.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

State Road 37 – 146th Street
Tax Increment
Financing -

To account for the expenditures for capital improvements related to State Road 37 – 146th Street infrastructure. Financing is provided by an annual property tax levy.

LOIT Special Distribution -

To account for the expenditures of road and bridge improvements. Financing came from a one-time special distribution from the county's trust account maintained by the State under the former local income tax laws.

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CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 7,158,972	\$ 3,271,486	\$ 33,051,956	\$ 43,482,414
Receivables:				
Taxes	154,334	86,056	78,091	318,481
Intergovernmental	777,086	90,684	104,423	972,193
Total assets	\$ 8,090,392	\$ 3,448,226	\$ 33,234,470	\$ 44,773,088
<u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 104,098	\$ -	\$ 132,947	\$ 237,045
Accrued payroll and withholdings payable	156,947	-	-	156,947
Contracts payable	-	-	399,431	399,431
Total liabilities	261,045	-	532,378	793,423
Deferred inflows of resources:				
Unavailable revenue	316,963	176,740	182,514	676,217
Total liabilities and deferred inflows of resources	578,008	176,740	714,892	1,469,640
Fund balances:				
Spendable:				
Restricted	5,742,410	3,271,486	12,934,074	21,947,970
Committed	40,658	-	18,787,356	18,828,014
Assigned	1,756,013	-	798,148	2,554,161
Unassigned	(26,697)	-	-	(26,697)
Total fund balances	7,512,384	3,271,486	32,519,578	43,303,448
Total liabilities, deferred inflows and fund balances	\$ 8,090,392	\$ 3,448,226	\$ 33,234,470	\$ 44,773,088

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	\$ 4,827,484	\$ 3,141,788	\$ 18,083,602	\$ 26,052,874
Licenses and permits	45,558	-	-	45,558
Intergovernmental	3,659,937	295,836	900,923	4,856,696
Charges for services	1,370,393	-	3,513,635	4,884,028
Fines and forfeits	12,791	-	-	12,791
Other	205,055	2,683	687,816	895,554
Total revenues	10,121,218	3,440,307	23,185,976	36,747,501
Expenditures:				
Current:				
General government	281,498	14,227	914,176	1,209,901
Public safety	80,935	-	-	80,935
Highways and streets	4,036,895	-	19,602	4,056,497
Economic Development	-	-	-	-
Culture and recreation	3,167,279	-	250,295	3,417,574
Debt service:				
Principal	466,333	2,315,000	1,449,433	4,230,766
Interest	14,860	527,550	438,772	981,182
Bond issuance costs and escrow funding	-	-	-	-
Capital outlay	1,235,475	-	7,771,282	9,006,757
Total expenditures	9,283,275	2,856,777	10,843,560	22,983,612
Excess (deficiency) of revenues over (under) expenditures	837,943	583,530	12,342,416	13,763,889
Other financing sources (uses):				
Transfers in	536,000	-	4,575,448	5,111,448
Transfers in - fund reclassification	-	-	480,636	480,636
Transfers in - lease payments	-	2,831,742	-	2,831,742
Transfers out	-	-	(208,769)	(208,769)
Transfers out - fund reclassification	-	(480,636)	-	(480,636)
Transfers out - lease payments	-	(3,357,695)	(13,898,747)	(17,256,442)
Transfer from Proprietary Fund	-	-	200,000	200,000
Payment to refunded bond escrow	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Financing by capital lease	486,858	-	-	486,858
Total other financing sources and uses	1,022,858	(1,006,589)	(8,851,432)	(8,835,163)
Net change in fund balances	1,860,801	(423,059)	3,490,984	4,928,726
Fund balances - beginning	5,651,583	3,694,545	29,028,594	38,374,722
Fund balances - ending	\$ 7,512,384	\$ 3,271,486	\$ 32,519,578	\$ 43,303,448

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2017

<u>Assets</u>	<u>Motor Vehicle Highway</u>	<u>Local Road and Street</u>	<u>Local Law Enforcement Continuing Education</u>	<u>Park and Recreation</u>
Cash and cash equivalents	\$ 2,723,381	\$ 2,064,807	\$ 168,963	\$ 785,324
Receivables:				
Taxes	93,383	-	-	60,951
Intergovernmental	<u>498,322</u>	<u>214,537</u>	<u>-</u>	<u>64,227</u>
Total assets	<u>\$ 3,315,086</u>	<u>\$ 2,279,344</u>	<u>\$ 168,963</u>	<u>\$ 910,502</u>
 <u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 58,922	\$ 731	\$ -	\$ 19,906
Accrued payroll and withholdings payable	<u>105,186</u>	<u>-</u>	<u>-</u>	<u>34,283</u>
Total liabilities	<u>164,108</u>	<u>731</u>	<u>-</u>	<u>54,189</u>
Deferred inflows of resources:				
Unavailable revenue	<u>191,785</u>	<u>-</u>	<u>-</u>	<u>125,178</u>
Total liabilities and deferred inflows of resources	<u>355,893</u>	<u>731</u>	<u>-</u>	<u>179,367</u>
Fund balances:				
Spendable:				
Restricted	2,872,367	2,278,613	168,963	-
Committed	-	-	-	-
Assigned	86,826	-	-	731,135
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,959,193</u>	<u>2,278,613</u>	<u>168,963</u>	<u>731,135</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,315,086</u>	<u>\$ 2,279,344</u>	<u>\$ 168,963</u>	<u>\$ 910,502</u>

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET-
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2017
 (Continued)

<u>Assets</u>	Park Nonreverting Operating	Tree Board Nonreverting	Parking Meter	Police Donation	Fire Donation
Cash and cash equivalents	\$ 13,306	\$ 9,176	\$ 582,135	\$ 19,289	\$ 6,655
Receivables:					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>\$ 13,306</u>	<u>\$ 9,176</u>	<u>\$ 582,135</u>	<u>\$ 19,289</u>	<u>\$ 6,655</u>
 <u>Liabilities, Deferred Inflows and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 24,487	\$ -	\$ 52	\$ -	\$ -
Accrued payroll and withholdings payable	15,516	-	1,962	-	-
Total liabilities	<u>40,003</u>	<u>-</u>	<u>2,014</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>40,003</u>	<u>-</u>	<u>2,014</u>	<u>-</u>	<u>-</u>
Fund balances:					
Spendable:					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	9,176	580,121	19,289	6,655
Unassigned	<u>(26,697)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(26,697)</u>	<u>9,176</u>	<u>580,121</u>	<u>19,289</u>	<u>6,655</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 13,306</u>	<u>\$ 9,176</u>	<u>\$ 582,135</u>	<u>\$ 19,289</u>	<u>\$ 6,655</u>

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET-
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2017
 (Continued)

<u>Assets</u>	<u>Wastewater Holding</u>	<u>Communications</u>	<u>Electronic Sign</u>	<u>Cultural Arts</u>
Cash and cash equivalents	\$ -	\$ 9,738	\$ 7,211	\$ 94,661
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 9,738</u>	<u>\$ 7,211</u>	<u>\$ 94,661</u>
 <u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Spendable:				
Restricted	-	-	-	-
Committed	-	9,738	-	-
Assigned	-	-	7,211	94,661
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>9,738</u>	<u>7,211</u>	<u>94,661</u>
Total liabilities, deferred inflows and fund balances	<u>\$ -</u>	<u>\$ 9,738</u>	<u>\$ 7,211</u>	<u>\$ 94,661</u>

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET-
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2017
 (Continued)

<u>Assets</u>	<u>Court Record</u>	<u>Hazardous Materials</u>	<u>Unemployment</u>	<u>Deferral Program</u>
Cash and cash equivalents	\$ 20,883	\$ 5	\$ 30,915	\$ 278,423
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Total assets	<u>\$ 20,883</u>	<u>\$ 5</u>	<u>\$ 30,915</u>	<u>\$ 278,423</u>
 <u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Spendable:				
Restricted	20,883	-	-	278,423
Committed	-	5	30,915	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>20,883</u>	<u>5</u>	<u>30,915</u>	<u>278,423</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 20,883</u>	<u>\$ 5</u>	<u>\$ 30,915</u>	<u>\$ 278,423</u>

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CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET-
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2017
 (Continued)

<u>Assets</u>	<u>Block Grant</u>	<u>Sick Pay Out</u>	<u>Trail Maintenance</u>	<u>Totals</u>
Cash and cash equivalents	\$ 123,161	\$ 587	\$ 220,352	\$ 7,158,972
Receivables:				
Taxes	-	-	-	154,334
Intergovernmental	-	-	-	777,086
Total assets	\$ 123,161	\$ 587	\$ 220,352	\$ 8,090,392
 <u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 104,098
Accrued payroll and withholdings payable	-	-	-	156,947
Total liabilities	-	-	-	261,045
Deferred inflows of resources:				
Unavailable revenue	-	-	-	316,963
Total liabilities	-	-	-	578,008
Fund balances:				
Spendable:				
Restricted	123,161	-	-	5,742,410
Committed	-	-	-	40,658
Assigned	-	587	220,352	1,756,013
Unassigned	-	-	-	(26,697)
Total fund balances	123,161	587	220,352	7,512,384
Total liabilities, deferred inflows and fund balances	\$ 123,161	\$ 587	\$ 220,352	\$ 8,090,392

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CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2017

	Fire Station 2 Debt	Fire Stations 5 & 6 Debt	Little Chicago Road Debt
<u>Assets</u>			
Cash and cash equivalents	\$ 63,412	\$ 269,599	\$ 250,742
Receivables:			
Taxes	3,200	14,438	13,300
Intergovernmental	3,373	15,213	14,015
Total assets	\$ 69,985	\$ 299,250	\$ 278,057
 <u>Deferred Inflows and Fund Balances</u>			
Deferred inflows of resources:			
Unavailable revenue	\$ 6,573	\$ 29,651	\$ 27,315
Total liabilities and deferred inflows of resources	6,573	29,651	27,315
Fund balances:			
Spendable:			
Restricted	63,412	269,599	250,742
Total fund balances	63,412	269,599	250,742
Total liabilities, deferred inflows and fund balances	\$ 69,985	\$ 299,250	\$ 278,057

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2017
 (Continued)

	<u>City Hall Debt</u>	<u>Fire Station 7/ Street Debt</u>	<u>Noblesville Building Corporation</u>	<u>Totals</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 682,832	\$ 407,263	\$ 1,597,638	\$ 3,271,486
Receivables:				
Taxes	36,485	18,633	-	86,056
Intergovernmental	<u>38,447</u>	<u>19,636</u>	<u>-</u>	<u>90,684</u>
Total assets	<u>\$ 757,764</u>	<u>\$ 445,532</u>	<u>\$ 1,597,638</u>	<u>\$ 3,448,226</u>
 <u>Deferred Inflows and Fund Balances</u>				
Deferred inflows of resources:				
Unavailable revenue	\$ 74,932	\$ 38,269	\$ -	\$ 176,740
Total liabilities and deferred inflows of resources	<u>74,932</u>	<u>38,269</u>	<u>-</u>	<u>176,740</u>
Fund balances:				
Spendable:				
Restricted	<u>682,832</u>	<u>407,263</u>	<u>1,597,638</u>	<u>3,271,486</u>
Total fund balances	<u>682,832</u>	<u>407,263</u>	<u>1,597,638</u>	<u>3,271,486</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 757,764</u>	<u>\$ 445,532</u>	<u>\$ 1,597,638</u>	<u>\$ 3,448,226</u>

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2017

	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Building and Fire Fighting Equipment	Park Nonreverting Capital	2009 Construction	Forest Hill School
Assets						
Cash and cash equivalents	\$ 362,300	\$ 2,571,429	\$ 1,115,234	\$ 798,148	\$ -	\$ 250,852
Receivables:						
Taxes	-	31,080	12,091	-	-	-
Intergovernmental	22,134	32,750	12,741	-	-	-
Total assets	\$ 384,434	\$ 2,635,259	\$ 1,140,066	\$ 798,148	\$ -	\$ 250,852
Liabilities, Deferred Inflows and Fund Balances						
Liabilities:						
Accounts payable	\$ 123,597	\$ -	\$ -	\$ -	\$ -	\$ -
Contacts payable	-	-	-	-	-	-
Total liabilities	123,597	-	-	-	-	-
Deferred inflows of resources:						
Unavailable revenue	22,134	63,830	24,832	-	-	-
Total liabilities and deferred inflows of resources	145,731	63,830	24,832	-	-	-
Fund balances:						
Spendable:						
Restricted	238,703	2,571,429	1,115,234	-	-	-
Committed	-	-	-	-	-	250,852
Assigned	-	-	-	798,148	-	-
Total fund balances	238,703	2,571,429	1,115,234	798,148	-	250,852
Total liabilities, deferred inflows and fund balances	\$ 384,434	\$ 2,635,259	\$ 1,140,066	\$ 798,148	\$ -	\$ 250,852

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CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2017
 (Continued)

	Park Impact Fee	Road Impact Fee	Field Drive Capital	Redevelopment Tax Increment Financing	Business Park Tax Increment Financing	Stoney Creek East Tax Increment Financing
Assets						
Cash and cash equivalents	\$ 3,360,060	\$ 6,356,606	\$ 105,122	\$ 454,672	\$ 438,118	\$ 5,080,080
Receivables:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	\$ 3,360,060	\$ 6,356,606	\$ 105,122	\$ 454,672	\$ 438,118	\$ 5,080,080
Liabilities, Deferred Inflows and Fund Balances						
Liabilities:						
Accounts payable	\$ 6,750	\$ -	\$ -	\$ 2,600	\$ -	\$ -
Contacts payable	268,229	131,202	-	-	-	-
Total liabilities	274,979	131,202	-	2,600	-	-
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	274,979	131,202	-	2,600	-	-
Fund balances:						
Spendable:						
Restricted	-	-	-	-	438,118	-
Committed	3,085,081	6,225,404	105,122	452,072	-	5,080,080
Assigned	-	-	-	-	-	-
Total fund balances	3,085,081	6,225,404	105,122	452,072	438,118	5,080,080
Total liabilities, deferred inflows and fund balances	\$ 3,360,060	\$ 6,356,606	\$ 105,122	\$ 454,672	\$ 438,118	\$ 5,080,080

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CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET -
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2017
 (Continued)

	Corporate Campus Tax Increment Financing - West	Corporate Campus Tax Increment Financing - East	Hazel Dell Tax Increment Financing	146th Street Reimbursement	State Road 37 - 146th Street Tax Increment Financing	LOIT Special Distribution	Totals
<u>Assets</u>							
Cash and cash equivalents	\$ 27,016	\$ 807,623	\$ 1,171,654	\$ 1,536,968	\$ 45,484	\$ 8,570,590	\$ 33,051,956
Receivables:							
Taxes	-	-	34,920	-	-	-	78,091
Intergovernmental	-	-	36,798	-	-	-	104,423
Total assets	<u>\$ 27,016</u>	<u>\$ 807,623</u>	<u>\$ 1,243,372</u>	<u>\$ 1,536,968</u>	<u>\$ 45,484</u>	<u>\$ 8,570,590</u>	<u>\$ 33,234,470</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>							
<u>Liabilities:</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,947
Contacts payable	-	-	-	-	-	-	399,431
Total liabilities	-	-	-	-	-	-	532,378
<u>Deferred inflows of resources:</u>							
Unavailable revenue	-	-	71,718	-	-	-	182,514
Total liabilities and deferred inflows of resources	-	-	71,718	-	-	-	714,892
<u>Fund balances:</u>							
<u>Spendable:</u>							
Restricted	-	-	-	-	-	8,570,590	12,934,074
Committed	27,016	807,623	1,171,654	1,536,968	45,484	-	18,787,356
Assigned	-	-	-	-	-	-	798,148
Total fund balances	<u>27,016</u>	<u>807,623</u>	<u>1,171,654</u>	<u>1,536,968</u>	<u>45,484</u>	<u>8,570,590</u>	<u>32,519,578</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 27,016</u>	<u>\$ 807,623</u>	<u>\$ 1,243,372</u>	<u>\$ 1,536,968</u>	<u>\$ 45,484</u>	<u>\$ 8,570,590</u>	<u>\$ 33,234,470</u>

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2017

	Motor Vehicle Highway	Local Road and Street	Local Law Enforcement Continuing Education	Park and Recreation
Revenues:				
Taxes	\$ 2,918,012	\$ -	\$ -	\$ 1,909,472
Licenses and permits	-	-	34,225	-
Intergovernmental	2,430,805	1,024,087	-	205,045
Charges for services	2,250	-	1,930	164,150
Fines and forfeits	-	-	9,536	-
Other	6,547	-	2,032	5,698
Total revenues	<u>5,357,614</u>	<u>1,024,087</u>	<u>47,723</u>	<u>2,284,365</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	62,803	-
Highways and streets	3,969,891	67,004	-	-
Culture and recreation	-	-	-	1,869,153
Debt service:				
Principal	1,728	251,494	-	104,884
Interest	36	8,363	-	2,931
Capital outlay	690,244	69,777	-	177,813
Total expenditures	<u>4,661,899</u>	<u>396,638</u>	<u>62,803</u>	<u>2,154,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>695,715</u>	<u>627,449</u>	<u>(15,080)</u>	<u>129,584</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Financing by capital lease	-	69,777	-	155,261
Total other financing sources and uses	<u>-</u>	<u>69,777</u>	<u>-</u>	<u>155,261</u>
Net change in fund balances	<u>695,715</u>	<u>697,226</u>	<u>(15,080)</u>	<u>284,845</u>
Fund balances - beginning	<u>2,263,478</u>	<u>1,581,387</u>	<u>184,043</u>	<u>446,290</u>
Fund balances - ending	<u>\$ 2,959,193</u>	<u>\$ 2,278,613</u>	<u>\$ 168,963</u>	<u>\$ 731,135</u>

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CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Park Nonreverting Operating	Tree Board Nonreverting	Parking Meter	Police Donation	Fire Donation
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	1,072,543	-	126,393	-	-
Fines and forfeits	-	-	-	-	-
Other	17,074	-	1,624	10,332	1,410
Total revenues	<u>1,089,617</u>	<u>-</u>	<u>128,017</u>	<u>10,332</u>	<u>1,410</u>
Expenditures:					
Current:					
General government	-	-	88,944	-	-
Public safety	-	-	-	805	1,327
Highways and streets	-	-	-	-	-
Culture and recreation	1,204,429	-	-	-	-
Debt service:					
Principal	105,717	-	-	-	-
Interest	3,475	-	-	-	-
Capital outlay	261,820	-	-	-	-
Total expenditures	<u>1,575,441</u>	<u>-</u>	<u>88,944</u>	<u>805</u>	<u>1,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(485,824)</u>	<u>-</u>	<u>39,073</u>	<u>9,527</u>	<u>83</u>
Other financing sources (uses):					
Transfers in	250,000	-	-	-	-
Financing by capital lease	261,820	-	-	-	-
Total other financing sources and uses	<u>511,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,996	-	39,073	9,527	83
Fund balances - beginning	<u>(52,693)</u>	<u>9,176</u>	<u>541,048</u>	<u>9,762</u>	<u>6,572</u>
Fund balances - ending	<u>\$ (26,697)</u>	<u>\$ 9,176</u>	<u>\$ 580,121</u>	<u>\$ 19,289</u>	<u>\$ 6,655</u>

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CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Wastewater Holding	Communications	Electronic Sign	Cultural Arts
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	1,565	875	8,893
Intergovernmental	-	-	-	-
Charges for services	-	-	-	3,127
Fines and forfeits	-	-	-	-
Other	-	-	-	139,553
Total revenues	<u>-</u>	<u>1,565</u>	<u>875</u>	<u>151,573</u>
Expenditures:				
Current:				
General government	5,958	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	93,697
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,958</u>	<u>-</u>	<u>-</u>	<u>93,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,958)</u>	<u>1,565</u>	<u>875</u>	<u>57,876</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Financing by capital lease	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,958)	1,565	875	57,876
Fund balances - beginning	<u>5,958</u>	<u>8,173</u>	<u>6,336</u>	<u>36,785</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 9,738</u>	<u>\$ 7,211</u>	<u>\$ 94,661</u>

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Court Record	Hazardous Materials	Unemployment	Deferral Program
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	1,540	-	-	1,715
Other	-	-	-	-
Total revenues	<u>1,540</u>	<u>-</u>	<u>-</u>	<u>1,715</u>
Expenditures:				
Current:				
General government	640	-	-	-
Public safety	-	-	-	2,794
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	2,510	-	-	-
Interest	55	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,205</u>	<u>-</u>	<u>-</u>	<u>2,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,665)</u>	<u>-</u>	<u>-</u>	<u>(1,079)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Financing by capital lease	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,665)	-	-	(1,079)
Fund balances - beginning	<u>22,548</u>	<u>5</u>	<u>30,915</u>	<u>279,502</u>
Fund balances - ending	<u>\$ 20,883</u>	<u>\$ 5</u>	<u>\$ 30,915</u>	<u>\$ 278,423</u>

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Block Grant	Sick Pay Out	Trail Maintenance	Totals
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 4,827,484
Licenses and permits	-	-	-	45,558
Intergovernmental	-	-	-	3,659,937
Charges for services	-	-	-	1,370,393
Fines and forfeits	-	-	-	12,791
Other	20,357	-	428	205,055
Total revenues	20,357	-	428	10,121,218
Expenditures:				
Current:				
General government	-	185,956	-	281,498
Public safety	13,206	-	-	80,935
Highways and streets	-	-	-	4,036,895
Culture and recreation	-	-	-	3,167,279
Debt service:				
Principal	-	-	-	466,333
Interest	-	-	-	14,860
Capital outlay	35,821	-	-	1,235,475
Total expenditures	49,027	185,956	-	9,283,275
Excess (deficiency) of revenues over (under) expenditures	(28,670)	(185,956)	428	837,943
Other financing sources (uses):				
Transfers in	100,000	186,000	-	536,000
Financing by capital lease	-	-	-	486,858
Total other financing sources and uses	100,000	186,000	-	1,022,858
Net change in fund balances	71,330	44	428	1,860,801
Fund balances - beginning	51,831	543	219,924	5,651,583
Fund balances - ending	<u>\$ 123,161</u>	<u>\$ 587</u>	<u>\$ 220,352</u>	<u>\$ 7,512,384</u>

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR DEBT SERVICE FUNDS
 For The Year Ended December 31, 2017

	Fire Station 2 Debt	Fire Stations 5 & 6 Debt	Little Chicago Road Debt	Business Park Tax Increment Financing
Revenues:				
Taxes	\$ 117,591	\$ 527,701	\$ 484,894	\$ -
Intergovernmental	11,957	48,677	45,720	-
Other	-	-	-	-
Total revenues	<u>129,548</u>	<u>576,378</u>	<u>530,614</u>	<u>-</u>
Expenditures:				
General government	2,038	4,520	1,700	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,038</u>	<u>4,520</u>	<u>1,700</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,510</u>	<u>571,858</u>	<u>528,914</u>	<u>-</u>
Other financing sources (uses):				
Transfers in - lease payments	-	-	-	-
Transfers out - fund reclassification	-	-	-	(480,636)
Transfers out - lease payments	(124,000)	(564,950)	(525,953)	-
Total other financing sources and uses	<u>(124,000)</u>	<u>(564,950)</u>	<u>(525,953)</u>	<u>(480,636)</u>
Net change in fund balances	3,510	6,908	2,961	(480,636)
Fund balances - beginning	<u>59,902</u>	<u>262,691</u>	<u>247,781</u>	<u>480,636</u>
Fund balances - ending	<u>\$ 63,412</u>	<u>\$ 269,599</u>	<u>\$ 250,742</u>	<u>\$ -</u>

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR DEBT SERVICE FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	City Hall Debt	Fire Station 7/ Street Debt	Noblesville Building Corporation	Totals
Revenues:				
Taxes	\$ 1,331,971	\$ 679,631	\$ -	\$ 3,141,788
Intergovernmental	125,425	64,057	-	295,836
Other	-	-	2,683	2,683
Total revenues	<u>1,457,396</u>	<u>743,688</u>	<u>2,683</u>	<u>3,440,307</u>
Expenditures:				
General government	2,619	-	3,350	14,227
Debt service:				
Principal	-	-	2,315,000	2,315,000
Interest	-	-	527,550	527,550
Total expenditures	<u>2,619</u>	<u>-</u>	<u>2,845,900</u>	<u>2,856,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,454,777</u>	<u>743,688</u>	<u>(2,843,217)</u>	<u>583,530</u>
Other financing sources (uses):				
Transfers in - lease payments	-	-	2,831,742	2,831,742
Transfers out - fund reclassification	-	-	-	(480,636)
Transfers out - lease payments	<u>(1,459,869)</u>	<u>(682,923)</u>	<u>-</u>	<u>(3,357,695)</u>
Total other financing sources and uses	<u>(1,459,869)</u>	<u>(682,923)</u>	<u>2,831,742</u>	<u>(1,006,589)</u>
Net change in fund balances	(5,092)	60,765	(11,475)	(423,059)
Fund balances - beginning	<u>687,924</u>	<u>\$ 346,498</u>	<u>\$ 1,609,113</u>	<u>3,694,545</u>
Fund balances - ending	<u>\$ 682,832</u>	<u>\$ 407,263</u>	<u>\$ 1,597,638</u>	<u>\$ 3,271,486</u>

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2017

	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Building and Fire Fighting Equipment	Park Nonreverting Capital	2009 Construction	Forest Hill School
Revenues:						
Taxes	\$ -	\$ 971,766	\$ 378,612	\$ -	\$ -	\$ -
Intergovernmental	126,409	106,843	41,564	-	-	-
Charges for services	-	-	-	167,012	-	-
Other	-	1,601	93	502,088	-	-
Total revenues	126,409	1,080,210	420,269	669,100	-	-
Expenditures:						
Current:						
General government	336,588	352,602	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Culture and recreation	-	-	-	91,634	-	-
Debt service:						
Principal	-	101,422	118,011	-	-	-
Interest	-	635	6,726	-	659	-
Capital outlay	177,124	328,628	-	7,300	-	-
Total expenditures	513,712	783,287	124,737	98,934	659	-
Excess (deficiency) of revenues over (under) expenditures	(387,303)	296,923	295,532	570,166	(659)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers in - fund reclassification	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Transfers out - lease payments	-	-	-	-	-	-
Transfer from Proprietary Fund	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(387,303)	296,923	295,532	570,166	(659)	-
Fund balances - beginning	626,006	2,274,506	819,702	227,982	659	250,852
Fund balances - ending	\$ 238,703	\$ 2,571,429	\$ 1,115,234	\$ 798,148	\$ -	\$ 250,852

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CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Park Impact Fee	Road Impact Fee	Field Drive Capital	Redevelopment Tax Increment Financing	Business Park Tax Increment Financing	Stoney Creek East Tax Increment Financing
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 2,390,190	\$ 793,429	\$ 2,687,691
Intergovernmental	-	-	-	-	-	-
Charges for services	1,093,483	2,253,140	-	-	-	-
Other	125,905	13,767	183	-	-	9,397
Total revenues	1,219,388	2,266,907	183	2,390,190	793,429	2,697,088
Expenditures:						
Current:						
General government	-	-	-	16,215	26,833	32,633
Public safety	-	-	-	-	-	-
Highways and streets	-	19,602	-	-	-	-
Economic Development	-	-	-	-	-	-
Culture and recreation	158,661	-	-	-	-	-
Debt service:						
Principal	-	-	-	255,000	530,000	345,000
Interest	-	-	-	161,376	219,114	24,637
Capital outlay	1,993,851	2,462,871	-	39,811	-	1,243,870
Total expenditures	2,152,512	2,482,473	-	472,402	775,947	1,646,140
Excess (deficiency) of revenues over (under) expenditures	(933,124)	(215,566)	183	1,917,788	17,482	1,050,948
Other financing sources (uses):						
Transfers in	-	-	-	-	-	4,575,439
Transfers in - fund reclassification	-	-	-	-	480,636	-
Transfers out	-	-	-	(208,769)	-	-
Transfers out - lease payments	-	-	-	(2,256,659)	(60,000)	(1,582,912)
Transfer from Proprietary Fund	-	-	-	200,000	-	-
Total other financing sources and uses	-	-	-	(2,265,428)	420,636	2,992,527
Net change in fund balances	(933,124)	(215,566)	183	(347,640)	438,118	4,043,475
Fund balances - beginning	4,018,205	6,440,970	104,939	799,712	-	1,036,605
Fund balances - ending	\$ 3,085,081	\$ 6,225,404	\$ 105,122	\$ 452,072	\$ 438,118	\$ 5,080,080

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CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Corporate Campus Tax Increment Financing - West	Corporate Campus Tax Increment Financing - East	Hazel Dell Tax Increment Financing	146th Street Reimbursement	State Road 37 - 146th Street Tax Increment Financing	LOIT Special Distribution	Totals
Revenues:							
Taxes	\$ 4,321,596	\$ 4,113,789	\$ 2,361,025	\$ -	\$ 65,504	\$ -	\$ 18,083,602
Intergovernmental	-	506,061	120,046	-	-	-	900,923
Charges for services	-	-	-	-	-	-	3,513,635
Other	-	-	10	34,772	-	-	687,816
Total revenues	4,321,596	4,619,850	2,481,081	34,772	65,504	-	23,185,976
Expenditures:							
Current:							
General government	4,670	117,738	-	6,877	20,020	-	914,176
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	19,602
Economic Development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	250,295
Debt service:							
Principal	-	100,000	-	-	-	-	1,449,433
Interest	-	25,625	-	-	-	-	438,772
Capital outlay	-	-	-	1,517,827	-	-	7,771,282
Total expenditures	4,670	243,363	-	1,524,704	20,020	-	10,843,560
Excess (deficiency) of revenues over (under) expenditures	4,316,926	4,376,487	2,481,081	(1,489,932)	45,484	-	12,342,416
Other financing sources (uses):							
Transfers in	-	-	9	-	-	-	4,575,448
Transfers in - fund reclassification	-	-	-	-	-	-	480,636
Transfers out	-	-	-	-	-	-	(208,769)
Transfers out - lease payments	(4,291,000)	(3,771,176)	(1,937,000)	-	-	-	(13,898,747)
Transfer from Proprietary Fund	-	-	-	-	-	-	200,000
Total other financing sources and uses	(4,291,000)	(3,771,176)	(1,936,991)	-	-	-	(8,851,432)
Net change in fund balances	25,926	605,311	544,090	(1,489,932)	45,484	-	3,490,984
Fund balances - beginning	1,090	202,312	627,564	3,026,900	-	8,570,590	29,028,594
Fund balances - ending	\$ 27,016	\$ 807,623	\$ 1,171,654	\$ 1,536,968	\$ 45,484	\$ 8,570,590	\$ 32,519,578

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CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017

	Motor Vehicle Highway				Local Road and Street			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 3,495,677	\$ 2,911,480	\$ 2,918,012	\$ 6,532	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,211,878	2,184,051	2,288,958	104,907	760,018	760,018	933,932	173,914
Charges for services	1,078	1,078	2,250	1,172	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	6,547	6,547	-	-	-	-
Total revenues	<u>5,708,633</u>	<u>5,096,609</u>	<u>5,215,767</u>	<u>119,158</u>	<u>760,018</u>	<u>760,018</u>	<u>933,932</u>	<u>173,914</u>
Expenditures:								
Current:								
General government:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	-	-
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Total public safety	-	-	-	-	-	-	-	-
Highways and streets:								
Personal services	3,317,964	3,318,747	2,983,544	335,203	-	-	-	-
Supplies	753,588	756,634	672,041	84,593	166,152	166,152	19,015	147,137
Other services and charges	235,276	278,633	424,129	(145,496)	410,808	410,808	307,170	103,638
Capital	929,145	926,309	690,244	236,065	-	-	-	-
Total highways and streets	<u>5,235,973</u>	<u>5,280,323</u>	<u>4,769,958</u>	<u>510,365</u>	<u>576,960</u>	<u>576,960</u>	<u>326,185</u>	<u>250,775</u>
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>5,235,973</u>	<u>5,280,323</u>	<u>4,769,958</u>	<u>510,365</u>	<u>576,960</u>	<u>576,960</u>	<u>326,185</u>	<u>250,775</u>
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	472,660	(183,714)	445,809	629,523	183,058	183,058	607,747	424,689
Fund balances - beginning	<u>2,654,675</u>	<u>939,019</u>	<u>2,277,572</u>	<u>1,338,553</u>	<u>1,025,413</u>	<u>940,360</u>	<u>1,457,060</u>	<u>516,700</u>
Fund balances - December 31	<u>\$ 3,127,335</u>	<u>\$ 755,305</u>	<u>\$ 2,723,381</u>	<u>\$ 1,968,076</u>	<u>\$ 1,208,471</u>	<u>\$ 1,123,418</u>	<u>\$ 2,064,807</u>	<u>\$ 941,389</u>

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CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Local Law Enforcement Continuing Education			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	33,000	33,000	34,225	1,225
Intergovernmental	-	-	-	-
Charges for services	8,500	8,500	1,930	(6,570)
Fines and forfeits	-	-	-	-
Other	-	-	11,568	11,568
Total revenues	<u>41,500</u>	<u>41,500</u>	<u>47,723</u>	<u>6,223</u>
Expenditures:				
Current:				
General government:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital	-	-	-	-
Total general government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public safety:				
Personal services	16,497	16,497	16,492	5
Supplies	46,985	46,985	46,916	69
Other services and charges	-	-	190	(190)
Total public safety	<u>63,482</u>	<u>63,482</u>	<u>63,598</u>	<u>(116)</u>
Highways and streets:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital	-	-	-	-
Total highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital	-	-	-	-
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>63,482</u>	<u>63,482</u>	<u>63,598</u>	<u>(116)</u>
Other financing uses:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net change in fund balances	(21,982)	(21,982)	(15,875)	6,107
Fund balances - beginning	<u>157,899</u>	<u>157,899</u>	<u>184,838</u>	<u>26,939</u>
Fund balances - December 31	<u>\$ 135,917</u>	<u>\$ 135,917</u>	<u>\$ 168,963</u>	<u>\$ 33,046</u>

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CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Park and Recreation				Park Nonreverting Operating			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues:								
Taxes	\$ 2,281,642	\$ 1,900,334	\$ 1,904,986	\$ 4,652	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	196,710	168,592	209,531	40,939	-	-	-	-
Charges for services	70,000	70,000	164,150	94,150	-	-	1,072,544	1,072,544
Fines and forfeits	-	-	-	-	-	-	-	-
Other	45,000	45,000	5,698	(39,302)	-	-	267,074	267,074
Total revenues	<u>2,593,352</u>	<u>2,183,926</u>	<u>2,284,365</u>	<u>100,439</u>	<u>-</u>	<u>-</u>	<u>1,339,618</u>	<u>1,339,618</u>
Expenditures:								
Current:								
General government:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total general government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:								
Personal services	1,346,564	1,346,864	1,307,492	39,372	636,143	636,214	586,899	49,315
Supplies	103,252	106,037	215,330	(109,293)	230,161	244,575	330,345	(85,770)
Other services and charges	425,846	370,783	451,110	(80,327)	262,840	363,203	412,271	(49,068)
Capital	334,981	279,856	22,552	257,304	226,495	226,515	-	226,515
Total culture and recreation	<u>2,210,643</u>	<u>2,103,540</u>	<u>1,996,484</u>	<u>107,056</u>	<u>1,355,639</u>	<u>1,470,507</u>	<u>1,329,515</u>	<u>140,992</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,210,643</u>	<u>2,103,540</u>	<u>1,996,484</u>	<u>107,056</u>	<u>1,355,639</u>	<u>1,470,507</u>	<u>1,329,515</u>	<u>140,992</u>
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	<u>382,709</u>	<u>80,386</u>	<u>287,881</u>	<u>207,495</u>	<u>(1,355,639)</u>	<u>(1,470,507)</u>	<u>10,103</u>	<u>1,480,610</u>
Fund balances - beginning	<u>1,446,010</u>	<u>102,319</u>	<u>497,443</u>	<u>395,124</u>	<u>(5,112,097)</u>	<u>(5,178,841)</u>	<u>3,203</u>	<u>5,182,044</u>
Fund balances - December 31	<u>\$ 1,828,719</u>	<u>\$ 182,705</u>	<u>\$ 785,324</u>	<u>\$ 602,619</u>	<u>\$ (6,467,736)</u>	<u>\$ (6,649,348)</u>	<u>\$ 13,306</u>	<u>\$ 6,662,654</u>

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Parking Meter				Fire Station 2 Debt			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 119,806	\$ 119,737	\$ 117,591	\$ (2,146)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	14,621	8,852	11,957	3,105
Charges for services	98,000	98,000	126,394	28,394	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	1,624	1,624	-	-	-	-
Total revenues	98,000	98,000	128,018	30,018	134,427	128,589	129,548	959
Expenditures:								
Current:								
General government:								
Personal services	84,544	84,544	75,110	9,434	-	-	-	-
Supplies	5,921	5,921	5,588	333	-	-	-	-
Other services and charges	7,248	7,248	8,290	(1,042)	-	-	-	-
Capital	5,500	5,500	-	5,500	-	-	-	-
Total general government	103,213	103,213	88,988	14,225	-	-	-	-
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	2,038	(2,038)
Total public safety	-	-	-	-	-	-	2,038	(2,038)
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total highways and streets	-	-	-	-	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	103,213	103,213	88,988	14,225	-	-	2,038	(2,038)
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(126,000)	(126,000)	(124,000)	2,000
Net change in fund balances	(5,213)	(5,213)	39,030	44,243	8,427	2,589	3,510	921
Fund balances - beginning	329,801	329,301	543,105	213,804	132,425	125,927	59,902	(66,025)
Fund balances - December 31	\$ 324,588	\$ 324,088	\$ 582,135	\$ 258,047	\$ 140,852	\$ 128,516	\$ 63,412	\$ (65,104)

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Fire Station 7/Street Dept				Fire Stations 5 & 6 Debt			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 697,538	\$ 697,134	\$ 679,631	\$ (17,503)	\$ 540,459	\$ 540,146	\$ 527,701	\$ (12,445)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	58,064	51,540	64,057	12,517	51,111	39,935	48,677	8,742
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>755,602</u>	<u>748,674</u>	<u>743,688</u>	<u>(4,986)</u>	<u>591,570</u>	<u>580,081</u>	<u>576,378</u>	<u>(3,703)</u>
Expenditures:								
Current:								
General government:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total general government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	4,520	(4,520)
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,520</u>	<u>(4,520)</u>
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,520</u>	<u>(4,520)</u>
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(739,000)	(739,000)	(682,923)	56,077	(567,000)	(567,000)	(564,950)	2,050
Net change in fund balances	16,602	9,674	60,765	51,091	24,570	13,081	6,908	(6,173)
Fund balances - beginning	1,147,256	1,106,412	346,498	(759,914)	\$ 549,945	\$ 525,858	\$ 262,691	(263,167)
Fund balances - December 31	<u>\$ 1,163,858</u>	<u>\$ 1,116,086</u>	<u>\$ 407,263</u>	<u>\$ (708,823)</u>	<u>\$ 574,515</u>	<u>\$ 538,939</u>	<u>\$ 269,599</u>	<u>\$ (269,340)</u>

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Little Chicago Road Debt				City Hall Debt			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 497,861	\$ 497,573	\$ 484,894	\$ (12,679)	\$ 1,365,790	\$ 1,364,999	\$ 1,331,971	\$ (33,028)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	50,268	36,787	45,720	8,933	115,418	100,919	125,425	24,506
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	548,129	534,360	530,614	(3,746)	1,481,208	1,465,918	1,457,396	(8,522)
Expenditures:								
Current:								
General government:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	2,620	(2,620)
Capital	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	2,620	(2,620)
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Total public safety	-	-	-	-	-	-	-	-
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	1,700	(1,700)	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total highways and streets	-	-	1,700	(1,700)	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	1,700	(1,700)	-	-	2,620	(2,620)
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(528,000)	(528,000)	(525,953)	2,047	(1,457,260)	(1,457,260)	(1,459,868)	(2,608)
Net change in fund balances	20,129	6,360	2,961	(3,399)	23,948	8,658	(5,092)	(13,750)
Fund balances - beginning	893,697	848,793	247,781	(601,012)	1,519,457	1,456,713	687,924	(768,789)
Fund balances - December 31	\$ 913,826	\$ 855,153	\$ 250,742	\$ (604,411)	\$ 1,543,405	\$ 1,465,371	\$ 682,832	\$ (782,539)

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Cumulative Capital Improvement				Cumulative Capital Development			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,163,451	\$ 969,015	\$ 971,766	\$ 2,751
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	135,639	135,639	126,384	(9,255)	107,295	85,967	106,843	20,876
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	25	25	-	-	1,601	1,601
Total revenues	<u>135,639</u>	<u>135,639</u>	<u>126,409</u>	<u>(9,230)</u>	<u>1,270,746</u>	<u>1,054,982</u>	<u>1,080,210</u>	<u>25,228</u>
Expenditures:								
Current:								
General government:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	120,850	120,850	112,846	8,004	625,000	625,000	587,224	37,776
Capital	300,000	303,309	296,001	7,308	1,530,000	1,530,000	200,070	1,329,930
Total general government	<u>420,850</u>	<u>424,159</u>	<u>408,847</u>	<u>15,312</u>	<u>2,155,000</u>	<u>2,155,000</u>	<u>787,294</u>	<u>1,367,706</u>
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>420,850</u>	<u>424,159</u>	<u>408,847</u>	<u>15,312</u>	<u>2,155,000</u>	<u>2,155,000</u>	<u>787,294</u>	<u>1,367,706</u>
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	<u>(285,211)</u>	<u>(288,520)</u>	<u>(282,438)</u>	<u>6,082</u>	<u>(884,254)</u>	<u>(1,100,018)</u>	<u>292,916</u>	<u>1,392,934</u>
Fund balances - beginning	<u>594,765</u>	<u>594,765</u>	<u>644,738</u>	<u>49,973</u>	<u>2,805,581</u>	<u>2,123,906</u>	<u>2,278,513</u>	<u>154,607</u>
Fund balances - December 31	<u>\$ 309,554</u>	<u>\$ 306,245</u>	<u>\$ 362,300</u>	<u>\$ 56,055</u>	<u>\$ 1,921,327</u>	<u>\$ 1,023,888</u>	<u>\$ 2,571,429</u>	<u>\$ 1,547,541</u>

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CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES -
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2017
 (Continued)

	Cumulative Building and Fire Fighting Equipment				Hazel Dell Tax Increment Financing			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 452,601	\$ 376,962	\$ 378,612	\$ 1,650	\$ 1,307,218	\$ 1,306,461	\$ 1,275,280	\$ (31,181)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	44,706	33,442	41,564	8,122	968,414	996,591	120,046	(876,545)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	-	93	93	-	-	1,085,764	1,085,764
Total revenues	<u>497,307</u>	<u>410,404</u>	<u>420,269</u>	<u>9,865</u>	<u>2,275,632</u>	<u>2,303,052</u>	<u>2,481,090</u>	<u>178,038</u>
Expenditures:								
Current:								
General government:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	-	-
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Total public safety	-	-	-	-	-	-	-	-
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total highways and streets	-	-	-	-	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	<u>487,277</u>	<u>487,277</u>	<u>124,737</u>	<u>362,540</u>	-	-	-	-
Total expenditures	<u>487,277</u>	<u>487,277</u>	<u>124,737</u>	<u>362,540</u>	-	-	-	-
Other financing uses:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,938,494)	(1,938,494)	(1,937,000)	1,494
Net change in fund balances	10,030	(76,873)	295,532	372,405	337,138	364,558	544,090	179,532
Fund balances - beginning	<u>1,792,612</u>	<u>1,521,583</u>	<u>819,702</u>	<u>(701,881)</u>	<u>453,462</u>	<u>414,106</u>	<u>627,564</u>	<u>213,458</u>
Fund balances - December 31	<u>\$ 1,802,642</u>	<u>\$ 1,444,710</u>	<u>\$ 1,115,234</u>	<u>\$ (329,476)</u>	<u>\$ 790,600</u>	<u>\$ 778,664</u>	<u>\$ 1,171,654</u>	<u>\$ 392,990</u>

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FIDUCIARY FUNDS

Trust funds - used to account for assets held by the primary government in a trustee capacity.

Pension trust funds

Police Pension - To account for resources related to police pension benefit payments to qualified police officers and/or their beneficiaries.

Fire Pension - To account for resources related to pension benefit payments to qualified firefighters and/or their beneficiaries.

Agency funds - used to account for assets held by the primary government as an agent for individuals, private organizations, other governments and/or other funds.

Payroll - To account for the payroll of City employees. Gross payroll is treated as expenditures in other City funds and transferred into this fund, which serves as a clearing account.

Escrow - To account for the tracking of fees that are deposited for vendor security bonds, maintenance bonds, and performance bonds. These bonds are normally held for specific length of time and then returned to the payee.

City Court - To account for fines and fees collected by the City Court.

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF NET POSITION -
 PENSION TRUST FUNDS
 December 31, 2017

	Pension Trust Funds		
	Police Pension	Fire Pension	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 556,383	\$ 730,314	\$ 1,286,697
Total assets	556,383	730,314	1,286,697
Net position restricted for pensions	556,383	730,314	1,286,697
Total net position restricted for pensions	\$ 556,383	\$ 730,314	\$ 1,286,697

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF CHANGES IN NET POSITION -
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2017

	Pension Trust Funds		
	Police Pension	Fire Pension	Totals
<u>Additions</u>			
Contributions:			
Employer	\$ -	\$ -	\$ -
Non-employer contributing entity contributions	240,226	527,719	767,945
Total contributions	240,226	527,719	767,945
Reimbursements	3,000	3,000	6,000
Total additions	243,226	530,719	773,945
<u>Deductions</u>			
Benefits	230,001	481,988	711,989
Administrative expense	4,749	4,325	9,074
Total deductions	234,750	486,313	721,063
Net increase in net position	8,476	44,406	52,882
<u>Net position restricted for pensions</u>			
Net position - beginning	547,907	685,908	1,233,815
Net position - ending	<u>\$ 556,383</u>	<u>\$ 730,314</u>	<u>\$ 1,286,697</u>

CITY OF NOBLESVILLE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
For The Year Ended December 31, 2017

	<u>Payroll</u>	<u>Escrow</u>	<u>City Court</u>	<u>Totals</u>
Assets:				
Cash and cash equivalents, January 1, 2017	\$ 9,735	\$ 350,456	\$ 48,976	\$ 409,167
Additions	29,002,900	107,570	671,012	29,781,482
Deductions	<u>(29,012,420)</u>	<u>(71,480)</u>	<u>(673,050)</u>	<u>(29,756,950)</u>
Cash and cash equivalents, December 31, 2017	<u>\$ 215</u>	<u>\$ 386,546</u>	<u>\$ 46,938</u>	<u>\$ 433,699</u>
Liabilities:				
Trust payable, January 1, 2017	\$ -	\$ -	\$ 48,976	\$ 48,976
Additions	-	-	671,012	671,012
Deductions	<u>-</u>	<u>-</u>	<u>(673,050)</u>	<u>(673,050)</u>
Trust payable, December 31, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,938</u>	<u>\$ 46,938</u>
Liabilities:				
Performance deposits payable, January 1, 2017	\$ -	\$ 350,456	\$ -	\$ 350,456
Additions	-	107,570	-	107,570
Deductions	<u>-</u>	<u>(71,480)</u>	<u>-</u>	<u>(71,480)</u>
Performance deposits payable, December 31, 2017	<u>\$ -</u>	<u>\$ 386,546</u>	<u>\$ -</u>	<u>\$ 386,546</u>
Payroll withholdings payable, January 1, 2017	\$ 9,735	\$ -	\$ -	\$ 9,735
Additions	29,002,900	-	-	29,002,900
Deductions	<u>(29,012,420)</u>	<u>-</u>	<u>-</u>	<u>(29,012,420)</u>
Payroll withholdings payable, December 31, 2017	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215</u>

**STATISTICAL
SECTION**

Statistical Section

This part of the City of Noblesville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
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.	147-151
Revenue Capacity These schedules contain information to help the reader assess the City's local revenue source, property taxes.	153-157
Debt Capacity These schedules present 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.	158-163
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	164-167
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.	168-170

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF NOBLESVILLE
Net Position by Component
As of December 31.

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net investment in capital assets	\$ 155,288,238	\$ 145,567,900	\$ 134,342,338	\$ 121,218,630	\$ 114,473,654	\$ 111,063,125	\$ 100,501,820	\$ 93,878,151	\$ 96,105,611	\$ 127,424,781
Restricted	34,389,473	42,660,844	35,133,129	34,505,854	32,301,880	31,638,300	33,519,810	25,626,888	30,658,397	25,929,821
Unrestricted	(165,470)	(14,724,499)	(7,111,071)	7,656,911	14,997,385	13,233,741	14,726,063	16,150,864	18,097,682	19,829,946
Total governmental activities net position	\$ 189,512,241	\$ 173,504,245	\$ 162,364,396	\$ 163,381,395	\$ 161,773,119	\$ 155,935,166	\$ 148,747,693	\$ 135,653,903	\$ 144,861,690	\$ 173,184,548
Business - Type Activities:										
Net investment in capital assets	\$ 85,356,440	\$ 82,597,844	\$ 80,474,188	\$ 80,865,842	\$ 78,132,289	\$ 79,660,471	\$ 80,257,088	\$ 80,563,974	\$ 71,429,768	\$ 70,311,934
Restricted	6,789,336	5,821,267	5,675,787	5,756,425	5,673,161	4,669,581	3,903,753	4,639,898	1,523,784	2,065,804
Unrestricted	25,527,478	23,864,932	19,983,359	17,032,778	16,975,886	15,682,765	13,661,085	16,264,900	24,761,609	19,941,737
Total business - type activities net position	\$ 117,673,254	\$ 112,284,043	\$ 106,133,334	\$ 103,655,045	\$ 100,781,336	\$ 100,012,817	\$ 97,821,926	\$ 101,468,772	\$ 97,714,661	\$ 92,319,475
Primary government:										
Net investment in capital assets	\$ 240,644,678	\$ 228,165,744	\$ 214,816,526	\$ 202,084,472	\$ 192,605,943	\$ 190,723,596	\$ 180,758,908	\$ 174,442,125	\$ 167,534,879	\$ 197,736,715
Restricted	41,178,809	48,482,111	40,808,916	40,262,279	37,975,041	36,307,881	37,423,563	30,266,786	32,182,181	27,995,625
Unrestricted	25,362,008	9,140,433	12,872,288	24,689,689	31,973,471	28,916,506	28,387,148	32,415,764	42,859,291	39,771,683
Total primary government net position	\$ 307,185,495	\$ 285,788,288	\$ 268,497,730	\$ 267,036,440	\$ 262,554,435	\$ 255,947,983	\$ 246,569,619	\$ 237,124,673	\$ 242,576,351	\$ 265,504,023

The City of Noblesville implemented GASB 63 for the fiscal year ended December 31, 2012. Prior to the implementation, net position was stated as net assets.

a Capital assets for 2008 were restated in 2009 to include a prior period adjustment of \$34,431,662 due to overstatement of capital assets for infrastructure. This was offset by a \$5,591,065 adjustment to eliminate pension obligations assumed by the state.

b The change in the unrestricted balance in the governmental funds is primarily due to the implementation of GASB 68 and GASB 71. The net pension asset, net pensions liability, and OPEB obligation increased by a net \$14.6 million from the prior year.

c Capital assets were restated in 2015 to include a prior period adjustment of \$2,837,217 due to overstatement of capital assets for improvements.

d The change in the restricted/unrestricted balances is due to a reclassification of funds from restricted to unrestricted.

CITY OF NOBLESVILLE

Changes in Net Position

For the years ended December 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities:										
General government	\$ 20,453,103	\$ 22,570,301	\$ 21,513,337	\$ 22,819,562	\$ 16,170,350	\$ 14,977,533	\$ 16,156,250	\$ 15,567,425	\$ 23,812,537	\$ 14,192,964
Public safety	27,777,236	26,272,849	25,618,321	26,621,910	24,538,187	24,141,504	24,179,519	23,105,515	22,963,366	23,282,769
Highways and streets	8,406,837	11,390,173	13,258,585	7,811,899	10,709,480	10,390,631	12,868,209	10,098,081	11,651,825	8,048,830
Culture and recreation	3,721,783	3,743,991	3,749,832	2,775,891	2,883,329	3,479,086	2,930,555	3,037,866	3,898,546	2,657,713
Economic Development	7,879,352	5,933,414	84,133	6,088,104	2,450,465	58,644	-	20,316	1,241,557	-
Interest on long-term debt	5,514,458	5,539,319	6,333,374	7,083,600	8,395,540	8,484,701	9,398,440	9,416,948	10,108,830	11,517,623
Total governmental activities expenses	73,752,769	75,450,047	70,537,582	73,200,966	65,147,351	61,532,999	65,532,973	61,246,151	73,676,661	59,699,899
Business-Type Activities:										
Wastewater	14,238,378	11,269,497	10,305,263	10,497,493	10,721,810	8,950,764	9,939,013	8,515,722	9,073,403	10,342,104
Total business-type activities expenses	14,238,378	11,269,497	10,305,263	10,497,493	10,721,810	8,950,764	9,939,013	8,515,722	9,073,403	10,342,104
Total primary government expenses	87,991,147	86,719,544	80,862,845	83,698,459	75,869,161	70,482,863	75,471,986	69,761,873	82,750,064	70,042,003
Program Revenues:										
Governmental Activities:										
Charges for services:										
General Government	2,553,291	4,212,057	2,547,606	3,219,779	2,763,026	1,503,676	1,762,854	1,956,741	3,079,111	3,256,605
Public Safety	3,917,174	4,001,857	3,602,836	4,392,253	5,037,767	3,369,859	3,479,598	3,856,827	2,829,023	2,093,103
Highways and streets	2,369,642	1,436,904	1,693,328	1,502,685	767,562	1,090,011	985,835	1,422,557	5,445,030	1,873,564
Culture and recreation	3,154,264	2,611,765	2,755,148	2,243,418	2,683,009	2,416,648	2,333,572	1,919,948	2,055,999	2,269,568
Economic development	2,050,000	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	3,169	195,690
Public Safety	-	-	-	-	-	-	-	-	45,000	49,399
Highways and streets	3,631,423	2,660,424	2,818,025	2,935,345	2,350,287	2,057,868	1,727,122	1,612,725	5,379,422	5,863,335
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Highways and streets	4,094,787	6,757,792	5,512,986	3,593,149	4,539,159	4,567,202	4,678,475	2,927,352	4,818,117	3,544,410
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Total governmental activities revenues	21,770,581	21,680,799	18,929,929	17,886,629	18,140,810	15,005,264	14,967,456	13,696,150	23,654,871	19,145,674
Business-Type Activities:										
Wastewater:										
Charges for services	17,970,880	14,602,625	13,726,815	11,925,499	11,424,691	10,358,608	10,465,336	10,078,803	9,573,608	10,305,669
Capital grants and contributions	1,710,077	2,991,116	1,410,532	1,969,450	790,197	923,099	602,915	1,497,444	4,581,935	1,194,750
Total business-type activities revenues	19,680,957	17,593,741	15,137,347	13,894,949	12,214,888	11,281,707	11,068,251	11,576,247	14,155,543	11,500,419
Total primary government revenues	41,451,538	39,274,540	34,067,276	31,781,578	30,355,698	26,286,971	26,035,707	25,272,397	37,810,414	30,646,093
Net Revenues (expenses):										
Governmental activities	(51,982,188)	(53,769,248)	(51,627,653)	(55,314,337)	(47,006,541)	(46,526,835)	(50,565,517)	(47,550,001)	(50,021,790)	(40,554,225)
Business-type activities	5,442,579	6,324,244	4,832,084	3,397,456	1,493,078	2,330,943	1,129,238	3,060,525	5,082,140	1,158,315
Total net revenues (expenses):	(46,539,609)	(47,445,004)	(46,795,569)	(51,916,881)	(45,513,463)	(44,195,892)	(49,436,279)	(44,489,476)	(44,939,650)	(39,395,910)

CITY OF NOBLESVILLE

Changes in Net Position
For the years ended December 31,
(continued)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property Taxes	\$ 41,082,153	\$ 39,176,776	\$ 37,839,905	\$ 35,527,771	\$ 33,685,434	\$ 33,518,336	\$ 33,429,880	\$ 31,499,986	\$ 30,726,558	\$ 31,297,880
Food and beverage tax	1,817,910	1,799,917	1,554,345	1,495,509	1,470,626	1,354,073	1,035,443	1,134,993	976,370	1,057,393
Local income tax ^e	20,416,538	19,915,934	18,799,297	16,028,903	17,209,846	15,391,329	18,872,642	7,278,699	14,510,985	14,819,612
Financial institutions tax	83,886	93,226	86,477	81,556	90,680	85,525	89,317	103,537	111,783	113,471
Auto and aircraft excise tax	2,718,624	2,652,929	2,306,721	2,321,322	2,091,156	2,005,476	1,948,698	1,860,137	2,037,471	1,914,759
Commercial vehicle excise tax	29,861	30,798	30,393	30,785	32,869	32,809	32,700	32,197	32,107	36,149
State cigarette tax	160,877	168,579	166,133	174,936	250,456	175,426	143,823	146,638	153,567	34,900
Gaming tax	307,860	307,849	307,860	307,860	307,860	307,860	246,253	246,254	246,254	246,845
Other taxes	235,467	121,870	194,360	282,868	72,283	358,162	1,393,226	1,329,562	1,283,876	221,809
Other Miscellaneous	701,538	282,421	177,227	137,730	183,394	197,775	1,457,788	96,081	94,128	351,169
Unrestricted investment earnings	235,470	91,347	152,006	81,927	75,691	87,537	107,044	181,152	366,182	1,620,290
Transfers	200,000	267,451	(332,792)	572,495	200,000	200,000	4,900,493	-	-	-
Total Governmental activities:	<u>67,990,184</u>	<u>64,909,097</u>	<u>61,281,932</u>	<u>57,043,682</u>	<u>55,670,295</u>	<u>53,714,308</u>	<u>63,057,307</u>	<u>43,909,236</u>	<u>50,539,281</u>	<u>51,714,277</u>
Business - Type activities:										
Unrestricted investment earnings	146,632	93,916	150,630	48,748	46,830	59,948	124,409	84,208	313,046	913,619
Transfers	(200,000)	(267,451)	332,792	(572,495)	(200,000)	(200,000)	(4,900,493)	-	-	-
Total Business - Type activities:	<u>(53,368)</u>	<u>(173,535)</u>	<u>483,422</u>	<u>(523,747)</u>	<u>(153,170)</u>	<u>(140,052)</u>	<u>(4,776,084)</u>	<u>84,208</u>	<u>313,046</u>	<u>913,619</u>
Total Primary Government	<u>67,936,816</u>	<u>64,735,562</u>	<u>61,765,354</u>	<u>56,519,935</u>	<u>55,517,125</u>	<u>53,574,256</u>	<u>58,881,223</u>	<u>43,993,444</u>	<u>50,852,327</u>	<u>52,627,896</u>
Change in net position										
Governmental activities	16,007,996	11,139,849	9,654,279	1,729,345	8,663,754	7,187,473	13,091,790	(3,640,765)	517,491	11,160,052
Business-type activities	5,389,211	6,150,709	5,315,506	2,873,709	1,339,908	2,190,891	(3,646,846)	3,144,733	5,395,186	2,071,934
Total primary government	<u>\$ 21,397,207</u>	<u>\$ 17,290,558</u>	<u>\$ 14,969,785</u>	<u>\$ 4,603,054</u>	<u>\$ 10,003,662</u>	<u>\$ 9,378,364</u>	<u>\$ 9,444,944</u>	<u>\$ (496,032)</u>	<u>\$ 5,912,677</u>	<u>\$ 13,231,986</u>

Notes:

- a The increase is due to a \$2 million transfer to the wastewater utility and overstatement of capital additions in 2008 which was corrected in 2009 with a prior period adjustment.
- b The increase in 2009 was due to pension obligations paid by the state that were recognized in the general fund and are expensed into the pension obligation funds.
- c The decrease in COIT taxes is due to the recognition in 2010 of new State estimates of the balance in undistributed county option income taxes which now indicate distributions to the City exceed actual collections by \$5.2 million.
- d COIT increased after State discovered previously reported excess distributions were erroneous.
- e Wastewater transferred \$4.7 million of infrastructure capital assets to the City related to the Maple Ave. project and \$200,000 in cash for payment of portion of 2009 COIT Bond payment.
- f Increase in Economic Development expenditures related to the City's investment in the Bluesky Technologies Inc. downtown headquarters project.
- g In 2015, the General Assembly enacted legislation to consolidate and simplify the various local income tax laws, including COIT, into a single uniform law. Beginning in 2017, County option income tax has been renamed Local income tax (LIT).
- h Includes a full year of trash receipts, the final phase of a rate increase and the increase in the collection of tap fees.

CITY OF NOBLESVILLE
Fund Balances of Governmental Funds
As of December 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved	\$ 886,939	\$ 282,822	\$ 309,649	\$ 109,704	\$ 394,996	\$ 195,808	\$ 412,644	\$ 340,366	\$ 788,475	\$ -
Unreserved	26,484,704	24,586,862	18,178,914	15,372,664	13,981,022	14,414,375	10,611,369	3,390,856 ^a	10,054,004	11,365,305
	<u>\$ 27,371,643</u>	<u>\$ 24,869,684</u>	<u>\$ 18,488,563</u>	<u>\$ 15,482,368</u>	<u>\$ 14,376,018</u>	<u>\$ 14,610,183</u>	<u>\$ 11,024,013</u>	<u>\$ 3,731,222</u>	<u>\$ 10,842,479</u>	<u>\$ 11,365,305</u>
Total general fund										
All other governmental funds:										
Reserved								\$ 140,000	\$ 182,703	\$ 52,257
Unreserved, reported in:										
Special revenue funds								9,596,605	7,133,268	4,518,786
Debt service funds								16,577,470	21,535,866	16,705,425
Capital projects funds								33,861,901	34,733,159	39,471,780
Spendable										
Restricted	\$ 34,389,473	\$ 18,759,025	\$ 9,407,820	\$ 8,524,492	\$ 6,656,775	\$ 7,132,134	\$ 9,907,989			
Committed	23,674,462	41,620,246	38,347,660	35,694,449	37,902,843	38,354,850	38,824,798			
Assigned	2,554,161	1,504,418	4,017,828	6,946,625	9,885,624	7,063,957	8,031,407			
Unassigned	(26,697)	(52,693)	(43,585)	(8,734)	(42,286)	(28,136)	(23,399)			
Total all other governmental funds	<u>\$ 60,591,399</u>	<u>\$ 61,830,996</u>	<u>\$ 51,729,723</u>	<u>\$ 51,156,832</u>	<u>\$ 54,402,956</u>	<u>\$ 52,522,805</u>	<u>\$ 56,740,795</u>	<u>\$ 60,175,976</u>	<u>\$ 63,584,996</u>	<u>\$ 60,748,248</u>

(1) In fiscal year 2011, the City implemented GASB 54 which changed the reporting for Governmental Fund Balances. The table reflects the new reporting for fiscal years after 2010.

a Due to \$7.2 million decrease in county option income tax revenue.

b In 2017, there was a reclassification of the Redevelopment Authority - Debt Service and Noblesville Building Corporation - Debt Service funds from committed to restricted.

CITY OF NOBLESVILLE

Changes in Fund Balances of Governmental Funds
For the years ended December 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 59,547,850	\$ 64,737,096	\$ 54,099,969	\$ 50,826,602	\$ 47,153,892	\$ 48,909,665	\$ 52,302,522	\$ 39,692,534	\$ 46,983,488	\$ 42,828,747
Licenses and Permits	1,634,533	1,657,028	1,367,622	1,162,793	1,092,746	1,041,469	880,514	1,211,889	2,839,614	4,015,080
Intergovernmental	9,758,081	8,548,171	8,194,392	8,312,947	7,418,576	7,006,243	9,561,405	6,400,980	10,109,448	9,733,750
Charges for Services	8,628,608	6,985,501	7,426,221	6,163,387	6,453,022	4,608,884	4,968,841	4,266,662	3,391,410	3,498,977
Fines and Forfeits	268,296	371,357	600,700	1,877,505	1,228,182	1,360,929	1,229,212	1,510,745	871,529	529,368
Miscellaneous	3,609,548	4,744,022	813,896	1,702,464	1,929,422	1,024,593	2,397,883	2,643,998	6,035,727	3,420,874
Total Revenues	83,446,916	87,043,175	72,502,800	70,045,698	65,275,840	63,951,783	71,340,377	55,726,808	70,231,216	64,026,796
Expenditures										
General Government	14,083,735	16,018,660	15,874,520	15,576,962	12,186,309	10,608,113	9,595,888	10,886,951	12,313,353	10,549,024
Public Safety	25,870,744	24,818,465	24,152,778	23,775,669	22,464,378	22,732,098	22,662,721	21,521,289	21,644,333	20,476,142
Highways and Streets	4,482,667	4,490,484	4,317,061	3,787,550	3,591,857	3,170,642	2,955,128	3,736,184	4,894,379	4,909,892
Culture and Recreation	3,417,574	6,549,474	2,895,237	2,215,298	2,118,893	2,680,447	2,369,580	2,313,302	2,416,834	2,292,540
Economic Development	4,800,000	2,835,607	-	-	-	-	-	20,316	1,241,557	-
Capital Outlay	17,415,017	11,299,335	9,185,528	19,015,359	8,887,341	9,177,513	15,680,430	18,504,712	28,793,258	31,744,668
Debt Service:										
Principal	14,996,881	14,182,797	13,132,466	10,615,415	9,268,325	8,171,799	6,309,128	5,723,110	4,554,177	3,512,432
Interest	5,493,418	5,886,664	6,289,637	7,892,897	8,614,800	8,791,201	9,296,031	9,649,715	9,198,157	10,114,585
Issuance costs	206,207	796,680	1,211,827	1,060,373	105,305	274,708	-	373,748	581,322	498,100
Total Expenditures	90,766,243	86,878,166	77,059,054	83,939,523	67,237,208	65,606,521	68,868,906	72,729,327	85,637,370	84,097,383
Excess (deficiency) of revenues over (under) expenditures	(7,319,327)	165,009	(4,556,254)	(13,893,825)	(1,961,368)	(1,654,738)	2,471,471	(17,002,519)	(15,406,154)	(20,070,587)
Other Financing Sources (Uses)										
Financing by capital lease	1,846,689	1,744,279	1,706,445	1,939,265	935,654	181,330	1,186,139	162,527	3,118,161	438,435
Transfers in	22,736,798	19,661,010	16,887,479	17,041,102	17,191,252	16,254,913	20,957,273	15,955,695	15,776,830	11,662,418
Transfers out	(22,736,798)	(19,661,010)	(16,887,479)	(17,041,102)	(17,191,252)	(16,254,913)	(20,957,273)	(15,955,695)	(15,776,830)	(11,662,418)
Transfer from Proprietary Fund	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-	-	-
Transfer to Wastewater Utility	-	-	-	-	-	-	-	-	(2,000,000)	-
Payment to refunded bond escrow	-	(31,056,894)	(22,711,473)	(82,050,214)	(5,498,300)	(23,982,202)	-	(15,337,538)	(4,226,832)	-
Issuance of debt	6,535,000	45,430,000	28,840,000	91,665,000	7,970,000	24,235,000	-	20,730,000	20,845,000	21,615,000
Premium (discount) on issuance of debt	-	-	100,368	-	-	388,790	-	927,253	(16,258)	80,665
Total other financing sources (uses)	8,581,689	16,317,385	8,135,340	11,754,051	3,607,354	1,022,918	1,386,139	6,482,242	17,720,071	22,134,100
Net change in fund balance	\$ 1,262,362	\$ 16,482,394	\$ 3,579,086	\$ (2,139,774)	\$ 1,645,986	\$ (631,820)	\$ 3,857,610	\$ (10,520,277)	\$ 2,313,917	\$ 2,063,513
Debt service as a percentage of noncapital expenditures	27.9%	26.6%	28.6%	28.5%	30.6%	30.1%	29.3%	28.4%	24.2%	26.0%

a Discretionary capital outlay expenditures lowered in anticipation of lower tax revenues.

b Increase in County Option Income Tax due to State correcting previously understated tax collections and distributions.

c The State of Indiana made a one-time special income tax distribution out of excess trust funds on hand. The City received approximately \$8.5 million from this special distribution.

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CITY OF NOBLESVILLE
 Assessed Value and True Tax Value of Taxable Property
 Last Ten Fiscal Years

	Real Property				Total Real Property
	Residential	Commercial	Industry	Other (3)	
2017	\$ 665,022,538	\$ 327,719,537	\$ 35,354,933	\$ 4,806,204	\$ 1,032,903,212
2016	622,590,325	320,440,274	31,553,243	4,333,143	978,916,985
2015	586,811,497	304,508,025	28,926,527	4,518,637	924,764,686
2014	548,297,686	305,579,010	28,510,678	4,016,320	886,403,694
2013	527,158,290	309,009,681	27,785,329	4,010,176	867,963,476
2012	523,665,894	310,967,771	27,020,979	4,022,320	865,676,964
2011	519,476,575	316,341,707	24,909,933	3,353,651	864,081,866
2010	521,890,929	283,664,987	29,882,179	3,741,538	839,179,633
2009	519,754,416 (5)	261,839,660	19,503,459	4,391,530	805,489,060
2008	704,495,331	228,779,813	17,894,646	3,654,537	954,824,327 (4)

Total						
	Personal Property	Total Real and Personal Property	Less Tax Increment District	Assessed Value (1)	True Tax Value (2)	Total Direct Tax Rate
2017	\$ 68,078,265	\$ 1,100,981,477	\$ 213,528,482	\$ 887,452,995	\$ 2,662,358,984	\$ 1.1324
2016	63,705,453	1,042,622,438	203,026,566	839,595,872	2,518,787,617	1.1358
2015	58,002,032	982,766,718	190,542,296	792,224,422	2,376,673,264	1.2021
2014	55,589,937	941,993,631	154,313,353	787,680,278	2,363,040,834	1.2060
2013	53,836,760	921,800,236	151,020,477	770,779,759	2,312,339,276	1.1534
2012	53,115,341	918,792,305	152,789,786	766,002,519	2,298,007,557	1.1502
2011	63,449,760	927,531,626	175,867,017	751,664,609	2,254,993,827	1.0521
2010	53,872,349	893,051,982	160,326,332	732,725,650	2,198,176,950	1.0276
2009	49,676,897	855,165,957	138,069,674	717,096,283	2,151,288,847	1.0615
2008	44,880,451	999,704,778	108,682,282	891,022,496	2,673,067,486	0.7814

(1) Property reassessments were effective in 2003.

(2) True tax value is 3 times assessed value. Beginning in 2002, tax rates were based upon \$100 of true tax value. In prior years, the rate was per \$100 of assessed value.

(3) Includes adjustments due to appeals as well as assessed values from property classes of agriculture, exempt, utility and other as defined by the County Auditor's office.

(4) Beginning in 2007 real property assessments were adjusted annually to market value based on sales data ("Trending").

(5) Decrease due to supplemental homestead deductions provided in 2009.

Source: Hamilton County Auditor's Office - Total Assessed and true tax values are those amounts that have been reported to and certified by the State each year.

CITY OF NOBLESVILLE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
City Direct Rates:					
Corporation General	\$ 0.6846	\$ 0.7422	\$ 0.7803	\$ 0.7630	\$ 0.7451
MVH	0.1313	0.1024	0.0919	0.0965	0.1081
Cumulative Cap Development	0.0437	0.0442	0.0463	0.0486	0.0294
Park	0.0857	0.0729	0.0752	0.0662	0.0675
Debt Service	0.0045	0.0046	0.0058	0.0059	0.0056
Lease Rental	0.0513	0.0539	0.0651	0.0723	0.0702
Fire Building Debt	0.0203	0.0200	0.0233	0.0288	0.0281
Thoroughfare Bond	0.0187	0.0195	0.0204	0.0268	0.0146
Fire Equipment Debt	-	-	-	-	-
Cum Fire Special	0.0170	0.0172	0.0180	0.0189	0.0194
Redevelopment Bonds #1	-	-	-	-	-
Redevelopment Bonds #2	-	-	-	-	-
Obligation Bond	-	-	-	-	-
Corporate Bond #2	0.0491	0.0307	0.0441	0.0444	0.0471
City Redevelopment TIF TIR	-	-	-	-	-
Debt Payment	0.0262	0.0282	0.0317	0.0346	0.0183
Total City Direct Rate	<u>\$ 1.1324</u>	<u>\$ 1.1358</u>	<u>\$ 1.2021</u>	<u>\$ 1.2060</u>	<u>\$ 1.1534</u>

Overlapping Rates:

State Rate	-	-	-	-	-
County Rate	0.2814	0.2814	0.2926	0.3054	0.3074
Solid Waste Rate	0.0032	0.0032	0.0033	0.0033	0.0033
Township Rates					
Noblesville	0.0077	0.0078	0.0080	0.0079	0.0078
Delaware	0.0245	0.0243	0.0241	0.0232	0.0241
Wayne	0.0148	0.0144	0.0145	0.0153	0.0158
Fall Creek	0.0036	0.0038	0.0077	0.0047	0.0050
Library Rates	0.0647	0.0647	0.0677	0.0708	0.0702
School Districts Rates					
Noblesville School Corporation	1.3503	1.2882	1.4984	1.4250	1.4584
Hamilton Southeastern School Corp	1.2616	1.1342	1.1426	1.1501	1.1746

Total Tax Rates for Taxing Districts in the City of Noblesville:

013 - Noblesville City	\$ 2.8397	\$ 2.7811	\$ 3.0721	\$ 3.0184	\$ 3.0005 a
019 - Noblesville - Delaware - HSE	\$ 2.7678	\$ 2.6436	\$ 2.7324	\$ 2.7588	\$ 2.7330 b
021 - Noblesville - Fall Creek	\$ 2.7469	\$ 2.6231	\$ 2.7160	\$ 2.7403	\$ 2.7139 c
022 - Noblesville - Wayne	\$ 2.7581	\$ 2.6337	\$ 2.7228	\$ 2.7509	\$ 2.7247 d

a Includes total city direct, state, county, solid waste, Noblesville township, library and Noblesville school corp. rates.

b Includes total city direct, state, county, solid waste, Delaware township, library and Hamilton Southeastern school corp. rate

c Includes total city direct, state, county, solid waste, Fall Creek township, library and Hamilton Southeastern school corp. rate

d Includes total city direct, state, county, solid waste, Wayne township, library and Hamilton Southeastern school corp. rates.

Source: Hamilton County Auditor's Office

CITY OF NOBLESVILLE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(continued)

	2012	2011	2010	2009	2008
City Direct Rates:					
Corporation General	\$ 0.7494	\$ 0.7234	\$ 0.6681	\$ 0.6127	\$ 0.4662
MVH	0.0936	0.1019	0.1115	0.1021	0.0673
Cumulative Cap Development	0.0280	0.0299	0.0299	0.0300	0.0300
Park	0.0591	0.0598	0.0635	0.0581	0.0377
Debt Service	0.0070	0.0038	0.0051	0.0052	0.0032
Lease Rental	0.0869	0.0482	0.0572	0.0482	0.0338
Fire Building Debt	0.0345	0.0213	0.0231	0.0256	0.0210
Thoroughfare Bond	0.0321	0.0196	0.0213	0.0238	0.0193
Fire Equipment Debt	-	-	0.0005	0.0304	0.0255
Cum Fire Special	0.0185	0.0198	0.0198	0.0199	0.0199
Redevelopment Bonds #1	-	-	-	-	0.0200
Redevelopment Bonds #2	-	-	-	-	0.0100
Obligation Bond	-	-	-	0.0400	-
Corporate Bond #2	-	-	-	-	-
City Redevelopment TIF TIR	-	-	-	0.0339	0.0275
Debt Payment	0.0411	0.0244	0.0276	0.0316	-
Total City Direct Rate	<u>\$ 1.1502</u>	<u>\$ 1.0521</u>	<u>\$ 1.0276</u>	<u>\$ 1.0615</u> (1)	<u>\$ 0.7814</u>
Overlapping Rates:					
State Rate	-	-	-	-	0.0024
County Rate	0.2901	0.2769	0.2724	0.2651	0.2046
Solid Waste Rate	0.0032	0.0030	0.0030	0.0029	0.0023
Township Rates					
Noblesville	0.0076	0.0052	0.0073	0.0088	0.0073
Delaware	0.0224	0.0208	0.0226	0.0264	0.0086
Wayne	0.0161	0.0160	0.0160	0.0156	0.0129
Fall Creek	0.0079	0.0105	0.0110	0.0116	0.0077
Library Rates	0.0756	0.0615	0.0615	0.0615	0.0486
School Districts Rates					
Noblesville School Corporation	1.3502	1.3686	1.1173	1.0750	1.5660
Hamilton Southeastern School Corp	1.1376	1.1263	1.1151	1.1041	1.5514
Total Tax Rates for Taxing Districts in the City of Noblesville:					
013 - Noblesville City	\$ 2.8769	\$ 2.7673	\$ 2.4891	\$ 2.4748	\$ 2.6126 a
019 - Noblesville - Delaware - HSE	\$ 2.6791	\$ 2.5406	\$ 2.5022	\$ 2.5215	\$ 2.5993 b
021 - Noblesville - Fall Creek	\$ 2.6646	\$ 2.5303	\$ 2.4906	\$ 2.5067	\$ 2.5984 c
022 - Noblesville - Wayne	\$ 2.6728	\$ 2.5358	\$ 2.4956	\$ 2.5107	\$ 2.6036 d

a Includes total city direct, state, county, solid waste, Noblesville township, library and Noblesville school corp. rates.

b Includes total city direct, state, county, solid waste, Delaware township, library and Hamilton Southeastern school corp. rates.

c Includes total city direct, state, county, solid waste, Fall Creek township, library and Hamilton Southeastern school corp. rates.

d Includes total city direct, state, county, solid waste, Wayne township, library and Hamilton Southeastern school corp. rates.

Source: Hamilton County Auditor's Office

(1) Increase in tax rate was due to decrease in taxable assessed value as a result of new supplemental homestead deductions.

CITY OF NOBLESVILLE
Principal Taxpayers
Current and Nine Years Ago

Taxpayer	2017			2008		
	Assessed Value	Rank	Percent of Total City Assessed Value *	Assessed Value	Rank	Percent of Total City Assessed Value *
Hamilton Town Center LLC	\$ 23,237,867	1	2.62%			
SMC Corporation	15,690,942	2	1.77%			
Pedcor Property Acquisition LLC / Lions Creek Associates Ltd.	12,412,663	3	1.40%	\$ 10,375,367	3	1.16%
Prairie Lakes Apartments LLC	11,909,867	4	1.34%			
Cumberland Point Apartments	9,540,700	5	1.08%			
Autumn Breeze Apartment Homes LLC	7,632,500	6	0.86%			
Town & Country Noblesville Station	6,085,967	7	0.69%			
Inland Southeast Stoney Creek LLC/Inland Real Estate Corp./Inland Real Estate BSC LLC	6,050,533	8	0.68%	12,570,683	2	1.41%
Northlake Village Apartments	5,770,233	9	0.65%	6,703,297	5	0.75%
Meijer Stores LP	5,528,337	10	0.62%	7,948,557	4	0.89%
Duke Energy				13,571,177	1	1.52%
Supermarkets/Mundy Realty/Village Pantry						0.00%
Wal-Mart Stores, Inc.				5,101,563	7	0.57%
Lowe's Home Center				4,631,617	8	0.52%
Klipsch Music Center (formerly, Deer Creek Amphitheater)				4,541,877	9	0.51%
BFS Diversified Products LLC/Firestone				5,106,297	6	0.57%
Kahlo III LLC				4,030,833	10	0.45%
	<u>\$ 103,859,609</u>		<u>11.71%</u>	<u>\$ 74,581,268</u>		<u>8.35%</u>

Source: Hamilton County Auditor's Office

* Based on City's assessed values as reported on assessed value table.

Note- Total Assessed Value of the City of Noblesville is \$887,452,995 for 2017 and \$891,022,496 for 2008. According to the Hamilton County Auditor's office.

CITY OF NOBLESVILLE
Property Taxes Levied and Collected
Last Ten Fiscal Years

	Total Taxes Levied for the Current Fiscal Year	Collection of Current Fiscal		Collections of Prior Year Levies	Total Collections	
		Year Tax Levy (A)	% of Levy		Amount (C)	% of Levy
2017	\$ 25,748,536	\$ 24,015,798	93.27%	\$ 1,787,504	\$ 25,803,302	100.21%
2016	25,011,973	23,253,951	92.97%	1,666,053	24,920,004	99.63%
2015	24,024,178	21,590,353	89.87%	1,812,366	23,402,719	97.41%
2014	24,024,254	21,402,447	89.09%	2,158,577	23,561,024	98.07%
2013	22,375,332	20,278,330	90.63%	1,819,649	22,097,979	98.76%
2012	22,203,527	21,399,097	96.38%	1,013,643	22,412,740	100.94%
2011	20,186,694	18,828,498	93.27%	799,275	19,627,773	97.23%
2010	20,344,472	18,857,208	92.69%	1,420,632	20,277,840	99.67%
2009	22,951,944	21,555,699	93.92%	1,333,751	22,889,450	99.73%
2008	20,967,522	N/A	N/A	N/A	20,729,792	98.87%

(A) Amount represents collections of tax levy due in the reporting year. For 2008, the data to segregate collections for the current year levy from collections of prior levy's is not available.

(B) Collections of prior year levies represents any collections for years prior to the reporting year. The data to segregate collections by year billed in unavailable.

(C) Total collections in the reporting year is the total of taxes due and collected in reporting year and any delinquent taxes collected in reporting year.

Note: Hamilton County Auditor's Office system is not set-up to track collections by year levied. As of the end of 2017, total delinquent property tax due to the City for 2017 and all prior years was approximately \$805,375.

Source: Hamilton County Auditor's Office

CITY OF NOBLESVILLE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (1)

Governmental Activities						
Property Tax			Revenue Bonds			
	Building Corporation Bonds	Redevelopment Bonds	LIT Bonds (2)	Tax Increment Bonds	Capital Leases	
2017	\$ 20,455,000	\$ 3,935,000	\$ 4,627,473	\$ 159,433,677	\$ 3,906,962	
2016	22,768,313	4,340,000	5,405,531	162,910,614	3,552,678	
2015	24,385,818	4,735,000	6,168,589	155,762,527	3,461,345	
2014	26,490,795	5,115,000	6,906,647	156,630,940	3,202,327	
2013	27,577,577	5,570,000	7,719,656	149,265,752	2,383,216	
2012	29,290,758	5,542,794	6,001,093	153,034,105	2,446,531	
2011	30,940,820	5,834,910	6,580,694	157,574,307	3,171,999	
2010	32,402,694	6,116,915	6,985,253	160,936,481	2,969,988	
2009	33,560,226	7,408,375	7,479,712	156,929,679	3,840,026	
2008	33,580,000	8,690,000	3,370,000	144,070,000	1,702,034	

Business Activities						
	Total Governmental Activities	Sewage Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income ¹	Debt per Capita ¹
2017	\$ 192,358,112	\$ 45,465,196	\$ 52,330	\$ 237,875,638	5.80%	3,896
2016	198,977,136	38,652,519	103,278	237,732,933	6.22%	4,019
2015	194,513,279	40,889,842	152,880	235,556,001	6.31%	3,982
2014	198,345,709	41,954,716	201,171	240,501,596	7.36%	4,159
2013	192,516,201	43,912,941	-	236,429,142	7.47%	4,188
2012	196,315,281	40,144,358	-	236,459,639	8.26%	4,280
2011	204,102,730	41,439,047	-	245,541,777	9.29%	4,522
2010	209,411,331	30,738,030	-	240,149,361	10.14%	4,621
2009	209,218,018	31,933,143	-	241,151,161	10.10%	4,791
2008	191,412,034	33,025,000	-	224,437,034	11.39%	5,281

¹ Population and personal income data can be found in the Demographics and Economic Schedule

Notes:

- (1) The debt capacity statistical tables have been revised for the years 2009 through 2014 to include premiums, discounts and similar adjustments. Information to restate earlier years was not available.
- (2) Formally COIT Bonds; various local income tax laws, including COIT, were consolidated into a uniform law and to transition each county from the "former taxes", including COIT, to a single tax governed by the Local Income Tax Statute ("LIT Statute"). The LIT Statute repealed the COIT Statute, effective January 1, 2017. Under the LIT Statute, any pledge of revenues received from a tax imposed under any of the provisions of the COIT Statute (prior to its repeal), the payment of debt service due on bonds is binding and enforceable and remains in full force and effect as long as the debt service remains unpaid.

CITY OF NOBLESVILLE
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

	Building Corporation Bonds	Redevelopment Bonds	Total	Funds Restricted for Principal/Interest	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value*	Net Bonded Debt Per Capita *
2017	\$ 20,455,000	\$ 3,935,000	\$ 24,390,000	\$ 3,271,486	\$ 21,118,514	2.38%	346
2016	22,768,313	4,340,000	27,108,313	3,694,545	23,413,768	2.79%	396
2015	24,385,818	4,735,000	29,120,818	4,098,801	25,022,017	3.16%	423
2014	26,490,795	5,115,000	31,605,795	3,605,357	28,000,438	3.55%	484
2013	27,577,577	5,570,000	33,147,577	3,117,761	30,029,816	3.90%	532
2012	29,290,758	5,542,794	34,833,552	3,861,745	30,971,807	4.04%	561
2011	30,940,820	5,834,910	36,775,730	7,571,067	29,204,663	3.89%	538
2010	32,402,694	6,116,915	38,519,609	7,427,748	31,091,861	4.24%	598
2009	33,560,226	7,408,375	40,968,601	9,970,223	30,998,378	4.32%	616
2008	33,580,000	8,690,000	42,270,000	7,649,437	34,620,563	3.89%	815

* The City's population can be found in the Demographics and Economics Schedule and the assessed value can be found on the Assessed Value Schedule.

Notes:

- 1) This schedule includes only debt repaid with property taxes. It excludes bonds payable from income taxes and tax increment financing bonds.
- 2) The bonded debt on this schedule which is outstanding at December 31, 2017 is not reflected on the computation of legal debt margin because it was issued as lease rental obligations which are exempt from the 2% limitation.
- 3) Based on the assumptions described above, outstanding balances from the following bond issues included in the ratios above: \$170,000 2001 Building Corp. Lease Rental Bonds; \$3,785,000 2014 Building Corp. First Mortgage Refunding Bonds; \$9,965,000 2014B Building Corp. First Mortgage Refunding Bonds; \$6,535,000 2016 Building Corporation Refunding Mortgage Bonds.
- 4) The amount of debt service funds netted against outstanding debt represents cash restricted by ordinance for the repayment of the property tax paid bonds listed above.

CITY OF NOBLESVILLE
Direct and Overlapping Debt
At December 31, 2017

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Percent Applicable to Noblesville</u>	<u>Amount Applicable to Noblesville</u>
Direct Debt:			
City of Noblesville	\$ 192,358,112	100.00%	\$ 192,358,112
Overlapping Debt Paid with Property Taxes:			
Hamilton Southeastern School Corporation	294,510,000	4.15%	12,222,165
Noblesville Schools	146,248,532	85.30%	124,749,998
Noblesville Southeastern Public Library	11,700,000	28.51%	3,335,670
Hamilton County	94,845,000	13.31%	12,623,870
Wayne Township	120,000	50.88%	61,056
Delaware Township	1,245,000	1.45%	18,053
Other Overlapping Debt:			
Hamilton County Tax Increment Bonds	50,030,000	13.31%	6,658,993
Hamilton County - County Option Income Tax	16,660,599	13.31%	2,217,526
Hamilton County - Revenue Bonds	<u>2,620,000</u>	13.31%	<u>348,722</u>
Subtotal Overlapping Debt	<u>\$ 617,979,131</u>		<u>\$ 162,236,053</u>
Total Direct and Overlapping Debt			<u><u>\$ 354,594,165</u></u>

Note: The percentage of overlapping debt applicable is estimated using assessed values. The percentages are calculated by deterring the portion of another governmental unit's assessed value that is within the City's corporate boundaries and dividing it by each unit total assessed value.

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 the City. 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 NOBLESVILLE

Legal Debt Margin

December 31, 2017

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 887,452,995
Debt Limit (2% of assessed value)	17,749,060
Debt applicable to limit (A)	<u>7,665,000</u>
Legal debt margin	<u><u>\$ 10,084,060</u></u>

	<u>Debt Limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2017	\$ 17,749,060	\$ 7,665,000	\$ 10,084,060	43.19%
2016	16,791,917	8,215,000	8,576,917	48.92%
2015	15,844,488	5,110,000	10,734,488	32.25%
2014	15,753,606	3,560,000	12,193,606	22.60%
2013	15,415,595	3,970,000	11,445,595	25.75%
2012	15,320,050	4,365,000	10,955,050	28.49%
2011	15,033,292	4,745,000	10,288,292	31.56%
2010	14,654,513	5,110,000	9,544,513	34.87%
2009	14,341,926	5,470,000	8,871,926	38.14%
2008	17,820,450	1,210,000	16,610,450	6.79%

(A) All other outstanding debt of the City is structured as lease transactions or tax increment district bonds. Neither of these types of obligations are subject to the 2% limitation shown above. Currently the only outstanding debt subject to the City's statutory debt limit are the 2009 COIT Bonds, the 2013 Taxable Economic Development Bonds and the 2016 Taxable Economic Development Bonds. The Redevelopment Commission may also issue general obligation debt subject to its own 2% limit. As of 12/31/2017, the Commission had \$9,520,000 outstanding Redevelopment District Bonds subject to this debt limit.

CITY OF NOBLESVILLE
 Governmental Activities Pledged Revenue Coverage
 Last Ten Fiscal Years

	Local Income Tax (formally County Option Income Tax) (3)			Tax Increment Bonds ¹				
	LIT Revenue	Debt Service Principal	Interest	Coverage	Tax Increment	Debt Service Principal	Interest	Coverage
2017	\$ 18,165,865	\$ 780,000	\$ 193,929	18.65	\$ 15,520,721	\$ 10,170,000	\$ 4,756,544	1.04
2016	16,808,268	765,000	213,680	17.17	14,665,532	8,375,000	4,101,478	1.18
2015	16,034,385	740,000	232,339	16.49	14,590,928	6,850,000	3,315,240	1.44
2014	14,911,368	815,000	258,355	13.89	12,341,719	4,240,000	5,397,184	1.28
2013	13,941,052	750,000	273,368	13.62	11,383,937	3,785,000	5,567,548	1.22
2012	13,528,329	590,000	256,438	15.98	11,494,982	3,585,000	5,668,258	1.24
2011	12,636,365 (2)	415,000	252,312	18.94	13,763,302	3,090,000	6,091,768	1.50
2010	12,884,599	360,000	232,605	21.74	12,070,518	2,065,000	5,993,948	1.50
2009	13,183,558	365,000	304,121	19.70	9,202,134	1,500,000	6,446,480	1.16
2008	12,159,501	305,000	185,778	24.78	7,079,079	1,115,000	5,252,031	1.11

Source: Pledged revenue data provided by the County Auditor is based upon actual annual COIT and Tax Increment distributions to the City.

- (1) The tax increment bonds have other back up security for debt service payments in the event tax increment is not sufficient. These include, depending on the bond, tax payer agreements, COIT and special benefits tax levies.
- (2) Includes \$1,507,611 of undistributed 2011 COIT distributions the State had mistakenly withheld and paid to the City in April of 2012.
- (3) Various local income tax laws, including COIT, were consolidated into a uniform law and to transition each county from the "former taxes", including COIT, to a single tax governed by the LIT Statute. The LIT Statute repealed the COIT Statute, effective January 1, 2017. Under the LIT Statute, any pledge of revenues received from a tax imposed under any of the provisions of the COIT Statute (prior to its repeal), the payment of debt service due on bonds is binding and enforceable and remains in full force and effect as long as the debt service remains unpaid.

CITY OF NOBLESVILLE
 Business - Type Activities Pledged Revenue Coverage
 Last Ten Fiscal Years

	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Sewage Revenue Bond Debt Service Requirements			Coverage
				Principal	Interest	Total	
2017	\$ 18,117,512	\$ 9,158,185	\$ 8,959,327	\$ 2,340,948	\$ 1,189,667	\$ 3,530,615	2.54
2016	14,696,541	6,470,493	8,226,048	2,289,602	1,245,199	3,534,801	2.33
2015	13,877,445	5,501,009	8,376,436	20,773,291 (4)	1,134,927	21,908,218	0.38
2014	11,974,247	5,714,967	6,259,280	2,033,750	1,695,625	3,729,375	1.68
2013	11,471,521	5,635,435	5,836,086	9,055,000 (3)	1,626,433	10,681,433	0.55
2012	10,418,556	4,720,032	5,698,524	1,285,000	1,882,563	3,167,563	1.80
2011	10,589,745	5,686,411	4,903,334	1,235,000	1,752,587	2,987,587	1.64
2010	10,163,011	5,064,162	5,098,849	1,180,000	1,433,450	2,613,450	1.95
2009	9,886,654	5,848,823	4,037,831	670,000	1,478,525	2,148,525	1.88
2008	11,219,288	6,846,590	4,372,698	650,000	1,500,275	2,150,275	2.03

(1) Gross Revenues include sewage works operating and non-operating revenues.

(2) Operating Expenses include all sewage works expenses except interest on debt, depreciation and amortization.

(3) Includes \$7,710,000 refunding of the 2003 Bonds. Bond coverage excluding principal refunded was 1.96.

(4) Includes \$18,860,000 refunding of the 2006 and 2007 Bonds. Bond coverage excluding principal refunded was 2.75.

CITY OF NOBLESVILLE
Demographic and Economic Statistics
Last Ten Years

	City of Noblesville				Hamilton County (3)			
	Population (1)	School Enrollment (2)	Unemployment Rate (3)	Personal Income (millions of dollars) (4)	Per Capita Personal Income (4)	Population	Personal Income (millions of dollars)	Per Capita Personal Income
2017	61,054	10,581	2.8%	\$ 4,102.3	\$ 67,191	323,747	\$ 21,752.9	\$ 67,191
2016	59,153	10,426	3.4%	3,824.5	64,654	316,373	20,454.8	64,654
2015	59,153	10,126	3.5%	3,735.0	63,141	309,697	19,554.6	63,141
2014	57,824	9,947	4.4%	3,267.9	56,515	302,623	17,102.7	56,515
2013	56,458	9,780	6.0%	3,164.5	56,051	296,693	16,629.9	56,051
2012	55,243	9,516	6.7%	2,862.9	51,824	289,495	15,002.8	51,824
2011	54,295	9,181	7.9%	2,643.7	48,692	276,452	13,461.0	48,692
2010	51,969	9,009	9.3%	2,367.5	45,556	274,569	12,723.1	45,556
2009	50,329	8,989	8.6%	2,388.4	47,456	279,287	12,857.6	47,456
2008	42,500	8,779	5.6%	1,971.1	46,378	269,785	12,512.1	46,378

Sources:

- 1) Population for 2010 is per official 2010 U.S. census. Estimated population for 2008, 2009, 2012, 2013, 2014, 2015, 2016 & 2017 are from the Noblesville Planning Department. Population for 2011 is an U.S. Census Bureau, estimates.
- 2) State of Indiana, Department of Education for students attending Noblesville School Corporation schools.
- 3) State of Indiana, Department of Workforce Development (IDWD).
- 4) Personal income and per capita income statistics are not maintained by the State for municipalities. Personal income data is available through the Indiana Department of Workforce Development, however, the smallest unit of government for which this can be obtained is the county level. Hamilton County personal income and per capita income figures are for the prior calendar year. In order to provide personal income data for the required ratios outlined in GASB 44, we have used Hamilton County data, as displayed above, from the IDWD. We have assumed that the per capita personal income for the County is reasonably representative of Noblesville per capita personal income. Personal income for the City shown above is calculated using City population estimates times the County per capita personal income.

CITY OF NOBLESVILLE
Principal Employers
Current year and nine years ago

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment *</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment *</u>
Noblesville School Corporation	1,508	1	4.58%	1,108	2	5.13%
Riverview Hospital (1)	1,291	2	3.92%	1,400	1	6.49%
Hamilton County	1,087	3	3.30%	900	3	4.17%
SMC Corporation of America	991	4	3.01%			
Ambu, Inc. (formerly King Systems)	425	5	1.29%	428	4	1.98%
City of Noblesville (1)	403	6	1.23%	400	5	1.85%
Helmer Inc.	237	7	0.72%			
Ryan Fire Protection	200	8	0.61%	195	6	0.90%
CarDon & Associates	154	9	0.47%			
Riverwalk Village	140	10	0.43%	179	7	0.83%
Industrial Dielectrics, Inc.				170	8	0.79%
Lowe's Home Center				150	9	0.70%
Perfecto Manufacturing Inc				140	10	0.65%
Total	6,436		19.56%	5,070		23.49%

* Total employment as used above represents the total employment of all employers located within City limits. Total employment for 2017 and 2008 was 32,893 and 21,582 respectively.

(1) Includes full and part time employment

Source: Noblesville Department of Economic Development

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CITY OF NOBLESVILLE
 Full-Time-Equivalent City Government Employees by Function/Program
 Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Board of Works	3	3	3	3	3	3	3	3	3	6
Mayor	5	5	5	6	6	6	6	6	6	6
Controller (Clerk-Treasurer)	5	5	5	5	5	5	5	5	5	5
Planning	14	12	13	13	13	13	13	15	17	19
Court	3	3	3	3	3	3	3	3	3	3
Network Administrator	7	6	4	4	4	3	3	3	3	3
Council	9	9	7	7	7	7	7	7	7	7
Human Resources	3	3	3	3	3	2	2	2	2	2
Economic Development	4	4	3	3	4	5	3	3	3	4
Engineering	12	11	10	10	10	10	10	10	10	11
Building/Maintenance	5	0	0	0	0	0	0	0	0	0
Public Safety										
Police										
Officers	87	76	76	73	73	72	72	72	75	73
Civilians	10	10	11	10	10	10	10	9	11	12
Fire										
Firefighters and Officers	132	132	127	122	126	126	125	125	130	124
Civilians	4	3	3	5	5	5	5	5	6	6
Emergency Medical Services										
Communications	0	0	0	0	4	4	19	19	19	19
Highway and Streets	40	35	32	35	35	34	33	34	37	37
Parks and recreation	21	19	22	22	22	21	19	16	20	20
Wastewater	39	36	33	33	33	35	35	36	38	41
TOTAL	403	372	360	357	366	364	373	373	395	398

Source: Year End Reports of City Departments. EMS Communication functions were assumed by the County in 2014.

CITY OF NOBLESVILLE
 Operating Indicators by Function/Program
 Last Ten Years

	2017	2016	2015	2014	2013
General Government					
Building Permits Issued:					
Residential (Single/Multi Families)	501	678	1,242	790	685
Commercial	73	57	28	23	14
Estimated Property Value of Building Permits Issued	\$ 227,121,005	\$ 215,503,338	\$ 249,761,726	\$ 343,389,819	\$ 152,490,663
Public Safety					
Police:					
Calls for Service	41,125 (2)	48,536	44,329	44,086	43,370
Physical Arrests	887	1,073	1,160	1,079	1,178
Citations Issued	2,181	1,596	1,490	1,579	1,959
Fire:					
Emergency Medical Responses	3,976	3,442	3,969	3,730	3,496
Fire Runs	1,765	2,142	1,323	1,257	1,077
Highway and Streets					
Total miles of public streets	266.08	260.08	255.6	248.13	247.52
Parks and recreation					
Golf Rounds Played	43,000	41,000	37,183	36,072	37,657
Number of reservations at Forest Park Inn	318	345	283	124	115
Wastewater					
Average daily sewage treatment (millions of gallons)	6.417	5.786	5.974	5.684	5.699
Number of customers served	20,489	20,032	19,359	18,846	18,368

(1) Starting in 2012, reservations recorded are paid reservations.

(2) In 2017, the police department upgraded its records management system; the decrease is primarily due to the fundamental differences in the software capabilities, as well as the unfamiliarity of the new system.

CITY OF NOBLESVILLE
 Operating Indicators by Function/Program
 Last Ten Years
 (continued)

	2012	2011	2010	2009	2008
Building Permits issued:					
Residential (Single/Multi Families)	398	410	408	918	1,000
Commercial	12	12	13	11	45
Estimated Property Value of Building Permits issued	\$ 148,893,479	\$ 129,969,200	\$ 74,865,132	\$ 97,321,243	\$ 196,201,736
Public Safety					
Police:					
Calls for Service	43,859	41,107	40,753	44,244	47,378
Physical arrests	1,501	1,399	1,398	1,435	1,290
Citations Issued	2,800	3,090	3,120	3,043	4,269
Fire:					
Emergency Medical responses	3,590	3,440	3,190	3,117	3,181
Fire Runs	1,204	1,273	1,380	1,188	1,303
Highway and Streets					
Total miles of public streets	246.9	242.8	239.8	236.65	231.36
Parks and recreation					
Golf Rounds Played	40,164	39,875	44,706	47,171	45,313
Number of reservations at Forest Park Inn	125 (1)	327	359	438	288
Wastewater					
Average daily sewage treatment (million of gallons)	4.896	4.930	4.930	5.010	4.600
Number of customers served	17,874	17,501	17,097	16,753	16,267

Source: Year End Reports of City Departments

CITY OF NOBLESVILLE
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	7	7	7	7	7	7	7	7	7	6
Other public works										
Highways / Streets (miles)	266.08	260.08	255.60	248.13	247.52	246.90	242.80	239.80	236.65	231.26
Traffic signals	19	20	19	19	19	19	19	18	18	11
Street Lights	884	877	865	861	857	857	857	774	727	717
Parks and recreation										
Number of Parks	6	5	5	4	4	4	4	4	4	4
Acreage	872.59	872.59	872.59	864	858.86	852.36	833.7	833.7	899.3	899.3
Playgrounds	7	6	6	6	6	6	6	6	6	6
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Soccer/football fields	22	22	22	22	22	22	22	22	9	9
Basketball Courts	4	12	12	12	12	12	12	12	12	12
Public Golf Courses	2	2	2	2	2	2	2	2	2	2
Public Pool *	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	278.00	252.40	271.28	264.10	261.12	258.74	256.29	254.6	251.27	246
Storm sewers (miles)	225.80	215.60	214.20	205.36	204.14	197.65	193.18	187.2	183.42	173

* Dillon Park opened a spray park in 2007

^aThe increase in 2008 was a result of the implementation of GIS resulting in a more accurate tracking of street lights.

Source: Year End Reports of City Departments

