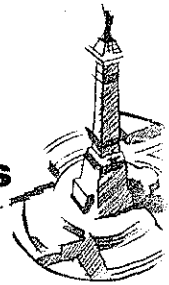


DATE: March 15, 2006  
 TO: Members of the City County Council  
 FROM: Bob Clifford, City Controller  
 SUBJECT: 2005 Year End City of Indianapolis Financial Report

City of  
**Indianapolis**  
 Bart Peterson, Mayor



**Revenue Highlights**

The City of Indianapolis year-to-date revenues are \$556,465 million, which is 98.840% of the target projection for current year-to-date.

- **Property Taxes**  
 The \$5.0 million shortfall in Property Tax revenues ended up being a collection rate of 97%. We had estimated all year that we would only receive 98.0% of the 2005 budgeted Property Taxes.
- **Tax Increment Financing**  
 Collections in the TIF districts have been higher than anticipated.
- **State Collected Distribution**  
 The increase in the area can be attributed to a one time Certified Technology Park distribution of \$5 million from the State.
- **State and Federal Grants**  
 The City did not spend the entire budget for grants for 2005. At yearend there were \$9.4 million of encumbrances and we were owed approximately \$3 million by the Federal government. The balance (\$5.1 million) of the \$17.5 million was not spent or encumbered and will not be received.

**Expenditure Highlights**

In response to anticipated shortfalls in property tax revenues, the City implemented very strict spending guidelines in 2005. Even after reducing the Police and Fire budgets by over \$3.4 million dollars, the City ended the year with an additional \$20.9 million of underspending. This was achieved due to the tremendous cooperation of all department heads and their staffs. Many sacrifices were made by employees throughout city government, yet no significant reductions in services occurred.

A comparison of 2004 versus 2005 spending shows the following:

2004 Expenditures and Encumbrances = \$532,375,968  
 2005 Expenditures and Encumbrances = \$534,645,222  
 Difference = +2,269,254, or 0.43% increase over 2004

Considering the increased cost of gasoline, health insurance and salaries (for employees covered by collective bargaining agreements), the relatively small increase in spending is very minimal.

The City reduced the budget for 2006 and expects less underspending at the end of this year compared to 2005. We expect this year's budget to be extremely tight.

NOTE: The Redevelopment Debt Service fund experienced more administrative expenses than were budgeted. We expect to have the same situation occur 2006, and plan to submit a fiscal ordinance proposal to increase the 2006 budget later this year.

Office of Finance and Management											
2222 City County Building 200 East Washington Street Indianapolis, Indiana 46204 <a href="http://www.indygov.org">www.indygov.org</a>	<table border="0"> <tr> <td>Executive .....</td> <td>317.327.43</td> </tr> <tr> <td>Barrett Law .....</td> <td>317.327.48</td> </tr> <tr> <td>License .....</td> <td>317.327.43</td> </tr> <tr> <td>Accounting Operations .....</td> <td>317.327.42</td> </tr> <tr> <td>Fax .....</td> <td>317.327.39</td> </tr> </table>	Executive .....	317.327.43	Barrett Law .....	317.327.48	License .....	317.327.43	Accounting Operations .....	317.327.42	Fax .....	317.327.39
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**City of Indianapolis**  
**2005 Year End Financial Report by Fund**  
 NOTE: This is a preliminary report as of March 15, 2006

	Amended				Current Year Encumbrances	Available Balance	Percentage Available
	Budget Amendments	Budget (Appropriation)	Current Year Expense	Current Year Encumbrances			
	Original Budget	Budget Amendments	Budget (Appropriation)	Current Year Expense	Current Year Encumbrances	Available Balance	Percentage Available
Fire General	56,724,381	(199,000)	56,525,381	56,101,550	209,098	214,733	0%
Fire Pension	35,845,530	(1,000,000)	34,845,530	32,420,613	0	2,424,917	0.4%
<b>Total Fire Service District</b>	<b>92,569,911</b>	<b>(1,199,000)</b>	<b>91,370,911</b>	<b>88,522,163</b>	<b>209,098</b>	<b>2,639,650</b>	<b>2.9%</b>
Police General	95,692,289	(2,220,000)	93,472,289	92,261,817	209,304	1,001,168	1.1%
Police Pension	38,672,635	0	38,672,635	37,880,233	0	792,402	2.0%
<b>Total Police Service District</b>	<b>134,364,924</b>	<b>(2,220,000)</b>	<b>132,144,924</b>	<b>130,142,050</b>	<b>209,304</b>	<b>1,793,570</b>	<b>1.4%</b>
Solid Waste Collection	29,137,061	0	29,137,061	26,183,655	1,929,905	1,023,501	3.5%
Solid Waste Disposal	11,543,664	0	11,543,664	8,980,513	2,525,086	38,066	0.3%
<b>Total Solid Waste Service District</b>	<b>40,680,725</b>	<b>0</b>	<b>40,680,725</b>	<b>35,164,168</b>	<b>4,454,990</b>	<b>1,061,567</b>	<b>2.6%</b>
Sanitation General	48,930,688	280,000	49,210,688	44,083,003	4,576,594	551,091	1.1%
Sanitation Sinking	8,812,146	0	8,812,146	8,807,145	0	5,001	0.1%
<b>Total Sanitation Service District</b>	<b>57,742,834</b>	<b>280,000</b>	<b>58,022,834</b>	<b>52,890,148</b>	<b>4,576,594</b>	<b>556,092</b>	<b>1.0%</b>
Redevelopment General	1,796,102	534,000	2,330,102	2,095,808	72,397	161,897	6.9%
Federal Grants	28,344,479	7,030,118	35,374,597	20,219,904	9,423,605	5,731,088	16.2%
State Grants	0	52,153	52,153	13,970	38,030	153	0.3%
Parking Meter	1,822,282	0	1,822,282	1,165,834	621,137	35,310	1.9%
City Cumulative	10,412,378	694,000	11,106,378	8,676,357	1,705,110	724,911	6.5%
City Debt Service	411,105	0	411,105	411,105	0	0	0.0%
Redevelopment Debt Service	17,552,240	0	17,552,240	17,796,080	0	(243,840)	-1.4%
<b>Total Consolidated City District</b>	<b>60,338,586</b>	<b>8,310,271</b>	<b>68,648,857</b>	<b>50,379,058</b>	<b>11,860,279</b>	<b>6,409,519</b>	<b>9.3%</b>
Consolidated County	63,703,482	1,274,743	64,978,225	56,358,993	3,580,892	5,038,341	7.8%
Storm Water Management	4,334,061	1,500,000	5,834,061	4,138,165	969,436	726,461	12.5%
Transportation General	44,986,480	120,000	45,106,480	37,239,319	7,411,601	455,561	1.0%
Park General	25,423,922	1,331,975	26,755,897	22,924,656	1,830,266	2,000,975	7.5%
County Cumulative	4,850,000	0	4,850,000	2,219,098	2,630,902	0	0.0%
Flood Debt Service	4,981,093	0	4,981,093	4,981,093	0	1	0.0%
Metro Thru Debt Service	10,033,659	0	10,033,659	10,032,960	0	699	0.0%
Park Debt Service	1,924,991	0	1,924,991	1,919,990	0	5,001	0.3%
<b>Total Consolidated County District</b>	<b>160,237,688</b>	<b>4,226,718</b>	<b>164,464,406</b>	<b>139,814,272</b>	<b>16,423,096</b>	<b>8,227,038</b>	<b>5.0%</b>
<b>Total All Funds Shown Above</b>	<b>545,934,668</b>	<b>9,397,989</b>	<b>555,332,657</b>	<b>496,911,860</b>	<b>37,733,362</b>	<b>20,687,435</b>	<b>3.7%</b>

**2005 Revenues compared to Budget  
as of December 31, 2005**

<b>REVENUE SOURCE</b>	<b>AMENDED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>% OF BUDGET</b>
Property Tax	\$ 173,591,120	\$ 168,626,231	\$ (4,964,889)	97.14%
Tax Increment Financing	54,174,190	57,975,794	3,801,604	107.02%
County Option Income Tax	44,795,116	45,697,963	902,847	102.02%
Storm Water Mangement	10,775,000	10,606,166	(168,834)	98.43%
Pension	35,670,000	35,503,744	(166,256)	99.53%
Motor Vehicle Highway Tax	34,128,000	34,730,731	602,731	101.77%
State Collected Distribution	25,159,676	31,728,166	6,568,490	126.11%
State and Federal Grants	34,622,016	17,139,877	(17,482,139)	49.51%
Sewer Fees	70,654,600	65,363,068	(5,291,531)	92.51%
Local Fees	11,252,660	10,755,940	(496,720)	95.59%
Ordinance Violations	838,000	883,838	45,838	105.47%
Other Revenue	78,964,345	77,453,854	(1,510,492)	98.09%
<b>TOTAL</b>	<b>574,624,724</b>	<b>556,465,373</b>	<b>(18,159,350)</b>	

**\*REPORT EXCLUDES  
NON-LAPSING GRANTS**