

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2010

CITY OF CARMEL

HAMILTON COUNTY, INDIANA



**FILED**  
08/16/2011



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Diana Cordray	01-01-08 to 12-31-11
Mayor	James Brainard	01-01-08 to 12-31-11
President of the Board of Public Works	James Brainard	01-01-08 to 12-31-11
President of the Common Council	Rick Sharp Eric Seidensticker	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Water Utility	Paul Pace	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Edward Wolfe	01-01-10 to 12-31-11
Utility Director	John Duffy	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statement of the City of Carmel (City), for the year ended December 31, 2010. The financial statement is the responsibility of the City's management. Our responsibility is to express opinions on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 20, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 20, 2011



**STATE OF INDIANA**  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statement of the City of Carmel (City), for the year ended December 31, 2010, and have issued our report thereon dated July 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

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

This report is intended solely for the information and use of the City's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 20, 2011

FINANCIAL STATEMENT(S)

CARMEL CIVIL CITY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 9,879,938	\$ 60,333,983	\$ 62,471,375	\$ 7,742,546
Motor Vehicle Highway	3,521,881	9,701,120	10,142,354	3,080,647
Local Road And Street	1,533,957	1,058,432	1,434,884	1,157,505
Throughfare Fund	585,963	966	-	586,929
Parks Program Fund	390,206	-	390,206	-
Economic Fund	33,197	55	-	33,252
Housing Authority	58,360	96	-	58,456
User Fee Fund	148,338	82,591	103,093	127,836
Clerk's Record Perpetuation	54,609	20,142	5,643	69,108
Deferral Fund	487,381	95,791	67,743	515,429
Drug Task Force	593,609	175,187	122,690	646,106
Fire Gift Fund	3,923	20,738	21,175	3,486
Parks Gift Fund	52,488	1,695	2,715	51,468
Ambulance Fund	216,080	872,932	665,275	423,737
Grant Fund	493,703	479,875	73,469	900,109
Rainy Day	4,192,552	3,891,979	1,635,904	6,448,627
Hazardous Material Response Fund	2,547	2,945	-	5,492
Levy Excess Fund	232,953	101,452	-	334,405
Police Gift	22,624	20,541	9,288	33,877
Dnr/Tree City	52,313	947	3,331	49,929
Court Interpreter Fund	4,895	53	-	4,948
Community Relations Gift Fund	1,356	6,348	5,253	2,451
Public Defenders Fund	595	677	-	1,272
Redevelopment Commission	7,757,052	18,374,055	25,436,596	694,511
Crc Mercantile Bank Line Of Credit	-	72,500	72,500	-
Crc Regions Account	-	33,633,723	30,979,772	2,653,951
Carmel City Court	98,084	1,995,808	1,921,645	172,247
Parks Program Fund	-	3,241,136	2,801,073	440,063
Parks Monon Fund	-	4,427,510	3,884,129	543,381
2002 Bond & Interest Fund	2,135	1	2,136	-
Lease Rental Fund	46,998	790,294	824,000	13,292
2004 Road Bond	380,615	1,966,510	2,324,687	22,438
Crc 416035	509	-	-	509
Crc 416037	-	1,371,608	1,371,608	-
Crc 32M21302	796,611	804,060	282,650	1,318,021
Crc 32M21203	265,500	-	-	265,500
Crc 32M21138	441,534	-	-	441,534
Crc 32M21146	5	-	-	5
Cumulative Capital Development	1,231,069	1,975,003	957,757	2,248,315
Parks Capital	870,700	1,336	140,378	731,658
Cumulative Capital Sewer	2,552,156	3,773	644,698	1,911,231
Cumulative Capital Improvement	366,368	324,961	210,195	481,134
Park Impact Fee Fund	819,027	373,761	21,163	1,171,625
Barrett Law Fund	6	-	-	6
Civic Square Construction Fund	593	1	-	594
2002 Coit Construction Bond	365	-	365	-
Old Town/126Th Street	456	1	-	457
Land Acquisition Fund	353,806	351	354,157	-
Keystone Ave Fund	20,141,671	25,033,571	38,132,395	7,042,847
Health Insurance Fund	3,112,718	10,969,393	10,348,866	3,733,245
Workers Comp Fund	219,392	400,003	202,948	416,447
Police Pension Fund	3,791,105	473,433	431,936	3,832,602
Fire Pension Fund	4,878,297	405,640	597,474	4,686,463
Support For The Arts	10,032	1,014,458	1,001,657	22,833
Payroll Fund	851,271	48,032,198	47,987,772	895,697
Barrett Law Surplus	164,023	840	-	164,863
Sewer Operating	15,891	6,434,331	6,442,913	7,309
Sewer Depreciating	1	39,204	39,205	-
Sewer Connection Fund	4,591	120,041	124,632	-
Sewer Availability Fund	5,488	4,378	9,866	-
Sewer Loan Srf	5,021,656	-	4,321,757	699,899
Sewer Bond & Interest At Bony	-	2,468,699	996,984	1,471,715
Water Operating	70,769	16,900,869	16,940,389	31,249
Water Bond & Interest	1,072,280	-	-	1,072,280
Water Depreciation	716	144,583	145,299	-
Hydrant Meter Deposit Fund	28,690	4,635	1,000	32,325
Water Connection	132,564	873,530	1,006,094	-
Water Availability	30,629	143,468	174,097	-
Water Sinking Fund	943,693	4,035,742	4,079,999	899,436
Wells Fargo Water Constr	28,820,450	148,051	12,494,004	16,474,497
Totals	<u>\$ 107,862,984</u>	<u>\$ 263,872,004</u>	<u>\$ 294,863,194</u>	<u>\$ 76,871,794</u>

The notes to the financial statement(s) are an integral part of this statement.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT(S)

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires 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 March 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 which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The City may be 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; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

**Note 6. Pension Plan(s)**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan 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 plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan 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 plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

*Funding Policy*

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Carmel's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Throughfare Fund	Parks Program Fund	Economic Fund	Housing Authority
Cash and investments - beginning	\$ 9,879,938	\$ 3,521,881	\$ 1,533,957	\$ 585,963	\$ 390,206	\$ 33,197	\$ 58,360
Receipts:							
Taxes	26,428,402	7,091,812	-	-	-	-	-
Licenses and permits	1,248,649	-	-	-	-	-	-
Intergovernmental	25,595,092	2,533,772	1,056,030	-	-	-	-
Charges for services	5,578,705	-	-	-	-	-	-
Fines and forfeits	638,080	-	-	-	-	-	-
Other receipts	845,055	75,536	2,402	966	-	55	96
Total receipts	<u>60,333,983</u>	<u>9,701,120</u>	<u>1,058,432</u>	<u>966</u>	<u>-</u>	<u>55</u>	<u>96</u>
Disbursements:							
Personal services	41,691,242	4,866,504	-	-	-	-	-
Supplies	1,086,920	1,087,323	-	-	-	-	-
Other services and charges	8,006,598	3,032,770	647,136	-	-	-	-
Debt service - principal and interest	10,181,193	-	-	-	-	-	-
Capital outlay	705,422	1,155,562	787,748	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	800,000	195	-	-	390,206	-	-
Total disbursements	<u>62,471,375</u>	<u>10,142,354</u>	<u>1,434,884</u>	<u>-</u>	<u>390,206</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,137,392)</u>	<u>(441,234)</u>	<u>(376,452)</u>	<u>966</u>	<u>(390,206)</u>	<u>55</u>	<u>96</u>
Cash and investments - ending	<u>\$ 7,742,546</u>	<u>\$ 3,080,647</u>	<u>\$ 1,157,505</u>	<u>\$ 586,929</u>	<u>\$ -</u>	<u>\$ 33,252</u>	<u>\$ 58,456</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	User Fee Fund	Clerk's Record Perpetuation	Deferral Fund	Drug Task Force	Fire Gift Fund	Parks Gift Fund	Ambulance Fund
Cash and investments - beginning	\$ 148,338	\$ 54,609	\$ 487,381	\$ 593,609	\$ 3,923	\$ 52,488	\$ 216,080
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	66,638	-	-	-
Charges for services	44,278	20,042	-	-	-	-	854,781
Fines and forfeits	35,890	-	94,958	-	-	-	-
Other receipts	2,423	100	833	108,549	20,738	1,695	18,151
Total receipts	82,591	20,142	95,791	175,187	20,738	1,695	872,932
Disbursements:							
Personal services	-	-	45,433	-	-	-	-
Supplies	-	-	4,933	3,040	-	-	46,040
Other services and charges	98,870	1,722	15,128	104,124	10,000	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	3,921	2,249	15,526	-	-	594,575
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,223	-	-	-	11,175	2,715	24,660
Total disbursements	103,093	5,643	67,743	122,690	21,175	2,715	665,275
Excess (deficiency) of receipts over disbursements	(20,502)	14,499	28,048	52,497	(437)	(1,020)	207,657
Cash and investments - ending	\$ 127,836	\$ 69,108	\$ 515,429	\$ 646,106	\$ 3,486	\$ 51,468	\$ 423,737

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Grant Fund	Rainy Day	Hazardous Material Response Fund	Levy Excess Fund	Police Gift	Dnr/Tree City	Court Interperter Fund
Cash and investments - beginning	\$ 493,703	\$ 4,192,552	\$ 2,547	\$ 232,953	\$ 22,624	\$ 52,313	\$ 4,895
Receipts:							
Taxes	-	-	-	101,452	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	468,631	3,081,276	-	-	-	-	-
Charges for services	-	-	2,940	-	-	-	53
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	11,244	810,703	5	-	20,541	947	-
Total receipts	<u>479,875</u>	<u>3,891,979</u>	<u>2,945</u>	<u>101,452</u>	<u>20,541</u>	<u>947</u>	<u>53</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	73,199	1,635,904	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	270	-	-	-	9,288	3,331	-
Total disbursements	<u>73,469</u>	<u>1,635,904</u>	<u>-</u>	<u>-</u>	<u>9,288</u>	<u>3,331</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>406,406</u>	<u>2,256,075</u>	<u>2,945</u>	<u>101,452</u>	<u>11,253</u>	<u>(2,384)</u>	<u>53</u>
Cash and investments - ending	<u>\$ 900,109</u>	<u>\$ 6,448,627</u>	<u>\$ 5,492</u>	<u>\$ 334,405</u>	<u>\$ 33,877</u>	<u>\$ 49,929</u>	<u>\$ 4,948</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Community Relations Gift Fund	Public Defenders Fund	Redevelopment Commission	Crc Mercantile Bank Line Of Credit	Crc Regions Account	Carmel City Court	Parks Program Fund
Cash and investments - beginning	\$ 1,356	\$ 595	\$ 7,757,052	\$ -	\$ -	\$ 98,084	\$ -
Receipts:							
Taxes	-	-	10,124,840	-	9,178,876	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	250,525	-	-	-	-
Charges for services	-	675	-	-	-	-	2,901,962
Fines and forfeits	-	-	-	-	-	1,995,808	-
Other receipts	6,348	2	7,998,690	72,500	24,454,847	-	339,174
Total receipts	6,348	677	18,374,055	72,500	33,633,723	1,995,808	3,241,136
Disbursements:							
Personal services	-	-	7,078	-	-	-	2,176,756
Supplies	-	-	3,788,732	-	8,981	-	226,975
Other services and charges	-	-	20,108,610	72,500	1,633,731	1,921,645	392,355
Debt service - principal and interest	-	-	-	-	9,439,026	-	-
Capital outlay	-	-	1,532,176	-	17,485,319	-	4,987
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,253	-	-	-	2,412,715	-	-
Total disbursements	5,253	-	25,436,596	72,500	30,979,772	1,921,645	2,801,073
Excess (deficiency) of receipts over disbursements	1,095	677	(7,062,541)	-	2,653,951	74,163	440,063
Cash and investments - ending	\$ 2,451	\$ 1,272	\$ 694,511	\$ -	\$ 2,653,951	\$ 172,247	\$ 440,063

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Parks Monon Fund	2002 Bond & Interest Fund	Lease Rental Fund	2004 Road Bond	Crc 416035	Crc 416037	Crc 32M21302
Cash and investments - beginning	\$ -	\$ 2,135	\$ 46,998	\$ 380,615	\$ 509	\$ -	\$ 796,611
Receipts:							
Taxes	15,726	-	730,605	1,818,272	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	500,000	-	59,562	148,237	-	-	-
Charges for services	3,817,976	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	93,808	1	127	1	-	1,371,608	804,060
Total receipts	<u>4,427,510</u>	<u>1</u>	<u>790,294</u>	<u>1,966,510</u>	<u>-</u>	<u>1,371,608</u>	<u>804,060</u>
Disbursements:							
Personal services	2,227,403	-	-	-	-	-	-
Supplies	444,438	-	-	-	-	-	-
Other services and charges	1,195,544	2,136	-	-	-	-	-
Debt service - principal and interest	-	-	824,000	2,324,687	-	1,371,608	282,650
Capital outlay	997	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	15,747	-	-	-	-	-	-
Total disbursements	<u>3,884,129</u>	<u>2,136</u>	<u>824,000</u>	<u>2,324,687</u>	<u>-</u>	<u>1,371,608</u>	<u>282,650</u>
Excess (deficiency) of receipts over disbursements	<u>543,381</u>	<u>(2,135)</u>	<u>(33,706)</u>	<u>(358,177)</u>	<u>-</u>	<u>-</u>	<u>521,410</u>
Cash and investments - ending	<u>\$ 543,381</u>	<u>\$ -</u>	<u>\$ 13,292</u>	<u>\$ 22,438</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ 1,318,021</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Crc 32M21203	Crc 32M21138	Crc 32M21146	Cumulative Capital Development	Parks Capital	Cumulative Capital Sewer
Cash and investments - beginning	\$ 265,500	\$ 441,534	\$ 5	\$ 1,231,069	\$ 870,700	\$ 2,552,156
Receipts:						
Taxes	-	-	-	1,818,272	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	154,579	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	2,152	1,336	3,773
Total receipts	-	-	-	1,975,003	1,336	3,773
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	3,098
Other services and charges	-	-	-	930,061	-	383,700
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	27,696	140,378	257,900
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	957,757	140,378	644,698
Excess (deficiency) of receipts over disbursements	-	-	-	1,017,246	(139,042)	(640,925)
Cash and investments - ending	<u>\$ 265,500</u>	<u>\$ 441,534</u>	<u>\$ 5</u>	<u>\$ 2,248,315</u>	<u>\$ 731,658</u>	<u>\$ 1,911,231</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Cumulative Capital Improvement	Park Impact Fee Fund	Barrett Law Fund	Civic Square Construction Fund	2002 Coit Construction Bond	Old Town/126Th Street
Cash and investments - beginning	\$ 366,368	\$ 819,027	\$ 6	\$ 593	\$ 365	\$ 456
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	324,342	-	-	-	-	-
Charges for services	-	372,108	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	619	1,653	-	1	-	1
Total receipts	<u>324,961</u>	<u>373,761</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	365	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	210,195	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	21,163	-	-	-	-
Total disbursements	<u>210,195</u>	<u>21,163</u>	<u>-</u>	<u>-</u>	<u>365</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>114,766</u>	<u>352,598</u>	<u>-</u>	<u>1</u>	<u>(365)</u>	<u>1</u>
Cash and investments - ending	<u>\$ 481,134</u>	<u>\$ 1,171,625</u>	<u>\$ 6</u>	<u>\$ 594</u>	<u>\$ -</u>	<u>\$ 457</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Land Acquisition Fund	Keystone Ave Fund	Health Insurance Fund	Workers Comp Fund	Police Pension Fund	Fire Pension Fund
Cash and investments - beginning	\$ 353,806	\$ 20,141,671	\$ 3,112,718	\$ 219,392	\$ 3,791,105	\$ 4,878,297
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	20,000,000	-	-	473,433	405,640
Charges for services	-	-	10,969,393	400,003	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	351	5,033,571	-	-	-	-
Total receipts	<u>351</u>	<u>25,033,571</u>	<u>10,969,393</u>	<u>400,003</u>	<u>473,433</u>	<u>405,640</u>
Disbursements:						
Personal services	-	-	-	-	431,936	597,474
Supplies	-	6,819	-	-	-	-
Other services and charges	-	20,972,344	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	17,153,232	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	354,157	-	10,348,866	202,948	-	-
Total disbursements	<u>354,157</u>	<u>38,132,395</u>	<u>10,348,866</u>	<u>202,948</u>	<u>431,936</u>	<u>597,474</u>
Excess (deficiency) of receipts over disbursements	<u>(353,806)</u>	<u>(13,098,824)</u>	<u>620,527</u>	<u>197,055</u>	<u>41,497</u>	<u>(191,834)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 7,042,847</u>	<u>\$ 3,733,245</u>	<u>\$ 416,447</u>	<u>\$ 3,832,602</u>	<u>\$ 4,686,463</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Support For The Arts	Payroll Fund	Barrett Law Surplus	Sewer Operating	Sewer Depreciating	Sewer Connection Fund
Cash and investments - beginning	\$ 10,032	\$ 851,271	\$ 164,023	\$ 15,891	\$ 1	\$ 4,591
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,014,458	48,032,198	840	6,434,331	39,204	120,041
Total receipts	<u>1,014,458</u>	<u>48,032,198</u>	<u>840</u>	<u>6,434,331</u>	<u>39,204</u>	<u>120,041</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,001,657	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	47,987,772	-	6,442,913	39,205	124,632
Total disbursements	<u>1,001,657</u>	<u>47,987,772</u>	<u>-</u>	<u>6,442,913</u>	<u>39,205</u>	<u>124,632</u>
Excess (deficiency) of receipts over disbursements	<u>12,801</u>	<u>44,426</u>	<u>840</u>	<u>(8,582)</u>	<u>(1)</u>	<u>(4,591)</u>
Cash and investments - ending	<u>\$ 22,833</u>	<u>\$ 895,697</u>	<u>\$ 164,863</u>	<u>\$ 7,309</u>	<u>\$ -</u>	<u>\$ -</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Sewer Availability Fund	Sewer Loan Srf	Sewer Bond & Interest At Bony	Water Operating	Water Bond & Interest	Water Depreciation
Cash and investments - beginning	\$ 5,488	\$ 5,021,656	\$ -	\$ 70,769	\$ 1,072,280	\$ 716
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	4,378	-	2,468,699	16,900,869	-	144,583
Total receipts	<u>4,378</u>	<u>-</u>	<u>2,468,699</u>	<u>16,900,869</u>	<u>-</u>	<u>144,583</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	4,321,757	-	-	-	-
Utility operating expenses	-	-	996,984	-	-	-
Other disbursements	9,866	-	-	16,940,389	-	145,299
Total disbursements	<u>9,866</u>	<u>4,321,757</u>	<u>996,984</u>	<u>16,940,389</u>	<u>-</u>	<u>145,299</u>
Excess (deficiency) of receipts over disbursements	<u>(5,488)</u>	<u>(4,321,757)</u>	<u>1,471,715</u>	<u>(39,520)</u>	<u>-</u>	<u>(716)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 699,899</u>	<u>\$ 1,471,715</u>	<u>\$ 31,249</u>	<u>\$ 1,072,280</u>	<u>\$ -</u>

CARMEL CIVIL CITY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Hydrant Meter Deposit Fund	Water Connection	Water Availability	Water Sinking Fund	Wells Fargo Water Constr	Totals
Cash and investments - beginning	\$ 28,690	\$ 132,564	\$ 30,629	\$ 943,693	\$ 28,820,450	\$ 107,862,984
Receipts:						
Taxes	-	-	-	-	-	57,308,257
Licenses and permits	-	-	-	-	-	1,248,649
Intergovernmental	-	-	-	-	-	55,117,757
Charges for services	-	-	-	-	-	24,962,916
Fines and forfeits	-	-	-	-	-	2,764,736
Other receipts	4,635	873,530	143,468	4,035,742	148,051	122,469,689
Total receipts	<u>4,635</u>	<u>873,530</u>	<u>143,468</u>	<u>4,035,742</u>	<u>148,051</u>	<u>263,872,004</u>
Disbursements:						
Personal services	-	-	-	-	-	52,043,826
Supplies	-	-	-	-	-	6,707,299
Other services and charges	-	-	-	-	-	62,240,099
Debt service - principal and interest	-	-	-	-	-	24,423,164
Capital outlay	-	-	-	-	12,494,004	56,893,644
Utility operating expenses	-	-	-	-	-	996,984
Other disbursements	1,000	1,006,094	174,097	4,079,999	-	91,558,178
Total disbursements	<u>1,000</u>	<u>1,006,094</u>	<u>174,097</u>	<u>4,079,999</u>	<u>12,494,004</u>	<u>294,863,194</u>
Excess (deficiency) of receipts over disbursements	<u>3,635</u>	<u>(132,564)</u>	<u>(30,629)</u>	<u>(44,257)</u>	<u>(12,345,953)</u>	<u>(30,991,190)</u>
Cash and investments - ending	<u>\$ 32,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 899,436</u>	<u>\$ 16,474,497</u>	<u>\$ 76,871,794</u>

CITY OF CARMEL  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2010

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 estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 22,291,635
Infrastructure	351,601,904
Buildings	32,981,453
Improvements other than buildings	10,552,019
Machinery and equipment	20,613,993
Right of ways	119,347,722
Construction in progress	<u>43,584,794</u>
Total governmental activities, capital assets	<u>\$ 600,973,520</u>
Business-type activities:	
Water Utility:	
Land	\$ 2,471,797
Construction in progress	42,969,462
Improvements	24,145,569
Distribution system	92,268,562
Automobiles	1,213,861
Office Equipment	465,785
Machinery and equipment	<u>6,072,907</u>
Total Water Utility capital assets	<u>169,607,943</u>
Wastewater Utility:	
Land	117,691
Construction in progress	8,527,824
Structures and Improvements	32,278,726
Collection System	44,466,425
Machinery and Equipment	7,447,438
Distribution system	1,496,063
Office Equipment	322,793
Acquisition Adjustment (02.1140.00)	<u>2,176,583</u>
Total Wastewater Utility capital assets	<u>96,833,543</u>
Total business-type activities capital assets	<u>\$ 266,441,486</u>

CITY OF CARMEL  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2010

The Unit has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2002 Fire Trucks	\$ 146,730	\$ 152,505
2003 E911	36,830	37,777
2005 Mobile Command Vehicle	352,574	88,424
2007 DOCS	32,543	33,355
2008 Police Fire	173,771	120,360
2008 Police Equipment	48,272	49,703
2008 Fire Equipment	138,410	57,421
2009 Engineering Vehicles	46,615	16,744
2009 Golf Course Equipment	114,223	31,700
2009 Police Equipment	422,117	181,379
2010 Fire Trucks	1,109,041	143,048
2010 Ambulance	147,788	37,050
2010 DOCS Watering Equip	48,403	15,180
2010 Golf Course Irrigation System	756,998	139,150
2010 Police Vehicles	566,345	203,718
Notes and loans payable:		
Harrell	613,746	120,000
Old Town Properties	331,394	29,230
TIF Bonds:		
1998 Merchant Square	1,800,000	280,400
2004 Illinois Street	8,055,000	914,340
Redevelopment Bonds:		
2002 Street Facility	7,410,000	794,531
2006 City Center Construction	6,235,000	970,850
2008 Redevelopment Project Bonds	13,310,000	1,335,631
Component Unit Leases:		
2004 COIT/Hazel Dell	15,990,000	2,669,000
2004 Street/Roadway Improvement	28,425,000	3,055,500
2005 Performing Arts Center	76,618,011	4,920,000
2006 Infrastructure Construction	66,845,000	5,985,000
2010 Keystone/Drainage Projects	42,720,000	-
Civic Square	800,000	828,000

CITY OF CARMEL  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2010  
(Continued)

The Unit has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:(continued)		
CRC Installment Contract Obligations:		
1-1-2009 ICO Contracts	17,500,000	1,340,759
5-22-2009 ICO Garage P47 Contracts	7,500,000	593,399
8-31-2009 ICO Clancy Theater Equip/Sound Equip/SECOA Seating	10,000,000	667,850
1-21-2010 ICO Series A Cert of Participation	37,905,000	2,970,852
1-21-2010 ICO Series B Cert of Participation	2,510,000	231,548
1-29-2010 ICO	10,000,000	534,000
6-10-2010 ICO	2,500,000	131,250
7-26-2010 ICO CTDC	10,000,000	524,000
11-12-2010 IP Contract Series 2010 Cert of Part	<u>16,300,000</u>	<u>692,533</u>
Total governmental activities debt	<u>\$ 387,508,811</u>	<u>\$ 30,896,187</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
2002 Revenue Bonds A	\$ 3,850,000	\$ 197,086
2002 Revenue Bonds B	4,725,000	338,025
2003 Revenue Bonds	1,385,000	483,623
2008 Coupon Bonds	63,100,000	3,201,838
2008 Capital Appreciation Bonds	23,471,617	-
Notes payable:		
IWC Water Lines	<u>18,060,514</u>	<u>1,800,000</u>
Total Water Utility	<u>114,592,131</u>	<u>6,020,572</u>
Wastewater Utility		
Revenue bonds:		
Revenue Bonds of 2005	9,445,000	825,178
Revenue Bonds of 2009	<u>5,734,840</u>	<u>298,977</u>
Total Wastewater Utility	<u>15,179,840</u>	<u>1,124,155</u>
Total business-type activities debt:	<u>\$ 129,771,971</u>	<u>\$ 7,144,727</u>

CITY OF CARMEL  
OTHER REPORT(S)

The annual report presented herein was prepared in addition to other official report(s) prepared for the individual City office(s) listed below:

Carmel Redevelopment Commission  
Carmel Water and Wastewater Utilities

CITY OF CARMEL  
AUDIT RESULT(S) AND COMMENT(S)

***APPROPRIATIONS***

The records presented for audit indicated the expenditures for the Local Road and Street and Cumulative Capital Improvement Funds were in excess of budgeted appropriations.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

***GRANTS TO CARMEL PERFORMING ARTS FOUNDATION***

The following contributions were made during 2010:

A disbursement of \$1,635,904 was made from the Rainy Day Fund on May 11, 2010, and a disbursement of \$354,157 was made from the Support for the Arts Fund on July 14, 2010, to the Carmel Performing Arts Foundation, Inc., a not-for-profit corporation. The City of Carmel did not have a contract with the Carmel Performing Arts Foundation, Inc., when these disbursements were made.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The City entered into a contract with the Carmel Performing Arts Foundation, Inc., on March 14, 2011.

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**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  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Carmel (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2010. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

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

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

This report is intended solely for the information and use of the City's management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 20, 2011

CITY OF CARMEL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Hamilton County CDBG-Entitlement Grants Cluster ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	HCCDBGR-09-7	\$ <u>162,000</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2008-DD-BX-0326	<u>9,064</u>
Bulletproof Vest Partnership Program	16.607	CY2010	<u>3,597</u>
ARRA - Public Safety Partnership and Community Policing Grants	16.710	2008-CK-WX-0395	<u>45,555</u>
Pass-Through Indiana Criminal Justice Institute ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	09-JRA-008	<u>50,820</u>
Total for federal grantor agency			<u>109,036</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster ARRA - Highway Planning and Construction	20.205	CY2010	<u>108,733</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	WW09282901	<u>4,321,757</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0002071	<u>17,783</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Buffer Zone Protection Program (BZPP)	97.078	EDS C44P-8-126A	<u>179,300</u>
Total federal awards expended			<u>\$ 4,898,609</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CARMEL  
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Carmel (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

**Note 2. Loans Outstanding**

The City had the following loan balances, with continuing federal compliance requirements, outstanding at December 31, 2010. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010
Capitalization Grants for Clean Water	66.458	\$ 5,034,941

CITY OF CARMEL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement(s):

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

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

No matters are reportable.

CITY OF CARMEL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No items were reportable.

CITY OF CARMEL  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2011, with James Brainard, Mayor. The official concurred with our audit findings.

The contents of this report were discussed on July 20, 2011, with Diana Cordray, Clerk-Treasurer.