

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF CARMEL
HAMILTON COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/27/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Diana Cordray	01-01-08 to 12-31-15
Mayor	James Brainard	01-01-08 to 12-31-15
President of the Board of Public Works	James Brainard	01-01-08 to 12-31-15
President of the City Council	Eric Seidensticker Richard Sharp	01-01-11 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Water Utility	Paul Pace	01-01-11 to 12-31-12
Superintendent of Wastewater Utility	Edward Wolf	01-01-11 to 12-31-12
Utility Director	John Duffy	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

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, 2011. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion 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.

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, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 12, 2012, 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. 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets are presented for additional analysis and are not required parts of the financial statement. They 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, City Council, 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 12, 2012



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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, 2011, and have issued our report thereon dated July 12, 2012. 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, City Council, 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 12, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were prepared by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF CARMEL
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 7,742,546	\$ 59,118,973	\$ 64,033,820	\$ 2,827,699
Motor Vehicle Highway	3,080,647	6,438,770	8,461,268	1,058,149
Local Road And Street	1,157,505	999,695	195,042	1,962,158
Throughfare Fund	586,929	142,578	-	729,507
Economic Fund	33,252	20,060	-	53,312
Housing Authority	58,456	81	-	58,537
User Fee Fund	127,836	82,589	113,034	97,391
Clerk's Record Perpetuation	69,108	18,273	7,827	79,554
Deferral Fund	515,429	63,923	46,434	532,918
Rainy Day	6,448,627	8,943	-	6,457,570
Hazardous Material Response Fund	5,492	2,037	-	7,529
Levy Excess Fund	334,405	-	334,405	-
Cumulative Capital Development	2,248,315	1,890,479	1,877,923	2,260,871
Parks Capital	731,658	980	43,995	688,643
Cumulative Capital Improvement	481,134	197,907	110,679	568,362
Police Pension Fund	3,832,602	510,458	482,160	3,860,900
Fire Pension Fund	4,686,463	653,304	545,464	4,794,303
Judicial Salary Fees	-	38,810	-	38,810
Drug Task Force	646,106	124,812	152,398	618,520
Fire Gift Fund	3,486	70,988	58,113	16,361
Parks Gift Fund	51,468	5,269	3,149	53,588
Ambulance Fund	423,737	1,009,591	901,725	531,603
Grant Fund	900,109	386,703	739,613	547,199
Police Gift	33,877	17,373	16,135	35,115
Dnr/Tree City	49,929	304	55	50,178
Court Interpreter Fund	4,948	7	-	4,955
Community Relations Gift Fund	2,451	7,542	6,752	3,241
Public Defenders Fund	1,272	527	-	1,799
Redevelopment Commission	694,511	29	671,235	23,305
Crc Regions Account	2,653,951	31,416,033	28,345,585	5,724,399
Carmel City Court	172,247	1,816,154	1,813,287	175,114
Parks Program Fund	440,063	3,177,064	2,882,349	734,778
Parks Monon Fund	543,381	4,568,407	4,170,129	941,659
Lease Rental Fund	13,292	818,538	828,001	3,829
2004 Road Bond	22,438	824,224	831,810	14,852
Cumulative Capital Sewer	1,911,231	2,289	675,934	1,237,586
Park Impact Fee Fund	1,171,625	947,136	1,023,986	1,094,775
Barrett Law Fund	6	-	-	6
Civic Square Construction Fund	594	1	-	595
Old Town/126Th Street	457	1	-	458
Keystone Ave Fund	7,042,847	9,322	753,642	6,298,527
Health Insurance Fund	3,733,245	11,251,947	11,213,780	3,771,412
Workers Comp Fund	416,447	217,059	557,296	76,210
Support For The Arts	22,833	235,013	253,000	4,846
Payroll Fund	895,697	42,875,454	43,032,601	738,550
Barrett Law Surplus	164,863	1,292	698	165,457
Sewer Operating	7,309	6,744,060	6,637,770	113,599
Sewer Depreciating	-	54,427	54,426	1
Sewer Connection Fund	-	273,827	262,420	11,407
Sewer Availability Fund	-	70,611	70,611	-
Sewer Loan Srf	699,899	41,900	741,799	-
Wastewater Bond & Interest At Bony	1,471,715	1,176,802	1,122,281	1,526,236
Water Operating	31,249	16,355,158	16,349,078	37,329
Water Bond & Interest	1,072,280	148	148	1,072,280
Water Depreciation	-	121,394	121,394	-
Hydrant Meter Deposit Fund	32,325	4,015	350	35,990
Water Connection	-	1,531,947	1,356,996	174,951
Water Availability	-	65,581	21,101	44,480
Water Sinking Fund	899,436	4,053,090	4,225,170	727,356
Wells Fargo Water Constr	16,474,497	88,164	16,488,860	73,801
Totals	<u>\$ 74,846,225</u>	<u>\$ 200,552,063</u>	<u>\$ 222,635,728</u>	<u>\$ 52,762,560</u>

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

CITY OF CARMEL
NOTES TO FINANCIAL STATEMENT

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 presents the financial information for the City.

B. Basis of Accounting

The financial statement is 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 statement. The aggregate receipts may include 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.

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

CITY OF CARMEL
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Penalties which include fees received for late payments.

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 statement. The aggregate disbursements may include 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.

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.

CITY OF CARMEL
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CITY OF CARMEL
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. 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 any replacement items purchased.

Note 6. Pension Plans

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 Indiana Public Retirement System (INPRS) 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

CITY OF CARMEL
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Indiana Public Retirement System 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 Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

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 Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

CITY OF CARMEL
NOTES TO FINANCIAL STATEMENT
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

The City also contributes to an additional pension plan unique to the City. Information regarding this plan may be obtained from the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Throughfare Fund	Economic Fund	Housing Authority	User Fee Fund
Cash and investments - beginning	\$ 7,742,546	\$ 3,080,647	\$ 1,157,505	\$ 586,929	\$ 33,252	\$ 58,456	\$ 127,836
Receipts:							
Taxes	28,763,894	4,013,612	-	-	-	-	-
Licenses and permits	1,293,505	-	-	141,664	-	-	20,920
Intergovernmental	21,705,033	2,367,880	997,537	-	-	-	-
Charges for services	5,705,477	-	-	-	-	-	24,955
Fines and forfeits	541,863	-	-	-	-	-	34,705
Utility fees	-	-	-	-	-	-	-
Other receipts	1,109,201	57,278	2,158	914	20,060	81	2,009
Total receipts	<u>59,118,973</u>	<u>6,438,770</u>	<u>999,695</u>	<u>142,578</u>	<u>20,060</u>	<u>81</u>	<u>82,589</u>
Disbursements:							
Personal services	41,683,718	4,954,415	-	-	-	-	-
Supplies	1,221,683	1,244,457	-	-	-	-	-
Other services and charges	8,959,164	1,679,113	195,042	-	-	-	99,141
Debt service - principal and interest	10,810,633	-	-	-	-	-	-
Capital outlay	783,501	583,201	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	575,121	82	-	-	-	-	13,893
Total disbursements	<u>64,033,820</u>	<u>8,461,268</u>	<u>195,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,034</u>
Excess (deficiency) of receipts over disbursements	<u>(4,914,847)</u>	<u>(2,022,498)</u>	<u>804,653</u>	<u>142,578</u>	<u>20,060</u>	<u>81</u>	<u>(30,445)</u>
Cash and investments - ending	<u>\$ 2,827,699</u>	<u>\$ 1,058,149</u>	<u>\$ 1,962,158</u>	<u>\$ 729,507</u>	<u>\$ 53,312</u>	<u>\$ 58,537</u>	<u>\$ 97,391</u>

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Clerk's Record Perpetuation	Deferral Fund	Rainy Day	Hazardous Material Response Fund	Levy Excess Fund	Cumulative Capital Development
Cash and investments - beginning	\$ 69,108	\$ 515,429	\$ 6,448,627	\$ 5,492	\$ 334,405	\$ 2,248,315
Receipts:						
Taxes	-	-	-	-	-	1,714,954
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	172,037
Charges for services	18,175	-	-	2,027	-	-
Fines and forfeits	-	63,200	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	98	723	8,943	10	-	3,488
Total receipts	<u>18,273</u>	<u>63,923</u>	<u>8,943</u>	<u>2,037</u>	<u>-</u>	<u>1,890,479</u>
Disbursements:						
Personal services	-	13,906	-	-	-	-
Supplies	139	3,544	-	-	-	1,669
Other services and charges	1,914	10,311	-	-	-	434,814
Debt service - principal and interest	-	-	-	-	-	844,364
Capital outlay	5,774	18,673	-	-	-	597,076
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	334,405	-
Total disbursements	<u>7,827</u>	<u>46,434</u>	<u>-</u>	<u>-</u>	<u>334,405</u>	<u>1,877,923</u>
Excess (deficiency) of receipts over disbursements	<u>10,446</u>	<u>17,489</u>	<u>8,943</u>	<u>2,037</u>	<u>(334,405)</u>	<u>12,556</u>
Cash and investments - ending	<u>\$ 79,554</u>	<u>\$ 532,918</u>	<u>\$ 6,457,570</u>	<u>\$ 7,529</u>	<u>\$ -</u>	<u>\$ 2,260,871</u>

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Parks Capital	Cumulative Capital Improvement	Police Pension Fund	Fire Pension Fund	Judicial Salary Fees	Drug Task Force
Cash and investments - beginning	\$ 731,658	\$ 481,134	\$ 3,832,602	\$ 4,686,463	\$ -	\$ 646,106
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	197,224	494,507	633,478	-	23,604
Charges for services	-	-	-	-	38,788	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	980	683	15,951	19,826	22	101,208
Total receipts	<u>980</u>	<u>197,907</u>	<u>510,458</u>	<u>653,304</u>	<u>38,810</u>	<u>124,812</u>
Disbursements:						
Personal services	-	-	1,830	2,623	-	-
Supplies	-	-	-	-	-	4,605
Other services and charges	-	6,123	100	100	-	129,871
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	43,995	104,556	-	-	-	17,922
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	480,230	542,741	-	-
Total disbursements	<u>43,995</u>	<u>110,679</u>	<u>482,160</u>	<u>545,464</u>	<u>-</u>	<u>152,398</u>
Excess (deficiency) of receipts over disbursements	<u>(43,015)</u>	<u>87,228</u>	<u>28,298</u>	<u>107,840</u>	<u>38,810</u>	<u>(27,586)</u>
Cash and investments - ending	<u>\$ 688,643</u>	<u>\$ 568,362</u>	<u>\$ 3,860,900</u>	<u>\$ 4,794,303</u>	<u>\$ 38,810</u>	<u>\$ 618,520</u>

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Fire Gift Fund	Parks Gift Fund	Ambulance Fund	Grant Fund	Police Gift	Dnr/Tree City
Cash and investments - beginning	\$ 3,486	\$ 51,468	\$ 423,737	\$ 900,109	\$ 33,877	\$ 49,929
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	376,687	-	-
Charges for services	-	-	906,396	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	70,988	5,269	103,195	10,016	17,373	304
Total receipts	70,988	5,269	1,009,591	386,703	17,373	304
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	53,171	-	-	-
Other services and charges	-	-	-	739,337	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	841,153	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	58,113	3,149	7,401	276	16,135	55
Total disbursements	58,113	3,149	901,725	739,613	16,135	55
Excess (deficiency) of receipts over disbursements	12,875	2,120	107,866	(352,910)	1,238	249
Cash and investments - ending	\$ 16,361	\$ 53,588	\$ 531,603	\$ 547,199	\$ 35,115	\$ 50,178

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Court Interperter Fund	Community Relations Gift Fund	Public Defenders Fund	Redevelopment Commission	Crc Regions Account	Carmel City Court
Cash and investments - beginning	\$ 4,948	\$ 2,451	\$ 1,272	\$ 694,511	\$ 2,653,951	\$ 172,247
Receipts:						
Taxes	-	-	-	-	19,558,433	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	525	-	149,287	-
Fines and forfeits	-	-	-	-	-	1,816,154
Utility fees	-	-	-	-	-	-
Other receipts	7	7,542	2	29	11,708,313	-
Total receipts	7	7,542	527	29	31,416,033	1,816,154
Disbursements:						
Personal services	-	-	-	-	600,984	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	3,214	3,290,883	-
Debt service - principal and interest	-	-	-	668,021	14,060,534	-
Capital outlay	-	-	-	-	10,217,089	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	6,752	-	-	176,095	1,813,287
Total disbursements	-	6,752	-	671,235	28,345,585	1,813,287
Excess (deficiency) of receipts over disbursements	7	790	527	(671,206)	3,070,448	2,867
Cash and investments - ending	\$ 4,955	\$ 3,241	\$ 1,799	\$ 23,305	\$ 5,724,399	\$ 175,114

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Parks Program Fund	Parks Monon Fund	Lease Rental Fund	2004 Road Bond	Cumulative Capital Sewer	Park Impact Fee Fund
Cash and investments - beginning	\$ 440,063	\$ 543,381	\$ 13,292	\$ 22,438	\$ 1,911,231	\$ 1,171,625
Receipts:						
Taxes	-	-	743,836	749,001	-	-
Licenses and permits	-	-	-	-	-	946,107
Intergovernmental	-	-	74,618	75,137	-	-
Charges for services	3,148,768	4,529,316	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	28,296	39,091	84	86	2,289	1,029
Total receipts	<u>3,177,064</u>	<u>4,568,407</u>	<u>818,538</u>	<u>824,224</u>	<u>2,289</u>	<u>947,136</u>
Disbursements:						
Personal services	2,173,233	2,153,399	-	-	-	-
Supplies	217,175	456,435	-	-	22,462	-
Other services and charges	491,941	1,541,812	6,913	-	59,496	-
Debt service - principal and interest	-	-	821,088	831,810	-	-
Capital outlay	-	4,783	-	-	593,976	1,023,986
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	13,700	-	-	-	-
Total disbursements	<u>2,882,349</u>	<u>4,170,129</u>	<u>828,001</u>	<u>831,810</u>	<u>675,934</u>	<u>1,023,986</u>
Excess (deficiency) of receipts over disbursements	<u>294,715</u>	<u>398,278</u>	<u>(9,463)</u>	<u>(7,586)</u>	<u>(673,645)</u>	<u>(76,850)</u>
Cash and investments - ending	<u>\$ 734,778</u>	<u>\$ 941,659</u>	<u>\$ 3,829</u>	<u>\$ 14,852</u>	<u>\$ 1,237,586</u>	<u>\$ 1,094,775</u>

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Barrett Law Fund	Civic Square Construction Fund	Old Town/126Th Street	Keystone Ave Fund	Health Insurance Fund	Workers Comp Fund
Cash and investments - beginning	\$ 6	\$ 594	\$ 457	\$ 7,042,847	\$ 3,733,245	\$ 416,447
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	1	1	9,322	11,251,947	217,059
Total receipts	-	1	1	9,322	11,251,947	217,059
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	7,114	-	-
Other services and charges	-	-	-	58,827	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	687,701	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	11,213,780	557,296
Total disbursements	-	-	-	753,642	11,213,780	557,296
Excess (deficiency) of receipts over disbursements	-	1	1	(744,320)	38,167	(340,237)
Cash and investments - ending	<u>\$ 6</u>	<u>\$ 595</u>	<u>\$ 458</u>	<u>\$ 6,298,527</u>	<u>\$ 3,771,412</u>	<u>\$ 76,210</u>

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Support For The Arts	Payroll Fund	Barrett Law Surplus	Sewer Operating	Sewer Depreciating	Sewer Connection Fund
Cash and investments - beginning	\$ 22,833	\$ 895,697	\$ 164,863	\$ 7,309	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	6,375,697	-	228,781
Other receipts	235,013	42,875,454	1,292	368,363	54,427	45,046
Total receipts	<u>235,013</u>	<u>42,875,454</u>	<u>1,292</u>	<u>6,744,060</u>	<u>54,427</u>	<u>273,827</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	253,000	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	54,426	261,110
Utility operating expenses	-	-	-	5,394,877	-	-
Other disbursements	-	43,032,601	698	1,242,893	-	1,310
Total disbursements	<u>253,000</u>	<u>43,032,601</u>	<u>698</u>	<u>6,637,770</u>	<u>54,426</u>	<u>262,420</u>
Excess (deficiency) of receipts over disbursements	<u>(17,987)</u>	<u>(157,147)</u>	<u>594</u>	<u>106,290</u>	<u>1</u>	<u>11,407</u>
Cash and investments - ending	<u>\$ 4,846</u>	<u>\$ 738,550</u>	<u>\$ 165,457</u>	<u>\$ 113,599</u>	<u>\$ 1</u>	<u>\$ 11,407</u>

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sewer Availability Fund	Sewer Loan Srf	Wastewater Bond & Interest At Bony	Water Operating	Water Bond & Interest	Water Depreciation
Cash and investments - beginning	\$ -	\$ 699,899	\$ 1,471,715	\$ 31,249	\$ 1,072,280	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	15,042	-	-	15,738,126	-	-
Other receipts	55,569	41,900	1,176,802	617,032	148	121,394
Total receipts	70,611	41,900	1,176,802	16,355,158	148	121,394
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	1,122,281	-	-	-
Capital outlay	25,611	741,799	-	-	-	121,394
Utility operating expenses	-	-	-	7,548,619	-	-
Other disbursements	45,000	-	-	8,800,459	148	-
Total disbursements	70,611	741,799	1,122,281	16,349,078	148	121,394
Excess (deficiency) of receipts over disbursements	-	(699,899)	54,521	6,080	-	-
Cash and investments - ending	\$ -	\$ -	\$ 1,526,236	\$ 37,329	\$ 1,072,280	\$ -

CITY OF CARMEL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Hydrant Meter Deposit Fund	Water Connection	Water Availability	Water Sinking Fund	Wells Fargo Water Constr	Totals
Cash and investments - beginning	\$ 32,325	\$ -	\$ -	\$ 899,436	\$ 16,474,497	\$ 74,846,225
Receipts:						
Taxes	-	-	-	-	-	55,543,730
Licenses and permits	-	-	-	-	-	2,402,196
Intergovernmental	-	-	-	-	-	27,117,742
Charges for services	-	-	-	-	-	14,523,714
Fines and forfeits	-	-	-	-	-	2,455,922
Utility fees	3,215	1,528,801	65,554	-	-	23,955,216
Other receipts	800	3,146	27	4,053,090	88,164	74,553,543
Total receipts	4,015	1,531,947	65,581	4,053,090	88,164	200,552,063
Disbursements:						
Personal services	-	-	-	-	-	51,584,108
Supplies	-	-	-	-	-	3,232,454
Other services and charges	-	-	-	-	-	17,961,116
Debt service - principal and interest	-	900,000	-	4,220,570	-	34,279,301
Capital outlay	-	78,033	19,824	-	16,485,566	33,311,149
Utility operating expenses	350	7,439	-	4,600	3,294	12,959,179
Other disbursements	-	371,524	1,277	-	-	69,308,421
Total disbursements	350	1,356,996	21,101	4,225,170	16,488,860	222,635,728
Excess (deficiency) of receipts over disbursements	3,665	174,951	44,480	(172,080)	(16,400,696)	(22,083,665)
Cash and investments - ending	\$ 35,990	\$ 174,951	\$ 44,480	\$ 727,356	\$ 73,801	\$ 52,762,560

CITY OF CARMEL
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,559,722	\$ -
Wastewater	159,791	1,993,213
Water	<u>784,999</u>	<u>1,444,067</u>
Totals	<u>\$ 2,504,512</u>	<u>\$ 3,437,280</u>

CITY OF CARMEL
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
2002 Fire Trucks	Purchase Fire Trucks	\$ 152,505	03-25-02	11-01-11
2003 911 Comm Center	Purchase New 911 Center Equipment	37,777	06-25-03	05-01-11
2005 Carmel Police and Fire Department	Mobile Command Vehicle	88,424	05-24-05	08-01-15
2007 DOCS Equipment	Purchase vehicles truck Priors printers scanners furniture	33,355	12-01-07	06-01-11
2008 Fire Department	turn out gear	57,421	12-01-08	06-01-13
2008 Police and Fire Vehicles	Purchase Police Vehicles and Fire Durangos	120,360	07-22-08	12-01-12
2008 Police Equipment	radios cameras sirens incar cameras	49,703	06-01-08	12-01-11
2009 Engineering	Purchase Excapes and F150	16,744	03-01-10	09-01-13
2009 Golf Course	Commercial irrigation pump	31,700	03-01-10	09-01-14
2009 Police Vehicles	purchase vehicles	181,379	09-01-09	03-01-13
2010 DOCS Equipment	Purchase equipment	15,180	09-01-10	09-01-14
2010 Fire department	Purchase Ambulance	37,050	10-01-10	04-01-15
2010 Fire department	Purchase Fire Trucks	143,048	02-15-11	08-15-20
2010 Golf Course	Irrigation system	139,150	10-01-10	10-01-17
2010 Police department	purchase police cars	203,718	05-15-10	11-15-13
2011 Police department	purchase police cars	202,974	04-15-11	10-16-14
Total governmental activities		1,510,488		
Total of annual lease payments		\$ 1,510,488		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	2002 Street Department	\$ 6,915,000	\$ 797,031
Revenue bonds	Carmel Redevelopment District Taxable County Option Income Tax Revenue Refunding Bonds Series 2006 (1998 City Center refunded in 2006)	5,580,000	966,996
Revenue bonds	2001 Merchants Pointe-Developer backed	780,000	74,590
Revenue bonds	2003 Parkwood East	2,955,000	383,625
Revenue bonds	2006 Parkwood West	4,150,000	357,200
Revenue bonds	2005 Performing Arts Center	75,131,081	5,200,000
Revenue bonds	Carmel Redevelopment District Certificates of Participation Series 2010A	37,905,000	2,979,900
Revenue bonds	Carmel Redevelopment District Certificates of Participation Series 2010B	2,510,000	232,175
Revenue bonds	Carmel Redevelopment District Certificates of Participation Series 2010C	16,300,000	1,025,975
Revenue bonds	1998 Merchants Square TIF	1,640,000	278,850
Revenue bonds	Redevelopment District Tax Increment Revenue Bonds Series 2004 A (Clarian Hospital) Illinois Street Project	7,670,000	913,405
Revenue bonds	Carmel Redevelopment District Taxable Tax Increment Revenue Bonds of 2008 (City Center)	12,935,000	1,333,401
Revenue bonds	City of Carmel (IN) Redevelopment Authority County Option Income Tax Lease Rental Revenue Refunding Bonds of 2004	13,970,000	2,660,738
Revenue bonds	City of Carmel Redevelopment Authority County Option Income Tax Lease Rental Revenue Bonds Series 2006	64,105,000	5,985,000
Revenue bonds	City of Carmel (IN) Redevelopment Authority County Option Income Tax Lease Rental Revenue Bonds of 2010	25,675,000	1,231,000
Revenue bonds	City of Carmel (Indiana) Redevelopment Authority Lease Rental Revenue Refunding Bonds of 2011	25,190,000	696,542
Notes and loans payable	2011 Installment Purchase Agreement Series A (Haris Bank 17 000 000)	17,000,000	259,250
Notes and loans payable	2011 Installment Purchase Agreement Series B (Haris Bank 4 500 000)	4,500,000	-
Notes and loans payable	2011 Installment Purchase Agreement Series C (Haris Bank 1 000 000)	1,000,000	-
Notes and loans payable	Old Town Properties - Chaos - Parcel 931	321,435	29,230
Notes and loans payable	Dean & Dottie Harrill Parcel 14	546,543	120,000
Notes and loans payable	Parcel 14 - Bobby John LLC	1,289,302	91,500
Notes and loans payable	1-1-2009 ICO Contracts (Regions Bank \$17 500 000)	17,090,910	1,353,644
Notes and loans payable	5-22-2009 ICO Garage P47 Contracts (Regions Bank \$7 500 000)	7,331,883	599,389
Notes and loans payable	8-31-2009 ICO Clancy Theater Equipment Sound Equipment and SECOA Seating (Mercantile Bank \$10 000 000)	9,847,952	777,302
Notes and loans payable	1-29-2010 ICO (National Bank of Indianapolis \$10 000 000)	10,000,000	701,261
Notes and loans payable	6-10-2010 ICO (United Fidelity Bank \$2 500 000)	2,500,000	157,857
Notes and loans payable	7-26-2010 ICO CTDC Contracts (Regions Bank \$10 000 000)	10,000,000	675,679
Total governmental activities		384,839,106	29,881,540
Wastewater:			
Revenue bonds	2005 Wastewater Plant Expansion	9,020,000	814,338
Revenue bonds	2009 Wastewater Expansion	5,459,371	298,973
Total Wastewater		14,479,371	1,113,311
Water:			
Revenue bonds	2002A Water Revenue Bonds	3,845,000	196,863
Revenue bonds	2002B Water Revenue Bonds	4,615,000	333,735
Revenue bonds	2003A Water Refunding Revenue Bonds	945,000	487,298
Revenue bonds	2008 Plant Expansion Coupon Bonds	62,955,000	3,215,638
Revenue bonds	2008 Plant Expansion Cap Appreciation Bonds	24,832,875	1,440,200
Notes and loans payable	IWC Lines	17,254,925	1,800,000
Total Water		114,447,800	7,473,734
Totals		\$ 513,766,277	\$ 38,468,585

CITY OF CARMEL
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 30,300,355
Infrastructure	491,411,148
Buildings	54,153,373
Improvements other than buildings	6,249,529
Machinery, equipment and vehicles	23,236,475
Construction in progress	52,294,025
Total governmental activities	657,644,905
Wastewater:	
Land	117,690
Infrastructure	46,830,439
Buildings	31,020,885
Machinery, equipment and vehicles	9,661,635
Construction in progress	8,716,968
Total Wastewater	96,347,617
Water:	
Land	2,471,797
Infrastructure	98,846,901
Buildings	24,015,569
Machinery, equipment and vehicles	8,171,967
Construction in progress	55,953,802
Total Water	189,460,036
Total capital assets	\$ 943,452,558

CITY OF CARMEL
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual City offices listed below:

Carmel Redevelopment Commission
Carmel Water and Wastewater Utilities

CITY OF CARMEL
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS - PAYROLL

Depository reconciliations of the fund balances to the bank account balances were not completed for the Payroll fund for the audit period. The unit has corrected the issue for 2012 prior to the conclusion of the audit.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statement provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 each of its major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs 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 each of its major federal programs for the year ended December 31, 2011.

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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, City Council, 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 12, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were prepared by management of the City. The schedule and note are presented as intended by the City.

CITY OF CARMEL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Bulletproof Vest Partnership Program	16.607	CY 2011	\$ 7,562
Pass-Through Indiana Criminal Justice Institute			
ARRA - Public Safety Partnership and Community Policing Grants			
Mobile Laptop Upgrade	16.710	2008-CK-WX-0395	211,653
JAG Program Cluster			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance			
Grant (JAG) Program/Grants to States and Territories	16.803	2008-DD-BX-0326	<u>23,604</u>
Total for federal grantor agency			<u>242,819</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	901163	20,007
Highway Planning and Construction			
Cool Creek North Trail	20.205	600390	<u>58,345</u>
Total for federal grantor agency			<u>78,352</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>699,900</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0002071	<u>522,634</u>
Retro/Refit of Metal Halide and High Pressure Sodium			
Street Lights to LED Street Lights			
Total federal awards expended			<u>\$ 1,543,705</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CARMEL
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Carmel 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.

CITY OF CARMEL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies 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
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)

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

Auditee qualified as low-risk auditee? yes

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 matters are reportable.

CITY OF CARMEL
EXIT CONFERENCE

The contents of this report were discussed on July 17, 2012, with Diana Cordray, Clerk-Treasurer, and Richard Sharp, President of the City Council. The officials concurred with our audit finding.

The contents of this report were discussed on July 25, 2012, with James Brainard, Mayor. The official concurred with our audit finding.