

**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, 2013 to December 31, 2013



**FILED**  
12/11/2014



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
Independent Auditor's 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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10
Notes to Financial Statement .....	11-16
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	18-27
Schedule of Payables and Receivables .....	28
Schedule of Leases and Debt .....	29
Schedule of Capital Assets.....	30
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	32-33
Schedule of Expenditures of Federal Awards and Accompanying Note:	
Schedule of Expenditures of Federal Awards.....	36
Note to Schedule of Expenditures of Federal Awards .....	37
Schedule of Findings and Questioned Costs .....	38-40
Auditee Prepared Document:	
Corrective Action Plan .....	42
Other Report .....	43

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Diana L. Cordray	01-01-12 to 12-31-15
Mayor	James Brainard	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Rick Sharp W. Eric Seidensticker	01-01-13 to 12-31-13 01-01-14 to 12-31-14
Utilities Director	John Duffy	01-01-13 to 12-31-14



## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the City of Carmel (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

***Opinion on Regulatory Basis of Accounting***

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, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2014, 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* in considering the City's internal control over financial reporting and compliance.


***Accompanying Information***

*Supplementary Information*

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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, as listed in the Table of Contents, 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.

  
Paul D. Joyce, CPA  
State Examiner

December 8, 2014



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S 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, 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, the financial statement of the City of Carmel (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated December 8, 2014, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.



INDEPENDENT AUDITOR'S 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

***City of Carmel's Response to Findings***

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

December 8, 2014

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved 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, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 2,454,932	\$ 73,229,769	\$ 71,979,961	\$ 3,704,740
Motor Vehicle Highway	2,705,140	10,149,086	9,920,584	2,933,642
Local Road And Street	2,057,350	1,132,695	2,527,735	662,310
Throughfare Fund	483,776	417,005	639,463	261,318
Economic Fund	38,352	10,059	-	48,411
Housing Authority	58,590	88	-	58,678
User Fee Fund	125,905	117,622	110,842	132,685
Clerk's Record Perpetuation	95,213	19,510	9,570	105,153
Deferral Fund	559,720	76,689	60,223	576,186
Rainy Day	8,963,321	13,561	-	8,976,882
Hazardous Material Response Fund	7,536	762	-	8,298
Cumulative Capital Development	3,015,644	1,725,407	3,765,895	975,156
Parks Capital	689,266	731	230,148	459,849
Cumulative Capital Improvement	727,093	213,280	553,972	386,401
Police Pension Fund	2,384,605	514,967	2,089,493	810,079
Fire Pension Fund	2,728,576	574,794	2,734,728	568,642
Judicial Salary Fees	90,395	44,065	14,279	120,181
Illinois St Construction Fund	700,178	3,183,696	61,401	3,822,473
Drug Task Force	588,416	143,524	169,644	562,296
Fire Gift Fund	5,726	19,098	16,681	8,143
Parks Gift Fund	49,716	3,258	4,931	48,043
Ambulance Fund	700,564	1,122,657	1,034,206	789,015
Grant Fund	574,496	50,522	153,015	472,003
Police Gift	38,800	12,171	20,491	30,480
Dnr/Tree City	50,223	306	26	50,503
Court Interpreter Fund	3,429	1	3,400	30
Community Relations Gift Fund	19,347	84,062	41,128	62,281
Public Defenders Fund	1,028	453	-	1,481
Redevelopment Commission	14,354	26,948,106	19,002,871	7,959,589
Crc Regions Account	3,607,850	1,416	3,609,266	-
Carmel City Court	637,261	1,922,391	2,393,492	166,160
Parks Program Fund	1,173,986	3,607,772	3,028,294	1,753,464
Parks Monon Fund	1,509,331	4,873,086	4,537,949	1,844,468
Lease Rental Fund	3,834	6	-	3,840
Cumulative Capital Sewer	912,349	720	385,311	527,758
Park Impact Fee Fund	1,905,206	816,716	843,897	1,878,025
Barrett Law Fund	6	-	-	6
Civic Square Construction Fund	596	-	596	-
Old Town/126Th Street	457	1	-	458
Keystone Ave Fund	2,903,739	3,295	2,665,093	241,941
Historic Preservation	-	18,900	16,110	2,790
Health Insurance Fund	3,377,675	11,985,566	12,091,018	3,272,223
Workers Comp Fund	36,170	270,969	307,139	-
Support For The Arts	119,856	740,036	842,756	17,136
Payroll Fund	277,146	44,637,421	44,709,101	205,466
Barrett Law Surplus	165,445	250	-	165,695
Sewage Works Revenue Bonds	8,103,357	51,082	4,339,129	3,815,310
Sewer Operating	65,159	9,242,084	9,286,855	20,388
Sewer Depreciating	1	229,455	229,456	-
Sewer Connection Fund	5,735	410,849	234,393	182,191
Sewer Availability Fund	5,365	118,682	3,156	120,891
Wastewater Bond & Interest At Bony	2,450,635	1,763,977	1,414,238	2,800,374
Water Operating	222,297	25,138,841	25,341,880	19,258
Water Bond & Interest	1,146,140	80,574	-	1,226,714
Water Depreciation	2	225,994	225,996	-
Hydrant Meter Deposit Fund	36,965	2,725	500	39,190
Water Connection	16,609	2,111,162	2,127,681	90
Water Availability	1	3,027,194	3,027,182	13
Water Sinking Fund	922,465	4,265,710	4,860,419	327,756
Totals	<u>\$ 59,537,329</u>	<u>\$ 235,354,818</u>	<u>\$ 241,665,594</u>	<u>\$ 53,226,553</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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT  
(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 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.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT  
(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  
(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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687



CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*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.

CITY OF CARMEL  
NOTES TO FINANCIAL STATEMENT  
(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 Retirement System (INPRS) 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.

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 Capitol 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.

**Note 7. Holding Corporation**

The City has entered into capital leases with Carmel Redevelopment Authority (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing assets for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year 2013 totaled \$21,404,908.

## SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the City's 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, 2013

	General	Motor Vehicle Highway	Local Road And Street	Throughfare Fund	Economic Fund	Housing Authority
Cash and investments - beginning	\$ 2,454,932	\$ 2,705,140	\$ 2,057,350	\$ 483,776	\$ 38,352	\$ 58,590
Receipts:						
Taxes	31,434,657	6,890,871	-	-	-	-
Licenses and permits	2,388,212	-	-	416,141	-	-
Intergovernmental	28,530,562	3,204,312	1,131,085	-	-	-
Charges for services	3,699,293	-	-	-	-	-
Fines and forfeits	550,668	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	6,626,377	53,903	1,610	864	10,059	88
Total receipts	<u>73,229,769</u>	<u>10,149,086</u>	<u>1,132,695</u>	<u>417,005</u>	<u>10,059</u>	<u>88</u>
Disbursements:						
Personal services	42,954,169	5,731,484	-	-	-	-
Supplies	1,265,979	1,438,364	-	-	-	-
Other services and charges	10,853,829	2,591,985	1,690,039	27,463	-	-
Debt service - principal and interest	13,266,433	-	-	-	-	-
Capital outlay	359,754	158,745	837,696	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,279,797	6	-	612,000	-	-
Total disbursements	<u>71,979,961</u>	<u>9,920,584</u>	<u>2,527,735</u>	<u>639,463</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,249,808</u>	<u>228,502</u>	<u>(1,395,040)</u>	<u>(222,458)</u>	<u>10,059</u>	<u>88</u>
Cash and investments - ending	<u>\$ 3,704,740</u>	<u>\$ 2,933,642</u>	<u>\$ 662,310</u>	<u>\$ 261,318</u>	<u>\$ 48,411</u>	<u>\$ 58,678</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	User Fee Fund	Clerk's Record Perpetuation	Deferral Fund	Rainy Day	Hazardous Material Response Fund	Cumulative Capital Development
Cash and investments - beginning	\$ 125,905	\$ 95,213	\$ 559,720	\$ 8,963,321	\$ 7,536	\$ 3,015,644
Receipts:						
Taxes	-	-	-	-	-	1,521,643
Licenses and permits	54,630	-	-	-	-	-
Intergovernmental	-	-	-	-	-	171,697
Charges for services	23,527	19,355	-	-	750	-
Fines and forfeits	37,622	-	75,821	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,843	155	868	13,561	12	32,067
Total receipts	117,622	19,510	76,689	13,561	762	1,725,407
Disbursements:						
Personal services	-	-	26,636	-	-	-
Supplies	-	-	5,203	-	-	19,444
Other services and charges	101,352	1,674	16,655	-	-	848,047
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	7,896	11,729	-	-	2,898,404
Utility operating expenses	-	-	-	-	-	-
Other disbursements	9,490	-	-	-	-	-
Total disbursements	110,842	9,570	60,223	-	-	3,765,895
Excess (deficiency) of receipts over disbursements	6,780	9,940	16,466	13,561	762	(2,040,488)
Cash and investments - ending	\$ 132,685	\$ 105,153	\$ 576,186	\$ 8,976,882	\$ 8,298	\$ 975,156

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Parks Capital	Cumulative Capital Improvement	Police Pension Fund	Fire Pension Fund	Judical Salary Fees	Illinois St Construction Fund
Cash and investments - beginning	\$ 689,266	\$ 727,093	\$ 2,384,605	\$ 2,728,576	\$ 90,395	\$ 700,178
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	212,588	509,142	574,628	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	43,899	-
Utility fees	-	-	-	-	-	-
Other receipts	731	692	5,825	166	166	3,183,696
Total receipts	<u>731</u>	<u>213,280</u>	<u>514,967</u>	<u>574,794</u>	<u>44,065</u>	<u>3,183,696</u>
Disbursements:						
Personal services	-	-	2,082,476	2,725,409	-	-
Supplies	-	-	-	-	-	-
Other services and charges	34,948	280,710	100	100	-	739
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	195,200	273,262	-	-	14,279	60,662
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	6,917	9,219	-	-
Total disbursements	<u>230,148</u>	<u>553,972</u>	<u>2,089,493</u>	<u>2,734,728</u>	<u>14,279</u>	<u>61,401</u>
Excess (deficiency) of receipts over disbursements	<u>(229,417)</u>	<u>(340,692)</u>	<u>(1,574,526)</u>	<u>(2,159,934)</u>	<u>29,786</u>	<u>3,122,295</u>
Cash and investments - ending	<u>\$ 459,849</u>	<u>\$ 386,401</u>	<u>\$ 810,079</u>	<u>\$ 568,642</u>	<u>\$ 120,181</u>	<u>\$ 3,822,473</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Drug Task Force	Fire Gift Fund	Parks Gift Fund	Ambulance Fund	Grant Fund	Police Gift
Cash and investments - beginning	\$ 588,416	\$ 5,726	\$ 49,716	\$ 700,564	\$ 574,496	\$ 38,800
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	25,000	-	-	6,429	42,293	-
Charges for services	-	-	-	1,114,774	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	118,524	19,098	3,258	1,454	8,229	12,171
Total receipts	<u>143,524</u>	<u>19,098</u>	<u>3,258</u>	<u>1,122,657</u>	<u>50,522</u>	<u>12,171</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	4,945	-	-	56,016	-	-
Other services and charges	160,312	-	-	36,466	153,015	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,384	-	-	938,377	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3	16,681	4,931	3,347	-	20,491
Total disbursements	<u>169,644</u>	<u>16,681</u>	<u>4,931</u>	<u>1,034,206</u>	<u>153,015</u>	<u>20,491</u>
Excess (deficiency) of receipts over disbursements	<u>(26,120)</u>	<u>2,417</u>	<u>(1,673)</u>	<u>88,451</u>	<u>(102,493)</u>	<u>(8,320)</u>
Cash and investments - ending	<u>\$ 562,296</u>	<u>\$ 8,143</u>	<u>\$ 48,043</u>	<u>\$ 789,015</u>	<u>\$ 472,003</u>	<u>\$ 30,480</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Dnr/Tree City	Court Interpreter Fund	Community Relations Gift Fund	Public Defenders Fund	Redevelopment Commission	Crc Regions Account
Cash and investments - beginning	\$ 50,223	\$ 3,429	\$ 19,347	\$ 1,028	\$ 14,354	\$ 3,607,850
Receipts:						
Taxes	-	-	-	-	24,292,947	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	2,618,858	-
Fines and forfeits	-	-	-	450	-	-
Utility fees	-	-	-	-	-	-
Other receipts	306	1	84,062	3	36,301	1,416
Total receipts	<u>306</u>	<u>1</u>	<u>84,062</u>	<u>453</u>	<u>26,948,106</u>	<u>1,416</u>
Disbursements:						
Personal services	-	-	-	-	-	3,053
Supplies	-	-	-	-	46,515	-
Other services and charges	-	3,400	41,128	-	286,750	-
Debt service - principal and interest	-	-	-	-	11,023,719	-
Capital outlay	-	-	-	-	2,862,310	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	26	-	-	-	4,783,577	3,606,213
Total disbursements	<u>26</u>	<u>3,400</u>	<u>41,128</u>	<u>-</u>	<u>19,002,871</u>	<u>3,609,266</u>
Excess (deficiency) of receipts over disbursements	<u>280</u>	<u>(3,399)</u>	<u>42,934</u>	<u>453</u>	<u>7,945,235</u>	<u>(3,607,850)</u>
Cash and investments - ending	<u>\$ 50,503</u>	<u>\$ 30</u>	<u>\$ 62,281</u>	<u>\$ 1,481</u>	<u>\$ 7,959,589</u>	<u>\$ -</u>



CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Carmel City Court	Parks Program Fund	Parks Monon Fund	Lease Rental Fund	Cumulative Capital Sewer	Park Impact Fee Fund
Cash and investments - beginning	\$ 637,261	\$ 1,173,986	\$ 1,509,331	\$ 3,834	\$ 912,349	\$ 1,905,206
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	813,790
Intergovernmental	-	-	-	-	-	-
Charges for services	-	3,597,001	4,792,691	-	-	-
Fines and forfeits	1,922,391	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	10,771	80,395	6	720	2,926
Total receipts	<u>1,922,391</u>	<u>3,607,772</u>	<u>4,873,086</u>	<u>6</u>	<u>720</u>	<u>816,716</u>
Disbursements:						
Personal services	-	2,366,904	2,222,792	-	-	-
Supplies	-	259,410	346,641	-	-	-
Other services and charges	-	387,688	1,925,654	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	14,292	26,862	-	385,311	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,393,492	-	16,000	-	-	843,897
Total disbursements	<u>2,393,492</u>	<u>3,028,294</u>	<u>4,537,949</u>	<u>-</u>	<u>385,311</u>	<u>843,897</u>
Excess (deficiency) of receipts over disbursements	<u>(471,101)</u>	<u>579,478</u>	<u>335,137</u>	<u>6</u>	<u>(384,591)</u>	<u>(27,181)</u>
Cash and investments - ending	<u>\$ 166,160</u>	<u>\$ 1,753,464</u>	<u>\$ 1,844,468</u>	<u>\$ 3,840</u>	<u>\$ 527,758</u>	<u>\$ 1,878,025</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Barrett Law Fund	Civic Square Construction Fund	Old Town/126Th Street	Keystone Ave Fund	Historic Preservation	Health Insurance Fund
Cash and investments - beginning	\$ 6	\$ 596	\$ 457	\$ 2,903,739	\$ -	\$ 3,377,675
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	1	3,295	18,900	11,985,566
Total receipts	-	-	1	3,295	18,900	11,985,566
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	95,893	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	596	-	2,569,200	16,110	12,091,018
Total disbursements	-	596	-	2,665,093	16,110	12,091,018
Excess (deficiency) of receipts over disbursements	-	(596)	1	(2,661,798)	2,790	(105,452)
Cash and investments - ending	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$ 241,941</u>	<u>\$ 2,790</u>	<u>\$ 3,272,223</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Workers Comp Fund	Support For The Arts	Payroll Fund	Barrett Law Surplus	Sewage Works Revenue Bonds	Sewer Operating
Cash and investments - beginning	\$ 36,170	\$ 119,856	\$ 277,146	\$ 165,445	\$ 8,103,357	\$ 65,159
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	346,475
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	2,196,391
Other receipts	270,969	740,036	44,637,421	250	51,082	6,699,218
Total receipts	<u>270,969</u>	<u>740,036</u>	<u>44,637,421</u>	<u>250</u>	<u>51,082</u>	<u>9,242,084</u>
Disbursements:						
Personal services	-	-	-	-	-	2,669,769
Supplies	-	-	-	-	-	-
Other services and charges	-	842,756	-	-	-	187,979
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	4,339,129	-
Utility operating expenses	-	-	-	-	-	3,324,113
Other disbursements	307,139	-	44,709,101	-	-	3,104,994
Total disbursements	<u>307,139</u>	<u>842,756</u>	<u>44,709,101</u>	<u>-</u>	<u>4,339,129</u>	<u>9,286,855</u>
Excess (deficiency) of receipts over disbursements	<u>(36,170)</u>	<u>(102,720)</u>	<u>(71,680)</u>	<u>250</u>	<u>(4,288,047)</u>	<u>(44,771)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,136</u>	<u>\$ 205,466</u>	<u>\$ 165,695</u>	<u>\$ 3,815,310</u>	<u>\$ 20,388</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sewer Depreciating	Sewer Connection Fund	Sewer Availability Fund	Wastewater Bond & Interest At Bony	Water Operating	Water Bond & Interest
Cash and investments - beginning	\$ 1	\$ 5,735	\$ 5,365	\$ 2,450,635	\$ 222,297	\$ 1,146,140
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	403,848	108,782	-	24,617,911	-
Other receipts	229,455	7,001	9,900	1,763,977	520,930	80,574
Total receipts	<u>229,455</u>	<u>410,849</u>	<u>118,682</u>	<u>1,763,977</u>	<u>25,138,841</u>	<u>80,574</u>
Disbursements:						
Personal services	-	-	-	-	3,099,716	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	217,503	-
Debt service - principal and interest	-	-	-	1,414,238	-	-
Capital outlay	227,429	2,996	-	-	-	-
Utility operating expenses	-	-	-	-	10,172,906	-
Other disbursements	2,027	231,397	3,156	-	11,851,755	-
Total disbursements	<u>229,456</u>	<u>234,393</u>	<u>3,156</u>	<u>1,414,238</u>	<u>25,341,880</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>176,456</u>	<u>115,526</u>	<u>349,739</u>	<u>(203,039)</u>	<u>80,574</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 182,191</u>	<u>\$ 120,891</u>	<u>\$ 2,800,374</u>	<u>\$ 19,258</u>	<u>\$ 1,226,714</u>

CITY OF CARMEL  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Water Depreciation	Hydrant Meter Deposit Fund	Water Connection	Water Availability	Water Sinking Fund	Totals
Cash and investments - beginning	\$ 2	\$ 36,965	\$ 16,609	\$ 1	\$ 922,465	\$ 59,537,329
Receipts:						
Taxes	-	-	-	-	-	64,140,118
Licenses and permits	-	-	-	-	-	3,672,773
Intergovernmental	-	-	-	-	-	34,754,211
Charges for services	-	-	-	-	-	15,866,249
Fines and forfeits	-	-	-	-	-	2,630,851
Utility fees	-	-	1,592,563	1,158,794	-	30,078,289
Other receipts	225,994	2,725	518,599	1,868,400	4,265,710	84,212,327
Total receipts	225,994	2,725	2,111,162	3,027,194	4,265,710	235,354,818
Disbursements:						
Personal services	-	-	-	-	-	63,882,408
Supplies	-	-	-	-	-	3,442,517
Other services and charges	-	-	-	-	-	20,690,292
Debt service - principal and interest	-	-	-	-	4,855,569	30,559,959
Capital outlay	225,028	-	438,181	3,017,391	-	17,395,210
Utility operating expenses	-	-	-	-	-	13,497,019
Other disbursements	968	500	1,689,500	9,791	4,850	92,198,189
Total disbursements	225,996	500	2,127,681	3,027,182	4,860,419	241,665,594
Excess (deficiency) of receipts over disbursements	(2)	2,225	(16,519)	12	(594,709)	(6,310,776)
Cash and investments - ending	\$ -	\$ 39,190	\$ 90	\$ 13	\$ 327,756	\$ 53,226,553

CITY OF CARMEL  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 835,696	\$ 2,124,789
Water	558,398	1,037,097
Governmental activities	433,124	-
Totals	<u>\$ 1,827,218</u>	<u>\$ 3,161,886</u>

CITY OF CARMEL  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fifth Third Bank	Mobile Command Vehicle	\$ 88,424	5/24/2005	8/1/2015
PNC Bank	Golf Carts	52,585	1/1/2008	6/1/2014
PNC Bank	Golf equipment-mowers	39,440	9/1/2009	3/1/2015
Huntington National Bank	Commercial irrigation pump	31,700	3/1/2010	9/1/2014
Huntington National Bank	Purchase Ford F-150's	7,590	9/1/2010	9/1/2014
Huntington National Bank	Purchase Ambulance	37,050	10/1/2010	4/1/2015
Huntington National Bank	Purchase Fire Trucks	143,048	2/15/2011	8/15/2020
Huntington National Bank	Irrigation system	139,150	10/1/2010	10/1/2017
Huntington National Bank	purchase police cars	202,974	4/15/2011	10/16/2014
Huntington National Bank	15 Monitor/Defib CPR and accessories	88,410	9/15/2012	3/15/2017
Huntington National Bank	2 Ambulances	80,040	11/1/2012	5/1/2017
Huntington National Bank	Radios chargers batteries	47,070	9/15/2012	3/15/2017
Huntington National Bank	purchase police cars	198,496	5/12/2012	11/15/2015
Huntington National Bank	turn out gear	72,620	3/15/2013	9/15/2018
Huntington National Bank	police vehicles	197,770	5/15/2013	11/15/2016
Huntington National Bank	street sweeper	48,410	6/15/2013	12/15/2015
Carmel Redevelopment Authority	2012A Lease Rental Multipurpose	4,403,935	8/1/2013	2/1/2038
Carmel Redevelopment Authority	2012B Lease Rental Multipurpose	4,100,065	8/1/2013	2/1/2038
Carmel Redevelopment Authority	City of Carmel (IN) Redevelopment Authority County Option Income Tax Lease Rental Revenue Refunding Bonds of 2004-Hazel Dell	2,668,000	6/15/2004	12/15/2017
Carmel Redevelopment Authority	City of Carmel (IN) Redevelopment Authority County Option Income Tax Lease Rental Revenue Bonds Series 2006-Road Bonds	5,986,000	12/15/2008	12/15/2027
Carmel Redevelopment Authority	City of Carmel (IN) Redevelopment Authority County Option Income Tax Lease Rental Revenue Bonds of 2010-Keystone	1,430,000	12/15/2011	12/15/2030
Carmel Redevelopment Authority	City of Carmel (Indiana) Redevelopment Authority Lease Rental Revenue Refunding Bonds of 2011-Refi 2004 Road Bond Clay West	2,972,500	7/15/2012	7/15/2024
Carmel Redevelopment Authority	2005 Performing Arts Center	5,775,000	7/1/2010	7/2/2038
Total governmental activities		<u>28,810,277</u>		
Total of annual lease payments		<u>\$ 28,810,277</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	1998 Merchants Square TIF	\$ 1,290,000	\$ 278,475
Revenue bonds	Redevelopment District Tax Increment Revenue Bonds Series 2004 A (Clarian Hospital) Illinois Street Project	6,825,000	911,215
Revenue bonds	Carmel Redevelopment District Taxable County Option Income Tax Revenue Refunding Bonds Series 2006 (1998 City Center refunded in 2006)	4,175,000	963,762
Revenue bonds	2003 Parkwood East	2,605,000	399,125
Revenue bonds	2006 Parkwood West	3,935,000	395,272
Revenue bonds	Carmel Redevelopment District Certificates of Participation Series 2010C	15,955,000	1,365,963
Revenue bonds	County Option Income Tax Revenue Refunding Bonds of 2011 (Street department)	6,165,000	762,120
Revenue bonds	2013 Illinois St Project Bond	6,535,000	134,460
Total governmental activities		<u>47,485,000</u>	<u>5,210,392</u>
Wastewater:			
Revenue bonds	2005 Wastewater Plant Expansion	8,140,000	819,717
Revenue bonds	2009 Wastewater Expansion	4,904,958	298,970
Revenue bonds	2012 Wastewater Revenue	11,040,000	748,125
Total Wastewater		<u>24,084,958</u>	<u>1,866,812</u>
Water:			
Revenue bonds	2012 Jr Waterworks Rev Bonds	62,400,000	3,620,856
Revenue bonds	2008 Plant Expansion Cap Appreciation Bonds	27,796,859	-
Revenue bonds	2008 Plant Expansion Coupon Bonds	20,805,000	1,466,350
Notes and loans payable	IWC Lines	15,596,594	1,800,000
Total Water		<u>126,598,453</u>	<u>6,887,206</u>
Totals		<u>\$ 198,168,411</u>	<u>\$ 13,964,410</u>

CITY OF CARMEL  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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
<b>Governmental activities:</b>	
Land	\$ 227,180,474
Infrastructure	495,971,344
Buildings	17,723,185
Improvements other than buildings	6,571,920
Machinery, equipment, and vehicles	24,230,472
Construction in progress	1,398,200
Total governmental activities	773,075,595
<b>Wastewater:</b>	
Land	117,691
Infrastructure	47,026,364
Buildings	36,966,873
Machinery, equipment, and vehicles	11,406,274
Construction in progress	9,281,574
Total Wastewater	104,798,776
<b>Water:</b>	
Land	3,464,195
Infrastructure	130,520,898
Buildings	59,008,998
Machinery, equipment, and vehicles	9,379,913
Construction in progress	6,905,115
Total Water	209,279,119
<b>Total capital assets</b>	<b>\$ 1,087,153,490</b>



SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

***Report on Compliance for Each Major Federal Program***

We have audited the City of Carmel's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)


***Report on Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

December 8, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved 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, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program	Direct Grant	16.607	FY 2013	\$ 5,805
Total - Department of Justice				<u>5,805</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	1297240 0710207	715,319 <u>1,698</u>
Total - Highway Planning and Construction Cluster				<u>717,017</u>
<u>Highway Safety Cluster</u>				
State and Community Highway Safety Dangerous Driving Enforcement Program Operation Pullover (OPO) Enforcement Program	Hamilton County	20.600	2093 1498	3,114 <u>10,332</u>
Total - State and Community Highway Safety				<u>13,446</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I DUI Task Force Enforcement Program	Hamilton County	20.601	1520	<u>6,644</u>
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				<u>6,644</u>
Total - Highway Safety Cluster				<u>20,090</u>
Total - Department of Transportation				<u>737,107</u>
<u>Environmental Protection Agency</u>				
Congressionally Mandated Projects 106th St Pump Station Improvements	Direct Grant	66.202	XP-00E56101	<u>346,475</u>
Total - Environmental Protection Agency				<u>346,475</u>
<u>Department of Homeland Security</u>				
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	FY 2013	<u>6,429</u>
Total - Department of Homeland Security				<u>6,429</u>
Total federal awards expended				<u>\$ 1,095,816</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 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:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.202	Highway Planning and Construction Cluster Congressionally Mandated Projects

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROLS OVERREPORTING OF EXPENDITURES OF FEDERAL AWARDS**

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.



CITY OF CARMEL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the following errors: (a) total federal expenditures were incorrectly reported with \$712,850 in expenditures being omitted from the schedule; (b) amounts reported for three of five grant awards were incorrect; and (c) information such as grantor agency, program title, pass-through entity, Catalog of Federal Domestic Assistance (CFDA) number, and pass-through identifying number were omitted for some grant awards.

We believe the deficiencies discussed above constitute material weaknesses. The errors and omissions on the SEFA were partially caused by a lack of sufficient internal controls over the preparation of the SEFA and due to insufficient familiarity with some of the required elements of the SEFA. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section.310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards: The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

CITY OF CARMEL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

No matters are reportable.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.

**CITY OF CARMEL  
1 CIVIC SQUARE  
CARMEL, IN 46032**

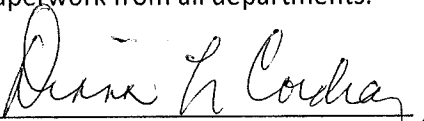
Corrective Action Plans

FEDERAL FINDING 2013-001 - INTERNAL CONTROLS OVER REPORTING OF EXPENDITURES OF FEDERAL AWARDS

Auditee Contact Person: Diana L. Cordray  
Title of Contact Person: Clerk-Treasurer  
Phone Number: 317-571-2414  
Expected Completion Date: 9-8-2014

Corrective Action:

As it regards to internal controls of the City of Carmel, we plan to increase oversight of our day-to-day operations and verify the information reported by the departments with regards to grant monies spent and received against grant paperwork. Also, the Clerk-Treasurer's Office shall request copies of all grant paperwork from all departments.

  
\_\_\_\_\_  
Diana L. Cordray, Clerk-Treasurer

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.