

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CARMEL REDEVELOPMENT AUTHORITY

HAMILTON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
04/26/2016



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Diana Cordray Christine Pauley	01-01-08 to 12-31-15 01-01-16 to 12-31-19
President of the Redevelopment Authority Board	Robert Bush	01-01-10 to 12-31-16



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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE CARMEL REDEVELOPMENT AUTHORITY, HAMILTON COUNTY, INDIANA

We have examined the accompanying financial statement of the Carmel Redevelopment Authority (Redevelopment Authority), for the period of January 1, 2010 to December 31, 2011. The financial statement is the responsibility of the Redevelopment Authority's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Redevelopment Authority 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 comprehensive 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Redevelopment Authority for the period of January 1, 2010 to December 31, 2011.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Redevelopment Authority for the period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Redevelopment Authority's financial statement. The Schedule of Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on it.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

January 13, 2016

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#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Redevelopment Authority. The financial statement and notes are presented as intended by the Redevelopment Authority.

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CARMEL REDEVELOPMENT AUTHORITY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2010 and 2011

Funds	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Debt Service	\$ 12,521,361	\$ 20,705,157	\$ 20,209,738	\$ 13,016,780
Capital Projects	<u>18,192,335</u>	<u>30,382,742</u>	<u>34,317,065</u>	<u>14,258,012</u>
Totals	<u>\$ 30,713,696</u>	<u>\$ 51,087,899</u>	<u>\$ 54,526,803</u>	<u>\$ 27,274,792</u>

Funds	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Debt Service	\$ 13,016,780	\$ 47,754,023	\$ 52,551,293	\$ 8,219,510
Capital Projects	<u>14,258,012</u>	<u>12,651</u>	<u>2,830,481</u>	<u>11,440,182</u>
Totals	<u>\$ 27,274,792</u>	<u>\$ 47,766,674</u>	<u>\$ 55,381,774</u>	<u>\$ 19,659,692</u>

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

CARMEL REDEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

The Redevelopment Authority was established under the laws of the State of Indiana. The Redevelopment Authority operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Redevelopment Authority.

*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 include amounts received from various sources which may include, but are not limited to the following: net proceeds from borrowings; contributions from the City of Carmel or other governmental entities; and transfers authorized by statute, ordinance, resolution, or court order.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

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 District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

CARMEL REDEVELOPMENT AUTHORITY  
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. Other disbursements which include, but are not limited to transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Redevelopment Authority 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 Redevelopment Authority. 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 or bond indenture while other funds are internally restricted by the Redevelopment Authority. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes.

**Note 2. 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 Redevelopment Authority 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 3. Risk Management**

The Redevelopment Authority 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 District 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.

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#### OTHER INFORMATION - UNAUDITED

The Redevelopment Authority's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

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 Reports of the Redevelopment Authority. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the Redevelopment Authority. It is presented as intended by the Redevelopment Authority.

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CARMEL REDEVELOPMENT AUTHORITY  
SCHEDULE OF DEBT  
December 31, 2011

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Special purpose revenue bonds	2004 COIT refunding revenue - refund prior debt issues	\$ 14,025,000	\$ 2,651,438
Special purpose revenue bonds	2005 Performing arts center combined - construction of performing arts center	76,618,011	4,915,000
Special purpose revenue bonds	2006 Thoroughfare - construction of roadways and related infrastructure	64,105,000	5,979,331
Special purpose revenue bonds	2010 COIT - construction of various capital improvements	25,675,000	1,226,500
Special purpose revenue bonds	2011 Thoroughfare - construction of roadways and related infrastructure	<u>25,190,000</u>	<u>696,542</u>
Totals		<u>\$ 205,613,011</u>	<u>\$ 15,468,811</u>

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Redevelopment Authority. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.