

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF CARMEL

HAMILTON COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
01/18/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	James Brainard	01-01-16 to 12-31-19
Clerk-Treasurer	Christine Pauley	01-01-16 to 12-31-19
President of the Common Council	Ron Carter Sue Finkam	01-01-16 to 12-31-16 01-01-17 to 12-31-17
President of the Redevelopment Commission	William Hammer	01-01-16 to 12-31-17
President of the Redevelopment Authority	Robert Bush	01-01-16 to 12-31-17
Utilities Director	John Duffy	01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

This report is supplemental to our audit report of the City of Carmel (City), for the period from January 1, 2016 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Comprehensive Annual Financial Report of the City, which provides our opinions on the City's financial statements. This report may be found at www.in.gov/sboa.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 27, 2017

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CLERK-TREASURER
CITY OF CARMEL

CLERK-TREASURER
CITY OF CARMEL
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The same comment also appeared in prior Reports B46017 and B48609.

The Water Operating and Water Availability funds were overdrawn at December 31, 2016, by \$2,852,427 and \$1,942,814, respectively.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CONDITION OF RECORDS

The same comment also appeared in the prior Report B48609.

The records maintained by the Clerk-Treasurer's office were incomplete and not reflective of the activity of the Bond Bank Project Fund, Redevelopment Commission Fund, 2016 Project Fund, Redevelopment Authority Debt Service Fund, Redevelopment Authority Capital Projects Fund, 2016 Prop. Tax Bond - Const. 1 to 2016 Prop. Tax Bond - Const. 13 funds, or the Storm Water fund. However, sufficient information was presented to establish beginning balances, receipts, disbursements, ending balances, and to verify the accuracy and correctness of the transactions for all of the above mentioned funds.

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the presented reconciliation as of December 31, 2016, did not balance by an unidentified variance of \$19,979. Additionally, the presented bank reconciliation did not include depository accounts related to the Bond Bank Project Fund, 2016 Project Fund, Redevelopment Authority (Debt Service and Capital Projects Funds), 2016 Prop. Tax Bond - Const.1 to 2016 Prop. Tax. Bond - Const. 13 funds, and some of the depository accounts related to the Redevelopment Commission Fund, Capital Lease fund, and Storm Water fund. The total omitted from the bank reconciliation was \$241,477,366. All of these depository accounts were reported on the financial statements.

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 statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

The cash balance of a particular fund shall be determinable from comparison of the entries in the Ledger of Receipts, Disbursements, and Balances which shall be balanced and reconciled with bank balances monthly.

The subtraction of total disbursements of a fund from the sum of total receipts and the cash balance at the beginning of a particular period should produce the cash balance of that fund. This calculation shall be made monthly and the cash balance of each fund at the close of the month shall be entered and reconciled with bank account balances. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 2)

CLERK-TREASURER
CITY OF CARMEL
AUDIT RESULTS AND COMMENTS
(Continued)

ENERGY CENTER - UNPAID BALANCES

The same comment also appeared in prior Reports B45148, B46017, and B48609.

The City was responsible for charges related to its Energy Consumption Agreements (Agreements) for the City Hall, Police Station, Fire Station, and Palladium. The Agreements were entered into on November 1, 2010. Except for the Palladium, the billings and payments have not been made in accordance with the agreements. It was reported that certain capital costs included in the Agreements were disputed by City officials and the Carmel Redevelopment Commission reduced the billings to remove the portion attributed to these capital costs. However, the initial Agreements have not been formally amended or revised. For 2015, the City was billed for the three buildings (City Hall, Police Station, and Fire Station) excluding the capital costs charges; the amounts were paid as billed in 2015.

For 2012, 2013, 2014, 2015, and 2016, the City has not paid the amounts due from these Agreements. The following schedule indicates the unpaid obligation due to the reduced billings and payments:

2016	Energy Consumption Agreement Annual Amount	Reduced Billed/Paid Amount	Under Billed/Paid
City Hall	\$ 429,690	\$ 71,203	\$ (358,487)
Police Station	197,955	32,803	(165,152)
Fire Station	157,211	26,051	(131,160)
Totals - 2016	<u>\$ 784,856</u>	<u>\$ 130,057</u>	<u>\$ (654,799)</u>

2015	Energy Consumption Agreement Annual Amount	Reduced Billed/Paid Amount	Under Billed/Paid
City Hall	\$ 429,690	\$ 71,203	\$ (358,487)
Police Station	197,955	32,803	(165,152)
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CLERK-TREASURER
CITY OF CARMEL
AUDIT RESULTS AND COMMENTS
(Continued)

<u>Prior Year (2014)</u>	Energy Consumption Agreement Annual Amount	Reduced Billed/Paid Amount	Under Billed/Paid
City Hall	\$ 429,690	\$ 71,203	\$ (358,487)
Police Station	197,955	32,803	(165,152)
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Totals - 2012	<u>\$ 784,856</u>	<u>\$ 130,057</u>	<u>\$ (654,799)</u>

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

POSTING ERRORS

Financial records presented for audit included the following posting errors:

- The CVET distributions totaling \$11,464 were posted to the property tax receipt classification.
- The State Auditor (intergovernmental revenue) distributions totaling \$296,714 were posted to the reimbursement receipt classification.

CLERK-TREASURER
CITY OF CARMEL
AUDIT RESULTS AND COMMENTS
(Continued)

- The Grant Fund State distributions totaling \$751,076 were posted as "negative" disbursements thereby understating revenues by 57 percent and expenditures by 69 percent for this fund.
- The Community Relations disbursements totaling \$97,989 were posted as "negative" receipts thereby understating revenues by 18 percent and expenditures by 20 percent for this fund.

Each fund is an entirely separate entity. Transactions between funds must be carefully recorded and fully supported by issuing receipts and warrants. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 3)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2016 Exit Conference Comments

1. Repeat Items:

- a. **Overdrawn Cash Balances - The Water Operating and Water Availability funds were overdrawn at December 31, 2016, by \$2,852,427 and \$1,942,814, respectively.**

The two main reasons for this were decreasing water sales and an insufficient water rate structure.

For the years 2011, 2012, and 2013 we sold 11,597,576,000 gallons of water. For the years 2014, 2015, and 2016 the total gallons sold was 9,907,702,000 – 17% decrease from 2011-2013. This was not due to a loss of customers as we actually added an average of 335 customers per year in the 2014-2016 time period. The reason was unusually cold and wet summer time weather for three years in a row. The 2016 issue was a culmination of three consecutive years of lower than expected revenues.

In addition to the decreased sales, our rate structure was not sufficient when our summer time sales were down due to weather. The rate structure was set up to charge more per 1,000 gallons once a given customer passed 9,000 gallons of monthly consumption. Due to the weather conditions this simply did not happen. While our sales were down, we still had to improve our water infrastructure to meet current and future growth demands that include summers where peak demands will return when more typical summer conditions occur.

The process of correcting this problem occurred early in 2016 when we raised rates and increased the monthly base charge to offset a cold wet summer. The rates were not in effect until May of 2016 so we had seven months with the new rates, not a full year.

It is also important to add that we had a receivable of \$1,521,000 in new development fees that we anticipated receiving by the end of 2016.

- b. **Condition of Records:**

The records maintained by the Clerk-Treasurer's Office were incomplete and not reflective of the activity of the Bond Bank Project Fund, the Redevelopment Commission Fund, the 2016 Project Fund, Redevelopment Authority Debt Service Fund, the Redevelopment Authority Capital Projects Fund, the 2016 Prop. Tax Bond - Const. 1 to 2016 Prop. Tax Bond - Const. 13 Funds, or the Storm Water Fund. However, sufficient information was presented to establish beginning balances, receipts, disbursements, ending balances, and to verify the accuracy and correctness of the transactions for all of the above mentioned funds.

Most of the above mentioned Funds are not in the GL at this time. To make changes, per the above comment, will require a meeting discussion with the Finance Committee and an ordinance passed by City Council to create and add these Funds. Once this has been completed, the Clerk-Treasurer's Office will need to work with the City Accountant to establish a crosswalk of the Fund and account activity to ensure reporting consistency between the source records and the CAFR reporting. Whether or not this can be accomplished for the year ended December 31, 2017 is unknown. We can ensure this reporting begins with fiscal year end 2018.

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the presented reconciliation as of December 31, 2016 did not balance by an unidentified variance of \$19,979. Additionally, the presented bank reconciliation did not include depository accounts related to the Bond Bank Project Fund, 2016 Project Fund, Redevelopment Authority (Debt Service and Capital Projects Funds), 2016 Prop. Tax Bond - Const.1 to 2016 Prop. Tax. Bond - Const. 13 Funds, and some of the depository accounts related to the Redevelopment Commission Fund, Capital Lease Fund, and Storm Water Fund. The total omitted from the bank reconciliation was \$241,477,366. All of these depository accounts were reported on the financial statements.

The Clerk-Treasurer's Office is working to improve the bank reconciliation process. It is difficult to reconcile account activity since the prior administration did not have a documented reconciliation process and almost all activity runs through one cash account. The accounts were out of balance during the prior administration and those out of balance amounts have carried forward which impacts the total out of balance.

The Regions accounts are currently reflected in the Capital Lease Fund component of the bank reconciliation process.

The bond accounts will need to be set up and reflected in a method comparable to the bank reconciliation of capital lease accounts. The ability to do so depends on how quickly the new Funds can be approved by City Council and the ability to work with the City Accountant to ensure consistent mapping of the accounts and funds.

- c. **Energy Center – Unpaid Balances:** Exact same wording as last time with the addition of a table for 2016 exactly like the other years.

This issue has been resolved. The BPW approved revised Energy Consumption Agreements for the three buildings that were previously not paying the contract amount. These revised agreements now accurately reflect what was actually paid through the end of 2016 as the contracted amounts for these periods.

- d. **Annual Financial Report Not Filed - The Carmel Redevelopment Authority did not file an Annual Financial Report for 2016 with the State Examiner.**

During the 2015 Exit Conference, the City was advised that the AFR for the Redevelopment Authority had not been filed. Since the Exit Conference occurred later in the year, the Clerk-Treasurer's Office agreed that this reporting would begin in fiscal year 2018. The Office will make an effort to complete the AFR for 2017. The Clerk Treasurer will need to obtain access approval to the Carmel Redevelopment Authority on Gateway as access is not presently granted.

- e. **Condition of Records** - The Carmel Redevelopment Authority did not maintain financial records for audit such as a Ledger of Receipts, Disbursements, and Balances (prescribed City or Town Form No. 208) for 2016 or completed monthly bank reconcilements. However, sufficient information was presented to establish beginning balances, receipts, disbursements, ending balances, and to verify the accuracy and correctness of the transactions.

The Clerk-Treasurer's Office will work with the Carmel Redevelopment Authority to obtain and maintain financial records as well as complete monthly bank reconcilements.

2. **New Comment – Posting Errors: Financial records presented for audit included the following posting errors:**

- a. CVET distributions totaling \$11,464 were posted to the property tax receipt classification.

The Clerk-Treasurer's Office verified that the CVET distribution posted to the wrong account (property tax receipt) and made a correction in period 13 of 2016.

- b. State Auditor (intergovernmental revenue) distributions totaling \$296,714 were posted to the reimbursement receipt classification.

The Clerk-Treasurer will post as intergovernmental revenue.

- c. Grant Fund State distributions totaling \$751,076 were posted as "negative" disbursements thereby understating revenues by 57% and expenditures by 69% for this fund.

The City no longer posts "negative" disbursements.

- d. Community Relations disbursements totaling \$97,989 were posted as "negative" receipts thereby understating revenues by 18% and expenditures by 20% for this fund.

The City no longer posts "negative" receipts.

CLERK-TREASURER
CITY OF CARMEL
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2017, with Christine Pauley, Clerk-Treasurer; Ann Bingman, Director of Internal Controls; Sue Finkam, President of the Common Council; Ron Carter, Common Council member; Anthony Green, Common Council member; Bruce Kimball, Common Council member; Jeff Worrell, Common Council member; Arnie Hanish, Audit Committee member; Jo Biggers, Audit Committee member; and Ted Spearman, Accounting Supervisor.

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REDEVELOPMENT COMMISSION
CITY OF CARMEL

REDEVELOPMENT COMMISSION
CITY OF CARMEL
AUDIT RESULT AND COMMENT

ENERGY CENTER - UNPAID BALANCES

The same comment also appeared in prior Reports B45148, B46017, and B48609.

The City was responsible for charges related to its Energy Consumption Agreements (Agreements) for the City Hall, Police Station, Fire Station, and Palladium. The Agreements were entered into on November 1, 2010. Except for the Palladium, the billings and payments have not been made in accordance with the agreements. It was reported that certain capital costs included in the Agreements were disputed by City officials and the Carmel Redevelopment Commission reduced the billings to remove the portion attributed to these capital costs. However, the initial Agreements have not been formally amended or revised. For 2015, the City was billed for the three buildings (City Hall, Police Station, and Fire Station) excluding the capital costs charges; the amounts were paid as billed in 2015.

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CLERK-TREASURER
CITY OF CARMEL
AUDIT RESULT AND COMMENT
(Continued)

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Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

2016 Exit Conference Comments

1. Repeat Items:

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- d. **Annual Financial Report Not Filed - The Carmel Redevelopment Authority did not file an Annual Financial Report for 2016 with the State Examiner.**

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2. **New Comment – Posting Errors: Financial records presented for audit included the following posting errors:**

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The Clerk-Treasurer's Office verified that the CVET distribution posted to the wrong account (property tax receipt) and made a correction in period 13 of 2016.

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The Clerk-Treasurer will post as intergovernmental revenue.

- c. Grant Fund State distributions totaling \$751,076 were posted as "negative" disbursements thereby understating revenues by 57% and expenditures by 69% for this fund.

The City no longer posts "negative" disbursements.

- d. Community Relations disbursements totaling \$97,989 were posted as "negative" receipts thereby understating revenues by 18% and expenditures by 20% for this fund.

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REDEVELOPMENT COMMISSION
CITY OF CARMEL
EXIT CONFERENCE

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REDEVELOPMENT AUTHORITY
CITY OF CARMEL

REDEVELOPMENT AUTHORITY
CITY OF CARMEL
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT NOT FILED

The same comment also appeared in prior Reports B46242, B46243, and B48609.

The Carmel Redevelopment Authority did not file an Annual Financial Report for 2016 with the State Examiner.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

CONDITION OF RECORDS

The same comment also appeared prior Reports B46242, B46243, and B48609.

The Carmel Redevelopment Authority did not maintain financial records for audit such as a Ledger of Receipts, Disbursements, and Balances (prescribed City or Town Form No. 208) for 2016 or completed monthly bank reconcilements. However, sufficient information was presented to establish beginning balances, receipts, disbursements, ending balances, and to verify the accuracy and correctness of the transactions.

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The subtraction of total disbursements of a fund from the sum of total receipts and the cash balance at the beginning of a particular period should produce the cash balance of that fund. This calculation shall be made monthly and the cash balance of each fund at the close of the month shall be entered and reconciled with bank account balances. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 2)

2016 Exit Conference Comments

1. Repeat Items:

- a. **Overdrawn Cash Balances - The Water Operating and Water Availability funds were overdrawn at December 31, 2016, by \$2,852,427 and \$1,942,814, respectively.**

The two main reasons for this were decreasing water sales and an insufficient water rate structure.

For the years 2011, 2012, and 2013 we sold 11,597,576,000 gallons of water. For the years 2014, 2015, and 2016 the total gallons sold was 9,907,702,000 – 17% decrease from 2011-2013. This was not due to a loss of customers as we actually added an average of 335 customers per year in the 2014-2016 time period. The reason was unusually cold and wet summer time weather for three years in a row. The 2016 issue was a culmination of three consecutive years of lower than expected revenues.

In addition to the decreased sales, our rate structure was not sufficient when our summer time sales were down due to weather. The rate structure was set up to charge more per 1,000 gallons once a given customer passed 9,000 gallons of monthly consumption. Due to the weather conditions this simply did not happen. While our sales were down, we still had to improve our water infrastructure to meet current and future growth demands that include summers where peak demands will return when more typical summer conditions occur.

The process of correcting this problem occurred early in 2016 when we raised rates and increased the monthly base charge to offset a cold wet summer. The rates were not in effect until May of 2016 so we had seven months with the new rates, not a full year.

It is also important to add that we had a receivable of \$1,521,000 in new development fees that we anticipated receiving by the end of 2016.

- b. **Condition of Records:**

The records maintained by the Clerk-Treasurer's Office were incomplete and not reflective of the activity of the Bond Bank Project Fund, the Redevelopment Commission Fund, the 2016 Project Fund, Redevelopment Authority Debt Service Fund, the Redevelopment Authority Capital Projects Fund, the 2016 Prop. Tax Bond - Const. 1 to 2016 Prop. Tax Bond - Const. 13 Funds, or the Storm Water Fund. However, sufficient information was presented to establish beginning balances, receipts, disbursements, ending balances, and to verify the accuracy and correctness of the transactions for all of the above mentioned funds.

Most of the above mentioned Funds are not in the GL at this time. To make changes, per the above comment, will require a meeting discussion with the Finance Committee and an ordinance passed by City Council to create and add these Funds. Once this has been completed, the Clerk-Treasurer's Office will need to work with the City Accountant to establish a crosswalk of the Fund and account activity to ensure reporting consistency between the source records and the CAFR reporting. Whether or not this can be accomplished for the year ended December 31, 2017 is unknown. We can ensure this reporting begins with fiscal year end 2018.

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the presented reconciliation as of December 31, 2016 did not balance by an unidentified variance of \$19,979. Additionally, the presented bank reconciliation did not include depository accounts related to the Bond Bank Project Fund, 2016 Project Fund, Redevelopment Authority (Debt Service and Capital Projects Funds), 2016 Prop. Tax Bond - Const.1 to 2016 Prop. Tax. Bond - Const. 13 Funds, and some of the depository accounts related to the Redevelopment Commission Fund, Capital Lease Fund, and Storm Water Fund. The total omitted from the bank reconciliation was \$241,477,366. All of these depository accounts were reported on the financial statements.

The Clerk-Treasurer's Office is working to improve the bank reconciliation process. It is difficult to reconcile account activity since the prior administration did not have a documented reconciliation process and almost all activity runs through one cash account. The accounts were out of balance during the prior administration and those out of balance amounts have carried forward which impacts the total out of balance.

The Regions accounts are currently reflected in the Capital Lease Fund component of the bank reconciliation process.

The bond accounts will need to be set up and reflected in a method comparable to the bank reconciliation of capital lease accounts. The ability to do so depends on how quickly the new Funds can be approved by City Council and the ability to work with the City Accountant to ensure consistent mapping of the accounts and funds.

- c. **Energy Center – Unpaid Balances:** Exact same wording as last time with the addition of a table for 2016 exactly like the other years.

This issue has been resolved. The BPW approved revised Energy Consumption Agreements for the three buildings that were previously not paying the contract amount. These revised agreements now accurately reflect what was actually paid through the end of 2016 as the contracted amounts for these periods.

- d. **Annual Financial Report Not Filed - The Carmel Redevelopment Authority did not file an Annual Financial Report for 2016 with the State Examiner.**

During the 2015 Exit Conference, the City was advised that the AFR for the Redevelopment Authority had not been filed. Since the Exit Conference occurred later in the year, the Clerk-Treasurer's Office agreed that this reporting would begin in fiscal year 2018. The Office will make an effort to complete the AFR for 2017. The Clerk Treasurer will need to obtain access approval to the Carmel Redevelopment Authority on Gateway as access is not presently granted.

- e. **Condition of Records** - The Carmel Redevelopment Authority did not maintain financial records for audit such as a Ledger of Receipts, Disbursements, and Balances (prescribed City or Town Form No. 208) for 2016 or completed monthly bank reconcilements. However, sufficient information was presented to establish beginning balances, receipts, disbursements, ending balances, and to verify the accuracy and correctness of the transactions.

The Clerk-Treasurer's Office will work with the Carmel Redevelopment Authority to obtain and maintain financial records as well as complete monthly bank reconcilements.

2. **New Comment – Posting Errors: Financial records presented for audit included the following posting errors:**

- a. CVET distributions totaling \$11,464 were posted to the property tax receipt classification.

The Clerk-Treasurer's Office verified that the CVET distribution posted to the wrong account (property tax receipt) and made a correction in period 13 of 2016.

- b. State Auditor (intergovernmental revenue) distributions totaling \$296,714 were posted to the reimbursement receipt classification.

The Clerk-Treasurer will post as intergovernmental revenue.

- c. Grant Fund State distributions totaling \$751,076 were posted as "negative" disbursements thereby understating revenues by 57% and expenditures by 69% for this fund.

The City no longer posts "negative" disbursements.

- d. Community Relations disbursements totaling \$97,989 were posted as "negative" receipts thereby understating revenues by 18% and expenditures by 20% for this fund.

The City no longer posts "negative" receipts.

REDEVELOPMENT AUTHORITY
CITY OF CARMEL
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2017, with Christine Pauley, Clerk-Treasurer; Ann Bingman, Director of Internal Controls; Sue Finkam, President of the Common Council; Ron Carter, Common Council member; Anthony Green, Common Council member; Bruce Kimball, Common Council member; Jeff Worrell, Common Council member; Arnie Hanish, Audit Committee member; Jo Biggers, Audit Committee member; and Ted Spearman, Accounting Supervisor.