

CITY OF CARMEL INDIANA



Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2018



CITY OF CARMEL, INDIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018

FILED
08/30/2019

Prepared by:
Board of Public Works and Safety





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CITY OF CARMEL, INDIANA
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2018

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INTRODUCTORY SECTION



Introductory Section:

Letter of Transmittal

*Certificate of Achievement – Government Finance
Officers Association*

City of Carmel Organization Chart

List of Principal Officials



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JAMES BRAINARD, MAYOR
CHRISTINE PAULEY, CLERK-TREASURER

June 28, 2019

To the Honorable Members of the Carmel City Council, and
Citizens of the City of Carmel, Indiana:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Carmel (the City) year ended December 31, 2018. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge, the enclosed data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the various funds of the City of Carmel. All disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

This report presents management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Indiana law requires an annual audit of the financial records and transactions of all City functions. The Indiana State Board of Accounts performed the City's audit for 2018. Their audit was conducted in accordance with generally accepted governmental auditing standards. The State Board of Accounts concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Carmel's financial statements for the year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section, on page 21 of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of management's discussion and analysis (MD&A). The MD&A complements this letter of transmittal and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report in the financial section of the CAFR.

CITY PROFILE

The City of Carmel was incorporated in 1976, and it is located in Hamilton County, directly north of Indianapolis. The City occupies nearly 49 square miles, with more than 486 miles of public roadways. The City has experienced tremendous growth within the past few decades and serves mainly as a residential and commercial area for both Carmel and Indianapolis professionals.

Carmel has an estimated population of 96,900 (according to recent census estimates). Personal income statistics are above national and State of Indiana averages. The median household income level is \$107,916, and the median value of a home is \$345,900. Hamilton County ranks first in the State of Indiana for median household income and second in the State for per capita personal income. The unemployment rate in Hamilton County has been substantially lower than that of the State of Indiana during the past 10 years.

The City is recognized for its sound corporate environment, high-quality residential neighborhoods, outstanding schools, cultural amenities, well-developed infrastructure, and strong economy. The City was ranked as the No. 1 place to live in America by Money Magazine for cities with a population of 50,000 to 300,000 in 2012, and is consistently ranked among the best places to raise a family and among the safest cities by a variety of rating websites and agencies. The proximity of Carmel to Indianapolis provides increased employment and higher education opportunities for local residents.

City Structure

The City operates under a Mayor, Clerk-Treasurer, Judge of the City Court, and a seven-member Common Council pursuant to Indiana law. The Mayor serves as the chief executive of the City and serves a four-year term. The Clerk-Treasurer, also elected to a four-year term, serves as the fiscal officer and is responsible for the financial and other records of the City. The legislative and fiscal body for the City is the Common Council. The seven-member Council is comprised of two at-large and five district representatives who are elected to serve four-year terms. The Council meets formally twice a month to conduct City business. Its duties include the enactment of all ordinances and resolutions and approval of the annual budget.

The administrative body for the City is the Board of Public Works and Safety. This three-member board consists of the Mayor, who serves as the presiding officer, and two mayoral appointees. This Board is responsible for bidding infrastructure projects as well as other duties prescribed by Indiana state law.

The City provides services in the following areas: public safety (police, fire, EMS, and emergency communications), community services (planning, code enforcement, and economic development), parks and recreation, transportation (streets and sidewalks), engineering, storm water drainage, court, and general administrative services. In addition, the City provides wastewater utility services and drinking water.

The City of Carmel includes several departments and services, including the Community Services, Community Relations and Economic Development, Redevelopment, Engineering, Human Resources, Street Department, Law, Administration, Information Systems, Police, Fire, Carmel Clay Communications Center and the Carmel Water and Sewer Utilities.

The City employs a total of 626 employees, with union representation as follows:

Carmel Professional Firefighters / IAFF #4444
Firefighters 146

Fraternal Order of Police Lodge #185
Police 114

Planning and Zoning

The Carmel Plan Commission promotes orderly growth throughout the City and other areas of Clay Township. The eleven-member Plan Commission is appointed by the following: Mayor (5), City Council (1), Park Board (1), City Engineer (1), Board of Public Works (1) and County Commissioners (2). The Board of Zoning Appeals has five members appointed by the Mayor, City Council, and Plan Commission.

Component Units

Certain financing and economic development functions are provided by a legally separate redevelopment authority, two 501(c)(4) corporations, and a statutory public improvement bond bank for which the City is financially accountable. These components, although legally separate, function for fiscal purposes as departments of the City, and therefore have been included as integral parts of the City’s financial statements.

Additional information on these entities can be found in Note I.B. of the notes to the financial statements.

CITY ECONOMIC CONDITION

The City has experienced extensive residential and commercial development in recent years and has been one of the fastest growing communities in the Indianapolis Metropolitan Area. More than 125 companies have their international, national, or regional headquarters located in the City. The city’s growing Midtown redevelopment saw three major building projects break ground and a handful of businesses open their doors, adding to mix of daytime office workers and day/night dining and entertainment options.

Along U.S. Highway 31, known as the Meridian Corporate Corridor, numerous modern multi-story office complexes have been built in recent years. The corporate headquarters and offices of major corporations such as Delta Faucet, American Specialty Health, Blue Horseshoe Solutions, CNO Financial Group, Inc., Monster.com, and Liberty Mutual Insurance are among the many office complexes that form the Meridian Corridor. In 2018, KAR Auction began construction of a new \$80 million Corporate Headquarters. In addition to these corporate headquarters, the Corridor's strength as a provider of medical services is attested to by numerous healthcare facilities, including St. Vincent Carmel Hospital and its newly built Women's Center, St. Vincent Heart Center, I.U. Health North Hospital (formerly Clarian North Medical Center), and Franciscan St. Francis Health.

One of the City's largest employers is CNO Financial Group, Inc., a life insurance holding company that was founded in 1979 and acquired numerous insurance companies in the 1980s and 1990s. According to company officials, the number of employees in Carmel currently numbers approximately 1,709.

Liberty Mutual Insurance, which began operations in 1912, employs 1,430 according to company officials. The employment trend has been steady in the past year and is expected to remain steady in the upcoming year.

Midcontinent Independent System Operator, Inc. (MISO) located its corporate headquarters in Carmel in 2002, constructed a second building in 2012, and has announced another expansion of offices and jobs in a new facility it will build adjacent to its existing structure. The company employs approximately 802 as of the end of 2018.

Several other established major employers in the City include GEICO, with more than 1,114 employees; Resort Condominium Int'l. (RCI), a resort hotel exchange network, with 1,100 employees; The Capital Group, a financial services management company, with approximately 1,000 employees; Next Gear Capital with 1,057 employees; KAR Auction with 1,600 employees in Indiana (most of them in Carmel); American Specialty Health with 265 employees and plans for future growth; Duke Realty with 475 employees; Allegion, the headquarters for a security technology company, with 400 employees; and Delta Faucet, with 425 employees in Carmel.

QUALITY OF LIFE

During the past 10 years, park land in Carmel has increased from 20 to more than 1,000 acres through purchases and gifts. Central Park, which opened in 2007, provides many recreational opportunities for residents of the City. The park includes a 146,000-square-foot community recreation center, which houses a three-court gymnasium, an indoor walking/jogging track, a workout center, meeting rooms, a banquet facility, park offices, and outdoor and indoor aquatic center.

Another unique Carmel recreational feature is the Monon Greenway, a five-mile paved trail built on a former rail corridor, which extends through the center of Carmel and connects to the 10.5-mile Monon Trail system in Marion County to the south, extending all the way to downtown Indianapolis, and to Westfield to the north, connecting to the Grand Park sports complex. The trail system is very popular with joggers, walkers, bicyclists, and rollerbladers. Trail expansions have brought our total miles of paths and trails to more than 195.

Cultural activities are provided by the \$175-million Center for the Performing Arts in City Center, which includes the Palladium – a state-of-the-art, 1,600-seat concert hall; the Tarkington, a 500-seat proscenium arch theater, and the 200-seat Studio Theater. The Center is home to many local arts organizations including The Booth Tarkington Civic Theatre and the Carmel Symphony Orchestra.

Center Green is a public place providing an area for the community and visitors to gather for events and festivals between the Palladium and Tarkington theater building. The Carmel Farmers Market attracts tens of thousands to its Saturday morning markets. In 2017, the City unveiled the Carmel Christkindlmarkt and the Ice at Center Green, creating a winter wonderland with shops, dining options, skating and entertainment in the fresh crisp air, attracting more than 320,000 people during its second holiday season. The Christkindlmarkt was open from mid-November until Christmas Eve each week from Wednesdays through Sundays. The Ice at Center Green remained open until March 10.

The Carmel Arts and Design District, located in the heart of Old Town Carmel, is comprised of galleries, eateries, boutiques, gift and interior design shops, antique stores, and other retail establishments geared toward the arts. It is also home to the Indiana Design Center, a premier destination for design in the Midwest.

The Carmel Clay Public Library serves residents of the City. The library provides students, teachers, and residents of the City access to books, other resource materials, and programs located in the library as well as a new mobile library service. The library is consistently ranked in the top ten libraries in the country by Hennen's American Public Library Ratings ("HAPLR"). The present 116,000-square-foot facility provides state-of-the-art technology, group study rooms, and two technology centers. A new Community Tech Center on Main Street provides another location for computer use and training, software, recording room and 3-D printing services for library patrons.

EDUCATION

Carmel Clay Schools serves the residents of the City and surrounding Clay Township. Currently, the school system has one high school, three middle schools, and eleven elementary schools. The superintendent’s office reports 2018 enrollment for the School Corporation at 16,147 students, with 1,067 certified and 1,084 non-certified employees.

Special studies in the areas of Gifted & Talented, English as a New Language, Special Education, and Title I services are provided by the School Corporation. In addition, the J. Everett Light Career Center provides vocational programs in auto mechanics, computers, construction trades, dental occupations, electronics, machine trades, and radio/television production, among others.

REDEVELOPMENT EFFORTS

In 1998, the City of Carmel and its Redevelopment Commission began an aggressive effort to redevelop and revitalize the center of the City, including the historic downtown, into a cultural and civic center, undergoing a tremendous amount of new construction, including offices, restaurants, retail, upscale apartments, condominiums, townhomes, and public spaces and monuments designed to create a vibrant urban atmosphere.

The oldest part of this area is known today as the Carmel Arts & Design District, home to more than 100 arts- and design-related businesses, including art galleries, design studios, and the Indiana Design Center, where professional designers maintain offices and showrooms.

The City Center redevelopment project is home to the Center for the Performing Arts and several mixed-use buildings, including the Carmel City Center, the James, the Nash, the Mezz on the Monon and nearly a dozen more buildings scheduled to be constructed in the next few years.

The City also continued the redevelopment of the Midtown, which will include mixed-use buildings and has already attracted corporate headquarters in buildings that will be under construction this year. Midtown, situated between City Center and the Arts & Design District, had its first tenants move into their offices by the end of 2017. This area is poised for rapid growth in 2019 for both residential and business sectors. Public spaces are planned as well.

Finally, the City has approved a redevelopment project area on the southern border of the City government center known as the Proscenium. It is in the beginning stages of transforming under-utilized land into a mixed-use project with six buildings, located along a heavily traveled roadway.

Development has also occurred just north of the Arts & Design District at Clay Terrace, an upscale open-air mixed-use and retail environment that includes approximately 500,000 square feet of retail space, dining options, 70,000 square feet of second-story office space, and an area for shows and concerts. The \$100-million development opened in October 2004.

Due to substantial growth in residents and daily commuters in Carmel, the City saw the need to redesign State Road 431, one of two main north–south thoroughfares passing through the City. After discussions with the State of Indiana, which wanted to maintain several intersections controlled by traffic signals, the City of Carmel chose to move in a new direction – replacing those intersections with grade-separated interchanges, controlled by roundabouts. The state was not willing to do that, so the City took State Road 431 over from the State and transformed it into free-flowing Keystone Parkway. Carmel received \$90 million from the State for reconstruction expenses. The unique and award-winning design with double roundabout interchanges allows traffic to travel more easily through this previously congested thoroughfare.

After seeing the success of the Keystone Parkway project, the State of Indiana in 2011 began construction on a project to upgrade 13 miles of existing highway on US Highway 31 between I-465 in Indianapolis to State Road 38 north of the City. Now substantially completed, the reconstruction of US Highway 31 has added new roundabout interchanges and reconstructed ramps and bridges and has reduced congestion and improved safety in the area. Additionally, the creation of new interchanges has helped spur additional economic development on Main Street.

PENSION PLANS

The City of Carmel has four pension plans for its employees. All full-time employees, with the exception of public safety officers, are members of the Public Employee Retirement Fund of Indiana (PERF). PERF is classified as a cost-sharing, multiple-employer defined benefit plan and acts as a common investment and administrative agent for governmental units in Indiana.

Police and fire department officers hired subsequent to April 30, 1977, are members of the 1977 Police Officers and Firefighters' Pension Fund administered by PERF. Both plans are fully funded on an actuarially determined accrual basis. Police officers hired prior to May 1, 1977, are members of the Police Pension Fund established in 1925 by the State of Indiana. Firefighters hired prior to May 1, 1977, are members of the Fire Pension Fund established in 1937 by the State of Indiana. Additional information on funding policies and pension costs is in Note II.F. of the notes to the financial statements.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City currently provides other post-employment benefits (OPEB) in the form of healthcare benefits for retirees. Such benefits are self-funded by the City and administrated by a third party. The retiree healthcare plan is not a contractual obligation that extends beyond the current budget year. The City is under no obligation to continue to offer similar benefits for future new hires.

Additional information regarding anticipated future payments can be found in Note II.G. of the notes to the financial statements.

FINANCIAL INFORMATION

City Budget & Budgetary Controls

The City Council is required to adopt a final budget through the passage of an ordinance no later than November 1, following a public hearing process conducted to obtain taxpayer comments.

This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department (e.g., police), and major category (e.g., personal services). City administrators are generally authorized to transfer limited budgeted amounts within departments between line items within any major category; however, any revisions that alter the total expenditures of any major category must be approved by the City Council. Transfers between funds must also be approved by the City Council. At the end of the fiscal year, encumbered appropriations are carried forward and become part of the following year's budget while appropriations that have not been encumbered lapse.

Accounting System

The City's accounting records for general government operations are maintained by the Clerk Treasurer's Office under a cash basis, with the revenues being recorded when received. Expenditures are recorded when claims are approved and paid. Accounting records for the City's proprietary activities are maintained on the full accrual basis, with revenues recorded when earned and expenses when incurred.

In maintaining the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable assurance regarding the safeguarding of assets and to ensure the reliability of financial records and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires continuing estimates and judgments by City management. We believe that under the Clerk Treasurer's Office direction, the City's system of internal accounting controls continues to adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Risk Management

The City carries traditional insurance for workers' compensation, automobile liability and physical damage, general liability, public officials' liability, property and casualty, inland marine/boiler coverage, and crime insurance coverage. The City also carries builder's risk and flood insurance for the Wastewater Treatment Utility.

ACKNOWLEDGEMENTS

The preparation of this report involved many dedicated people across the organization. In particular, we would like to express appreciation to Dianne Walthall and Ann Bingman of the Clerk-Treasurer's office, whose support and dedication made the report possible. We would like to express our appreciation to the State Board of Accounts for their professionalism and support. Furthermore, we would like to thank C.L. Coonrod and Company, CPAs, for consulting on the application of GAAP and other technical requirements of the CAFR. Finally, we would like to thank the City Council, without whose leadership and support the preparation and results of this report would not have been possible.

Respectfully submitted,



James Brainard
Mayor



Christine Pauley
Clerk-Treasurer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Carmel
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO



*Certificate
of Achievement*
FOR EXCELLENCE IN
Financial Reporting

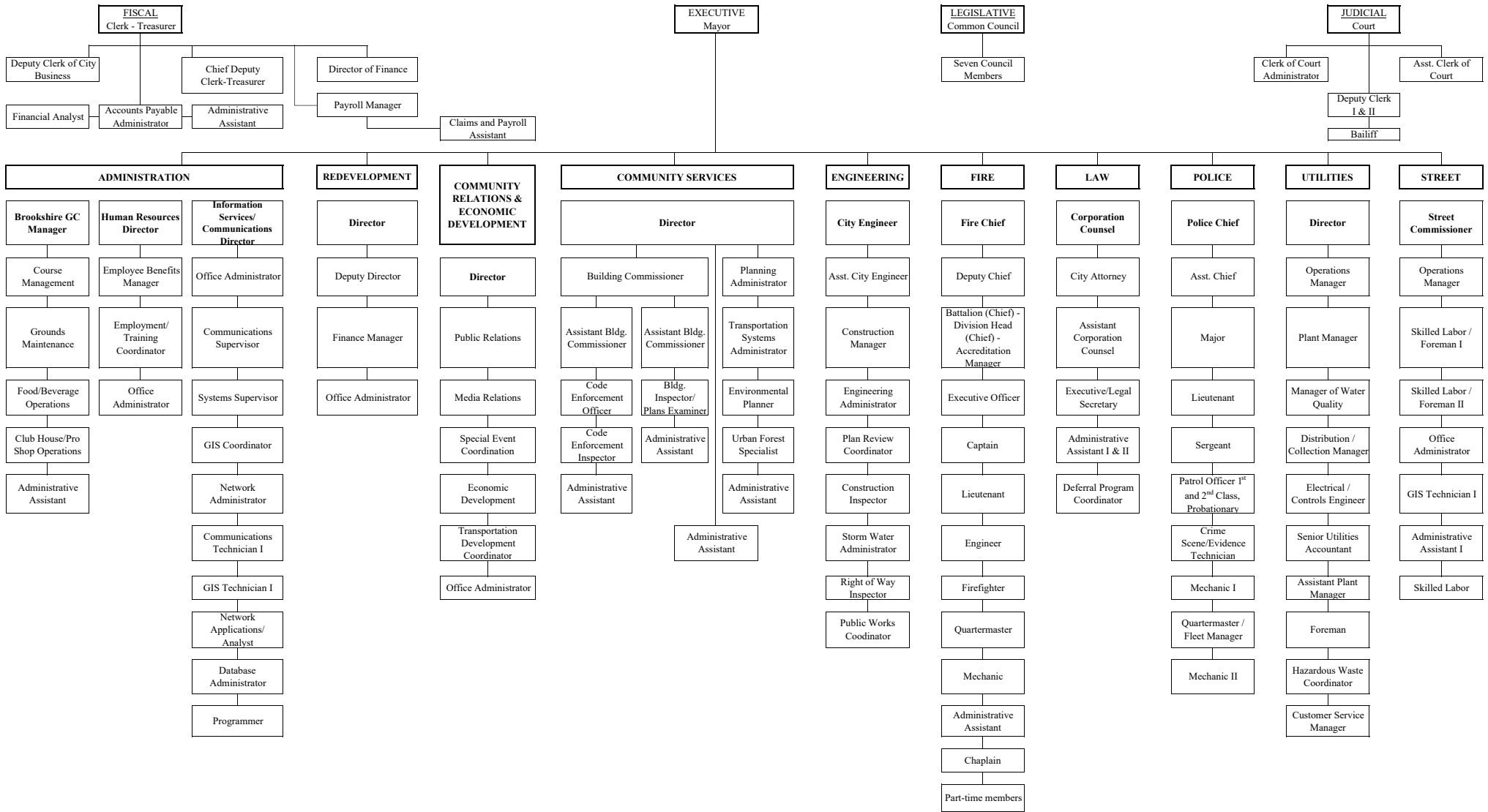
The Government Finance Officers Association of the United States (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended December 31, 2017. This Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.



CITY OF CARMEL, INDIANA

ORGANIZATIONAL CHART



CITY OF CARMEL, INDIANA
List of Elected and Appointed Officials
For the Fiscal Reporting Year Ended December 31, 2018

Elected Officials



Mayor
[Jim Brainard](#)



Clerk-Treasurer
[Christine Pauley](#)



City Court Judge
[Brian Poindexter](#)

Vice President
Northwest District
[Laura Campbell](#)



Chair of Finance,
Utilities and Rules
Committee,
Parliamentarian
Northeast District
[Sue Finkam](#)



Chaplain
City Council-At-Large
[Ron Carter](#)



Central District
[Bruce Kimball](#)



City Council-At-Large
[Kevin "Woody" Rider](#)

Chair of Land Use
and Special Studies
Committee
Southwest District
[Anthony \(Tony\) Green](#)



Council President
Southeast District
[Jeff Worrell](#)

CITY OF CARMEL, INDIANA
LIST OF ELECTED AND APPOINTED OFFICIALS
For the Fiscal Year Ended December 31, 2018
(Continued)

Appointed Officials

Board of Public Works

(Appointed by the Mayor)

Mayor James Brainard
Lori Watson
Mary Ann Burke

Carmel Audit Committee

(Appointed Officials)

Arnold Hanish, Chairman
Josephine Biggers
Kevin “Woody” Rider
Michael N. Ruggiero
Ted A. Spearman

Carmel Redevelopment Authority

(Appointed Officials)

Robert Bush, President
John Getz, Secretary/Treasurer
Lea Lockhart Sasena

Carmel Redevelopment Commission

(Appointed Officials)

William Hammer, President
David C. Bowers, Vice President
William L. Brooks, Secretary
Adam Campagna
Kevin “Woody” Rider

FINANCIAL SECTION



Since opening in 2011, the Center for the Performing Arts has welcomed more than 700,000 audience members to more than 1,700 performances. Tickets have been purchased by households in all 92 counties within Indiana, all 50 states and 23 countries. More than 60 percent of ticket-buying households are located outside of Hamilton County.

Financial Section:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

*Combining and Individual Fund Financial
Statements and Schedules*



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carmel (City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Emphasis of Matters

As discussed in Note M to the financial statements, the City adopted new accounting guidance GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Changes in Fiduciary Net Position, Schedule of Employer Contributions, Schedule of Net Pension Liability and Related Ratios, Schedule of Changes in Net Pension Liability, Schedule of the City's Proportionate Share of the Net Pension Liability, Schedule of City Contributions, and Budgetary Comparison Schedules - General Fund, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, combining nonmajor fund statements, other budgetary comparison schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund statements and other budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements and other budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


Paul D. Joyce, CPA
State Examiner

June 28, 2019



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CITY OF CARMEL, INDIANA
MANAGEMENT DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018

As management of the City of Carmel, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 8 of this report, and the transactions, events, and conditions reflected in the City's financial statements, beginning on page 34 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$462,741,521 (net position).
- The City's overall net position increased \$21,835,733 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$211,167,353, a decrease of \$93,352,782 in comparison with the prior year. Approximately \$23,328,255 of this amount (11.0%) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$26,342,591, or approximately 34.9% of total General Fund expenditures.
- The City's total outstanding long-term debt decreased by \$12,361,495 during the current year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-type activities include general government, public safety, streets and other infrastructure, economic development, and culture and recreation. The business-type activities of the City include water and sewer.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate redevelopment authority, two 501(c)(4) corporations, and a statutory public improvement bond bank for which the City is financially accountable. These components, although legally separate, function for fiscal purposes as departments of the City, and therefore have been included as integral parts of the primary government.

The government-wide financial statements begin on page 34 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows* of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seventy-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Redevelopment Commission Fund, 2016 Project Fund, 2017 Project Fund, and Redevelopment Authority Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements begin on page 36 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The enterprise fund financial statements provide separate information for the water and sewer utilities, which are considered to be major funds of the City.

The basic proprietary fund financial statements begin on page 41 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The City maintains two different types of fiduciary funds. *Pension trust funds* are used to report resources held in trust for retirees and beneficiaries covered by the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan. *Agency funds* report resources held by the City in a custodial capacity for individuals, private organizations, and other governments.

The fiduciary fund financial statements begin on page 46 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 48 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*. This information includes budgetary comparison schedules as well as more detailed information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be found beginning on page 88 of this report.

The City adopts an annual appropriated budget for its General Fund, as well as several nonmajor funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparison statements. Combining and individual fund statements and schedules can be found starting on page 107 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$462,741,521 at the close of the fiscal year.

City of Carmel's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017 Restated*	2018	2017 Restated*	2018	2017
Current and other assets	\$ 234,186,451	\$ 326,201,958	\$ 8,260,653	\$ 6,753,838	\$ 242,447,104	\$ 332,955,796
Capital assets	920,869,364	812,141,401	251,386,551	253,701,705	1,172,255,915	1,065,843,106
Total assets	1,155,055,815	1,138,343,359	259,647,204	260,455,543	1,414,703,019	1,398,798,902
Total deferred outflows of resources	32,770,170	36,713,696	1,065,856	1,516,337	33,836,026	38,230,033
Other liabilities	17,981,547	15,787,837	2,716,177	2,208,023	20,697,724	17,995,860
Long-term liabilities outstanding	805,485,533	816,588,286	144,119,488	147,272,698	949,605,021	963,860,984
Total liabilities	823,467,080	832,376,123	146,835,665	149,480,721	970,302,745	981,856,844
Total deferred inflows of resources	10,575,441	9,527,697	4,919,338	5,174,817	15,494,779	14,702,514
Net position:						
Net investment in capital assets	412,830,075	389,538,000	114,861,067	115,815,036	527,691,142	505,353,036
Restricted	35,065,020	30,924,357	-	-	35,065,020	30,924,357
Unrestricted	(94,111,631)	(87,505,129)	(5,903,010)	(7,866,476)	(100,014,641)	(95,371,605)
Total net position	\$ 353,783,464	\$ 332,957,228	\$ 108,958,057	\$ 107,948,560	\$ 462,741,521	\$ 440,905,788

*The effect of 2018 prior period adjustments is included in above in 2017. See Note II.M beginning on page 87 for more information.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

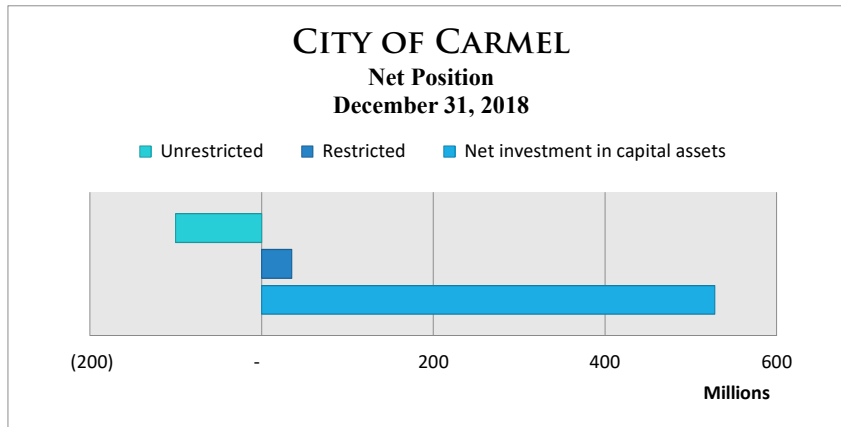
An additional portion of the City's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of spendable net position is a deficit of \$100,014,641.

The City reported significant negative unrestricted net position of \$94,111,631 in governmental activities. This deficit is due in part to unfunded pension and retiree healthcare liabilities of \$54.1 million, as follows:

Other post-employment benefits – retiree healthcare obligation	\$ 22,425,915
Non-uniform public employee retirement plan obligation	11,327,631
'37 firefighters pension plan obligation	10,595,746
'25 police pension plan obligation	9,762,204
	<u>\$ 54,111,496</u>

Notwithstanding the City's ultimate liability for the '25 and '37 plans, the State of Indiana has established a practice of appropriating funds to cover these benefits. The State of Indiana is not obligated to continue making these payments, but it has done so every year since 2009. Consequently, the City has incurred no cost from its own resources to service these plans. Also, the retiree healthcare plan is not a contractual obligation that extends beyond the current budget year. The liability is shown in the statements because it has been the City's consistent practice to provide this benefit. However, the City believes it is not legally obligated to do so.

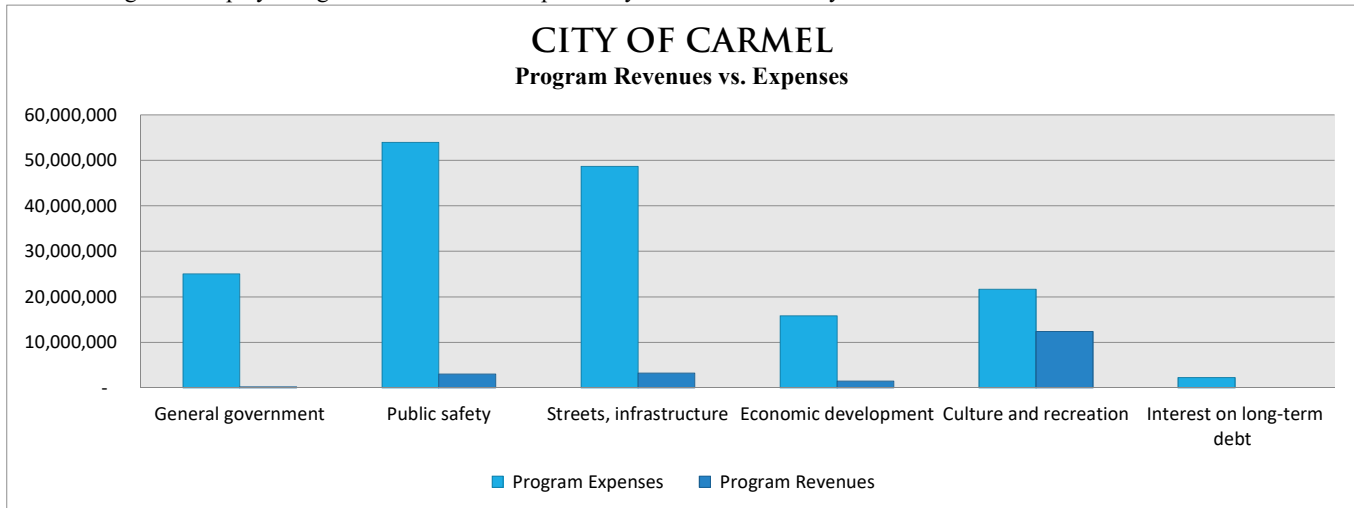
Another contributing factor to the deficit is the City's growth and aggressive acquisition of capital assets for infrastructure and other amenities. This growth and improvement have been financed with debt, resulting in significant transaction costs and amortization of deferred outflows. The City views these acquisitions as positive indicators. They reflect the City's effort to attract and retain as residents the most productive people in Central Indiana, and also to attract corporate headquarters and regional offices from all over the world. The success of this effort has resulted in a rich commercial tax base, yielding one of the lowest local tax rates in Indiana, in spite of the cost of debt.



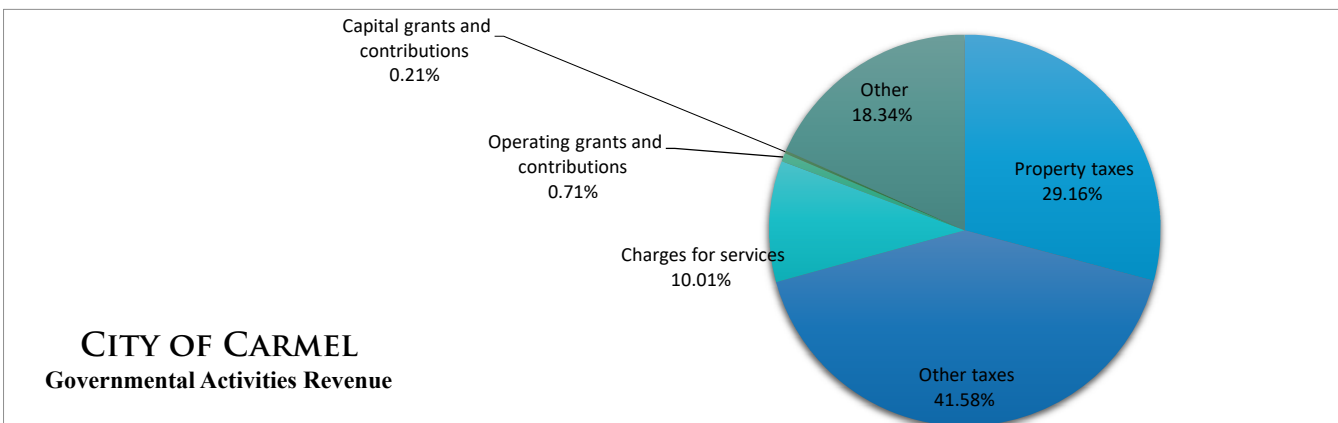
The City's overall net position increased \$21,835,733 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$20,826,236 from the prior fiscal year for an ending balance of \$353,783,464. The increase was six percent, indicating a relatively stable and healthy net position.

The following chart displays Program Revenues and Expenses by function for the City's Governmental Activities.



The following chart displays the revenue composition for the City's Governmental Activities funds.



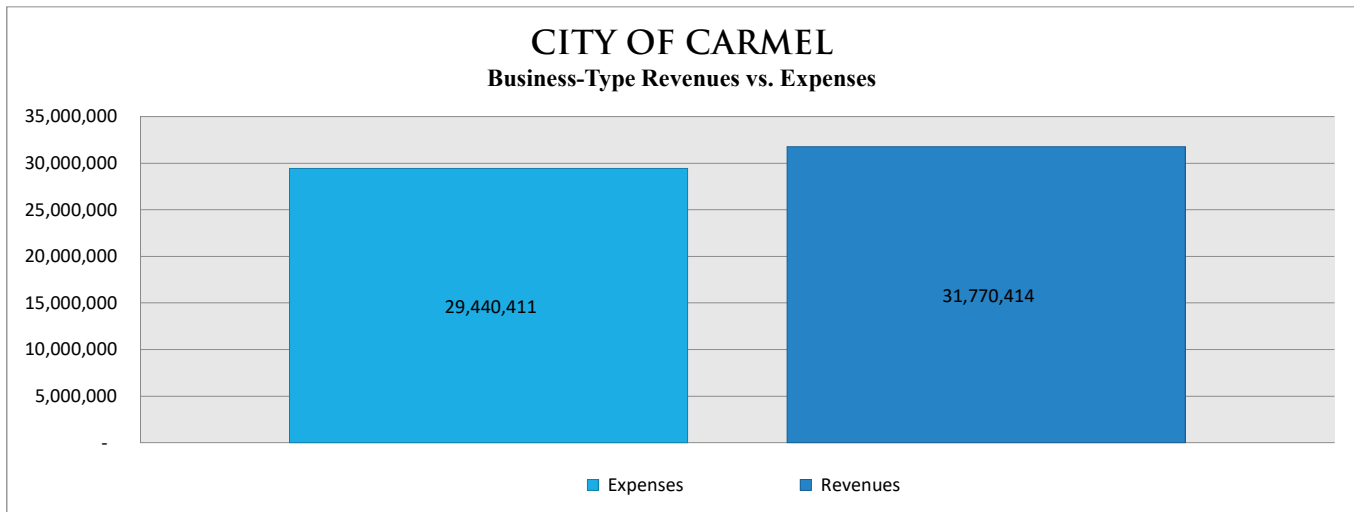
City of Carmel's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u> <u>*Restated</u>	<u>2018</u>	<u>2017</u> <u>*Restated</u>	<u>2018</u>	<u>2017</u>
REVENUES:						
Program revenues:						
Charges for services	\$ 18,690,350	\$ 19,270,848	\$ 27,730,221	\$ 26,621,651	\$ 46,420,571	\$ 45,892,499
Operating grants and contributions	1,322,719	96,894	-	-	1,322,719	96,894
Capital grants and contributions	386,624	1,906,397	3,909,456	5,332,128	4,296,080	7,238,525
General revenues:						
Property taxes	54,455,110	52,042,841	-	-	54,455,110	52,042,841
Other taxes	77,655,049	72,128,202	-	-	77,655,049	72,128,202
Other	34,256,685	18,149,797	130,737	95,627	34,387,422	18,245,424
Total revenues	186,766,537	163,594,978	31,770,414	32,049,406	218,536,951	195,644,384
EXPENSES:						
General government	24,996,549	30,372,875	-	-	24,996,549	30,372,875
Public safety	53,919,299	41,085,416	-	-	53,919,299	41,085,416
Streets, infrastructure	48,637,707	46,856,126			48,637,707	46,856,126
Water distribution	-	-	19,277,075	20,824,320	19,277,075	20,824,320
Sewer collection	-	-	10,163,336	10,451,835	10,163,336	10,451,835
Economic development	15,817,738	16,711,747	-	-	15,817,738	16,711,747
Culture and recreation	21,621,998	17,932,242	-	-	21,621,998	17,932,242
Interest on long-term debt	2,267,516	2,205,229	-	-	2,267,516	2,205,229
Other	-	769,837	-	-	-	769,837
Total expenses	167,260,807	155,933,472	29,440,411	31,276,155	196,701,218	187,209,627
Change in net position before transfers	19,505,730	7,661,506	2,330,003	773,251	21,835,733	8,434,757
Transfers	1,320,506	808,567	(1,320,506)	(808,567)	-	-
Increase (decrease) in net position	20,826,236	8,470,073	1,009,497	(35,316)	21,835,733	8,434,757
NET POSITION - beginning	295,757,995	294,555,573	107,680,372	108,981,899	403,438,367	403,537,472
Restatement*	40,581,397	(7,267,651)	268,188	(1,266,211)	37,467,421	(8,533,862)
NET POSITION - beginning, adjusted	332,957,228	287,287,922	107,948,560	107,715,688	440,905,788	395,003,610
NET POSITION - ending	\$ 353,783,464	\$ 295,757,995	\$ 108,958,057	\$ 107,680,372	\$ 462,741,521	\$ 403,438,367

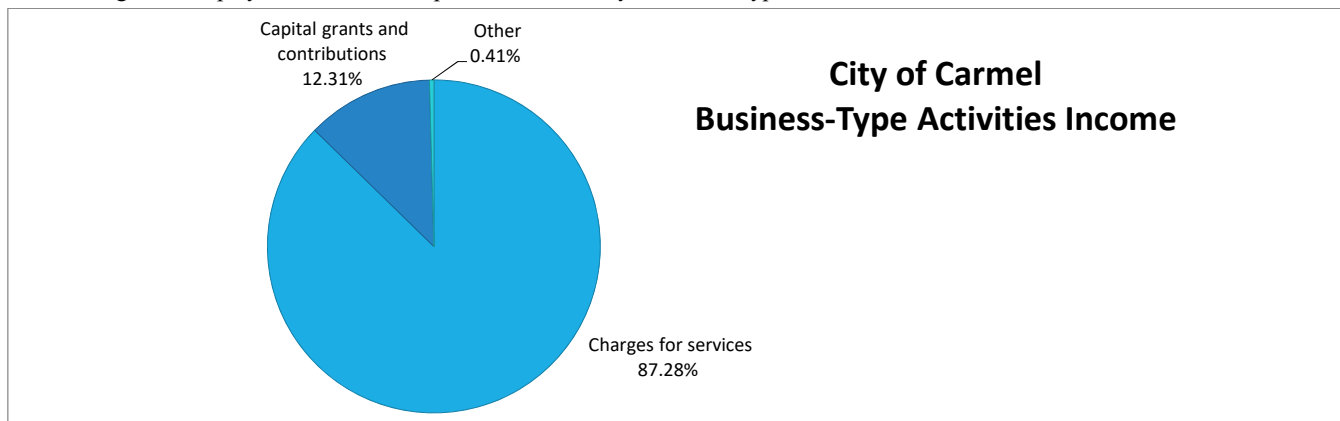
*The effect of 2018 reclassifications from proprietary to governmental funds is included in above in 2017 for comparability. 2018 restatement above excludes prior period adjustment related to this reclassification. See Note II.M beginning on page 39 for more

Business-type Activities. For the City's business-type activities, overall net position increased to an ending balance of \$108,958,057. The total increase in net position for business-type activities (water and sewer) was \$1,009,497 or 0.9% from the prior fiscal year.

The following chart displays program revenues and expenses by function for the City's Business-Type Activities.



The following chart displays the revenue composition for the City's Business-type Activities funds.



Financial Analysis of Governmental Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group of individuals that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At December 31, 2018, the City's governmental funds reported combined fund balances of \$211,167,353, a decrease of \$93,352,782 in comparison with the prior year. Approximately 11.0% of this amount, \$23,328,255, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either restricted, committed, or assigned, indicating that, legally, it is required to be maintained intact or used for particular purposes (\$178,817,196), it is committed for particular purposes (\$6,007,566), or it is assigned for particular purposes (\$3,014,336).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,328,255 while the total fund balance was \$26,342,591. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 30.9% of total general fund expenditures while total fund balance represents 34.9% of that amount.

The fund balance of the City's General Fund increased by \$9,503,984 during the year. The increase was due primarily to a strategic determination that the City should increase its General Fund operating balance in order to make the City's bond issuances more attractive to financial markets.

The Redevelopment Commission Fund, a major fund, accounts for tax increment revenue, which is restricted for certain economic development projects. The fund had a \$804,293 decrease in fund balance during the year, due primarily to the acquisition of capital assets, which put the overall fund balance at \$8,449,971.

The 2016 Project Fund, a major fund, accounts for \$160 million of bond proceeds, which is restricted for certain road projects.

The 2017 Project Fund, a major fund, accounts for \$70.9 million of bond proceeds, which is restricted for certain redevelopment projects and road projects.

The Redevelopment Authority Debt Service Fund, a major fund, had a \$3,019,665 increase in fund balance during the current fiscal year, representing normal variations in the amount of debt service due each year. The ending balance was \$22,554,517, all of which was restricted for debt service.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility at the end of the year was a deficit of \$6,955,183; for the Sewer Utility, it was an excess of \$1,052,173. Water Utility net position, before capital contributions and transfers, decreased \$1,483,442. The Water Utility decrease was an improvement on the performance of recent years. Continued improvement is expected as the Water Utility continues to expand and achieve both economies of scale and greater utilization of recently installed mains. Sewer Utility net position, before capital contributions and transfers, decreased \$96,011, which is manageable.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there was no need for any significant amendments to increase the original estimated revenues.

Final General Fund Budget Compared to Actual Results

The most significant differences between estimated revenues and actual revenues were as follows:

Revenue source	Final Estimated Revenues	Final Actual Revenues	Difference
Property tax	\$ 39,765,421	\$ 39,677,955	\$ (87,466)
Income tax	44,218,088	44,518,424	300,336
Licenses and permits	2,019,782	2,144,849	125,067
Intergovernmental	586,791	524,552	(62,239)
Charges for services	3,225,489	936,829	(2,288,660)
Fines and forfeits	476,065	457,062	(19,003)
Miscellaneous	1,533,670	589,660	(944,010)
Township joinder agreements	855,250	888,877	33,627
Investment earnings, subfund transactions, and other	6,127,724	8,485,672	2,357,948
Total	<u>\$ 98,808,280</u>	<u>\$ 98,223,880</u>	<u>\$ (584,400)</u>

The revenue excesses and shortfalls in the above revenue sources net to less than 1% and were not considered significant.

The differences by department between estimated expenditures and actual expenditures were as follows:

Department	Final Estimated Expenditures	Final Actual Expenditures	Difference
Clerk-Treasurer	\$ 1,300,230	\$ 1,092,350	\$ (207,880)
Mayor's Office	4,631,279	4,529,444	(101,835)
City Council	641,104	381,848	(259,256)
Board of Public Works	17,631,880	15,254,328	(2,377,552)
Administration	2,744,576	2,545,334	(199,242)
Brookshire Golf Course	1,498,680	1,141,761	(356,919)
Building Operations	2,996,422	2,990,790	(5,632)
City Court	842,126	705,778	(136,348)
Law Department	1,312,129	1,162,199	(149,930)
Community Services	4,112,457	3,437,236	(675,221)
Personnel/ Human Resources	939,626	871,889	(67,737)
Information Systems	133,567	119,352	(14,215)
City Property Maintenance	911,993	917,717	5,724
Public Affairs/ Community Relations	3,295,412	2,500,098	(795,314)
Fire Department	25,709,005	25,030,552	(678,453)
Police Department	21,316,428	19,919,370	(1,397,058)
Communication Center	4,805,150	4,411,748	(393,402)
Parks Department	3,274,098	3,065,965	(208,133)
Redevelopment Department	572,961	517,441	(55,520)
Street Department Special Project	305,363	205,363	(100,000)
Other	-	688,791	688,791
Total	<u>\$ 98,974,486</u>	<u>\$ 91,489,354</u>	<u>\$ (7,485,132)</u>

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$1,172,255,915 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the water treatment plant. The total increase in capital assets for the current fiscal year was 9.98%.

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2018	2017 Restated*	2018	2017 Restated*	2018	2017
Land	\$ 191,867,046	\$ 172,645,339	\$ 4,130,981	\$ 3,476,884	\$ 195,998,027	\$ 176,122,223
Construction in progress	187,451,005	145,248,122	12,445,455	14,092,752	199,896,460	159,340,874
Buildings	207,482,983	186,172,975	-	-	207,482,983	186,172,975
Machinery, equipment, and vehicles	22,567,788	24,017,992	-	-	22,567,788	24,017,992
Infrastructure	311,500,542	284,056,973	-	-	311,500,542	284,056,973
Water distribution system	-	-	167,307,122	167,109,807	167,307,122	167,109,807
Sewer system	-	-	67,502,993	69,022,262	67,502,993	69,022,262
Total	<u>\$ 920,869,364</u>	<u>\$ 812,141,401</u>	<u>\$ 251,386,551</u>	<u>\$ 253,701,705</u>	<u>\$ 1,172,255,915</u>	<u>\$ 1,065,843,106</u>

*The effect of 2018 prior period adjustments is included in above in 2017. See Note II.M beginning on page 39 for more information.

Additional information on the City's capital assets can be found in Note II.C. on pages 57-58 of this report.

Long-term Debt. On March 14, 2018, the City issued \$12,645,000 of its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018A (Midtown West Project). The bonds were issued in order to provide funds to be lent to the Carmel Midtown Building Corporation and used to fund the contraction of certain projects within the Old Towne Economic Development Area. To satisfy the principal and interest on the bonds, for the terms of the bonds, the City has pledged its incremental tax revenue.

At the end of the current fiscal year, the City had total bonded debt outstanding of \$810,412,376. Of this amount, \$568,127,432 is debt backed by an unlimited ad valorem property tax levy, \$66,135,000 is debt backed by income tax, \$40,800,000 is debt backed by tax increment, and \$135,349,944 is debt backed by utility revenues. The remainder of the City's long-term obligations comprises post-employment benefit debt, compensated absences, contract purchases, and capital leases.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bonds and contract purchases	\$ 685,065,725	\$ 693,153,207	\$ 135,349,944	\$ 139,435,614	\$ 820,415,669	\$ 832,588,821
Unamortized bond premium	58,670,929	62,517,356	481,943	516,033	59,152,872	63,033,389
Compensated absences	1,318,395	1,173,843	469,456	467,857	1,787,851	1,641,700
OPEB	22,425,915	20,415,508	3,651,763	3,411,958	26,077,678	23,827,466
Pension-related debt	31,685,581	29,686,412	4,116,016	4,939,225	35,801,597	34,625,637
Capital leases	7,637,383	7,315,666	519,822	721,688	8,157,205	8,037,354
Total	\$ 806,803,928	\$ 814,261,992	\$ 144,588,944	\$ 149,492,375	\$ 951,392,872	\$ 963,754,367

The City's total debt decreased by \$12,361,495 (1.28%) during the current fiscal year.

The City maintains a "AA+" rating from Standard & Poor's on all bonds secured with an ad valorem property tax pledge. The City has one outstanding 2005 lease bond issue with a property tax pledge that has a split rating: S&P "AA+" / Moody's "Aa3". In November, 2017, and March, 2018, bond issuances received a rating of "AA" from Standard & Poor's.

The City's outstanding debt is payable primarily from pledges of property tax levies. Several of the City's outstanding obligations are payable from non-property tax resources, even though they are subject ultimately to a property tax levy pledge. The latter of these obligations are not subject to the 2% statutory debt limit, nor are obligations associated with lease-back arrangements.

Additional information on the City's long-term debt can be found in Note II.D. on pages 58–64 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2019 fiscal year budget.

- The unemployment rate for the City was 2.6% at the close of the fiscal year, which is significantly below the national rate and also below the rate of other communities nearby.
- Recent trends have been favorable with regard to increases in taxable assessed value and increases in taxable income.
- The City enjoys favorable relationships with employee unions and no history of significant contract disputes.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Clerk-Treasurer, One Civic Square, Carmel, Indiana 46032.

CITY OF CARMEL, INDIANA
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 211,472,562	\$ 844,074	\$ 212,316,636
Receivables (net of allowances for uncollectibles):			
Accounts	430,540	396,067	826,607
Taxes	16,875,098	-	16,875,098
Intergovernmental	351,999	-	351,999
Other	-	1,915,981	1,915,981
Inventories	-	694,660	694,660
Prepaid expenditures	2,971,544	45,000	3,016,544
Cash, restricted for debt service	-	4,364,871	4,364,871
Net pension asset	2,084,708	-	2,084,708
Capital assets:			
Not being depreciated: land, improvements, and construction in progress	379,318,051	16,576,436	395,894,487
Other capital assets, net of depreciation	541,551,313	234,810,115	776,361,428
Total assets	1,155,055,815	259,647,204	1,414,703,019
DEFERRED OUTFLOWS OF RESOURCES:			
Bond refunding	24,089,995	-	24,089,995
Pensions	8,680,175	1,065,856	9,746,031
Total deferred outflows of resources	32,770,170	1,065,856	33,836,026
LIABILITIES:			
Accounts payable	3,712,042	1,042,329	4,754,371
Claims payable	510,271	-	510,271
Accrued payroll and withholdings payable	3,153,793	280,786	3,434,579
Compensated absences	1,318,395	469,456	1,787,851
Accrued interest payable	9,287,046	673,909	9,960,955
Customer deposits	-	44,355	44,355
Other current payables	-	205,342	205,342
Noncurrent liabilities:			
Due within one year:			
Bonds payable	23,780,551	4,514,861	28,295,412
Capital leases payable	2,274,097	163,438	2,437,535
Due in more than one year:			
Bonds payable	719,956,103	131,317,026	851,273,129
Capital leases payable	5,363,286	356,384	5,719,670
Net pension liability	31,685,581	4,116,016	35,801,597
Other post-employment benefits	22,425,915	3,651,763	26,077,678
Total liabilities	823,467,080	146,835,665	970,302,745
DEFERRED INFLOWS OF RESOURCES:			
Bond refunding and renegotiation	277,618	4,232,050	4,509,668
Pensions	7,738,456	687,288	8,425,744
Other post-employment benefits	2,559,367	-	2,559,367
Total deferred inflows of resources	10,575,441	4,919,338	15,494,779
NET POSITION:			
Net investment in capital assets	412,830,075	114,861,067	527,691,142
Restricted:			
General government	358,617	-	358,617
Public safety	2,180,767	-	2,180,767
Streets and other infrastructure	12,175,906	-	12,175,906
Economic development	10,488,232	-	10,488,232
Culture and recreation	9,861,498	-	9,861,498
Unrestricted	(94,111,631)	(5,903,010)	(100,014,641)
Total net position	\$ 353,783,464	\$ 108,958,057	\$ 462,741,521

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

CITY OF CARMEL, INDIANA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS:							
Governmental activities:							
General government	\$ 24,996,549	\$ 221,467	\$ -	\$ -	\$ (24,775,082)	\$ -	\$ (24,775,082)
Public safety	53,919,299	1,713,002	1,322,719	-	(50,883,578)	-	(50,883,578)
Streets and other infrastructure	48,637,707	2,869,523	-	386,624	(45,381,560)	-	(45,381,560)
Economic development	15,817,738	1,482,785	-	-	(14,334,953)	-	(14,334,953)
Culture and recreation	21,621,998	12,403,573	-	-	(9,218,425)	-	(9,218,425)
Unallocated interest expense	2,267,516	-	-	-	(2,267,516)	-	(2,267,516)
Total governmental activities	167,260,807	18,690,350	1,322,719	386,624	(146,861,114)	-	(146,861,114)
Business-type activities:							
Water	19,277,075	17,735,563	-	3,279,973	-	1,738,461	1,738,461
Sewer	10,163,336	9,994,658	-	629,483	-	460,805	460,805
Total business-type activities	29,440,411	27,730,221	-	3,909,456	-	2,199,266	2,199,266
TOTAL PRIMARY GOVERNMENT	\$196,701,218	\$ 46,420,571	\$ 1,322,719	\$ 4,296,080	(146,861,114)	2,199,266	(144,661,848)
GENERAL REVENUES AND TRANSFERS:							
Property tax					54,455,110	-	54,455,110
Income tax					43,996,077	-	43,996,077
Other taxes					33,658,972	-	33,658,972
Unrestricted investment earnings					4,356,867	130,737	4,487,604
Other					29,899,818	-	29,899,818
Transfers					1,320,506	(1,320,506)	-
Total general revenues and transfers					167,687,350	(1,189,769)	166,497,581
CHANGE IN NET POSITION					20,826,236	1,009,497	21,835,733
NET POSITION: beginning					292,375,831	107,680,372	400,056,203
Restatement					40,581,397	268,188	40,849,585
NET POSITION: beginning, adjusted					332,957,228	107,948,560	440,905,788
NET POSITION: ending					\$ 353,783,464	\$ 108,958,057	\$ 462,741,521

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

CITY OF CARMEL, INDIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General Fund	Redevelopment Commission Fund	2016 Project Fund	2017 Project Fund	Redevelopment Authority Debt Service Fund	Total Nonmajor Funds	Total
ASSETS:							
Cash and investments	\$ 22,974,813	\$ 8,993,518	\$ 41,742,029	\$ 41,032,276	\$ 22,554,517	\$ 74,175,409	\$ 211,472,562
Receivables:							
Taxes:							
Property	1,336,489	-	-	-	-	490,673	1,827,162
Income	15,047,936	-	-	-	-	-	15,047,936
Accounts	315,193	-	-	-	-	115,347	430,540
Intergovernmental	-	-	-	-	-	351,999	351,999
Due from other governmental funds	-	-	-	-	-	58,378	58,378
TOTAL ASSETS	<u>39,674,431</u>	<u>8,993,518</u>	<u>41,742,029</u>	<u>41,032,276</u>	<u>22,554,517</u>	<u>75,191,806</u>	<u>229,188,577</u>
LIABILITIES:							
Accounts payable	720,436	543,547	-	-	-	2,448,059	3,712,042
Claims payable	-	-	-	-	-	510,271	510,271
Due to other funds	-	-	-	-	-	58,378	58,378
Accrued payroll withholdings payable	2,608,063	-	-	-	-	545,730	3,153,793
Total liabilities	<u>3,328,499</u>	<u>543,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,562,438</u>	<u>7,434,484</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue	10,003,341	-	-	-	-	583,399	10,586,740
FUND BALANCES:							
Restricted:							
General government	-	-	-	-	-	358,617	358,617
Public safety	-	-	-	-	-	2,197,006	2,197,006
Highways and streets	-	-	41,742,029	39,739,254	11,325,735	40,627,853	133,434,871
Drainage and other capital assets	-	-	-	-	-	1,505,197	1,505,197
Economic development	-	8,449,971	-	1,293,022	6,381,663	10,488,232	26,612,888
Culture and recreation	-	-	-	-	4,847,119	9,861,498	14,708,617
Committed:							
General government	-	-	-	-	-	3,794,245	3,794,245
Public safety	-	-	-	-	-	1,235,498	1,235,498
Highways and streets	-	-	-	-	-	893,689	893,689
Economic development	-	-	-	-	-	84,134	84,134
Assigned:							
General government	1,876,866	-	-	-	-	-	1,876,866
Public safety	1,025,639	-	-	-	-	-	1,025,639
Economic development	962	-	-	-	-	-	962
Culture and recreation	110,869	-	-	-	-	-	110,869
Unassigned	23,328,255	-	-	-	-	-	23,328,255
Total fund balances	<u>26,342,591</u>	<u>8,449,971</u>	<u>41,742,029</u>	<u>41,032,276</u>	<u>22,554,517</u>	<u>71,045,969</u>	<u>211,167,353</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 39,674,431</u>	<u>\$ 8,993,518</u>	<u>\$ 41,742,029</u>	<u>\$ 41,032,276</u>	<u>\$ 22,554,517</u>	<u>\$ 75,191,806</u>	<u>\$ 229,188,577</u>

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

CITY OF CARMEL, INDIANA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2018

Fund Balance - governmental funds		\$ 211,167,353
 Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid expenditures represent the unamortized cost of bond insurance and similar credit enhancements and are not financial resources and, therefore, are not reported in the funds.		2,971,544
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land and construction in progress	\$ 379,318,051	
Machinery, equipment, and vehicles	723,227,881	
Accumulated depreciation	<u>(181,676,568)</u>	920,869,364
Certain receivables are not expected to be collected within the time needed to liquidate expenditures of the current year and therefore are not considered available in the funds:		
Property tax	\$ 1,827,162	
Income tax	8,400,838	
Cable fees	-	
Ambulance fees	92,726	
Supplemental ambulance fees	266,014	10,586,740
Certain pension and other post-employment benefits that are not due and payable in the current period are not recognized in the funds:		
Pension liability	\$ (31,685,581)	
Other post-employment benefit liability	<u>(22,425,915)</u>	(54,111,496)
The net pension asset is not an available resource and, therefore, is not reported in the funds.		2,084,708
Deferred inflows and outflows of resources are not financial resources and, therefore, are not reported in the funds:		
Unamortized cost of bond refunding and defeasement	\$ 24,089,995	
Unamortized inflows on bond refunding and defeasement	(277,618)	
Pension-related inflows	(7,738,456)	
Pension-related outflows	8,680,175	
OPEB-related outflows	<u>(2,559,367)</u>	22,194,729
Other noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	\$ 1,318,395	
Accrued interest payable	9,287,046	
Unamortized value of capital leases	7,637,383	
Unamortized premiums on bonds outstanding	58,670,929	
Unamortized principal on bonds outstanding	<u>685,065,725</u>	<u>(761,979,478)</u>
 Net position of governmental activities		 <u>\$ 353,783,464</u>

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

CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

	<u>General Fund</u>	<u>Redevelopment Commission Fund</u>	<u>2016 Project Fund</u>	<u>2017 Project Fund</u>	<u>Redevelopment Authority Debt Service Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total</u>
REVENUES:							
Property tax	\$ 39,677,955	\$ -	\$ -	\$ -	\$ -	\$ 14,747,806	\$ 54,425,761
Income tax	44,606,607	-	-	-	-	-	44,606,607
Other local tax	4,097,891	27,847,907	-	-	-	1,713,174	33,658,972
Charges for services	936,829	399,947	-	-	-	17,343,006	18,679,782
Investment income	308,490	10,323	2,247,880	717,799	79,590	992,785	4,356,867
Licenses and permits	2,846,143	-	-	-	-	63,228	2,909,371
Fines and forfeits	457,062	-	-	-	-	-	457,062
Intergovernmental:							
Grants	-	-	-	-	-	4,358,623	4,358,623
State shared revenue	824,624	-	-	-	-	2,168,904	2,993,528
Other	3,369,687	-	-	-	-	4,056,654	7,426,341
Contributions	-	-	-	-	-	190,321	190,321
Other	1,224,026	3,072,664	6,043,975	-	-	1,835,016	12,175,681
Total revenues	<u>98,349,314</u>	<u>31,330,841</u>	<u>8,291,855</u>	<u>717,799</u>	<u>79,590</u>	<u>47,469,517</u>	<u>186,238,916</u>
EXPENDITURES:							
Current:							
General government	23,230,829	-	-	-	-	1,599,401	24,830,230
Public safety	44,140,114	-	-	-	-	5,543,614	49,683,728
Streets and other infrastructure	1,169,908	-	-	15,538,051	-	14,086,935	30,794,894
Economic development	527,190	4,323,383	-	15,092,472	-	236,679	20,179,724
Culture and recreation	4,664,389	-	-	-	-	9,695,034	14,359,423
Debt service:							
Principal	675,000	2,175,000	-	-	15,693,855	3,433,000	21,976,855
Interest	79,634	1,193,001	-	-	14,199,533	12,889,214	28,361,382
Capital outlay:							
General government	78,015	-	-	-	33,274	392,224	503,513
Public safety	704,114	-	-	-	-	1,736,138	2,440,252
Streets and other infrastructure	-	-	66,437,620	-	-	17,660,543	84,098,163
Economic development	2,017	2,977,447	-	-	-	12,233,274	15,212,738
Culture and recreation	106,408	-	-	-	-	4,955,109	5,061,517
Total expenditures	<u>75,377,618</u>	<u>10,668,831</u>	<u>66,437,620</u>	<u>30,630,523</u>	<u>29,926,662</u>	<u>84,461,165</u>	<u>297,502,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,971,696</u>	<u>20,662,010</u>	<u>(58,145,765)</u>	<u>(29,912,724)</u>	<u>(29,847,072)</u>	<u>(36,991,648)</u>	<u>(111,263,503)</u>

Continued on next page.

CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	<u>General Fund</u>	<u>Redevelopment Commission Fund</u>	<u>2016 Project Fund</u>	<u>2017 Project Fund</u>	<u>Redevelopment Authority Debt Service Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total</u>
OTHER FINANCING SOURCES AND (USES):							
Bond issuance - principal	-	-	-	-	1,244,373	12,546,663	13,791,036
Bond issuance - premium	-	-	-	-	-	243,540	243,540
Proceeds - refunding principal	-	-	-	-	-	-	-
Proceeds - capital leases	-	-	-	-	-	2,555,639	2,555,639
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Transfers in, governmental funds	148,831	1,167,635	-	-	42,745,090	16,365,808	60,427,364
Transfer in (out) from (to) enterprise funds	1,320,506	-	-	-	-	-	1,320,506
Transfers (out), governmental funds	(14,937,049)	(22,633,938)	-	-	(11,122,726)	(11,733,651)	(60,427,364)
Total other financing sources and uses	<u>(13,467,712)</u>	<u>(21,466,303)</u>	<u>-</u>	<u>-</u>	<u>32,866,737</u>	<u>19,977,999</u>	<u>17,910,721</u>
NET CHANGES IN FUND BALANCES	<u>9,503,984</u>	<u>(804,293)</u>	<u>(58,145,765)</u>	<u>(29,912,724)</u>	<u>3,019,665</u>	<u>(17,013,649)</u>	<u>(93,352,782)</u>
FUND BALANCES: beginning	16,838,607	12,627,726	99,887,794	70,945,000	19,534,852	59,030,339	278,864,318
Restatement	-	(3,373,462)	-	-	-	29,029,279	25,655,817
FUND BALANCES: beginning, adjusted	<u>16,838,607</u>	<u>9,254,264</u>	<u>99,887,794</u>	<u>70,945,000</u>	<u>19,534,852</u>	<u>88,059,618</u>	<u>304,520,135</u>
FUND BALANCES: ending	<u>\$ 26,342,591</u>	<u>\$ 8,449,971</u>	<u>\$ 41,742,029</u>	<u>\$ 41,032,276</u>	<u>\$ 22,554,517</u>	<u>\$ 71,045,969</u>	<u>\$ 211,167,353</u>

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

CITY OF CARMEL, INDIANA
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended December 31, 2018

Net change in fund balances - total governmental funds, Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (93,352,782)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and recorded as depreciation. Following is the amount by which capital outlay expenditures exceeded (were less than) depreciation:

Capital outlays	\$ 126,743,767	
Depreciation expense	<u>(18,015,804)</u>	108,727,963

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas these amounts are deferred and amortized in the Statement of Activities. The following items reflect these differences in the treatment of long-term debt and related items:

Decrease (increase) in bonds payable	\$ 8,087,482	
Amortization of certain bond-related prepaid expense and deferred inflows and outflows	(2,146,593)	
Amortization of premium on bonds outstanding	4,089,965	
Bond issuance premium	(243,540)	
Principal payments on capital leases	2,233,922	
Capital lease proceeds	(2,555,639)	
Compensated absences	<u>(144,552)</u>	9,321,045

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property tax	\$ 29,349	
Income tax	(610,530)	
Ambulance fees	(30,742)	
Ambulance fee supplemental	<u>88,671</u>	(523,252)

Expenses in the Statement of Activities for pension and other post-employment benefits are not recognized as expenditures in the funds:

1925 Police Officers' plan	\$ 210,125	
1937 Firefighters' plan	261,425	
1977 Firefighters' plan	417,492	
1977 Police Officers' plan	295,898	
Civilian public employee retirement plan	(159,656)	
Other post-employment benefits - retiree health insurance	<u>(3,224,365)</u>	(2,199,081)

Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. (1,147,657)

Change in net assets of governmental activities (Statement of Activities) \$ 20,826,236

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

CITY OF CARMEL, INDIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total Enterprise
ASSETS:			
Current assets:			
Cash and investments	\$ 115,212	\$ 728,862	\$ 844,074
Accounts receivable (net of allowance)	178,084	217,983	396,067
Other receivables	1,077,285	838,696	1,915,981
Due from associated utility	-	971,259	971,259
Inventories	350,308	344,352	694,660
Prepaid items	15,625	29,375	45,000
Total current assets	1,736,514	3,130,527	4,867,041
Noncurrent assets:			
Restricted cash, debt service	1,519,966	2,844,905	4,364,871
Capital assets:			
Land, improvements to land and construction in progress	11,499,454	5,076,982	16,576,436
Utility plant in service, net of depreciation	167,307,122	67,502,993	234,810,115
Total noncurrent assets	180,326,542	75,424,880	255,751,422
Total assets	182,063,056	78,555,407	260,618,463
DEFERRED OUTFLOW OF RESOURCES: pension	572,055	493,801	1,065,856

Continued on next page.

CITY OF CARMEL, INDIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2018
(Continued)

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total Enterprise
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 731,442	\$ 310,887	\$ 1,042,329
Accrued wages payable	149,010	131,776	280,786
Compensated absences	264,672	204,784	469,456
Due to associated governmental funds	-	-	-
Due to associated utility	971,259	-	971,259
Customer deposits	44,355	-	44,355
Rent paid in advance	-	-	-
Revenue bonds payable, current portion	3,191,000	1,323,861	4,514,861
Capital leases payable, current portion	108,591	54,847	163,438
Accrued interest payable	591,433	82,476	673,909
Other	205,342	-	205,342
Total current liabilities	6,257,104	2,108,631	8,365,735
Noncurrent liabilities:			
Bonds payable	115,362,378	15,954,648	131,317,026
Capital leases payable	256,137	100,247	356,384
Retiree health care	1,950,481	1,701,282	3,651,763
Pension liability	2,209,105	1,906,911	4,116,016
Total noncurrent liabilities	119,778,101	19,663,088	139,441,189
Total liabilities	126,035,205	21,771,719	147,806,924
DEFERRED INFLOW OF RESOURCES			
Pension	368,874	318,414	687,288
2008 bond call rights waiver	4,232,050	-	4,232,050
Total deferred inflow of resources	4,600,924	318,414	4,919,338
NET POSITION:			
Net investment in capital assets	58,954,165	55,906,902	114,861,067
Restricted	-	-	-
Unrestricted	(6,955,183)	1,052,173	(5,903,010)
Total net position	\$ 51,998,982	56,959,075	\$ 108,958,057

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

CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Fiscal Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total Enterprise
OPERATING REVENUES:			
Residential sales	\$ 12,931,221	\$ 5,216,850	\$ 18,148,071
Commercial and industrial sales	4,251,458	4,651,438	8,902,896
Other operating revenue	552,884	126,370	679,254
Total operating revenues	17,735,563	9,994,658	27,730,221
OPERATING EXPENSES:			
Source of supply and expense - operation and maintenance	970,106	-	970,106
Water treatment expense - operation and maintenance	3,816,465	-	3,816,465
Transmission and distribution	3,364,647	-	3,364,647
Collection system - operations and maintenance	-	1,052,261	1,052,261
Pumping - operations and maintenance	-	344,661	344,661
Treatment and disposal expense - operation and maintenance	-	3,703,060	3,703,060
Customer accounts	729,482	645,508	1,374,990
Administration and general	821,037	964,365	1,785,402
Payroll tax expense	281,200	239,951	521,151
Utility receipts tax expense	251,462	-	251,462
Depreciation expense	4,193,172	2,631,991	6,825,163
Other	245,651	92,286	337,937
Total operating expenses	14,673,222	9,674,083	24,347,305
OPERATING INCOME (LOSS)	3,062,341	320,575	3,382,916
NONOPERATING REVENUES (EXPENSES):			
Interest and investment revenue	58,070	72,667	130,737
Miscellaneous revenue	329,601	1,150	330,751
Amortization of debt premium	-	7,156	7,156
Interest expense	(4,912,499)	(495,372)	(5,407,871)
Gain (loss) from disposition of property	(20,791)	(2,175)	(22,966)
Other	(164)	(12)	(176)
Total nonoperating revenue (expenses)	(4,545,783)	(416,586)	(4,962,369)
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	(1,483,442)	(96,011)	(1,579,453)
CAPITAL CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	3,279,973	629,483	3,909,456
Transfers to associated city	(839,763)	(480,743)	(1,320,506)
Total capital contributions and transfers	2,440,210	148,740	2,588,950
CHANGE IN NET POSITION	956,768	52,729	1,009,497
NET POSITION: beginning (See Note II.M.)	50,901,735	56,778,637	107,680,372
Restatement (See Note II.M.)	140,479	127,709	268,188
NET POSITION: beginning, adjusted	51,042,214	56,906,346	107,948,560
TOTAL NET POSITION: ending	\$ 51,998,982	\$ 56,959,075	\$ 108,958,057

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

CITY OF CARMEL, INDIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 17,982,446	\$ 10,197,891	\$ 28,180,337
Payments for goods and services	(4,927,300)	(2,247,914)	(7,175,214)
Payments to employees	(5,292,127)	(4,601,923)	(9,894,050)
Other receipts	654,288	15,844	670,132
Net cash provided (used) by operating activities	8,417,307	3,363,898	11,781,205
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	2,115,137	275,213	2,390,350
Acquisition and construction of capital assets	(1,745,923)	(759,788)	(2,505,711)
Payment of capital debt, including refunded debt	(2,903,800)	(1,288,670)	(4,192,470)
Interest paid on debt	(3,534,471)	(500,931)	(4,035,402)
Proceeds from sale of equipment		3,886	3,886
Proceeds from sale of refunding revenue bonds	-	-	-
Net cash provided by capital and related financing activities	(6,069,057)	(2,270,290)	(8,339,347)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	58,069	72,667	130,736
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to governmental funds	(839,763)	(480,743)	(1,320,506)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,566,556	685,532	2,252,088
CASH AND CASH EQUIVALENTS: beginning	68,622	2,888,235	2,956,857
CASH AND CASH EQUIVALENTS: ending	\$ 1,635,178	\$ 3,573,767	\$ 5,208,945

Continued on next page.

CITY OF CARMEL, INDIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended December 31, 2018
(Continued)

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total Enterprise
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	3,062,341	320,575	3,382,916
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	4,193,172	2,631,991	6,825,163
Nonoperating income (expense)	329,438	1,138	330,576
(Increase) decrease in assets:			
Accounts receivable	(2,510)	(17,813)	(20,323)
Other	574,079	284,458	858,537
Interfund receivables	-	(116,180)	(116,180)
Inventories	(54,506)	(17,755)	(72,261)
Prepaid items	-	46,250	46,250
Increase (decrease) in liabilities:			
Accounts payable	339,496	135,694	475,190
Wages payable	(1,971)	3,360	1,389
Compensated absence payable	1,706	(106)	1,600
Retiree health care	163,260	76,545	239,805
Pension	82,391	15,741	98,132
Other current liabilities	(269,589)	-	(269,589)
Total adjustments	5,354,966	3,043,323	8,398,289
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 8,417,307	\$ 3,363,898	\$ 11,781,205
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contributions of capital assets and aid in construction	\$ 1,139,729	\$ 255,318	\$ 1,395,047

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

CITY OF CARMEL, INDIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	Pension Trust Funds	Agency Funds
ASSETS:		
Cash and investments	\$ 136,766	\$ 157,873
Receivable from State of Indiana	99,439	
Total assets	236,205	157,873
LIABILITIES:		
Payroll withholdings	99,439	-
Court escrow	-	157,873
Total liabilities	99,439	\$ 157,873
NET POSITION: restricted for pensions	\$ 136,766	

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

CITY OF CARMEL, INDIANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended December 31, 2018

	Pension Trust Funds
ADDITIONS:	
State of Indiana contributions	\$ 1,149,210
Investment income	1,513
Miscellaneous revenue	4,707
Total additions	1,155,430
DEDUCTIONS:	
Benefits to plan members and beneficiaries	1,189,816
Administrative expenses	2,346
Total deductions	1,192,162
NET INCREASE IN NET POSITION	(36,732)
NET POSITION: beginning	173,498
NET POSITION: ending - restricted for pensions	\$ 136,766

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

CITY OF CARMEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

I. Summary of Significant Accounting Policies

A. Accounting Principles

The accounting policies of the City of Carmel, Indiana (City) applied to the accompanying financial statements for the year ended December 31, 2018, conform to the accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the City's significant accounting policies employed in the preparation of the accompanying financial statements follows.

B. Reporting Entity

The City of Carmel (City) is a municipal corporation governed by an elected mayor as executive, an elected clerk-treasurer as fiscal officer, and a seven-member council as legislative and fiscal body. It is the primary general government reporting entity. The accompanying financial statements present the government and its blended component units, entities for which the government is considered to be financially accountable. *Blended component units* are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented within the funds of the primary government.

There are four blended component units. The Carmel Redevelopment Authority is a separate body corporate and politic organized under Indiana Code Chapter 36-7-14.5 as an instrumentality of the City of Carmel to facilitate long-term financing of certain City capital projects. City officials appoint its board and the City is ultimately liable for all its debt. It is included as a blended component unit because its board is appointed by City officials and it provides a financial benefit to the City, though the City does not have fiduciary responsibility for it. The Carmel Midtown Building Corporation (CMBC) is a legally separate not-for-profit corporation that serves as a conduit to facilitate long-term financing of certain City capital projects. City officials appoint its board and the City is ultimately liable for all its debt. It is included as a blended component unit because its board is appointed by City officials and it provides a financial benefit to the City, though the City does not have fiduciary responsibility for it. The Carmel City Center Community Development Corporation (4CDC) is a legally separate not-for-profit corporation that primarily supports the economic development efforts of City government. Accordingly, it benefits almost exclusively the primary government. It is included as a blended component unit because its board is appointed by City officials and it provides a financial benefit to the City, although City officials cannot compel board members to act and the City does not have a fiduciary responsibility for it. The Carmel Redevelopment Authority, CMBC, and 4CDC do not issue separate financial statements. The City of Carmel Local Public Improvement Bond Bank (The Carmel Bond Bank) is an instrumentality of the City and serves as a mechanism for City agencies to combine their individual debt issuances into larger issuances in order to reduce costs and obtain better terms. Its board is appointed by City officials, and the City is liable for all of its debt. The Carmel Bond Bank issues separate financial statements, which may be obtained at Carmel City Hall, Third Floor, One Civic Square, Carmel, Indiana 46032.

C. Basis of Presentation – Government-Wide Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all of the non-fiduciary activities of the City. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities, which generally rely on fees and charges for support. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The Statement of Activities demonstrates the extent to which the direct expenses of a functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. They also include operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items properly excluded from program revenues are reported as general revenue.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in the funds described below.

The *Redevelopment Commission Fund* is used to account for the collection and expenditure of tax increment financing revenue and certain other economic development activities.

The *2016 Project Fund* is used to account for the expenditure of proceeds of a certain 2016 bond issuance, the purpose of which was to finance street improvement and construction.

The *2017 Project Fund* is used to account for the expenditure of proceeds of certain 2017 bond issuances, the purposes of which were to finance street improvement and construction and economic development.

The *Redevelopment Authority Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on certain long-term obligations of governmental funds.

The government reports the following major proprietary funds:

The *Water Utility and Sewer Utility Funds* are enterprise funds and account for the activities of the City utilities, integral parts of the government. The City operates the water distribution and sanitary sewer systems for residents and certain non-residents.

The government also reports *nonmajor funds*, which are of three types: *special revenue funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects; *capital projects funds* account for revenues normally restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets; and *debt service funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The government also reports certain other funds:

Trust funds account for the activities of certain pension plans administered by the City.

Agency funds account for payroll tax withholdings and municipal court escrows.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated, so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated, so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities column are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues from non-exchange transactions subject to eligibility requirements are considered available when the time and other eligibility requirements are met. Accordingly, revenues shared by the State of Indiana are considered available in the year in which the State allows the revenues to be appropriated, encumbered, and expended. All revenues are considered to be available only if they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and income taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Certain service charges are recognized when the service is performed. Entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. In all instances, revenues are recognized in governmental funds only when the amount is received during the period or within the availability period (within 60 days of year end). All other revenue is recognized only when cash is received.

The proprietary and pension funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency funds have no measurement focus, but utilize the *accrual basis of accounting* for reporting assets and liabilities.

F. Reconciliation of Government-Wide and Fund Financial Statements

A reconciliation of the difference between changes in fund balances, as reflected on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and change in net position for governmental activities, as shown on the government-wide Statement of Activities, is presented in an accompanying schedule to the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements that comprise the reconciliation differences stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurements focus and the accrual basis of accounting.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and securities backed by the full faith and credit of the United States Government.

Investments are reported at fair value.

2. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3. Capital Assets

All capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the capital assets or materially extend capital assets' lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

The capitalization threshold below is determined by the asset class.

- a) Land is capitalized regardless of the value or cost;
- b) Buildings, infrastructure, vehicles, machinery, and equipment must be capitalized when the useful life is at least 1 year and the cost is \$5,000 or more for assets employed in governmental activities and \$750 in business-type activities.

A full year of depreciation is taken in the year of acquisition for capital assets employed in governmental activities, and depreciation is deferred to the year after acquisition for those employed in business-type activities.

Depreciation is recorded on each class of depreciable property using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings	20–100 years
Improvements Other than Buildings	10–20 years
Machinery, Equipment, and Vehicles	5–20 years
Infrastructure	20–50 years

4. Compensated Absences

The government's policy permits employees to accumulate earned but unused personal time, which is eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

5. Bond Premiums and Discounts

Bond premiums and discounts are amortized in the government-wide and proprietary statements on a straight-line basis over the life of the issues.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items reported on the government-wide statement of net position that qualify for reporting in this category. One is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other is certain pension-related debits, arising from changes in actuarial assumptions and timing differences.

Debt issuance costs, except for any portion related to insurance costs or other credit enhancements that tend similarly to affect interest rates in future periods, are recognized as expenses of the current period. These credit enhancement costs are amortized on a straight-line basis over the term of the related debt.

In addition to liabilities, the Statement of Net Position reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The items that qualify for reporting in this category are credits resulting from bond refunding and pension-related credits arising from changes in actuarial assumptions and timing differences. The former category includes the current value of renegotiated terms of certain bonds, particularly the waiving of call rights on certain bonds. Such renegotiation does not constitute refunding per se but has a similar economic and accounting effect.

7. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

8. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund Balance/Net Position

Net position is presented on the Statement of Net Position. Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt related to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of these assets or related debt are also included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use, either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund balance is presented on the Balance Sheet for governmental funds. The components of fund balance include the following line items: a) non-spendable fund balance, b) restricted fund balance, c) committed fund balance, d) assigned fund balance, and e) unassigned fund balance. For further explanation of each fund balance component, please see the following:

- a) Non-spendable fund balance** (inherently non-spendable) include the:
 - Portion of net resources that cannot be spent because of their form.
 - Portion of net resources that cannot be spent because they must be maintained intact.

- b) Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:
 - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
 - Limitations imposed by law through constitutional provision or enabling legislation.

- c) Committed fund balance** (self-imposed limitations set in place prior to the end of the period):
 - Limitation imposed at the highest level of decision-making that requires formal action (passage of an ordinance) at the same level to remove. For the City, the City Council is the highest level of decision-making authority.

- d) Assigned fund balance** (limitation resulting from intended use) consists of amounts where the:
 - Intended use is established by the body designated for that purpose (City Council).
 - Intended use is established by an official authorized by the Council to make purchases, which includes the heads of most departments.

e) **Unassigned fund balance** (residual net resources) is the:

- Total fund balance in the General Fund is the excess over non-spendable, restricted, committed, and assigned fund balance.
- Negative unassigned fund balance is the excess over non-spendable, restricted, and committed fund balance over total fund balance.

10. Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, but the City believes that the differences will be insignificant. Among the items subject to estimates are pension liabilities and certain receivables.

11. Restricted Net Position

All net position reported as restricted in the accompanying Statement of Net Position is restricted due to legally enforceable contractual obligations or Indiana law.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

The Council is empowered to adopt property tax levies and rates, subject to certain statutory limitations. Taxable property becomes subject to lien on January 1 of the year prior to the budget/levy year. Levy ordinances must be adopted before the following November 1. Property taxes are due in two installments the following May 10 and November 10. The county government collects the taxes and distributes them, generally, in two installments, June 30 and December 31 of the budget/levy year. The county may make advances as taxes are collected.

Taxable property is assessed at estimated market value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Some taxpayers are eligible for certain deductions and credits. All property taxes outstanding at year end are recorded as receivable with an offset to deferred inflows of resources—unavailable revenue for amounts that are not available in the current period.

3. Income Taxes

The City benefits from an income tax that was imposed by joint vote of several Hamilton County units of general government and collected by the State of Indiana. Each July 1, the Indiana Department of Revenue determines the amount of tax processed on returns filed for the previous year. That amount is certified to the County Auditor. It is distributed to the County Auditor on a pro-rata basis, monthly, during the ensuing calendar year. The distributions are paid from accumulated collections from withholdings and direct taxpayer payments held in trust by the Indiana Department of Revenue, which may result in a balance remaining in the trust account. The County Auditor allocates the distributions to the City and other units of general government in accordance with a statutory formula based on the size of each unit's non-debt property tax levy. Before May 2 of each year, the Indiana Department of Revenue determines if the accumulated balance that was held in trust on December 31 two years preceding the determination exceeds fifteen percent (15%) of the certified distribution to be made to the county in the determination year. If so, the excess is distributed to the County Auditor in May of the determination year. These supplemental distributions are allocated immediately to the City and other units of general government in accordance with the same statutory formula as for regular distributions. The City accounts for income tax revenue as a derived tax revenue. Accordingly, revenue is recognized in the Statement of Activities when a taxpayer earns income. In the governmental funds, amounts certified for and distributed in the current year are recognized as revenue, along with any additional amount in the trust fund that is expected to be distributed within 60 days.

4. Proprietary Funds Operating and Nonoperation Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility funds are charges to customers for sales, services, premiums, and rents. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Detailed Notes on Certain Activities and Funds

A. Cash and Cash Equivalents

Deposits

Deposits of Indiana local government units are regulated by Indiana law. Deposits may be made only in financial institutions determined eligible by a State agency.

Custodial credit risk for bank deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for bank deposit custodial credit risk requires compliance with Indiana law.

The City's total cash deposits at December 31, 2018, were \$216,681,507, of which \$4,364,871 is restricted and \$212,316,636 is unrestricted. The City's cash deposits are insured up to \$250,000 at financial institutions insured by the Federal Deposit Insurance Corporation. Any cash deposits in excess of \$250,000 are insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool administered by the State of Indiana.

Investments

Investments by Indiana local government units are regulated by Indiana law. The City may invest in United States obligations and issues of federal agencies, certain Indiana municipal securities, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, certificates of deposit, and certain money market mutual funds invested in U.S. Treasury or U.S. agency obligations.

It is the policy of the City to invest public funds for terms up to five years.

Investments are valued at fair value. Fair value of substantially all investments is determined according to published, quoted prices for similar assets in active markets, observable for the entire term of the asset. Accordingly, investments are classified in level two of the hierarchy of fair value.

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to the transaction, the City will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments. The City believes it is not exposed to investment custodial credit risk because its securities are held in trust in the City's name.

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City has no formal policy regarding interest rate risk. The City may invest in securities for more than two years and not more than five years in accordance with Indiana law. Under this policy, investments having maturities of more than two years are limited to 25% of the total investments and other cash and cash equivalents held by the City.

Below is a segmented time distribution for the City's debt investments at December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	More than 5
United States Treasury notes	\$ 28,491,350	\$ 16,162,575	\$ 12,328,775	\$ -
U.S. Gov't Money Market Funds	1,845,172	1,845,172	-	-
Total	<u>\$ 30,336,522</u>	<u>\$ 18,007,747</u>	<u>\$ 12,328,775</u>	<u>\$ -</u>

Concentration risk is the risk that too many resources have been invested in a single issuer, and that issuer may fail. The City believes it is not exposed to concentration risk because fewer than 5% of its investments are in a single issuer, other than the United States Government and its agencies.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy regarding credit risk is to comply with Indiana law, which limits the City to very low-risk investments.

The City has no deposits or investments denominated in foreign currencies and does not foresee having any foreign currency risk in the future.

B. Receivables and Transfers

1. Receivables

Receivables at December 31, 2018, for governmental activities of the City's individual major governmental funds and nonmajor governmental funds, in the aggregate, consisted of the following:

<u>Revenue Source</u>	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Property taxes	\$ 1,336,489	\$ 490,673	\$ 1,827,162
Income taxes	15,047,936	-	15,047,936
Other	315,193	115,347	430,540
Intergovernmental	-	351,999	351,999
Due from other funds	-	58,378	58,378
Total	<u>\$ 16,699,618</u>	<u>\$ 1,016,397</u>	<u>\$ 17,716,015</u>

Receivables at December 31, 2018, for business-type activities of the City's individual major enterprise funds and nonmajor enterprise funds, in the aggregate, consisted of the following:

<u>Revenue Source</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Accounts and other	\$ 1,255,369	\$ 1,056,679	\$ 2,312,048
Due from utility	-	971,259	971,259
Total	<u>\$ 1,255,369</u>	<u>\$ 2,027,938</u>	<u>\$ 3,283,307</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the fiscal year, the various components of unavailable revenue reported in governmental funds were as follows:

Governmental Funds:

<u>Description</u>	<u>Unavailable Revenue</u>
Property taxes	\$ 1,827,162
Income taxes	8,400,838
Ambulance fees	92,726
Supplemental Medicaid	266,014
Other unavailable	-
Total unavailable revenue	<u>\$ 10,586,740</u>

2. Transfers

a) Transfers among Governmental Funds

	Transfers In				
	<u>General</u>	Redevelopment <u>Commission</u>	RDA Debt <u>Service</u>	<u>Nonmajor</u>	<u>Total</u>
<u>Transfers out</u>					
General	\$ -	\$ 956,363	\$ 13,528,322	\$ 452,364	\$ 14,937,049
RDC	-	-	21,712,347	921,591	22,633,938
RDA Debt	-	-	-	11,122,726	11,122,726
Nonmajor	148,831	211,272	7,504,421	3,869,127	11,733,651
Total	<u>\$ 148,831</u>	<u>\$ 1,167,635</u>	<u>\$ 42,745,090</u>	<u>\$ 16,365,808</u>	<u>\$ 60,427,364</u>

A nonmajor fund transferred \$100,000 to the General Fund to cover street-related contracted services.

A nonmajor fund transferred \$48,831 from a FEMA grant to the General Fund for additional fire training classes.

The General Fund transferred \$956,363 to the Redevelopment Commission Fund to satisfy debt service payments.

A nonmajor fund transferred \$3,772 to the Redevelopment Commission Fund to cover the administrative fees.

A nonmajor funds transferred \$207,500 to the Redevelopment Commission as a grant.

The General Fund, Redevelopment Commission, and nonmajor funds made lease payments to the Redevelopment Authority in the amounts of \$13,528,322, \$21,712,347, and \$7,504,421, respectively, in order to satisfy debt service payments.

The General Fund transferred \$234,130 of proceeds from a sale of property to a nonmajor fund to pay for local road and street

The General Fund transferred \$153,234 to a nonmajor fund for certain road projects.

The General Fund transferred \$65,000 to a nonmajor fund to cover the cost of preservation of historic buildings.

The Redevelopment Commission transferred \$877,798 to another nonmajor fund to fund its debt service reserve.

The Redevelopment Commission transferred \$43,793 of excess tax incremental revenue to another nonmajor fund in accordance with a trust indenture.

The RDA Debt Service Fund and nonmajor funds transferred \$11,122,726 and \$3,112,165, respectively, to a nonmajor fund to satisfy debt service payments.

A nonmajor fund transferred \$678,346 to another nonmajor fund in compliance with a City ordinance.

A nonmajor fund transferred \$16,116 to another nonmajor fund to facilitate cash flow.

A nonmajor fund transferred \$62,500 of grant monies to another nonmajor fund to cover community engagement activities.

b) Transfers between Governmental and Enterprise Funds

<u>From (to):</u>	Transfers In (Out)	
	<u>General</u>	<u>Total</u>
Water Fund	\$ 839,763	\$ 839,763
Sewer Fund	480,743	480,743
Total	<u>\$ 1,320,506</u>	<u>\$ 1,320,506</u>

The Water Fund transferred \$839,763 of available excess cash to the General Fund.

The Sewer Fund transferred \$480,743 of available excess cash to the General Fund.

C. Capital Assets

Capital asset activity for Governmental Activities for the year ended December 31, 2018, was as follows:

	<u>Balance Dec 31, 2017</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance Dec 31, 2018</u>
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 172,645,339	\$ 19,221,707	\$ -	\$ 191,867,046
Construction in progress	<u>145,248,122</u>	<u>98,647,013</u>	<u>(56,444,130)</u>	<u>187,451,005</u>
Total capital assets, not being depreciated	<u>317,893,461</u>	<u>117,868,720</u>	<u>(56,444,130)</u>	<u>379,318,051</u>
Capital assets, being depreciated				
Buildings and improvements	216,300,527	26,173,144	(55,000)	242,418,671
Machinery, equipment, and vehicles	46,034,422	2,020,711	(396,527)	47,658,606
Infrastructure	<u>395,918,943</u>	<u>37,231,661</u>	<u>-</u>	<u>433,150,604</u>
Total capital assets, being depreciated	<u>658,253,892</u>	<u>65,425,516</u>	<u>(451,527)</u>	<u>723,227,881</u>
Less accumulated depreciation, for				
Buildings and improvements	30,127,552	4,808,136	-	34,935,688
Machinery, equipment, and vehicles	22,016,430	3,419,576	(345,188)	25,090,818
Infrastructure	<u>111,861,970</u>	<u>9,788,092</u>	<u>-</u>	<u>121,650,062</u>
Total accumulated depreciation	<u>164,005,952</u>	<u>18,015,804</u>	<u>(345,188)</u>	<u>181,676,568</u>
Total capital assets, being depreciated, net	<u>494,247,940</u>	<u>47,409,712</u>	<u>(106,339)</u>	<u>541,551,313</u>
Governmental activities capital assets, net	<u>\$ 812,141,401</u>	<u>\$ 165,278,432</u>	<u>\$ (56,550,469)</u>	<u>\$ 920,869,364</u>

Capital asset activity for Business-Type Activities for the year ended December 31, 2018, was as follows:

	<u>Balance Dec 31, 2017</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance Dec 31, 2018</u>
Business-Type Activities:				
Capital assets, not being depreciated				
Land & land rights	\$ 3,476,884	\$ 654,097	\$ -	\$ 4,130,981
Construction in progress	<u>14,092,752</u>	<u>2,467,573</u>	<u>(4,114,870)</u>	<u>12,445,455</u>
Total capital assets, not being depreciated	<u>17,569,636</u>	<u>3,121,670</u>	<u>(4,114,870)</u>	<u>16,576,436</u>
Capital assets, being depreciated				
Utility plant & equipment in service	<u>273,335,724</u>	<u>5,553,354</u>	<u>(93,900)</u>	<u>278,795,178</u>
Total capital assets, being depreciated	<u>273,335,724</u>	<u>5,553,354</u>	<u>(93,900)</u>	<u>278,795,178</u>
Less accumulated depreciation for				
Utility plant & equipment in service	<u>37,203,655</u>	<u>6,825,163</u>	<u>(43,755)</u>	<u>43,985,063</u>
Total capital assets, being depreciated, net	<u>236,132,069</u>	<u>(1,271,809)</u>	<u>(50,145)</u>	<u>234,810,115</u>
Business-type activities capital assets, net	<u>\$ 253,701,705</u>	<u>\$ 1,849,861</u>	<u>\$ (4,165,015)</u>	<u>\$ 251,386,551</u>

Depreciation expense was charged as follows for the year ended December 31, 2018:

	<u>Depreciation Expense</u>
Governmental Activities:	
General Government	\$ 368,402
Economic Development	5,536,910
Culture & Recreation	85,719
Public Safety	1,323,723
Streets and other infrastructure	<u>10,701,050</u>
Total governmental depreciation	<u>18,015,804</u>

Business-Type Activities:	
Utility plant & equipment in service	6,825,163
Total business-type depreciation	<u>6,825,163</u>
Total depreciation	<u>\$ 24,840,967</u>

D. Noncurrent Liabilities

1. Changes in Long-Term Debt Obligations and Other Liabilities

The following is a summary of changes in long-term obligations for the year ended December 31, 2018:

	Balance Dec 31, 2017	Additions	Reductions	Balance Dec 31, 2018	Due Within One Year
Governmental Activities:					
Bonds and contract purchases	\$ 693,153,207	\$ 13,791,036	\$ (21,878,518)	\$ 685,065,725	\$ 23,780,551
Unamortized bond premium	62,517,356	243,540	(4,089,967)	58,670,929	
Capital leases	7,315,666	2,555,639	(2,233,922)	7,637,383	2,274,097
Subtotal	<u>762,986,229</u>	<u>16,590,215</u>	<u>(28,202,407)</u>	<u>751,374,037</u>	<u>26,054,648</u>
Compensated absences	1,173,843	770,334	(625,782)	1,318,395	1,318,395
Total bonds, contract purchases, capital leases, and compensated absences	<u>\$ 764,160,072</u>	<u>\$ 17,360,549</u>	<u>\$ (28,828,189)</u>	<u>752,692,432</u>	<u>\$ 27,373,043</u>

Less,

Portion of above due within one year	27,373,043
Portion of capital leases payable due in more than one year	<u>5,363,286</u>
Bonds payable due in more than one year	<u>\$ 719,956,103</u>

Liabilities other than debt, which are ordinarily employment related, such as compensated absences, pensions, and other post-employment benefits, have been liquidated in prior years by the same governmental funds that expended the regular compensation to the affected employees. When liabilities have arisen, other than debt, which were not related to compensation, the liabilities have ordinarily been liquidated by the governmental funds that financed the activities that gave rise to the liabilities.

	Balance Dec 31, 2017	Additions	Reductions	Balance Dec 31, 2018	Due Within One Year
Business-Type Activities:					
Sewer utility revenue bonds	\$ 18,552,090	\$ -	\$ (1,288,670)	\$ 17,263,420	\$ 1,323,861
Water utility revenue bonds	107,883,524	-	(2,285,000)	105,598,524	2,670,000
Water utility other long-term debt	13,000,000	-	(512,000)	12,488,000	521,000
Total business-type bonds	<u>139,435,614</u>	<u>-</u>	<u>(4,085,670)</u>	<u>135,349,944</u>	<u>4,514,861</u>
Sewer utility bond premium	38,704	-	(8,548)	30,156	
Sewer utility bond discount	(16,459)	1,392	-	(15,067)	
Water utility bond premium	493,788	-	(26,934)	466,854	
Subtotal, bonds, premiums, and discounts	<u>139,951,647</u>	<u>1,392</u>	<u>(4,121,152)</u>	<u>135,831,887</u>	<u>4,514,861</u>
Utility capital leases	721,688	-	(201,866)	519,822	163,438
Compensated absences	467,857	1,599	-	469,456	469,456
Total business-type activities long- term liabilities	<u>\$ 141,141,192</u>	<u>\$ 2,991</u>	<u>\$ (4,323,018)</u>	<u>136,821,165</u>	<u>\$ 5,147,755</u>

Less,

Portion of above due within one year	5,147,755
Portion of capital leases payable due in more than one year	<u>356,384</u>
Bonds payable due in more than one year	<u>\$ 131,317,026</u>

The City administration believes it is in compliance with Federal arbitrage regulations, which apply to bonded debt, and that the City's liability, if any, under these regulations, is not material.

Governmental Activities Long-Term Debt:

Bonds issued in order to acquire capital assets, for which the City has pledged an unlimited ad valorem property tax levy to satisfy the principal and interest on the bonds as they become due:

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Lease Rental Revenue Refunding Bonds of 2011 (West Clay road)	5.000%	2011	2024	\$ 25,190,000	\$ 13,410,000
Lease Rental Revenue Multipurpose Bonds, Series 2012A	2.625%-4.000%	2012	2038	115,900,000	115,900,000
Lease Rental Revenue Multipurpose Bonds, Series 2012B	1.190%-3.000%	2012	2025	69,245,000	46,460,000
Lease Rental Revenue Bonds of 2005 (unrefunded portion)	5.800%-8.450%	2005	2026	19,649,150*	35,703,432
Redevelopment District Bonds of 2013	2.000%-4.000%	2013	2035	6,535,000	6,145,000
Lease Rental Revenue Refunding Bonds, Series 2014	2.250%-5.000%	2014	2027	55,685,000	55,380,000
General Obligation Bonds, Series 2016A	2.000%-5.000%	2016	2036	1,214,000	1,129,000
General Obligation Bonds, Series 2016B	2.000%-5.000%	2016	2036	1,089,000	1,012,000
General Obligation Bonds, Series 2016C	2.000%-5.000%	2016	2036	1,633,000	1,519,000
General Obligation Bonds, Series 2016D	2.000%-5.000%	2016	2036	1,373,000	1,276,000
General Obligation Bonds, Series 2016E	2.000%-5.000%	2016	2036	1,599,000	1,487,000
General Obligation Bonds, Series 2016F	2.000%-5.000%	2016	2036	1,577,000	1,467,000
General Obligation Bonds, Series 2016G	2.000%-5.000%	2016	2036	1,373,000	1,276,000
General Obligation Bonds, Series 2016H	2.000%-5.000%	2016	2036	1,577,000	1,467,000
General Obligation Bonds, Series 2016I	2.000%-5.000%	2016	2036	1,426,000	1,326,000
General Obligation Bonds, Series 2016J	2.000%-5.000%	2016	2036	1,513,000	1,407,000
General Obligation Bonds, Series 2016K	2.000%-5.000%	2016	2036	1,394,000	1,296,000

General Obligation Bonds, Series 2016L	2.000%- 5.000%	2016	2036	1,383,000	1,286,000
General Obligation Bonds, Series 2016M	2.000%- 5.000%	2016	2036	1,211,000	1,126,000
Lease Rental Bonds, Series 2016A (Public Infrastructure Projects)	2.000%- 5.000%	2016	2036	139,872,000**	138,937,000
Lease Rental Bonds, Series 2016B (Economic Development Projects)	2.000%- 5.000%	2016	2029	10,337,000	10,102,000
Lease Rental Bonds, Series 2016C (Energy Center Project)	2.000%- 5.000%	2016	2035	15,164,000	14,220,000
2016 Storm Water Bond (Authorized: \$44,500,000)	2.000%- 5.000%	2016	2036	30,720,000	27,801,000
Taxable Special Program Bonds, Series 2016	1.576%- 3.762%	2016	2041	29,720,000	29,720,000
Tax-Exempt Lease Rental Bonds, Series 2017B-1	3.000% - 5.000%	2017	2037	32,495,000	32,495,000
Tax-Exempt Lease Rental Bonds, Series 2017B-2	3.200% - 3.200%	2017	2037	24,000,000	24,000,000
Taxable Lease Rental Bonds, Series 2017C-1	2.006% - 3.200%	2017	2027	815,000	780,000

* Original amount refers to the original amount of the *non-refunded portion only* of any partially refunded bonds.

** City has additionally pledged county option income tax (COIT).

In the year ended December 31, 2018, the total of payments on the bonds listed above was 0.517% of taxable assessed value.

Bonds issued in order to acquire capital assets, for which the City has pledged its county option income tax (COIT) revenue up to the amount needed to satisfy the principal and interest on the bonds as they become due:

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
COIT Lease Rental Revenue Refunding Bonds, Series 2006 City Center	5.270%	2006	2018	8,785,000	-
COIT Refunding Bonds of 2011	2.320%	2011	2022	7,180,000	2,925,000
COIT Lease Rental Revenue Refunding Bond, Series 2014A (Hazel Dell)	3.000%- 4.000%	2014	2018	9,380,000	-
COIT Lease Rental Revenue Refunding Bond, Series 2014B (Northwest Clay Road)	3.000%- 5.000%	2014	2027	46,795,000	40,625,000
LIT Lease Rental Revenue Refunding Bonds, Series 2017	2.360% - 2.360%	2017	2030	23,180,000	22,585,000

In the year ended December 31, 2018, the total of payments on the bonds listed immediately above was 21.8% of annual county option income tax revenue.

Bonds issued in order to acquire capital assets, for which the City has pledged its incremental tax revenue from certain allocation areas up to the amount needed to satisfy the principal and interest on the bonds as they become due:

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Taxable Tax Increment Revenue Bonds, Series 2004A	6.650%	2004	2024	9,500,000	4,150,000
Midtown South Taxable Lease Rental Bonds, Series 2017A	1.973% - 3.864%	2017	2042	7,405,000	7,405,000
Taxable Lease Rental Bonds, Series 2017C-2	2.100% - 3.750%	2017	2025	16,600,000	16,600,000
Taxable Economic Development Lease Rental Revenue Bonds, Series 2018A (Midtown West	2.500% - 5.000%	2018	2043	12,645,000	12,645,000

In the year ended December 31, 2018, the total of payments on the bonds listed immediately above was 5.8% of annual incremental tax revenue.

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Contract purchases of capital assets:					
Loft A Private Placement 2011	LIBOR	2011	2033	9,630,000	7,670,000
Restated Secondary Village #1	LIBOR	2013	2034	4,500,000	2,333,293
Total bond principal and contract purchases					685,065,725
Capital Leases	3.400%-7.650%	2005-2018	2028	N/A	7,637,383
Compensated Absences	N/A	N/A	N/A	N/A	1,318,395
Total bond principal, contract purchases, capital leases, and compensated absences.					694,021,503
Bond premium					58,670,929
Total governmental activities bonds, contract purchases, capital leases, and compensated absences.					<u>\$ 752,692,432</u>

Business-type activities long-term debt:

Bonds issued in order to acquire capital assets, for which the City has pledged its sewer or water user fee revenue up to the amount needed to satisfy the principal and interest on the bonds for the term of the bonds:

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Sewer Utility 2005 Revenue Bonds Refinance	4.320%-4.610%	2005	2026	\$ 11,000,000	\$ 5,065,000
Sewer Utility 2009 SRF	0.420%	2009	2030	5,894,000	3,498,420
Sewer Utility 2012 Revenue Bonds	2.000%-3.250%	2012	2032	11,040,000	8,700,000
Waterworks Special Program Bonds, Series 2016	3.000%-5.000%	2016	2028	53,735,000	51,595,000
Water Utility 2008 Capital Appreciation Bonds	4.130%-5.790%	2008	2025	20,547,740	36,848,524
Water Utility Junior Waterwork Revenue Bond of 2012	2.000%-4.000%	2012	2036	21,625,000	17,155,000
Junior Waterworks Revenue Refunding Bonds of 2017	1.800%-3.700%	2017	2037	13,000,000	12,488,000
Bond Premium/ Discount					481,943
Total bonded debt, including amount due in one year					135,831,887
Capital Leases		2013	2022	N/A	519,822
Compensated Absences	N/A	N/A	N/A	N/A	469,456
Total business-type activities bonds, capital leases, and compensated absences.					136,821,165
Total City bonds, capital leases, and compensated absences.					<u>\$ 889,513,597</u>

In the year ended December 31, 2018, the total of payments on the bonds listed immediately above was 46.1% of annual water user fee revenue and 17.9% of annual sewer user fee revenue.

The City has pledged up to \$1,115,000 of county option income tax revenue, payable in the event an overlapping unit of government is unable to service certain debt. The City does not expect to be called upon to make these payments.

The City expects the pledged revenue will be more than sufficient to satisfy the principal and interest on the obligations listed above. This revenue is not pledged to satisfy any other obligations, nor is it committed for operating or other necessary expenditures.

Interest on long term debt has been charged as a direct expense in certain instances in which borrowing has been essential to the creation or continued existence of projects, as follows:

Streets and infrastructure	\$ 12,334,313
Economic development	10,571,808
Total	<u>\$ 22,906,121</u>

2. Debt Service Requirements to Maturity

Governmental Activities:

Year Ended December 31	Principal	Interest	Total
2019	\$ 23,780,551	\$ 28,764,094	\$ 52,544,645
2020	26,943,897	29,058,427	56,002,324
2021	28,728,881	28,399,431	57,128,312
2022	30,315,245	27,754,511	58,069,756
2023	30,864,417	26,970,928	57,835,345
2024 - 2028	181,737,897	101,475,356	283,213,253
2029 - 2033	191,186,000	54,027,565	245,213,565
2034 - 2038	138,766,000	14,430,586	153,196,586
2039 - 2043	9,915,000	774,086	10,689,086
Total	<u>662,237,888</u>	<u>\$ 311,654,984</u>	<u>\$ 973,892,872</u>

Excess of the present value of future payments over the unpaid principal of capital appreciation bonds 22,827,837

Bonds and contract purchases \$ 685,065,725

Business-Type Activities:

Year Ended December 31	Principal	Interest	Total
2019	\$ 4,514,861	\$ 6,099,289	\$ 10,614,150
2020	4,984,058	6,051,144	11,035,202
2021	5,470,260	5,997,897	11,468,157
2022	6,010,466	5,930,049	11,940,515
2023	6,596,678	5,836,262	12,432,940
2024 - 2028	51,813,740	25,811,089	77,624,829
2029 - 2033	49,055,881	8,241,035	57,296,916
2034 - 2038	6,904,000	503,346	7,407,346
Total	<u>135,349,944</u>	<u>\$ 64,470,111</u>	<u>\$ 199,820,055</u>

Premium/Discount 481,943

Bonded debt \$ 135,831,887

3. Capital Leases

The City has entered into various capital leases for equipment for various departments, including Police, Fire, Streets, and for a golf course. As of December 31, 2018, the City had assets with an original cost of \$13,373,664 and accumulated depreciation of \$4,698,655 financed through capital leases.

Capital Leases:

Year Ended			
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,274,097	\$ 190,242	\$ 2,464,339
2020	2,031,276	138,861	2,170,137
2021	1,554,121	87,137	1,641,258
2022	964,436	48,145	1,012,581
2023	318,975	27,077	346,052
2024 - 2028	494,478	38,946	533,424
Total	<u>\$ 7,637,383</u>	<u>\$ 530,408</u>	<u>\$ 8,167,791</u>

The Water and Sewer Utilities entered into various capital leases for certain equipment. As of December 31, 2018, the Utilities had assets with an original cost of \$1,170,176 and accumulated depreciation of \$502,942 financed through capital leases.

Capital Leases:

Year Ended			
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 163,438	\$ 10,432	173,870
2020	166,764	7,106	173,870
2021	119,174	3,698	122,872
2022	70,446	1,430	71,876
Total	<u>\$ 519,822</u>	<u>\$ 22,666</u>	<u>\$ 542,488</u>

4. Operating Leases

The City owns a certain office and theater building and is lessor to certain private tenants. The cost of the office and theater building is \$20,500,000. Depreciation expense for the year ended 2018 was \$410,000 and book value for the year ended 2018 was \$18,040,000.

5. Other Commitments

Various claims and lawsuits are pending against the City. At December 31, 2018, the administration believes the amount payable for claims and judgments, if any, is not material in relation to the basic financial statements taken as a whole.

Certain City officials are empowered to issue purchase orders and enter into contracts that constitute contractual obligations of the City. These encumbrances, treated as assigned fund balance as of December 31, 2018, are as follows.

Total assigned from governmental fund balances: \$ 3,014,336

These commitments, if any, are included in, and do not exceed, the committed or restricted fund balances of the respective funds. Construction commitments for the Water and Sewer Enterprise Funds were less than \$100,000.

6. Nominal Debt Used as Tax Incentives

The City has entered into certain transactions for the purpose of providing tax incentives to private firms to redevelop designated property meeting certain criteria. Although the incentives take the legal form of debt, neither the City nor any other entity is ultimately liable. For the designated property, the private firm is the property owner, the buyer of the bonds, and the sole taxpayer. There is no recourse to the City. If the private firm makes improvements on the property, incremental property tax revenue is generated, and some portion of that revenue is pledged to the payment of the bonds. In effect, the private firm is reimbursed for a portion of the incremental property tax it paid. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

2018 Tax-Exempt Economic Development Revenue Bonds (KAR Auction Services, Inc.)
 2018 Taxable Economic Development Revenue Bonds (Meridian and Main - Indiana Spine Group II Project)
 2018 Taxable Economic Development Revenue Bonds (Sunrise on the Monon)
 2017 Installment Purchase Contract (Monon & Main)
 2017 Economic Development Revenue Bonds (Edward Rose Development Carmel, LLC, Project)
 2015 Economic Development Revenue Bonds (KG Main, LLC, Project)
 2011A Senior Economic Development Revenue Bonds (Arts District Lots & Shoppes)
 2011 Taxable Economic Development Revenue Bonds (Meridian and Main)
 2011 Taxable Economic Development Revenue Bonds (116th Street Centre Project)
 2011 B Subordinate Economic Development Revenue Bonds (Arts District Shops and Lofts)
 2006 B Taxable Economic Development Revenue Bonds (Buckingham-Gramercy Project)

7. Schedule of Outstanding Principal on Advance Refunded Debt

<u>Outstanding Bonds</u>	Outstanding Amount		Outstanding Through
	<u>Refunded Bonds</u>	<u>Bonds Refunded</u>	
Local Income Tax Lease Rental Revenue Refunding Bonds, Series 2017	\$ 23,425,000	2010 COIT LR Bonds	1/1/2031
Lease Rental Revenue Multipurpose Bonds, Series 2012A	34,190,000	2010A COPS	1/15/2035
Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable)	2,300,000	2010B COPS	1/15/2035
Carmel Bond Bank Lease Rental Refunding Bonds, Series 2016C	13,920,000	2010C COPS	7/15/2035
Carmel Bond Bank Special Program Bonds, Series 2016	56,360,000	2008B Jr. Water Bonds	6/1/2026
	<u>\$ 130,195,000</u>		

E. Risk Management; Claims

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. The City administration believes these risks are adequately covered by the purchase of insurance. Settlements in excess of insurance, if any, have not been material in the past three years.

The City has chosen to establish a Self Insurance Fund to mitigate the risk of loss related to employee health claims. An excess liability policy through commercial insurance covers individual claims in excess of \$175,000 per year and provides an aggregate commercial insurance coverage of amounts over \$13,427,500. There were no significant reductions in insurance coverages from prior years. Settled claims resulting from this risk did not exceed aggregate commercial insurance coverage in the three years ended December 31, 2018.

Amounts are paid into the Fund by user departments. Funds are available for claims, claim reserves, and administrative costs of the program. Interfund transfers into the Fund are based upon the actual claims incurred of each department's current year eligible employees. The basis for estimating unpaid claims, including specific incremental claim adjustment expenditures, if any, is a study of actual claims experience in recent past periods.

Changes in the balance of claim liabilities are as follows:

	2018	2017
Unpaid claims, beginning of fiscal year	\$ 479,159	\$ 1,376,256
Incurred claims and changes in estimates	10,555,027	9,174,919
Claim payments	10,523,915	10,072,016
Unpaid claims, end of fiscal year	<u>\$ 510,271</u>	<u>\$ 479,159</u>

F. Pension Plans

1. Single Employer Defined Pension Plan

Plan Description

The Municipal Police Officers' 1925 and Firefighters' 1937 Plans are distinct single-employer defined benefit pension plans. The plans are administered by local pension boards. The plans provide retirement, disability, and death benefits to plan members and beneficiaries. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

As established by Indiana law, the boards for the police officers' and firefighters' plans consist of eight and five members, respectively. On each board, the mayor of the City and the chief of each department serve ex officio. On the police board, the clerk-treasurer of the City also serves ex officio. The remaining members are elected by the active members, police and firefighters, respectively. At least one member of each board must be a retired beneficiary of the respective plan.

Benefits provided:

Members of the police and fire departments hired prior to May 1, 1977, who retire with 20 or more years of active duty receive fifty percent of the salary of a first-class patrol officer or firefighter plus:

1. If retired prior to January 1, 1986, receives 2% of the first-class salary for each year of service in excess of 20, or;
2. If retired after December 31, 1985, receives 1% of first-class patrolman salary for each 6 months of service in excess of 20 years. The total benefit may not exceed 74% of first-class salary.

Effectively, benefits are subject to a cost-of-living adjustment because they are tied to current members' salaries, which tend to be adjusted each year, as opposed to the historical salaries of the retirees.

The plans also offer a disability benefit whereby members of the police and fire departments who have suffered or contracted a mental or physical disease or disability that renders the member unable to perform the essential function of the department will receive the greater of 55% of first-class salary or the pension benefit the member would have received if the member had retired on the disability date.

The plans also provide a death benefit for a surviving spouse to receive the greater of

1. 30% of the monthly pay of a first-class patrol officer, or
2. 55% of the benefit the retiree was receiving.

In addition, each child of the deceased member will receive 20% of the monthly pay of a first-class officer or firefighter. Total benefit for all such beneficiaries may not exceed the pension benefit the deceased member was receiving. In addition to the above benefit, a funeral benefit of \$12,000 will be paid to heirs of the deceased member.

Membership in the Plans as of the most recent actuarial valuation was comprised of the following:

	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits	14	15
Terminated employees entitled to but not yet receiving benefits	-	-
Current active employees	-	-
Total Plan Members	<u>14</u>	<u>15</u>

The plans are closed to new entrants.

Active members of the 1925 Police Officers' and 1937 Firefighters' plans had the option of converting to the 1977 Police Officers' and Firefighters' Fund, which is described more fully below. Converttees were given a \$10,000 bonus by the State of Indiana for exercising the option to convert. After such a conversion, the member is covered by the benefit structure of the new plan, but the benefits are still financed by the local unit. Of the Carmel members, four retired police officers and three retired firefighters converted.

Active members of the 1925 Police Officers' and 1937 Firefighters' plans had the option of participating in the deferred retirement option plan (DROP). Under that plan, an active member could declare in advance a future retirement date. From the time of that declaration, contributions on behalf of that member would have been segregated into a separate fund for his benefit. Upon retirement, the member would have several options with regard to taking the balance in this fund in the form of a lump sum or future payments. The member's regular retirement benefits would be paid as if he had retired on his declaration date. The City has no participants in DROP.

Contributions:

The plans are administered on a pay-as-you-go basis. Plan members are required by Indiana law to contribute an amount equal to 6 percent of the salary of a first-class patrolman. For the year ended December 31, 2018, the State of Indiana contributed \$564,928 to the '25 Police Officers' Plan and \$584,282 to the '37 Firefighters' Plan on behalf of the City during the fiscal year.

Net Pension Liability and Pension Expense:

The City's net pension liability of \$9,762,204 for the '25 Police Officers' Plan and \$10,595,746 for the '37 Firefighters' Plan was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. For the year ended December 31, 2018, the City recognized pension expense of \$355,186 for the '25 Police Plan and \$323,700 for the '37 Firefighters Plan.

Assumptions and Other Inputs

Measurement Date	December 31, 2018
Valuation Date	December 31, 2018–Police Officers' members' census data as of January 1, 2019, and Firefighters member census data as of January 1, 2019, was used in the valuation.
Mortality and Mortality Improvement	<u>SOA published mortality table:</u> RP-2014 adjusted to 2006 blue-collar mortality table. Separate tables for male and female participants. Separate tables for active employees, healthy annuitants, and disabled participants. <u>SOA published mortality improvement scale:</u> MP-2018 (previously MP-2015) generational, which projects mortality improvement indefinitely beginning with high initial improvement (based on recent experience) and tapering to a lower level of improvement for long-term mortality projections.
Discount Rate	3.54% Police Officers; 3.58% Firefighters for 2018 3.62% Police Officers; 3.65% Firefighters for 2017
Investment Earnings Rate	The plans maintain no investments and have no expectation of future earnings from investments. The plans' assets are cash balances available for incidental expenses. These are managed in the same way as other City deposits and may earn negligible returns from interest-bearing accounts.
Cost of Living Increase:	
1925 or 1937 Plan	2.50%
1977 Plan Converted	2.50%

<u>Changes in the Net Pension Liability:</u>	<u>'25 Police Officers' Plan</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of December 31, 2017	\$ 10,119,548	\$ 147,471	\$ 9,972,077
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	354,913	-	354,913
Effect of plan changes	-	-	-
Effect of economic/demographic gains and losses	338,525	-	338,525
Effect of assumptions changes or inputs	(337,280)	-	(337,280)
Benefit payments	(582,141)	(582,141)	-
Employer contributions	-	564,928	(564,928)
Member contributions	-	-	-
Net investment income	-	1,203	(1,203)
Administrative expenses	-	(100)	100
Balances as of December 31, 2018	<u>\$ 9,893,565</u>	<u>\$ 131,361</u>	<u>\$ 9,762,204</u>
Fiduciary net position as a percentage of total pension liability			<u>1.33%</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2018, the City reported a net pension liability of \$9,762,204 for the '25 Police Officers' Plan.

For the year ended December 31, 2018, the City recognized pension expense of \$355,186, which included net amortization of deferred amounts from investment gains and/or losses. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the '25 Police Officers' Plan from the following sources:

<u>'25 Police Officers' Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balances as of December 31, 2017	\$ 9,001	\$ -
Differences between expected and actual experience	338,525	-
Current amortization (deduct)	(342,408)	(337,280)
Changes in assumptions	-	337,280
Investments	4,135	-
Balances as of December 31, 2018	<u>\$ 9,253</u>	<u>\$ -</u>

Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year End</u>	
2019	\$ 3,883
2020	2,817
2021	1,726
2022	827
2023	-
Thereafter	-
	<u>\$ 9,253</u>

Changes in the Net Pension Liability:

	'37 Firefighters' Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2017	\$ 10,883,369	\$ 26,027	\$ 10,857,342
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	385,277	-	385,277
Effect of plan changes	-	-	-
Effect of economic/demographic gains and losses	289,272	-	289,272
Effect of assumptions changes or inputs	(351,553)	-	(351,553)
Benefit payments	(605,214)	(605,214)	-
Employer contributions	-	584,282	(584,282)
Member contributions	-	-	-
Net investment income	-	310	(310)
Balances as of December 31, 2018	<u>\$ 10,601,151</u>	<u>\$ 5,405</u>	<u>\$ 10,595,746</u>
Fiduciary net position as a percentage of total pension liability			<u>0.05%</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2018, the City reported a net pension liability of \$10,595,746 for the '37 Firefighters' Plan.

For the year ended December 31, 2018, the City recognized pension expense of \$323,700, which included net amortization of deferred amounts from investment gains and/or losses. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the '37 Firefighters' Plan from the following sources:

'37 Firefighters' Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balances as of December 31, 2017	\$ 1,974	\$ -
Differences between expected and actual experience	289,272	-
Current amortization (deduct)	(290,083)	(351,553)
Changes in assumptions	-	351,553
Investments	640	-
Balances as of December 31, 2018	<u>\$ 1,803</u>	<u>\$ -</u>

Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year End

2019	\$ 811
2020	\$ 559
2021	\$ 305
2022	\$ 128
2023	\$ -
Thereafter	\$ -
	<u>\$ 1,803</u>

Sensitivity of Net Pension Liability to Changes in the Discount Rate:

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the City's net pension liability, calculated using the single discount rate, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
'25 Police Officers' Plan	\$ 10,839,139	\$ 9,762,204	\$ 8,848,806
'37 Firefighters' Plan	\$ 11,800,188	\$ 10,595,746	\$ 9,579,909

Participation by State of Indiana

The State of Indiana granted substantially all of the funds needed to cover the benefit payments of the 1925 Police Pension Plan and the 1937 Firefighters Pension Plan for the year ended December 31, 2018. The amounts were \$564,928 and \$584,282, respectively. The State of Indiana is not obligated to make such payments in the future, and the City remains liable for future pension expenditures.

STATEMENT OF FIDUCIARY NET POSITION - PENSION FUNDS
December 31, 2018

	<u>'25 Police Pension Trust</u>	<u>'37 Fire Pension Trust Fund</u>
ASSETS:		
Cash and investments	\$ 131,361	\$ 5,405
Receivable from State of Indiana	48,777	50,662
Total assets	<u>180,138</u>	<u>56,067</u>
LIABILITIES: payroll withholdings	<u>48,777</u>	<u>50,662</u>
NET POSITION: restricted for pensions	<u>\$ 131,361</u>	<u>\$ 5,405</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION FUNDS
For the Fiscal Year Ended December 31, 2018

	<u>'25 Police Pension Trust</u>	<u>'37 Fire Pension Trust Fund</u>
ADDITIONS:		
State of Indiana contributions	\$ 564,928	\$ 584,282
Investment income	1,203	310
Miscellaneous revenue	2,246	2,461
Total additions	<u>568,377</u>	<u>587,053</u>
DEDUCTIONS:		
Benefits	582,141	607,675
Other services and charges	2,346	-
Total deductions	<u>584,487</u>	<u>607,675</u>
NET INCREASE (DECREASE) IN NET POSITION	(16,110)	(20,622)
NET POSITION: beginning	<u>147,471</u>	<u>26,027</u>
NET POSITION: ending - restricted for pensions	<u>\$ 131,361</u>	<u>\$ 5,405</u>

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description:

The City contributes to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS). It is a cost sharing, multiple-employer defined benefit plan. PERF provides retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan, those political subdivisions that elect to participate in the retirement plan, including the City of Carmel, and certain INPRS employees. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan), and the second is the Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan).

There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement.

The PERF ASA Only Plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. The PERF ASA Only Plan members are employees who are in a position eligible for membership in the PERF Hybrid Plan and who elect to become members of the PERF ASA Only Plan. The PERF ASA Only Plan membership does not include individuals who: (1) before March 1, 2013, were members of the PERF Hybrid Plan or (2) on or after March 1, 2013, do not elect to participate in the PERF ASA Only Plan.

Members are required to participate in the ASA. The ASA consists of the member's contributions, set by statute at three percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their ASA. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Investments in the members' ASA are individually directed and controlled by plan participants who direct the investment of their account balances among eight investment options, with varying degrees of risk and return potential. All contributions made to a member's account are invested as a combined total according to the member's investment elections. Members may make changes to their investment directions daily, and investments are reported at fair value.

Pension Plan Report and Fiduciary Net Position:

The pension plan's fiduciary net position has been determined on the same basis of accounting used by the pension plan. Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS financial report, which is available online at <http://www.inprs.in.gov> or may be obtained by contacting:

Indiana Public Retirement System
One North Capitol Avenue, Suite 001
Indianapolis, Indiana 46204
Ph. (844) GO-INPRS

Retirement Benefits:

Defined Benefit Pension: The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's ASA. Pension benefits (non ASA) vest after 10 years of creditable service. The vesting period is eight years for certain elected officials. Members are immediately vested in their ASA. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's ASA, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their ASA and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the ASA. A non-vested member who terminates employment prior to retirement may withdraw his/her ASA after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. For PERF members who serve as an elected official, the highest one year (total of four consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving worker's compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for Social Security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that of the normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit that would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and with 10 to 14 years of creditable service.

Funding Policy:

Members are obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers.

The PERF Hybrid Plan or the PERF ASA Only Plan members contribute three percent of covered payroll to their ASA, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member. The employer shall pay the member's contributions on behalf of the member for the PERF ASA Only Plan. In addition, members of the PERF Hybrid Plan (and the PERF ASA Only Plan) may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their ASA.

PERF-covered employees are required to contribute 3% of their compensation to the Fund, and the City is required to contribute amounts, which are actuarially determined, sufficient to fund the retirement benefits. The City contributes the 3% employee's portion. In addition, some employees elect to make additional voluntary contributions to their PERF ASA Only Plans.

The following represents the City's annual required contributions:

	Year Ended December 31	Required Contribution	Percentage Contributed
City	2018	\$ 2,214,473	100%
Park	2018	\$ 351,714	100%

The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67 and No. 68, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations, and new estimates are made about the future. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Significant Actuarial Assumptions:

Type of Plan	The Public Employees’ Retirement Fund is a cost-sharing multipleemployer plan for GASB accounting purposes.
Measurement Date	June 30, 2018
Valuation Date:	
Assets	June 30, 2018
Liabilities	June 30, 2017– the TPL as of June 30, 2018, was determined based on an actuarial valuation prepared as of June 30, 2017 rolled forward one year to June 30, 2018 using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Inflation	2.25%
Future Salary Increases	2.50% - 4.25% based on age

		<u>Productivity,</u>	
		<u>Merit, and</u>	<u>Total Individual</u>
		<u>Promotion</u>	<u>Salary Growth</u>
<u>Age</u>	<u>Inflation</u>		
<31	2.25%	2.00%	4.25%
31-45	2.25%	1.50%	3.75%
46-55	2.25%	1.00%	3.25%
56-60	2.25%	0.50%	2.75%
>=61	2.25%	0.25%	2.50%

Cost of Living Increase: As of June 30, 2018	In lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039
As of June 30, 2017	1.0% compounded annually, beginning January 1, 2020. In lieu of a COLA, members in pay were provided a 13th check on October 1, 2017 and October 1, 2018, which is reflected in the valuation.

Mortality Assumption (Healthy) RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Mortality Assumption (Disabled) RP-2014 (with MP-2014 improvement removed) Disability Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Experience Study The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation based on the results of the study.

Discount Rate 6.75%

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers, and, where applicable, from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	5.75%	6.75%	7.75%
2018 City	\$ 21,016,191	\$ 13,350,728	\$ 6,958,566
2018 Park	\$ 3,294,592	\$ 2,092,920	\$ 1,090,856

Other Assumptions:

Form of payment	100% of members are assumed to elect a single life annuity with a five-year certain period (Option 10).
Marital status:	
Percent married	75% of male members and 60% of female members are assumed to be married and or to have a dependent beneficiary.
Spouse's age	Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.
Pay increase timing	Beginning of (fiscal) year. Payroll amounts stated in the valuation data are amounts projected to be paid during the current year.
Decrement timing	Decrements are assumed to occur at the beginning of the year.
Benefit commencement timing:	
Active members	If eligible for a reduced early retirement benefit upon termination from employment, 33% commence immediately and 67% defer to earliest unreduced retirement age.
Terminated vested members	If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately.
Terminated vested members	100% defer to earliest unreduced retirement age. If currently eligible for an unreduced retirement benefit, 100% commence immediately.

Data Assumptions:

Changes in actuarial assumptions:

- The COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1% COLA occurring beginning on January 1, 2020, it is now assumed that the COLA will be replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter, would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.

Changes in actuarial methods:

- There were no method changes for the June 30, 2018, valuation.

The long-term return expectation for the defined benefit retirement plan has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Geometric Basis Long-Term Expected Rate of Return</u>
Public equity	22.0%	4.4%
Private equity	14.0%	5.4%
Fixed-income – ex inflation-linked	20.0%	2.2%
Fixed-income – inflation-linked	7.0%	8.0%
Commodities	8.0%	2.3%
Real estate	7.0%	6.5%
Absolute return	10.0%	2.7%
Risk parity	12.0%	5.2%

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, Indiana 46204, by calling (844) GO-INPRS, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2018, the City reported a liability of \$13,350,728 for its proportionate share of the City net pension liability and \$2,092,920 for its proportionate share of the Park net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2018 measurement date was 0.0039301 for the City plan and 0.0006161 for the Park plan.

For the year ended December 31, 2018, the City recognized pension expense of \$2,586,126 for the City plan and \$342,158 for the park plan. Pension expense included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

City	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 174,601	\$ 911
Net difference between projected and actual earnings on pension plan investments	395,396	-
Changes in assumptions	31,809	2,143,645
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,275,597</u>	<u>84,737</u>
Total that will be recognized in pension expense (income) based on the table below	1,877,403	2,229,293
Pension contributions subsequent to measurement date	<u>1,579,814</u>	<u>-</u>
Total	<u>\$ 3,457,217</u>	<u>\$ 2,229,293</u>

Park	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,371	\$ 143
Net difference between projected and actual earnings on pension plan investments	61,984	-
Changes in assumptions	4,986	336,047
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>34,973</u>	<u>45,087</u>
Total that will be recognized in pension expense (income) based on the table below	129,314	381,277
Pension contributions subsequent to measurement date	<u>152,915</u>	-
Total	<u>\$ 282,229</u>	<u>\$ 381,277</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2018, measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2018. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. A change in an employer's proportionate share represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>City Amount</u>	<u>Park Amount</u>
2019	\$ 624,742	\$ 12,417
2020	(138,314)	(80,873)
2021	(601,872)	(146,440)
2022	(236,446)	(37,067)
2023	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ (351,890)</u>	<u>\$ (251,963)</u>

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.

Funding Policy:

The funding policy for the 1977 Fund requires remittances of member and employer contributions based on percentages of the salary of a first-class officer or firefighter and not on actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined and may be amended by the INPRS Board of Trustees. Since the 1977 Fund is a cost-sharing pension plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. For the fiscal year 2018, plan members were required to contribute 6 percent and participating employers were required to contribute 17.5 percent of the first-class officers' and firefighters' salary. Employers may elect to pay all or part of the contribution for the member.

Retirement Benefits:

A member vests after 20 years of service. If the member retires at or after the age of 52 with 20 years of service, the benefit is equal to 50 percent of the salary of a first-class officer, as reported by the employer in the year the 1977 Fund member ended service plus one percent of that salary for each six months of active service over 20 years to a maximum of 12 years. At age 50 and with 20 years of service, a member may elect to receive a reduced benefit by a factor established by the fund's actuary.

The monthly pension benefits for members in pay status may be increased annually in accordance with the cost-of-living adjustment (COLA) statute. A member is entitled to an annual increase in the member's benefit based on the percentage increase in the Consumer Price Index (January-March); however, the maximum increase is 3.0 percent.

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made by the local pension board, and reviewed by the INPRS Board of Trustees, as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not. The calculation for disability benefits is based on when the member was first hired, the type of impairment, and other factors. In addition, the heirs or estate of a fund member may be entitled to receive \$12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18, or age 23, if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

Actuarial Assumptions and Inputs:

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Type of Plan	The 1977 Police Officers' and Firefighters' Retirement Fund is a costsharing multiple-employer plan for GASB accounting purposes.
Measurement Date	June 30, 2018
Valuation Date	June 30, 2018
Assets:	June 30, 2018
Liabilities:	June 30, 2017 – The TPL as of June 30, 2018 was determined based on an actuarial valuation prepared as of June 30, 2017 rolled forward one year to June 30, 2018, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Inflation	2.25%
Future Salary Increases	2.50%
Cost-of-Living Increases	As of June 30, 2018: 2.0% compounded annually, beginning July 1, 2019. Actual COLA increases at July 1, 2017 (2.5%) and July 1, 2018 (2.2%) are reflected in the valuation. As of June 30, 2017: 2.0% compounded annually, beginning July 1, 2018. Actual COLA increases at July 1, 2016 (1.1%) and July 1, 2017 (2.5%) are reflected in the valuation.
Mortality Assumption (Healthy)	RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
Mortality Assumption (Disabled)	RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
Experience Study	The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation based on the results of the study.

Discount Rate 6.75%

The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. There was no change in the discount rate from the prior measurement date.

The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of 17.5% (the current contribution rate) or a rate equal to the actuarially determined contribution rate, which is based on the assumptions and methods selected by the Board for the annual actuarial valuations and projected covered member payroll. The June 30, 2018 actuarial valuation assumes a long-term rate of return on assets of 6.75%, a 30-year level dollar open method for amortizing the surplus of assets over the actuarial accrued liability (over 100% funded as of June 30, 2018), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projections of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

The net pension liability (asset) is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

Discount Rate Sensitivity

	1% Decrease	Current Rate	1% Increase
	5.75%	6.75%	7.75%
2018 Police	\$ 8,525,370	\$ (897,318)	\$ (8,513,960)
2018 Fire	\$ 11,281,326	\$ (1,187,390)	\$ (11,266,227)

Changes in actuarial assumptions:

- There were no assumption changes for the June 30, 2018 valuation.

Changes in actuarial methods:

- There were no method changes for the June 30, 2018 valuation.

The long-term return expectation for the defined benefit retirement plan has been determined by using a building-block approach and assumes time horizon as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation	Geometric Basis Long-Term Expected Rate of Return
Public equity	22.0%	4.4%
Private equity	14.0%	5.4%
Fixed-income – inflation-linked	20.0%	2.2%
Fixed-income – inflation-linked	7.0%	8.0%
Commodities	8.0%	2.3%
Real estate	7.0%	6.5%
Absolute return	10.0%	2.7%
Risk parity	12.0%	5.2%

Investment Valuation and Benefit Payment Policies:

The pooled and non-pooled investments are generally reported at fair value by INPRS. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Short-term investments consist primarily of cash, money market funds, certificates of deposits, and fixed-income instruments with maturities of less than one year. Short-term investments are reported at cost, which approximates fair value or, for fixed-income instruments, valued using similar methodologies as other fixed-income securities described below.

Fixed-income securities consist primarily of the U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment debt instruments. Equity securities consist primarily of domestic and international stocks in addition to commingled equity instruments. Fixed-income and equity securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. Securities that are not traded on a national security exchange are valued using modeling techniques that include market observable inputs required to develop a fair value. Commingled funds are valued using the net asset value (NAV) of the entity.

Alternative investments include limited partnership interests in private equity, absolute return, private real estate and risk parity investment strategies. Publicly traded alternative investments are valued based on quoted market prices. In the absence of readily determinable public market values, alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Moreover, holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon the sale of an asset may differ from the fair value.

Derivative instruments are marked to market daily with changes in fair value recognized as part of investments and investment income.

Pension Plan Report and Fiduciary Net Position:

The pension plan's fiduciary net position has been determined on the same basis of accounting used by the pension plan. Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS financial report, which is available online at <http://www.inprs.in.gov> or may be obtained by contacting:

Indiana Public Retirement System
One North Capitol Avenue, Suite 001
Indianapolis, Indiana 46204
Ph. (844) GO-INPRS

Annual Pension Cost:

The City's contribution to the plan for the year ending December 31, 2018, was \$1,449,918 for police participants and \$1,918,238 for fire participants, which was equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2018, the City reported an asset of \$897,318 for police and an asset of \$1,187,390 for fire for its proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the plan. The proportionate share used at the June 30, 2018, measurement date was 0.0102071 for police and 0.0135067 for fire.

For the year ended December 31, 2018, the City recognized pension expense of \$1,060,584 for police and \$1,391,374 for fire, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Plan from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Police</u>		
Differences between expected and actual experience	\$ 1,659,937	\$ 414,254
Net difference between projected and actual earnings on pension plan investments	306,254	-
Changes in assumptions	-	1,988,301
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>78,058</u>	<u>91,243</u>
Total that will be recognized in pension expense (income) based on the table below	2,044,249	2,493,798
Pension contributions subsequent to measurement date	<u>541,146</u>	-
Total	<u>\$ 2,585,395</u>	<u>\$ 2,493,798</u>
<u>Firefighters</u>		
Differences between expected and actual experience	\$ 2,196,537	\$ 548,168
Net difference between projected and actual earnings on pension plan investments	405,255	-
Changes in assumptions	-	2,631,050
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>71,234</u>	<u>142,157</u>
Total that will be recognized in pension expense (income) based on the table below	2,673,026	3,321,375
Pension contributions subsequent to measurement date	<u>737,109</u>	-
Total	<u>\$ 3,410,135</u>	<u>\$ 3,321,375</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2018 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2018. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. A change in an employer's proportionate share represents the change as of the current year measurement date versus the prior year measurement date and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	Police Amount	Fire Amount
2019	\$ 652,597	\$ 851,498
2020	(83,115)	(122,044)
2021	(629,411)	(844,937)
2022	(502,281)	(676,711)
2023	(211,761)	(284,446)
Thereafter	<u>324,422</u>	<u>428,291</u>
	<u>\$ (449,549)</u>	<u>\$ (648,349)</u>

G. Other Post-Employment Benefits

1. Single-Employer Defined Benefit Healthcare Plan

Plan Description

The City offers other post-employment benefits (OPEB) in the form of health insurance, in addition to pensions described elsewhere herein. OPEB is authorized by the Common Council of the City, subject to annual appropriation.

The Carmel Postretirement Benefit Plan (Plan) is a single-employer defined benefit healthcare insurance program. It is a preferred provider organization plan that provides comprehensive major medical benefits to eligible retirees, their spouses, and dependents. The Plan also provides dental and vision components.

Eligible retirees are those who retire from the City of Carmel with at least 20 years of creditable employment with a public employer. If any of the years of creditable employment includes employment with other public employers besides the City of Carmel, then the retiree must also be at least age 55 in order to be eligible.

The Plan is closed to new entrants. Employees hired or disabled on or after October 3, 2016, are not eligible (except for those killed or disabled in the line of duty).

Cost sharing features are as follows:

<u>Non-prescription Coverage</u>	<u>Plan A</u>		<u>Plan B</u>	
	<u>Network</u>	<u>Non-Network</u>	<u>Network</u>	<u>Non-Network</u>
Deductible (2x Family)	\$ 2,000	\$ 4,000	\$ 750	\$ 1,500
Physician Office Copay	N/A	N/A	\$ 50	N/A
Coinsurance Percentage	0%	0%	20%	40%
Out-of-Pocket Maximum (excluding Deductible)	\$ 2,000	\$ 4,000	\$ 1,500	\$ 3,000
Lifetime Maximum	None		None	

Plan A participants receive \$600 for single coverage and \$800 for retiree-spouse coverage in lieu of HSA contribution.

<u>Prescription Coverage</u>	<u>Plan A</u>	<u>Plan B</u>
Copayment		\$10
Retail Generic	Subject to medical deductible	\$60
Formulary Brand	and coinsurance	\$100
Non-Formulary Brand		2x Above
Mail Order		

<u>Dental Coverage</u>		
Deductible (2x Family)	\$50	Waived for preventative and orthodontia
Copayment Percentage		
Preventative	80%	
Basic	80%	
Major/Orthodontia	50%	
Annual Maximum	\$2,000	\$2,000 lifetime max for orthodontia

Monthly Premiums:

<u>Medical and Vision</u>	<u>2017</u>		<u>Projected 2018</u>	
	<u>Plan A</u>	<u>Plan B</u>	<u>Plan A</u>	<u>Plan B</u>
Retiree	\$668.00	\$786.00	\$734.80	\$864.60
Spouse	\$876.00	\$1,030.00	\$963.60	\$1,133.00
<u>Dental</u>	<u>Dental Plan</u>		<u>Plan B</u>	
Retiree	\$56.00		\$58.80	
Spouse	\$48.00		\$50.40	

The City contributes 50% of the employee-spouse premium for a retiree who has 20 years of service with the City, plus 1% for each additional six months of service, to a maximum of 75% of the cost of medical and dental coverage. A retiree with employee-only (or spouse-only, if the retiree is over 65) is eligible to receive 50% to 75% of the employee-only (or spouse-only) premium using the same formula. The City's contribution will not exceed \$900 per month (up to \$10,800 per year). Retiree contributions for a married couple that works for the City are based on service of the individual employed for the longer period of time (not to exceed 75% of the total premium). The City contributes 100% of the premium for medical and dental coverage for those who are killed in the line of duty with no maximum contribution. The City pays 50% for work-related disabilities. All other retirees pay 100% of the premium.

Coverage ends for the retiree at the retiree's Medicare eligibility date.

Spousal coverage continues after the death of the retiree or after the retiree becomes eligible for Medicare, and ends at the spouse's Medicare eligibility date.

Deductibles, out-of-pocket limits, and employee contributions are assumed to increase annually at the medical care cost trend rate. The Lifetime Maximum was not increased.

The Plan is funded on a pay-as-you-go basis. No irrevocable trust has been established to fund the Plan. Accordingly, no trust fund financial statements are published. The Plan issues no separate reports.

The committed fund balance of the Health Self Insurance Fund includes \$1,203,963 to cover future claims of the OPEB plan. The commitment is not irrevocable, and the underlying assets are not legally protected from the creditors of the City.

For the year ended December 31, 2018, the City contributed \$539,334 to the Plan for current premiums.

Employees Covered By Benefit Terms

At the OPEB liability measurement date of December 31, 2018, the following members were covered by the terms of the plan:

Inactive plan members currently receiving benefit payments	38
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members: fully eligible	138
Active plan members: not fully eligible	469
Total	645

Net OPEB Liability

The Entry Age Normal Actuarial Cost Method used in the current OPEB actuarial valuation is unchanged from the prior OPEB actuarial valuation.

Under this method, as used in the December 31, 2018, OPEB valuation, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The employer portion of this APVB allocated to a valuation year is the Employer Normal Cost. The portion of this APVB not provided for at a valuation date by the APV of Future Employer Normal Costs is the Total OPEB Liability.

The excess, if any, of the Total OPEB Liability over the Plan Fiduciary Net Position is the Net OPEB Liability. Under this method, actuarial gains (losses), as they occur, reduce (increase) the Net OPEB Liability and are explicitly identified and amortized in the annual expense.

Increases (decreases) in liabilities due to benefit changes, actuarial assumption changes and/or actuarial method changes are also explicitly identified and amortized in the annual expense.

Changes in the Net OPEB Liability:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
1. Balances at December 31, 2017	\$ 23,827,468	\$ -	\$ 23,827,468
2. Changes for the Year			
a. Service Cost	1,519,286	-	1,519,286
b. Interest Cost	861,027	-	861,027
c. Projected Earnings on Plan Investments	-	-	-
d. Changes in Plan Provisions	-	-	-
e. Administrative Expenses	-	-	-
f. Other Changes in Plan Fiduciary Net Position	-	-	-
g. Current Period Recognition of Deferred Outflows / (Inflows) of Resources:			
1. Differences between Expected and Actual Experience	(69,984)	-	(69,984)
2. Changes in Assumptions	(60,119)	-	(60,119)
3. Net Difference between Projected and Actual Plan Investment Earnings	-	-	-
4. Total OPEB Expense/ Net Changes	2,250,210	-	2,250,210
3. Balances at December 31, 2018	\$ 26,077,678	\$ -	\$ 26,077,678

4. Sensitivity of the Net OPEB Obligation to Changes in the Discount Rate

The following presents the net OPEB liability of the Employer, as well as what the Employer's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 28,195,222	\$ 26,077,678	\$ 24,082,811
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 28,195,222	\$ 26,077,678	\$ 24,082,811

5. Sensitivity of the Net OPEB Obligation to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Employer, as well as what the Employer's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 23,962,557	\$ 26,077,678	\$ 28,541,513
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 23,962,557	\$ 26,077,678	\$ 28,541,513

The Required Supplementary Information immediately following the Notes to the Financial Statements presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Benefit-related costs are based on an established pattern of practice. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB income of \$249,695. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance, December 31, 2017	\$ -	\$ 1,345,409
Differences between expected and actual experience, favorable	-	787,315
Current amortization (deduct)	-	(249,695)
Changes in assumptions, favorable	-	676,338
Total	<u>\$ -</u>	<u>\$ 2,559,367</u>

At December 31, the deferred outflows / (inflows) of resources based on obligations for the Plan are as follows:

Year Ending December 31,	Amount
2019	\$ (249,695)
2020	(249,695)
2021	(249,695)
2022	(249,695)
2023	(249,695)
Thereafter	(1,310,892)
	<u>\$ (2,559,367)</u>

Actuarial Methods and Assumptions

Measurement Date December 31, 2018

Valuation Date December 31, 2018

COST METHOD

Entry Age Normal (Level % of Pay)

ECONOMIC ASSUMPTIONS:

Discount rate 3.69% per annum as of December 31, 2018
3.2% per annum as of December 31, 2017

Discount rate basis S&P Municipal Bond 20-Year High Grade Rate Index*

**The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.*

Coverage rate 90% of eligible employees are assumed to be covered in the plan at retirement.

Spouses Retired participants: Age and marital status based on actual census data.

Active participants: 35% are assumed to cover a spouse, with male spouses two years older than female spouses.

Mortality:

Civilian employees SOA published mortality table: RP-2014 Total Dataset mortality table adjusted to the 2006 base mortality year. Separate tables for males and female participants. Separate tables for active employees, healthy annuitants, and disabled participants.

Police and fire employees SOA published mortality table: RP-2014 Blue Collar mortality table adjusted to the 2006 base mortality year. Separate tables for males and female participants. Separate tables for active employees, healthy annuitants, and disabled participants.

Mortality improvement

SOA published mortality improvement scale: MP-2018 (MP-2017 at December 31, 2017) generational, which projects mortality improvement indefinitely beyond the 2006 base mortality year beginning with high initial improvement (based on recent experience) and tapering to a lower level of improvement for long-term mortality projections.

Disability

None Assumed

Turnover

According to Sarason Table T-1

Retirement Rates:

Civilian employees:

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
50-53	2%	2%	63	17%	19%
54	2%	3%	64	20%	20%
55	4%	5%	65	40%	35%
56	3%	4%	66	25%	24%
57	4%	4%	67	22%	21%
58	5%	5%	68	19%	17%
59	5%	7%	69	16%	19%
60	8%	12%	70-74	30%	30%
61	14%	14%	75+	100%	100%
62	32%	26%			

Police and fire employees:

<u>Age</u>	<u>Rate</u>
45-51	2.5%
52-54	7.5%
55-60	22.5%
61-64	30.0%
65+	100.0%

Plan Mix:

	<u>2017</u>	<u>2018</u>
Plan A	75%	75%
Plan B	25%	25%

Per capita claims cost:

Varies by age and status; representative rates follow:

<u>Age</u>	<u>2017 Medical & Vision</u>		<u>Age</u>	<u>2017 Dental</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>
55-59	\$ 12,261	\$ 12,129	All Ages	\$ 647	\$ 647
60-64	\$ 15,726	\$ 14,210			
<u>Age</u>	<u>Projected 2018 Medical & Vision</u>		<u>Age</u>	<u>Projected 2018 Dental</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>
55-59	\$ 13,487	\$ 13,342	All Ages	\$ 679	\$ 679
60-64	\$ 17,298	\$ 15,631			

Inflation; health care cost trend rate:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
0	9.0%	5.0%
1 to 2	9.0%	5.0%
3 to 5	8.0%	5.0%
6 to 8	7.0%	5.0%
9 to 10	6.0%	5.0%
11+	5.0%	5.0%

H. Schedule of Aggregate Amounts – Single-employer and Cost Sharing Multiple-employer Defined Benefit Pension Plans

	1925 Police Officer's Pension	1937 Firefighters' Pension	Public Employees' Retirement	1977 Police Officers' and Firefighters' Pension and Disability	Total
Pension liability	\$ 9,893,565	\$ 10,601,151	\$ 73,154,600	\$ 138,480,506	\$ 232,129,822
Pension assets	<u>131,361</u>	<u>5,405</u>	<u>57,710,952</u>	<u>140,565,214</u>	<u>198,412,932</u>
Net pension liability (asset)	<u>\$ 9,762,204</u>	<u>\$ 10,595,746</u>	<u>\$ 15,443,648</u>	<u>\$ (2,084,708)</u>	<u>\$ 33,716,890</u>
Deferred outflows of resources	<u>\$ 9,253</u>	<u>\$ 1,803</u>	<u>\$ 3,739,446</u>	<u>\$ 5,995,530</u>	<u>\$ 9,746,032</u>
Deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,610,570</u>	<u>\$ 5,815,173</u>	<u>\$ 8,425,743</u>
Pension expense (income)	<u>\$ 355,186</u>	<u>\$ 323,700</u>	<u>\$ 2,928,284</u>	<u>\$ 2,451,958</u>	<u>\$ 6,059,128</u>

I. Deferred Compensation Plan

The City offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan are, until paid or made available to the employee or other beneficiary, held in trust and are not subject to claims of the City's general creditors. Therefore, the assets of the plan are not reported.

The City's liability to each participant is equal to the participant's deferred compensation, adjusted by an amount equal to the investment performance in the related asset account. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Investments are managed by a trustee and investment decisions are made by individual employees.

J. Interfund Receivables and Payables

The composition of the interfund balances as of December 31, 2018 is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Motor Vehicle Highway Fund	Storm Water Fund	<u>\$ 58,378</u>
Total among governmental funds		<u>\$ 58,378</u>
Sewer Enterprise Fund	Water Enterprise Fund	<u>\$ 971,259</u>
Total among proprietary funds		<u>\$ 971,259</u>

The Motor Vehicle Highway Fund is due \$58,378 from the Storm Water Fund to comply with an ordinance requiring certain transfers. Water utility invoices include charges for sewer and other utilities, and these charges are remitted as collected, one month in arrears.

K. Reclassifications

Certain funds treated as major funds in the prior year were reclassified as nonmajor for the year ended December 31, 2018:

Total fund balances of nonmajor funds as previously reported	\$ 48,650,106
Reclassification from major to nonmajor funds:	
Bond Bank Project Fund	6,663,949
Redevelopment Authority Capital Projects Fund	4,822,174
Less, portion of fund balance attributable to cash account reclassification prior period adjustment, Note L	(3,373,462)
Motor Vehicle Highway Fund	2,267,572
Total reclassification	<u>10,380,233</u>
Total fund balances of nonmajor funds reclassified as of January 1, 2018	<u>\$ 59,030,339</u>

L. Fund-level Prior Period Adjustments

Governmental funds beginning fund balance was adjusted upward \$25,655,817 to account for the following:

	<u>Major</u>	<u>Nonmajor</u>	<u>Total Governmental</u>
Reclassifications from proprietary to governmental funds:			
Storm Water	\$ -	\$ 26,473,064	\$ 26,473,064
4CDC Operating Fund	-	30,352	30,352
Cash account reclassification:			
Redevelopment Commission Fund	(3,373,462)	-	(3,373,462)
Redevelopment Authority Capital Projects Fund	-	3,373,462	3,373,462
Restatement of beginning cash, Capital Lease Fund	-	(847,599)	(847,599)
Total fund-level prior period adjustment	<u>\$ (3,373,462)</u>	<u>\$ 29,029,279</u>	<u>\$ 25,655,817</u>

M. Government-wide Prior Period Adjustments

Governmental activities beginning net position was adjusted upward \$40,581,397 to account for the following:

Beginning Net Position	\$ 292,375,831
Reclassifications from proprietary to governmental funds:	
Storm Water	\$ 26,473,064
4CDC Operating Fund	30,352
Change to governmental reporting standards	(23,121,249)
Total reclassification	<u>3,382,167</u>
Beginning Net Position after reclassification	295,757,998
Restatement:	
Decrease OPEB liability due to implementation of GASB 75	259,286
Change in capital assets at December 31, 2017	40,976,752
Restatement of beginning cash, Capital Lease Fund	(847,599)
Restatement of compensated absences liability	(474,182)
Restatement of pension liability	(2,715,027)
Total restatement	<u>37,199,230</u>
Total prior period adjustment	<u>\$ 40,581,397</u>
Beginning Net Position, Adjusted	<u>\$ 332,957,228</u>

Business-type activities beginning net position was adjusted downward \$854,248 to account for the following:

Beginning Net Position		\$ 108,802,808
Reclassifications from proprietary to governmental funds		
Storm Water	\$ (1,092,084)	
4CDC Operating Fund	(30,352)	
Total reclassification		<u>(1,122,436)</u>
Beginning Net Position after reclassification		<u>107,680,372</u>
Restatement:		
Decrease in OPEB liability due to implementation of GASB 75	<u>268,188</u>	
Total restatement		<u>268,188</u>
Total prior period adjustment	<u>\$ (854,248)</u>	
Beginning Net Position, Adjusted		<u><u>\$ 107,948,560</u></u>

N. Subsequent Events

On April 9, 2019, the City issued \$10,525,000 of its Taxable Lease Rental Bonds, Series 2019A-1 . The bonds were issued in order to acquire capital assets. To satisfy the principal and interest on the bonds, for the terms of the bonds, the City has pledged an unlimited ad valorem property tax levy. The City expects the pledged revenue will be more than sufficient to satisfy the obligations described above, as well as the obligations described elsewhere herein for which similar pledges have been made. This revenue is not pledged to satisfy any other obligations, nor is it committed for operating or other necessary expenditures.

On April 9, 2019, the City also issued \$8,170,000 of its Taxable Lease Rental Bonds, Series 2019A-2. The bonds were issues in order to acquire capital assets, for which the City has pledged its incremental tax revenue from certain allocation areas up to the amount needed to satisfy the principal and interest on the bonds as they become due. The City expects the pledged revenue will be more than sufficient to satisfy the obligations described above, as well as the obligations described elsewhere herein for which similar pledges have been made.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
Total OPEB Liability		
Service Cost	\$ 1,519,286	\$ 1,330,012
Interest Cost	861,027	1,029,979
Differences between Expected and Actual Experience	(69,984)	(34,161)
Changes in Assumptions	(60,119)	(85,431)
Net Changes in Total OPEB Liability	<u>2,250,210</u>	<u>2,240,399</u>
Total OPEB Liability - Beginning	<u>23,827,468</u>	<u>23,459,952</u>
Total OPEB Liability - Ending	<u>26,077,678</u>	<u>25,700,351</u>
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$ 26,077,678</u>	<u>\$ 25,700,351</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%
Covered Payroll	\$ 38,986,588	\$ 38,047,090
Net OPEB Liability as a Percentage of Covered Payroll	66.89%	67.55%

The most recent actuarial valuation date is December 31, 2018.

Note: The City implemented GASB 75 in 2018. The information above is presented for as many years as available. The schedules are intended to show information for 10 years. Years not shown are not available.

Additional information on the City's OPEB can be found in Note II.G on pages 79–83 of this report.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
ADDITIONS		
1. Employer Contributions	\$ 539,334	\$ 413,786
2. Investment Income	-	-
a. Net Increase in Fair Value of Investments	-	-
b. Interest and Dividends	-	-
c. Investment Expense	-	-
d. Total Investment Income = 2a + 2b - 2c	-	-
3. Transfers Into the Trust	-	-
4. Other Additions	-	-
5. Total Additions = (1) + (2d) + (3) + (4)	\$ 539,334	\$ 413,786
DEDUCTIONS		
6. Benefit Payments	\$ 539,334	\$ 413,786
7. Administrative Expense	-	-
8. Transfers Out of the Trust	-	-
9. Other Deductions	-	-
10. Total Deductions = (6) + (7) + (8) + (9)	\$ 539,334	\$ 413,786
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS		
OTHER THAN PENSIONS		
11. Beginning of Year	\$ -	\$ -
12. End of Year = (5) - (10) + (11)	\$ -	\$ -

Note: The City implemented GASB 75 in 2018. The information above is presented for as many years as available. The schedules are intended to show information for 10 years. Years not shown are not available.

Additional information on the City's OPEB can be found in Note II.G on pages 79–83 of this report.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2018

1925 Police Officers' Pension Plan:	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 564,928	\$ 557,208	\$ 546,748	\$ 534,143
Contributions in relation to the actuarially determined contribution	<u>564,928</u>	<u>557,208</u>	<u>546,748</u>	<u>534,143</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable
 1937 Firefighters' Pension Plan:				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 584,282	\$ 577,369	\$ 553,519	\$ 562,264
Contributions in relation to the actuarially determined contribution	<u>584,282</u>	<u>577,369</u>	<u>553,519</u>	<u>562,264</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable

See notes to schedules, 1925 Police Officers' and 1937 Firefighters' Pension Plans.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2018

1925 Police Officers' Pension Plan:

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 9,893,565	\$ 10,119,548
Fiduciary net position	131,361	147,471
Net pension liability	<u>\$ 9,762,204</u>	<u>\$ 9,972,077</u>
Fiduciary net position as a percentage of the total pension liability	<u>1.3%</u>	<u>1.5%</u>
Covered payroll	<u>-</u>	<u>-</u>
Net position as a percentage of covered payroll	Not applicable	Not applicable

1937 Firefighters' Pension Plan:

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 10,601,151	\$ 10,883,369
Fiduciary net position	5,405	26,027
Net pension liability	<u>\$ 10,595,746</u>	<u>\$ 10,857,342</u>
Fiduciary net position as a percentage of the total pension liability	<u>0.1%</u>	<u>0.2%</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>
Net position as a percentage of covered payroll	Not applicable	Not applicable

See notes to schedules, 1925 Police Officers' and 1937 Firefighters' Pension Plans.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
December 31, 2018

1925 Police Officers' Pension Plan:	<u>2018</u>	<u>2017</u>
Total pension liability - beginning	\$ 10,119,548	\$ 10,119,548
Interest on total pension liability	354,913	355,402
Effect of economic/demographic gains and losses	338,525	201,812
Effect of assumptions changes or inputs	(337,280)	-
Benefit payments	(582,141)	(557,214)
Total pension liability - ending	<u>9,893,565</u>	<u>10,119,548</u>
Fiduciary net position - beginning	147,471	148,470
Employer contributions	564,928	557,208
Net investment income	1,203	882
Benefit payments	(582,141)	(557,214)
Administrative expenses	(100)	(1,875)
Fiduciary net position - ending	<u>131,361</u>	<u>147,471</u>
Net pension liability - ending	<u>\$ 9,762,204</u>	<u>\$ 9,972,077</u>
1937 Firefighters' Pension Plan:	<u>2018</u>	<u>2017</u>
Total pension liability - beginning	\$ 10,883,369	\$ 10,883,369
Interest on total pension liability	385,277	385,817
Effect of economic/demographic gains and losses	289,272	192,103
Effect of assumptions changes or inputs	(351,553)	-
Benefit payments	(605,214)	(577,920)
Total pension liability - ending	<u>10,601,151</u>	<u>10,883,369</u>
Fiduciary net position - beginning	26,027	30,375
Employer contributions	584,282	577,369
Net investment income	310	224
Benefit payments	(605,214)	(577,920)
Administrative expenses	-	(4,021)
Fiduciary net position - ending	<u>5,405</u>	<u>26,027</u>
Net pension liability - ending	<u>\$ 10,595,746</u>	<u>\$ 10,857,342</u>

See notes to schedules, 1925 Police and 1937 Firefighters' Pension Plans

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULES
1925 POLICE OFFICERS' AND 1937 FIREFIGHTERS' PENSION PLANS
December 31, 2018

Valuation date: Actuarially determined contribution rates are calculated as of January 1, of the fiscal year in which contributions are reported.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	N/A
Amortization method	N/A
Remaining amortization period	N/A
Retirement age	N/A
Mortality	N/A

Note: The City is presenting its fourth CAFR since 2007. The information above is presented for as many years as available. The schedules are intended to show information for 10 years. Years not shown are not available.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS - MULTIPLE EMPLOYER PLANS
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
December 31, 2018

Public Employees' Retirement Fund:

<u>City:</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.0039301	0.0034924	0.0035353	0.0034106
City's Proportionate Share of the Net Pension Liability	\$ 13,350,728	\$ 15,581,494	\$ 16,044,763	\$ 13,891,040
City's Covered Payroll	\$ 19,977,213	\$ 17,326,450	\$ 16,943,306	\$ 16,335,991
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	66.8%	89.9%	94.7%	85.0%
PERF Plan Net Position as a Percentage of Total Pension Liability	78.9%	72.7%	71.2%	73.3%

<u>Park:</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.0006161	0.0006062	0.0006398	0.0006001
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,092,920	\$ 2,704,588	\$ 2,903,697	\$ 2,444,149
City's Covered Payroll	\$ 3,143,577	\$ 3,007,362	\$ 3,066,437	\$ 2,874,230
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	66.6%	89.9%	94.7%	85.0%
PERF Plan Net Position as a Percentage of Total Pension Liability	78.9%	72.7%	71.2%	73.3%

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS - MULTIPLE EMPLOYER PLANS
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

December 31, 2018

(Continued)

1977 Police Officers' and Firefighters' Pension and Disability Fund:

<u>Police:</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.0102071	0.0094176	0.0101528	0.0101282
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (897,318)	\$ (145,270)	\$ 901,944	\$ (1,496,139)
City's Covered Payroll	\$ 8,261,443	\$ 7,634,954	\$ 7,847,007	\$ 7,552,611
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	-11%	-2%	11%	-20%
1977 Plan Net Position as a Percentage of Total Pension Asset	104%	104%	103%	103%
<u>Fire:</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.0135067	0.0126561	0.0135237	0.0137130
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,187,390)	\$ (195,225)	\$ 1,201,404	\$ (2,025,686)
City's Covered Payroll	\$ 10,932,080	\$ 10,260,440	\$ 10,452,317	\$ 10,225,780
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	-10.9%	-1.9%	11.5%	-19.8%
1977 Plan Net Position as a Percentage of Total Pension Asset	101.5%	100.3%	98.2%	103.2%

Note: The City is presenting its fourth CAFR since 2007. The information above is presented for as many years as available. The schedules are intended to show information for 10 years. Years not shown are not available.

The amounts presented for each year were determined as of the Plan's June 30 year-end that occurred within the City's fiscal year.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS - MULTIPLE EMPLOYER PLANS
SCHEDULE OF CITY CONTRIBUTIONS

December 31, 2018

Public Employees' Retirement Fund:

	Contractually Required Contributions	City Contributions related to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018 City	\$ 3,308,652	\$ 3,308,652	\$ -	\$ 20,639,904	16%
2017 City	\$ 3,045,739	\$ 3,045,739	\$ -	\$ 17,422,236	17%
2016 City	\$ 2,916,463	\$ 2,916,463	\$ -	\$ 17,095,135	17%
2015 City	\$ 2,755,295	\$ 2,755,295	\$ -	\$ 16,344,635	17%
2018 Park	\$ 307,209	\$ 307,209	\$ -	\$ 3,177,631	10%
2017 Park	\$ 304,629	\$ 304,629	\$ -	\$ 3,150,943	10%

1977 Police Officers' and Firefighters' Pension and Disability Fund:

	Contractually Required Contributions	City Contributions related to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018 Police	\$ 1,809,416	\$ 1,809,416	\$ -	\$ 8,418,065	21%
2017 Police	\$ 1,713,532	\$ 1,713,532	\$ -	\$ 7,581,941	23%
2016 Police	\$ 1,657,359	\$ 1,657,359	\$ -	\$ 7,920,606	21%
2015 Police	\$ 1,607,669	\$ 1,607,669	\$ -	\$ 7,417,812	22%
2018 Fire	\$ 2,351,694	\$ 2,351,694	\$ -	\$ 11,099,990	21%
2017 Fire	\$ 2,350,371	\$ 2,350,371	\$ -	\$ 10,212,471	23%
2016 Fire	\$ 2,186,794	\$ 2,186,794	\$ -	\$ 10,508,951	21%
2015 Fire	\$ 2,185,238	\$ 2,185,238	\$ -	\$ 10,084,157	22%

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULES
PUBLIC EMPLOYEES' RETIREMENT AND 1977 POLICE OFFICERS' AND FIREFIGHTERS'
PENSION AND DISABILITY FUNDS
December 31, 2018

Note: The City is presenting its fourth CAFR since 2007. The information above is presented for as many years as available. The schedules are intended to show information for 10 years. Years not shown are not available.

Note: Covered payroll for the purposes of this schedule was determined as of the City's fiscal year ended December 31.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND

For the Fiscal Year Ended December 31, 2018

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property tax	\$ 40,139,253	\$ 39,765,421	\$ 39,677,955	\$ (87,466)
Income tax	44,912,191	44,218,088	44,518,424	300,336
Licenses and permits	1,980,564	2,019,782	2,144,849	125,067
Intergovernmental	591,177	586,791	524,552	(62,239)
Charges for services	2,815,890	3,225,489	936,829	(2,288,660)
Fines and forfeits	524,655	476,065	457,062	(19,003)
Miscellaneous	1,296,549	1,533,670	589,660	(944,010)
Township and joinder agreements	883,646	855,250	888,877	33,627
Other	6,445,465	6,127,724	8,485,672	2,357,948
Total revenues: budgetary basis	<u>99,589,390</u>	<u>98,808,280</u>	<u>98,223,880</u>	<u>\$ (584,400)</u>
Increase in available intergovernmental receivable	-	-	-	-
Increase in available income tax receivable	-	-	88,183	-
Transfer from a nonmajor fund treated as revenue on a budgetary basis	<u>-</u>	<u>-</u>	<u>(148,831)</u>	<u>-</u>
Total revenues reported on the Statement of Revenues and Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,349,314</u>	<u>\$ -</u>
EXPENDITURES:				
Current:				
General government:				
Clerk-Treasurer:				
Personal services	\$ 1,023,759	\$ 1,023,759	\$ 934,698	\$ (89,061)
Supplies	10,382	10,382	7,949	(2,433)
Other services and charges	248,699	248,699	145,751	(102,948)
Capital outlay	17,390	17,390	3,952	(13,438)
Mayor's Office:		-		
Personal services	527,703	437,703	404,537	(33,166)
Supplies	6,245	6,245	5,948	(297)
Other services and charges	4,097,331	4,187,331	4,118,959	(68,372)
Capital outlay	-	-	-	-
City Council:				
Personal services	316,205	316,205	242,442	(73,763)
Supplies	3,500	3,500	1,718	(1,782)
Other services and charges	313,099	313,099	135,070	(178,029)
Capital outlay	8,300	8,300	2,618	(5,682)

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND

For the Fiscal Year Ended December 31, 2018

(Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance
	Original	Final		With Final
				Budget
				Positive (Negative)
Expenditures (continued):				
Current (continued):				
General government (continued):				
Board of Public Works:				
Personal services	19,714	19,714	14,210	(5,504)
Debt service	17,612,166	17,612,166	15,240,118	(2,372,048)
Administration:				
Personal services	407,810	354,522	356,120	1,598
Supplies	69,852	59,889	53,589	(6,300)
Other services and charges	2,223,093	2,128,892	1,974,596	(154,296)
Capital outlay	164,164	201,272	161,029	(40,243)
Brookshire Golf Course:				
Personal services	796,527	796,527	613,187	(183,340)
Supplies	140,050	140,050	79,319	(60,731)
Other services and charges	402,563	402,603	358,658	(43,945)
Capital outlay	159,500	159,500	90,597	(68,903)
Building Operations:				
Supplies	8,000	8,000	6,415	(1,585)
Other services and charges	2,741,165	2,988,422	2,984,375	(4,047)
Capital outlay	-	-	-	-
City Court:				
Personal services	842,126	842,126	705,778	(136,348)
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Law Department:				
Personal services	952,536	851,536	792,921	(58,615)
Supplies	3,992	4,239	3,527	(712)
Other services and charges	336,565	428,323	353,167	(75,156)
Capital outlay	16,831	28,031	12,584	(15,447)
Community Services:				
Personal services	2,470,557	2,470,557	2,428,144	(42,413)
Supplies	50,169	50,169	37,357	(12,812)
Other services and charges	1,329,087	1,268,176	748,931	(519,245)
Capital outlay	323,517	323,555	222,804	(100,751)
Personnel/ Human Resources:				
Personal services	438,300	830,300	804,102	(26,198)
Supplies	500	500	7	(493)
Other services and charges	102,726	105,726	65,306	(40,420)
Capital outlay	3,100	3,100	2,474	(626)

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND

For the Fiscal Year Ended December 31, 2018

(Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance
	Original	Final		With Final Budget Positive (Negative)
Expenditures (continued):				
Current (continued):				
Information Systems:				
Personal services	-	-	4	4
Supplies	659	659	659	(0)
Other services and charges	74,107	74,107	60,628	(13,479)
Capital outlay	58,801	58,801	58,061	(740)
City Property Maintenance:				
Personal services	-	-	-	-
Supplies	94,023	94,023	73,950	(20,073)
Other services and charges	807,946	817,970	843,767	25,797
Capital outlay	-	-	-	-
Public Affairs/ Community Relations:				
Personal services	895,295	801,055	719,088	(81,967)
Supplies	4,408	4,408	4,071	(337)
Other services and charges	2,346,890	2,441,130	1,751,133	(689,997)
Capital outlay	48,819	48,819	25,806	(23,013)
Street Department - Special Projects				
Other services and charges	205,363	305,363	205,363	(100,000)
Total general government	42,518,172	43,296,843	37,855,487	(5,441,356)
Public Safety:				
Fire Department:				
Personal services	22,991,214	23,152,529	22,661,543	(490,986)
Supplies	299,501	299,953	288,352	(11,601)
Other services and charges	2,167,899	2,256,523	2,080,657	(175,866)
Police Department:				
Personal services	18,196,945	18,196,945	17,556,520	(640,425)
Supplies	821,860	822,007	630,695	(191,312)
Other services and charges	1,297,555	1,307,675	1,029,784	(277,891)
Capital outlay	987,558	989,801	702,371	(287,430)
Communication Center:				
Personal services	1,995,010	1,838,010	1,769,608	(68,402)
Supplies	36,911	36,911	36,611	(300)
Other services and charges	2,375,795	2,344,795	2,210,815	(133,980)
Capital outlay	397,434	585,434	394,714	(190,720)
Total public safety	51,567,682	51,830,583	49,361,670	(2,468,913)

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND

For the Fiscal Year Ended December 31, 2018

(Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance
	Original	Final		With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Amounts</u>
Expenditures (continued):				
Current (continued):				
Culture and recreation:				
Parks Department:				
Personal services	2,211,000	2,211,000	2,080,022	(130,978)
Supplies	132,513	132,513	125,082	(7,431)
Other services and charges	914,399	914,399	845,050	(69,349)
Capital outlay	<u>16,187</u>	<u>16,187</u>	<u>15,811</u>	<u>(376)</u>
Total culture and recreation	<u>3,274,098</u>	<u>3,274,098</u>	<u>3,065,965</u>	<u>(208,133)</u>
Economic Development:				
Redevelopment Department:				
Personal services	244,203	416,167	363,896	(52,271)
Supplies	1,600	5,600	4,123	(1,477)
Other services and charges	325,142	149,178	147,405	(1,773)
Capital outlay	<u>2,016</u>	<u>2,016</u>	<u>2,017</u>	<u>1</u>
Total economic development	<u>572,961</u>	<u>572,961</u>	<u>517,441</u>	<u>(55,520)</u>
Transfers to nonmajor funds treated as expenditures on a budgetary basis	<u>-</u>	<u>-</u>	<u>452,364</u>	<u>452,364</u>
Other Expenditure	<u>-</u>	<u>-</u>	<u>236,427</u>	<u>236,427</u>
Total expenditures, budgetary basis	<u>\$ 98,138,276</u>	<u>\$ 98,974,486</u>	<u>91,489,354</u>	<u>\$ (7,485,132)</u>
 Increase in accrued liabilities:				
Accounts payable			(1,189,709)	
Accrued payroll and withholdings payable			15,022	
Transfers to other funds			<u>(14,937,049)</u>	
 Total expenditures reported on the Statement of Revenues and Expenditures			<u>\$ 75,377,618</u>	

CITY OF CARMEL, INDIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES

December 31, 2018

Budgetary Basis of Accounting

Annual budgets are required for the General Fund, Motor Vehicle Highway Fund, Fire Pension Fund, Police Pension Fund, Local Road & Street Fund, Cumulative Capital Improvement Fund, Cumulative Capital Development Fund, 2004 Road Bond Fund, Deferral Fund, 2016 Property Tax Bond Fund, Storm Water Fund, User Fee Fund, Court Records Perpetuation Fund, Parks Program Fund, Drug Task Force Fund, Ambulance Capital Fund, Judicial Salary Fund, Parks Monon Fund, Parks Facilities Fund, Public Defender Fund, Illinois Street Construction Fund, and Center Green Ice Nonreverting Fund. The original budget is the first complete appropriated budget for the year.

The deadline for the adoption of annual budgets by the Common Council is November 1 of the previous year. It is subject to adjustment by the Common Council and, in certain circumstances, by an Indiana State agency.

The property tax levy is authorized at the time annual appropriations are adopted. Revenue budgets represent the most recent estimates available to the Mayor and Council at that time. Final revenue budgets represent the estimates available one year later, when the subsequent budget is adopted.

The appropriated budget is prepared by fund, department, character, and/or object. Transfers of appropriations require the approval of the Common Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the character and/or object.

Appropriations in all budgeted funds lapse at the end of the fiscal year unless they are encumbered. Encumbrances are contractual obligations related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The basis of accounting for the budget, and the actual revenues and expenditures provided for comparison, is the cash basis, modified only by the addition of encumbrances to appropriations to arrive at the total budget. Encumbrances are not added to actual expenditures because utilization of encumbrances is optional at the managerial level.

CITY OF CARMEL, INDIANA
NONMAJOR GOVERNMENTAL FUNDS - INFORMATION

Special revenue funds - used to account for revenues derived for a specific purpose. The title of the funds is descriptive of the activities involved. The City maintains the following nonmajor special revenue funds:

The Park Impact Fee Fund accounts for fees charged to developers solely for the purpose of maintaining parks.

The Hazardous Materials Fund accounts for fees charged on the handling of certain hazardous waste and required by law to be used enhance the City's ability to respond to hazardous waste emergencies.

The Parks Program Fund accounts for certain fees collected in accordance with inter-local governmental agreements and required to be used for parks and recreation programs.

The Parks Monon Fund accounts for certain collected in accordance with inter-local governmental agreements and required to be used to support the redevelopment of the former Monon Railroad track line as a recreational trail.

The Parks Facility Fund accounts for fees collected from program participants and shall be used for the purchase, development, and/or rehabilitation of park facilities.

The Local Road and Street Fund accounts for gasoline taxes and other revenues collected by the State of Indiana and distributed to the City in accordance with a statutory formula, required to be used for certain road and street contracts.

The Deferral Fund accounts for certain fees paid by offenders to defer their cases to a non-criminal process, required by law to be used for certain public safety purposes.

The User Fee Fund accounts for the City's share of certain fee revenue collected from participants in certain public safety and criminal justice programs, and other court-related programs, required by law to be used for certain public safety and court-related purposes.

The Barrett Law and Barrett Law Surplus Funds account for certain payments collected from property owners who benefit from specific projects that affect their property, required to be used to cover debt service on those projects.

The Storm Water Fund accounts for monies received for user charges restricted for drainage projects.

The 4CDC Operating Fund accounts for the rental and maintenace operations of the 4CDC office building.

The Motor Vehicle Highway Fund is used to account for gasoline tax and other revenue collected by the State of Indiana and shared with the City for the purpose of maintaining streets and other infrastructure.

The Maternal Infant Health Program (MIHP) Fund accounts for funds used to support Medicaid beneficiaries in order to promote healthy pregnancies, positive birth outcomes, and infant health and development.

The Health Self Insurance Fund accounts for the City's employee healthcare self-insurance program.

The Workers Compensation Fund accounts for the City's workers' compensation programs.

Continued on next page.

CITY OF CARMEL, INDIANA
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

The Support for the Arts Fund accounts for donations and grants received to be spent on arts programs and engagement.

The Keystone Non-Reverting Fund accounts for amounts accumulated for certain infrastructure projects.

The Bicycle Facilities Non-Reverting Fund accounts for amounts accumulated for the operation and maintenance of City bicycle facilities and amenities.

The Center Green Ice Non-Reverting Fund accounts for monies received and expended for the operation and maintenance of the ice rink located at the Palladium Center Green.

Events & Festival Non-Reverting Funds accounts for amounts accumulated for certain recreation projects relating to City festivals and other community events.

The Code Enforcement Non-Reverting Fund accounts for monies received and expended for City code enforcement activities.

The Urban Forestry Fund accounts for amounts accumulated for street tree maintenance, storm event or natural disaster cleanup, the replacement of street trees, and special training.

The Clerk's Record Perpetuation Fund accounts for document storage fees and facsimile transmission fees collected by the Carmel City Court. Disbursements are for the purpose of developing a record retention program.

The Court Interpreter Fund accounts for monies received from the Indiana Supreme Court to be spent on foreign language interpreters for court cases.

The Public Defender Fund accounts for the costs of public defender representation ordered by the court. Financing is provided by charges assessed to individuals represented by public defenders.

The Judicial Salary Fees Fund accounts for certain court fees restricted by law to the payment of certain court administration expenditures.

The Historic Preservation Fund accounts for amounts accumulated to protect and to promote the educational, cultural and general welfare of the citizens of the City and to ensure the harmonious and orderly growth and development of the City.

The Fire Gift Fund accounts for donations received for fire department expenditures.

The Police Gift Fund accounts for donations received for police department expenditures.

The Parks Gift Fund accounts for donations received for park expenditures.

The Community Relations Gift Fund accounts for donations received for the community relations department.

The Redevelopment Commission Gift Fund accounts for donations received for the redevelopment commission.

Continued on next page.

CITY OF CARMEL, INDIANA
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

The Economic Development Fund accounts for expenditures related to projects promoting economic development. Financing is provided by state grants and loan payments. Expenditures include grants and related expenses.

The Housing Authority Fund accounts for expenditures related to the provision of affordable housing programs to eligible renters within the City.

The Drug Task Force Fund accounts for donations to the City for various expenditures relating to this educational program.

The Thoroughfare Fund accounts for amounts accumulated for certain infrastructure projects.

The Levy Excess Fund accounts for monies collected from property taxes that exceed the City's legally-adopted levy. Proceeds are used to offset future property tax levies.

The Grant Fund is used to account for grant resources received from various local, state, and federal agencies and organizations. The use of these resources is restricted to a particular function of the City by each grantor.

Capital Projects Funds - used to account for revenues and other financing sources restricted or committed to the acquisition of capital assets:

The Bond Bank Project Fund is used to account for the proceeds of bond issuances that have been aggregated through the City's local public improvement bond bank, established in accordance with Indiana law. Generally, proceeds not needed for issuance costs and required reserves are transferred to other funds to be used to acquire capital assets.

The Redevelopment Authority Capital Projects Fund is used to account for capital projects undertaken by the City with financing provided by the Authority.

The Ambulance Fund accounts for EMS service fees, committed for acquisition of EMS and fire protection

The Park Capital Fund accounts for certain fees collected in accordance with inter-local governmental agreements and required to be used for capital projects for parks and recreation.

The Cumulative Capital Improvement Fund accounts for cigarette taxes and other revenues collected by the State of Indiana and distributed to the City in accordance with a statutory formula, required primarily to be used for certain road and street contracts.

The Cumulative Capital Sewer Fund accounts for financial resources for the construction or repairing of storm sewers. Financing is provided by a dedicated property tax levy.

The Cumulative Capital Development Fund accounts for a property tax levy established and imposed for the sole purpose of funding certain types of capital acquisitions and the payment of debt service for such acquisitions.

The Illinois Street Construction Fund accounts for certain payments in lieu of taxes required by contract with the payor to be used for certain capital projects.

Continued on next page.

CITY OF CARMEL, INDIANA
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

The Old Town/126th Street Construction Fund accounts for the accumulation of resources for certain community improvement projects.

The Capital Lease Fund accounts for the accumulation of resources for certain capital leases.

The 2016 Property Tax Bond Construction Funds 1 - 13 account for the proceeds of thirteen separate street projects financed by property tax, issued for the purpose of street improvement and construction.

The 2017 A Bond Construction Fund is a capital projects fund that accounts for the proceeds of a bond expected to be paid from tax increment revenue.

The 2018 CMBC Bond Construction Fund is a capital projects fund that accounts for the proceeds of a bond expected to be paid from tax increment revenue.

Debt Service Funds- used to account for revenues and other financing sources restricted or committed to the payment of principal and interest on noncurrent debt:

The Lease Rental Fund accounts for the accumulation of resources for certain leases.

The 2004 Road Bond Fund accounts for financial resources that are restricted to expenditure for payment of principal and interest on certain bonds.

The 2016 Property Tax Bond Fund is a debt service fund that accounts for a tax levy to fund debt service for property tax supported debt that finances 13 separate capital projects.

CITY OF CARMEL, INDIANA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

Special Revenue Funds

	Park Impact Fee	Hazardous Material	Parks Program	Parks Monon	Parks Facility	Local Road & Street	Deferral	User Fee	Barrett Law	Barrett Law Surplus	Storm Water	4CDC Operating Fund	Motor Vehicle Highway Fund
ASSETS:													
Cash and investments	\$ 2,444,300	\$ 30,305	\$ 3,841,547	\$ 3,485,724	\$ 131,446	\$10,670,709	\$ 322,811	\$ 160,539	\$ 6	\$ 166,369	\$ 20,913,928	\$ 142,938	\$ 3,220,292
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-	-	243,483
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	58,378
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-	351,999
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	4,076	-
Total assets	<u>2,444,300</u>	<u>30,305</u>	<u>3,841,547</u>	<u>3,485,724</u>	<u>131,446</u>	<u>10,670,709</u>	<u>322,811</u>	<u>160,539</u>	<u>6</u>	<u>166,369</u>	<u>20,913,928</u>	<u>147,014</u>	<u>3,874,152</u>
LIABILITIES:													
Accounts payable	10,983	-	49,431	15,781	50	-	-	-	-	-	-	20,148	2,283,512
Claims payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	58,378	-	-
Accrued payroll	-	-	114,790	103,071	-	-	2,177	-	-	-	-	-	325,280
Total liabilities	<u>10,983</u>	<u>-</u>	<u>164,221</u>	<u>118,852</u>	<u>50</u>	<u>-</u>	<u>2,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,378</u>	<u>20,148</u>	<u>2,608,792</u>
DEFERRED INFLOW OF RESOURCES:													
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-	243,483
FUND BALANCE:													
Restricted:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	30,305	-	-	-	-	320,634	160,539	-	-	-	-	-
Highways and streets	-	-	-	-	-	10,670,709	-	-	-	-	20,855,550	-	1,021,877
Drainage and other capital assets	-	-	-	-	-	-	-	-	6	166,369	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	126,866	-
Culture and recreation	2,433,317	-	3,677,326	3,366,872	131,396	-	-	-	-	-	-	-	-
Committed:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,433,317</u>	<u>30,305</u>	<u>3,677,326</u>	<u>3,366,872</u>	<u>131,396</u>	<u>10,670,709</u>	<u>320,634</u>	<u>160,539</u>	<u>6</u>	<u>166,369</u>	<u>20,855,550</u>	<u>126,866</u>	<u>1,021,877</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,444,300</u>	<u>\$ 30,305</u>	<u>\$ 3,841,547</u>	<u>\$ 3,485,724</u>	<u>\$ 131,446</u>	<u>10,670,709</u>	<u>\$ 322,811</u>	<u>\$ 160,539</u>	<u>\$ 6</u>	<u>\$ 166,369</u>	<u>\$ 20,913,928</u>	<u>\$ 147,014</u>	<u>\$ 3,874,152</u>

Continued on next page.

CITY OF CARMEL, INDIANA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

Special Revenue Funds

	MIHP	Health Self Insurance	Workers Comp	Support for the Arts	Keystone Non- Reverting	Bicycle Facilities Non- Reverting	Center Green Ice Non- Reverting	Events & Festival Non- Reverting	Code Enforcement Non- Reverting	Urban Forestry	Clerk's Record Perpetuation	Court Interpreter
ASSETS:												
Cash and investments	\$ 11,023	\$ 3,711,875	\$ 660,226	\$ 19,134	\$ 131,438	\$ 12,439	\$ 358,976	\$ 40,426	\$ 10,088	\$ 71,191	\$ 243,412	\$ 61
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>11,023</u>	<u>3,711,875</u>	<u>660,226</u>	<u>19,134</u>	<u>131,438</u>	<u>12,439</u>	<u>358,976</u>	<u>40,426</u>	<u>10,088</u>	<u>71,191</u>	<u>243,412</u>	<u>61</u>
LIABILITIES:												
Accounts payable	-	67,585	-	-	-	-	-	-	-	-	-	-
Claims payable	-	510,271	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	412	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>412</u>	<u>577,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE:												
Restricted:												
General government	-	-	-	-	-	-	-	-	-	-	243,412	-
Public safety	10,611	-	-	-	-	-	-	-	-	-	-	61
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	71,191	-	-
Committed:												
General government	-	3,134,019	660,226	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	131,438	12,439	358,976	40,426	10,088	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	19,134	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>10,611</u>	<u>3,134,019</u>	<u>660,226</u>	<u>19,134</u>	<u>131,438</u>	<u>12,439</u>	<u>358,976</u>	<u>40,426</u>	<u>10,088</u>	<u>71,191</u>	<u>243,412</u>	<u>61</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 11,023</u>	<u>\$ 3,711,875</u>	<u>\$ 660,226</u>	<u>\$ 19,134</u>	<u>\$ 131,438</u>	<u>\$ 12,439</u>	<u>\$ 358,976</u>	<u>\$ 40,426</u>	<u>\$ 10,088</u>	<u>\$ 71,191</u>	<u>\$ 243,412</u>	<u>\$ 61</u>

Continued on next page.

CITY OF CARMEL, INDIANA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

Special Revenue Funds

	Public Defender	Judicial Salary Fees	Historic Preservation Fund	Fire Gift	Police Gift	Parks Gift	Community Relations Gift	Redevelopment Commission Gift	Economic Development	Housing Authority	Drug Task Force	Thoroughfare
ASSETS:												
Cash and investments	\$ 7,721	\$ 157,630	\$ 65,000	\$ 10,191	\$ 30,490	\$ 38,050	\$ 80,773	\$ 34,432	\$ 78,565	\$ 58,865	\$ 741,461	\$ 986,152
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>7,721</u>	<u>157,630</u>	<u>65,000</u>	<u>10,191</u>	<u>30,490</u>	<u>38,050</u>	<u>80,773</u>	<u>34,432</u>	<u>78,565</u>	<u>58,865</u>	<u>741,461</u>	<u>986,152</u>
LIABILITIES:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	569	-
Claims payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE:												
Restricted:												
General government	-	-	-	-	-	-	80,773	34,432	-	-	-	-
Public safety	7,721	157,630	-	10,191	30,490	-	-	-	-	-	740,892	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	986,152
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	78,565	58,865	-	-
Culture and recreation	-	-	-	-	-	38,050	-	-	-	-	-	-
Committed:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	65,000	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>7,721</u>	<u>157,630</u>	<u>65,000</u>	<u>10,191</u>	<u>30,490</u>	<u>38,050</u>	<u>80,773</u>	<u>34,432</u>	<u>78,565</u>	<u>58,865</u>	<u>740,892</u>	<u>986,152</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,721</u>	<u>\$ 157,630</u>	<u>\$ 65,000</u>	<u>\$ 10,191</u>	<u>\$ 30,490</u>	<u>\$ 38,050</u>	<u>\$ 80,773</u>	<u>\$ 34,432</u>	<u>\$ 78,565</u>	<u>\$ 58,865</u>	<u>\$ 741,461</u>	<u>\$ 986,152</u>

Continued on next page.

CITY OF CARMEL, INDIANA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Special Revenue Funds			Capital Projects Funds								
	Levy Excess	Grant	Total Special Revenue Funds	Bond Bank Project Fund	Redevelopment Authority Capital Projects Fund	Ambulance	Park Capital	Cumulative Capital Improvement	Cumulative Capital Sewer	Cumulative Capital Development	Illinois Street Construction	Old Town/126th Construction
ASSETS:												
Cash and investments	\$ -	\$ 711,693	\$ 53,802,226	\$ 3,511,508	\$ 3,654,267	\$ 1,216,953	\$ 143,346	\$ 340,322	\$ 286,197	\$ 365,033	\$ 87,020	\$ 459
Property tax receivable	-	-	243,483	-	-	-	-	-	-	115,834	-	-
Due from other funds	-	-	58,378	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	351,999	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	4,076	-	-	111,271	-	-	-	-	-	-
Total assets	<u>-</u>	<u>711,693</u>	<u>54,460,162</u>	<u>3,511,508</u>	<u>3,654,267</u>	<u>1,328,224</u>	<u>143,346</u>	<u>340,322</u>	<u>286,197</u>	<u>480,867</u>	<u>87,020</u>	<u>459</u>
LIABILITIES:												
Accounts payable	-	-	2,448,059	-	-	-	-	-	-	-	-	-
Claims payable	-	-	510,271	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	58,378	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	545,730	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>3,562,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:												
Unavailable revenue	-	-	243,483	-	-	92,726	-	-	-	115,834	-	-
FUND BALANCE:												
Restricted:												
General government	-	-	358,617	-	-	-	-	-	-	-	-	-
Public safety	-	711,693	2,180,767	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	33,534,288	-	-	-	-	-	-	-	87,020	-
Drainage and other capital assets	-	-	166,375	687,592	-	-	-	286,197	365,033	-	-	-
Economic development	-	-	264,296	2,823,916	3,654,267	-	-	-	-	-	-	459
Culture and recreation	-	-	9,718,152	-	-	-	143,346	-	-	-	-	-
Committed:												
General government	-	-	3,794,245	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,235,498	-	-	-	-	-	-
Highways and streets	-	-	553,367	-	-	-	-	340,322	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	84,134	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>711,693</u>	<u>50,654,241</u>	<u>3,511,508</u>	<u>3,654,267</u>	<u>1,235,498</u>	<u>143,346</u>	<u>340,322</u>	<u>286,197</u>	<u>365,033</u>	<u>87,020</u>	<u>459</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ -</u>	<u>\$ 711,693</u>	<u>\$ 54,460,162</u>	<u>\$ 3,511,508</u>	<u>\$ 3,654,267</u>	<u>\$ 1,328,224</u>	<u>\$ 143,346</u>	<u>\$ 340,322</u>	<u>\$ 286,197</u>	<u>\$ 480,867</u>	<u>\$ 87,020</u>	<u>\$ 459</u>

Continued on next page.

CITY OF CARMEL, INDIANA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Capital Projects Funds											
		2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	
	Capital Lease	Property Tax Bond Construction 1	Property Tax Bond Construction 2	Property Tax Bond Construction 3	Property Tax Bond Construction 4	Property Tax Bond Construction 5	Property Tax Bond Construction 6	Property Tax Bond Construction 7	Property Tax Bond Construction 8	Property Tax Bond Construction 9	Property Tax Bond Construction 10	Property Tax Bond Construction 11
ASSETS:												
Cash and investments	\$ 16,239	\$ 6,086	\$ 156,006	\$ 1,730,535	\$ 68,987	\$ 44,449	\$ 104,701	\$ -	\$ 122,437	\$ 49,018	\$ 1,530,139	\$ 1,359,468
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>16,239</u>	<u>6,086</u>	<u>156,006</u>	<u>1,730,535</u>	<u>68,987</u>	<u>44,449</u>	<u>104,701</u>	<u>-</u>	<u>122,437</u>	<u>49,018</u>	<u>1,530,139</u>	<u>1,359,468</u>
LIABILITIES:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Claims payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE:												
Restricted:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	16,239	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	6,086	156,006	1,730,535	68,987	44,449	104,701	-	122,437	49,018	1,530,139	1,359,468
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Committed:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>16,239</u>	<u>6,086</u>	<u>156,006</u>	<u>1,730,535</u>	<u>68,987</u>	<u>44,449</u>	<u>104,701</u>	<u>-</u>	<u>122,437</u>	<u>49,018</u>	<u>1,530,139</u>	<u>1,359,468</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 16,239</u>	<u>\$ 6,086</u>	<u>\$ 156,006</u>	<u>\$ 1,730,535</u>	<u>\$ 68,987</u>	<u>\$ 44,449</u>	<u>\$ 104,701</u>	<u>\$ -</u>	<u>\$ 122,437</u>	<u>\$ 49,018</u>	<u>\$ 1,530,139</u>	<u>\$ 1,359,468</u>

Continued on next page.

CITY OF CARMEL, INDIANA

BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2018

(Continued)

	Capital Projects Funds					Debt Service Funds				Total Nonmajor Governmental Funds
	2016 Property Tax Bond Construction 12	2016 Property Tax Bond Construction 13	2017 A Bond Construction Fund	2018 CMBC Bond Construction Fund	Total Capital Projects Funds	Lease Rental	2004 Road Bond	2016 Property Tax Bond Fund	Total Debt Service Funds	
ASSETS:										
Cash and investments	\$ 196,987	\$ 27,840	\$ 864,004	\$ 3,745,294	\$ 19,627,295	\$ 3,853	\$ 720,601	\$ 21,434	\$ 745,888	\$ 74,175,409
Property tax receivable	-	-	-	-	115,834	-	86,644	44,712	131,356	490,673
Due from other funds	-	-	-	-	-	-	-	-	-	58,378
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	351,999
Accounts receivable	-	-	-	-	111,271	-	-	-	-	115,347
Total assets	<u>196,987</u>	<u>27,840</u>	<u>864,004</u>	<u>3,745,294</u>	<u>19,854,400</u>	<u>3,853</u>	<u>807,245</u>	<u>66,146</u>	<u>877,244</u>	<u>75,191,806</u>
LIABILITIES:										
Accounts payable	-	-	-	-	-	-	-	-	-	2,448,059
Claims payable	-	-	-	-	-	-	-	-	-	510,271
Due to other funds	-	-	-	-	-	-	-	-	-	58,378
Accrued payroll	-	-	-	-	-	-	-	-	-	545,730
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,562,438</u>
DEFERRED INFLOW OF RESOURCES:										
Unavailable revenue	-	-	-	-	208,560	-	86,644	44,712	131,356	583,399
FUND BALANCE:										
Restricted:										
General government	-	-	-	-	-	-	-	-	-	358,617
Public safety	-	-	-	-	16,239	-	-	-	-	2,197,006
Highways and streets	196,987	27,840	864,004	-	6,347,677	3,853	720,601	21,434	745,888	40,627,853
Drainage and other capital assets	-	-	-	-	1,338,822	-	-	-	-	1,505,197
Economic development	-	-	-	3,745,294	10,223,936	-	-	-	-	10,488,232
Culture and recreation	-	-	-	-	143,346	-	-	-	-	9,861,498
Committed:										
General government	-	-	-	-	-	-	-	-	-	3,794,245
Public safety	-	-	-	-	1,235,498	-	-	-	-	1,235,498
Highways and streets	-	-	-	-	340,322	-	-	-	-	893,689
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	84,134
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>196,987</u>	<u>27,840</u>	<u>864,004</u>	<u>3,745,294</u>	<u>19,645,840</u>	<u>3,853</u>	<u>720,601</u>	<u>21,434</u>	<u>745,888</u>	<u>71,045,969</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 196,987</u>	<u>\$ 27,840</u>	<u>\$ 864,004</u>	<u>\$ 3,745,294</u>	<u>\$ 19,854,400</u>	<u>\$ 3,853</u>	<u>\$ 807,245</u>	<u>\$ 66,146</u>	<u>\$ 877,244</u>	<u>\$ 75,191,806</u>

CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

	Special Revenue												
	Park Impact Fee	Hazardous Material	Parks Program	Parks Monon	Parks Facility	Local Road & Street	Deferral	User Fee	Barrett Law	Barrett Law Surplus	Storm Water	4CDC Operating Fund	Motor Vehicle Highway Fund
REVENUES:													
Charges for services	\$ 1,148,884	\$ 691	\$ 4,210,871	\$ 6,197,202	\$ 128,501	\$ -	\$ 26,426	\$ 24,960	\$ -	\$ -	\$ 2,765,970	\$ 1,082,838	\$ -
Investment income	46,179	325	42,275	34,840	1,224	-	3,581	-	-	-	501,165	-	-
Licenses and permits	-	-	-	-	-	-	-	63,228	-	-	-	-	-
Other	-	-	1,218	-	1,370	-	-	11	-	-	187,404	121,506	370,522
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	749,261
Contributions	-	-	1,707	17,786	500	-	-	-	-	-	-	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-	-	-	7,240,721
Intergovernmental:													
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	4,056,654
Shared revenue	-	-	-	-	-	2,163,115	-	-	-	-	-	-	2,873
Total revenues	1,195,063	1,016	4,256,071	6,249,828	131,595	2,163,115	30,007	88,199	-	-	3,454,539	1,204,344	12,420,031
EXPENDITURES:													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	669,714	-
Public safety	-	-	-	-	-	-	55,159	112,414	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	13,784,807
Economic development	-	-	-	-	-	-	-	-	-	-	-	230,616	-
Culture and recreation	-	-	3,808,900	5,670,091	-	-	-	-	-	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	4,894,067	-	-	-	-	6,022,717	-	459,265
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	4,355,875	-	-	-	112,902	-	-	-	-	-	-	-	-
Total expenditures	4,355,875	-	3,808,900	5,670,091	112,902	4,894,067	55,159	112,414	-	-	6,022,717	900,330	14,244,072
Excess (deficiency) of revenues over (under) expenditures	(3,160,812)	1,016	447,171	579,737	18,693	(2,730,952)	(25,152)	(24,215)	-	-	(2,568,178)	304,014	(1,824,041)
Other financing sources (uses):													
Transfers in, governmental funds	-	-	-	-	-	234,130	-	-	-	-	-	-	678,346
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	-	-	(3,049,336)	(207,500)	(100,000)
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	234,130	-	-	-	-	(3,049,336)	(207,500)	578,346
NET CHANGE IN FUND BALANCES	(3,160,812)	1,016	447,171	579,737	18,693	(2,496,822)	(25,152)	(24,215)	-	-	(5,617,514)	96,514	(1,245,695)
FUND BALANCES: beginning	5,594,129	29,289	3,230,155	2,787,135	112,703	13,167,531	345,786	184,754	6	166,369	-	-	2,267,572
Restatement	-	-	-	-	-	-	-	-	-	-	26,473,064	30,352	-
FUND BALANCES: beginning	5,594,129	29,289	3,230,155	2,787,135	112,703	13,167,531	345,786	184,754	6	166,369	26,473,064	30,352	2,267,572
FUND BALANCES: ending	\$ 2,433,317	\$ 30,305	\$ 3,677,326	\$ 3,366,872	\$ 131,396	\$ 10,670,709	\$ 320,634	\$ 160,539	\$ 6	\$ 166,369	\$ 20,855,550	\$ 126,866	\$ 1,021,877

Continued on next page.

CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

Special Revenue

	MIHP	Health Self Insurance	Workers Comp	Support of the Arts	Keystone Non-Reverting	Bicycle Facilities Non-Reverting	Center Green Ice Non-Reverting	Events & Festival Non-Reverting	Code Enforcement Non-Reverting	Urban Forestry	Clerk's Record Perpetuation	Court Interpreter
REVENUES:												
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	143	-	-	-	1,414	68	2,063	316	88	-	-	1
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	465,152	-	-	12,371	401,802	77,368	10,000	-	39,360	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	1,765	-	-	-	-	-	-	-	-	5,400	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Shared revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	1,908	-	465,152	-	1,414	12,439	403,865	77,684	10,088	5,400	39,360	1
EXPENDITURES:												
Current:												
General government	-	596,732	328,592	-	-	-	-	-	-	-	4,363	-
Public safety	5,081	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	44,889	37,258	-	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,081	596,732	328,592	-	-	-	44,889	37,258	-	-	4,363	-
Excess (deficiency) of revenues over (under) expenditures	(3,173)	(596,732)	136,560	-	1,414	12,439	358,976	40,426	10,088	5,400	34,997	1
Other financing sources (uses):												
Transfers in, governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - premium	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(3,173)	(596,732)	136,560	-	1,414	12,439	358,976	40,426	10,088	5,400	34,997	1
FUND BALANCES: beginning	13,784	3,730,751	523,666	19,134	130,024	-	-	-	-	65,791	208,415	60
Restatement	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES: beginning	13,784	3,730,751	523,666	19,134	130,024	-	-	-	-	65,791	208,415	60
FUND BALANCES: ending	\$ 10,611	\$ 3,134,019	\$ 660,226	\$ 19,134	\$ 131,438	\$ 12,439	\$ 358,976	\$ 40,426	\$ 10,088	\$ 71,191	\$ 243,412	\$ 61

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CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

Special Revenue

	Public Defender	Judicial Salary Fees	Historic Preservation Fund	Fire Gift	Police Gift	Parks Gift	Community Relations Gift	Redevelopment Commission Gift	Economic Development	Housing Authority	Drug Task Force	Thoroughfare
REVENUES:												
Charges for services	\$ 4,328	\$ 36,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,553
Investment income	-	-	-	190	265	402	1,130	227	-	-	9,218	8,736
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	560	-	-	9,219	-	30,000	-	36,181	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	21,444	26,968	2,821	59,073	35,357	-	-	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Grants	-	-	-	-	-	-	-	-	-	-	286,135	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Shared revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	4,328	36,551	-	22,194	27,233	3,223	69,422	35,584	30,000	-	331,534	112,289
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	5,750	48,865	-	40,431	30,898	-	-	-	-	-	232,663	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	1,530	131,214	1,152	-	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,750	48,865	-	40,431	30,898	1,530	131,214	1,152	-	-	232,663	-
Excess (deficiency) of revenues over (under) expenditures	(1,422)	(12,314)	-	(18,237)	(3,665)	1,693	(61,792)	34,432	30,000	-	98,871	112,289
Other financing sources (uses):												
Transfers in, governmental funds	-	-	65,000	-	-	-	5,000	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - premium	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	65,000	-	-	-	5,000	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,422)	(12,314)	65,000	(18,237)	(3,665)	1,693	(56,792)	34,432	30,000	-	98,871	112,289
FUND BALANCES: beginning	9,143	169,944	-	28,428	34,155	36,357	137,565	-	48,565	58,865	642,021	873,863
Restatement	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES: beginning	9,143	169,944	-	28,428	34,155	36,357	137,565	-	48,565	58,865	642,021	873,863
FUND BALANCES: ending	\$ 7,721	\$ 157,630	\$ 65,000	\$ 10,191	\$ 30,490	\$ 38,050	\$ 80,773	\$ 34,432	\$ 78,565	\$ 58,865	\$ 740,892	\$ 986,152

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CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

Capital Projects Funds

	Levy Excess	Grant	Total Special Revenue Funds	Bond Bank Project Fund	Redevelopment Authority Capital Projects Fund	Ambulance	Parks Capital	Cumulative Capital Improvement	Cumulative Capital Sewer	Cumulative Capital Development	Illinois Street Construction	Old Town/126th Construction
REVENUES:												
Charges for services	\$ -	\$ -	\$ 15,730,775	\$ -	\$ -	\$ 1,609,478	\$ 2,753	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	653,850	40,938	55,111	10,142	-	-	-	-	-	-
Licenses and permits	-	-	63,228	-	-	-	-	-	-	-	-	-
Other	-	-	1,764,044	-	70,238	-	-	-	-	-	698	-
Other taxes	-	-	749,261	-	-	-	-	203,246	-	356,451	-	-
Contributions	-	17,500	190,321	-	-	-	-	-	-	-	-	-
General property taxes	-	-	7,240,721	-	-	-	-	-	-	3,447,614	-	-
Intergovernmental:												
Grants	-	4,072,488	4,358,623	-	-	-	-	-	-	-	-	-
Other	-	-	4,056,654	-	-	-	-	-	-	-	-	-
Shared revenue	-	-	2,165,988	-	-	-	-	-	-	1,367	-	-
Total revenues	-	4,089,988	36,973,465	40,938	125,349	1,619,620	2,753	203,246	-	3,805,432	698	-
EXPENDITURES:												
Current:												
General government	-	-	1,599,401	-	-	-	-	-	-	-	-	-
Public safety	-	3,902,544	4,433,805	-	-	1,109,809	-	-	-	-	-	-
Streets and other infrastructure	-	-	13,784,807	-	-	-	-	-	-	302,128	-	-
Economic development	-	-	230,616	6,063	-	-	-	-	-	-	-	-
Culture and recreation	-	-	9,695,034	-	-	-	-	-	-	-	-	-
Debt service:												
Principal	-	-	-	3,433,000	-	-	-	-	-	-	-	-
Interest	-	-	-	12,738,117	-	-	-	-	-	-	-	-
Capital outlay:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	11,376,049	-	1,349,393	-	-	177,640	-	25,470	8,043	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	4,468,777	-	-	-	283,976	-	-	-	-	-
Total expenditures	-	3,902,544	45,588,489	16,177,180	1,349,393	1,109,809	283,976	177,640	-	327,598	8,043	-
Excess (deficiency) of revenues over (under) expenditures	-	187,444	(8,615,024)	(16,136,242)	(1,224,044)	509,811	(281,223)	25,606	-	3,477,834	(7,345)	-
Other financing sources (uses):												
Transfers in, governmental funds	-	-	982,476	14,234,891	59,909	-	-	-	-	-	153,234	-
Transfers (out), governmental funds	-	(53,831)	(3,410,667)	(1,251,090)	(3,772)	-	-	-	-	(3,409,331)	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - premium	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	(53,831)	(2,428,191)	12,983,801	56,137	-	-	-	-	(3,409,331)	153,234	-
NET CHANGE IN FUND BALANCES	-	133,613	(11,043,215)	(3,152,441)	(1,167,907)	509,811	(281,223)	25,606	-	68,503	145,889	-
FUND BALANCES: beginning	-	578,080	35,194,040	6,663,949	1,448,712	725,687	424,569	314,716	286,197	296,530	(58,869)	459
Restatement	-	-	26,503,416	-	3,373,462	-	-	-	-	-	-	-
FUND BALANCES: beginning	-	578,080	61,697,456	6,663,949	4,822,174	725,687	424,569	314,716	286,197	296,530	(58,869)	459
FUND BALANCES: ending	\$ -	\$ 711,693	\$ 50,654,241	\$ 3,511,508	\$ 3,654,267	\$ 1,235,498	\$ 143,346	\$ 340,322	\$ 286,197	\$ 365,033	\$ 87,020	\$ 459

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CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

Capital Projects Funds

	Capital Lease	2016 Prop. Tax Bond - Const. 1	2016 Prop. Tax Bond - Const. 2	2016 Prop. Tax Bond - Const. 3	2016 Prop. Tax Bond - Const. 4	2016 Prop. Tax Bond - Const. 5	2016 Prop. Tax Bond - Const. 6	2016 Prop. Tax Bond - Const. 7	2016 Prop. Tax Bond - Const. 8	2016 Prop. Tax Bond - Const. 9	2016 Prop. Tax Bond - Const. 10	2016 Prop. Tax Bond - Const. 11
REVENUES:												
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	9	728	2,715	25,607	1,981	1,226	2,676	408	2,410	1,475	26,423	24,000
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Other	36	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Shared revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	45	728	2,715	25,607	1,981	1,226	2,676	408	2,410	1,475	26,423	24,000
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:												
General government	392,224	-	-	-	-	-	-	-	-	-	-	-
Public safety	1,736,138	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	301,859	104,659	121,858	69,225	869,628	175,619	208,005	148,560	122,041	197,387	44,392	74,364
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	202,356	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,632,577	104,659	121,858	69,225	869,628	175,619	208,005	148,560	122,041	197,387	44,392	74,364
Excess (deficiency) of revenues over (under) expenditures	(2,632,532)	(103,931)	(119,143)	(43,618)	(867,647)	(174,393)	(205,329)	(148,152)	(119,631)	(195,912)	(17,969)	(50,364)
Other financing sources (uses):												
Transfers in, governmental funds	-	-	-	-	-	57,500	-	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	-	(57,500)	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - premium	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	2,555,639	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	2,555,639	-	-	-	-	57,500	(57,500)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(76,893)	(103,931)	(119,143)	(43,618)	(867,647)	(116,893)	(262,829)	(148,152)	(119,631)	(195,912)	(17,969)	(50,364)
FUND BALANCES: beginning	940,731	110,017	275,149	1,774,153	936,634	161,342	367,530	148,152	242,068	244,930	1,548,108	1,409,832
Restatement	(847,599)	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES: beginning	93,132	110,017	275,149	1,774,153	936,634	161,342	367,530	148,152	242,068	244,930	1,548,108	1,409,832
FUND BALANCES: ending	\$ 16,239	\$ 6,086	\$ 156,006	\$ 1,730,535	\$ 68,987	\$ 44,449	\$ 104,701	\$ -	\$ 122,437	\$ 49,018	\$ 1,530,139	\$ 1,359,468

Continued on next page.

CITY OF CARMEL, INDIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Capital Projects Funds				Debt Service Funds				Total Nonmajor Governmental Funds	
	2016 Prop. Tax Bond - Const. 12	2016 Prop. Tax Bond - Const. 13	2017 A Bond Construction Fund	2018 CMBC Bond Construction Fund	Total Capital Projects Funds	Lease Rental	2004 Road Bond	2016 Property Tax Bond Fund		Total Debt Service Funds
REVENUES:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 1,612,231	\$ -	\$ -	\$ -	\$ -	\$ 17,343,006
Investment income	13,867	1,706	24,870	102,643	338,935	-	-	-	-	992,785
Licenses and permits	-	-	-	-	-	-	-	-	-	63,228
Other	-	-	-	-	70,972	-	-	-	-	1,835,016
Other taxes	-	-	-	-	559,697	-	266,626	137,590	404,216	1,713,174
Contributions	-	-	-	-	-	-	-	-	-	190,321
General property taxes	-	-	-	-	3,447,614	-	2,676,367	1,383,104	4,059,471	14,747,806
Intergovernmental:										
Grants	-	-	-	-	-	-	-	-	-	4,358,623
Other	-	-	-	-	-	-	-	-	-	4,056,654
Shared revenue	-	-	-	-	1,367	-	1,021	528	1,549	2,168,904
Total revenues	13,867	1,706	24,870	102,643	6,030,816	-	2,944,014	1,521,222	4,465,236	47,469,517
EXPENDITURES:										
Current:										
General government	-	-	-	-	-	-	-	-	-	1,599,401
Public safety	-	-	-	-	1,109,809	-	-	-	-	5,543,614
Streets and other infrastructure	-	-	-	-	302,128	-	-	-	-	14,086,935
Economic development	-	-	-	-	6,063	-	-	-	-	236,679
Culture and recreation	-	-	-	-	-	-	-	-	-	9,695,034
Debt service:										
Principal	-	-	-	-	3,433,000	-	-	-	-	3,433,000
Interest	-	-	-	151,097	12,889,214	-	-	-	-	12,889,214
Capital outlay:										
General government	-	-	-	-	392,224	-	-	-	-	392,224
Public safety	-	-	-	-	1,736,138	-	-	-	-	1,736,138
Streets and other infrastructure	1,204,112	339,884	-	-	5,542,139	-	-	742,355	742,355	17,660,543
Economic development	-	-	2,375,137	9,858,137	12,233,274	-	-	-	-	12,233,274
Culture and recreation	-	-	-	-	486,332	-	-	-	-	4,955,109
Total expenditures	1,204,112	339,884	2,375,137	10,009,234	38,130,321	-	-	742,355	742,355	84,461,165
Excess (deficiency) of revenues over (under) expenditures	(1,190,245)	(338,178)	(2,350,267)	(9,906,591)	(32,099,505)	-	2,944,014	778,867	3,722,881	(36,991,648)
Other financing sources (uses):										
Transfers in, governmental funds	-	-	-	877,798	15,383,332	-	-	-	-	16,365,808
Transfers (out), governmental funds	-	-	-	(16,116)	(4,737,809)	-	(2,844,000)	(741,175)	(3,585,175)	(11,733,651)
Bond issuance - principal	-	-	-	12,546,663	12,546,663	-	-	-	-	12,546,663
Bond issuance - premium	-	-	-	243,540	243,540	-	-	-	-	243,540
Capital lease proceeds	-	-	-	-	2,555,639	-	-	-	-	2,555,639
Total other financing sources	-	-	-	13,651,885	25,991,365	-	(2,844,000)	(741,175)	(3,585,175)	19,977,999
NET CHANGE IN FUND BALANCES	(1,190,245)	(338,178)	(2,350,267)	3,745,294	(6,108,140)	-	100,014	37,692	137,706	(17,013,649)
FUND BALANCES: beginning	1,387,232	366,018	3,214,271	-	23,228,117	3,853	620,587	(16,258)	608,182	59,030,339
Restatement	-	-	-	-	2,525,863	-	-	-	-	29,029,279
FUND BALANCES: beginning	1,387,232	366,018	3,214,271	-	25,753,980	3,853	620,587	(16,258)	608,182	88,059,618
FUND BALANCES: ending	\$ 196,987	\$ 27,840	\$ 864,004	\$ 3,745,294	\$ 19,645,840	\$ 3,853	\$ 720,601	\$ 21,434	\$ 745,888	\$ 71,045,969

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

	Motor Vehicle Highway Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 6,596,058	\$ 7,244,489	\$ 7,240,721	\$ (3,768)
MVHF distribution	4,450,185	4,060,452	4,056,654	(3,798)
Miscellaneous	<u>1,321,271</u>	<u>1,345,247</u>	<u>1,117,199</u>	<u>(228,048)</u>
Total Revenues	<u>12,367,514</u>	<u>12,650,188</u>	<u>12,414,574</u>	<u>(235,614)</u>
EXPENDITURES:				
Engineering:				
Personal services	1,762,750	1,762,750	1,661,610	(101,140)
Supplies	12,400	12,400	12,187	(213)
Other services and charges	524,603	544,443	277,143	(267,300)
Capital outlay	89,444	97,661	35,809	(61,852)
Street Department:				
Personal services	5,747,946	5,773,995	5,350,896	(423,099)
Supplies	2,660,293	2,648,183	1,559,033	(1,089,150)
Other services and charges	3,685,837	4,145,739	3,444,307	(701,432)
Capital outlay	<u>1,282,571</u>	<u>982,571</u>	<u>521,037</u>	<u>(461,534)</u>
Total Motor Vehicle Highway Fund	<u>\$ 15,765,844</u>	<u>\$ 15,967,742</u>	<u>\$ 12,862,022</u>	<u>\$ (3,105,720)</u>

	Fire Pension Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 113	\$ 119	\$ 310	\$ 191
Miscellaneous	-	-		-
State assumption of pension payments	641,596	641,596	584,282	(57,314)
Employee contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>641,709</u>	<u>641,715</u>	<u>584,592</u>	<u>(57,123)</u>
EXPENDITURES:				
Personal services	641,596	641,596	605,214	(36,382)
Supplies	150	150	-	(150)
Other services and charges	8,000	8,000	-	(8,000)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fire Pension Fund	<u>\$ 649,746</u>	<u>\$ 649,746</u>	<u>\$ 605,214</u>	<u>\$ (44,532)</u>

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

(Continued)

	Police Pension Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
	Original	Final	Basis	Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Interest	\$ 505	\$ 47	\$ 1,203	\$ 1,156
Miscellaneous	-	-	-	-
State assumption of pension payments	586,842	586,842	564,928	(21,914)
Employee contribution	-	-	-	-
Total Revenues	<u>587,347</u>	<u>586,889</u>	<u>566,131</u>	<u>(20,758)</u>
EXPENDITURES:				
Personal services	586,842	586,842	582,141	(4,701)
Supplies	300	300	-	(300)
Other services and charges	5,200	5,200	100	(5,100)
Capital outlay	-	-	-	-
Total Police Pension Fund	<u>\$ 592,342</u>	<u>\$ 592,342</u>	<u>\$ 582,241</u>	<u>\$ (10,101)</u>

	Local Road & Street Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
	Original	Final	Basis	Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Local road & street distribution	\$ 2,284,357	\$ 2,393,058	\$ 2,163,115	\$ (229,943)
Miscellaneous	-	-	-	-
Interest	6,688	-	-	-
Total Revenues	<u>2,291,045</u>	<u>2,393,058</u>	<u>2,163,115</u>	<u>(229,943)</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	7,995,106	8,238,837	4,822,703	(3,416,134)
Capital outlay	81,900	81,900	71,364	(10,536)
Total Local Road & Street Fund	<u>\$ 8,077,006</u>	<u>\$ 8,320,737</u>	<u>\$ 4,894,067</u>	<u>\$ (3,426,670)</u>

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

(Continued)

	Cumulative Capital Improvement Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
	Amounts	Amounts	Basis	Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Cigarette tax distribution	\$ 219,007	\$ 221,126	\$ 203,246	\$ (17,880)
Interest	-	-	-	-
Other	-	-	-	-
Total Revenues	219,007	221,126	203,246	(17,880)
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	456,700	456,700	173,784	(282,916)
Capital outlay	53,882	53,882	3,921	(49,961)
Total Cumulative Capital Improvement Fund	\$ 510,582	\$ 510,582	\$ 177,705	\$ (332,877)

	Cumulative Capital Development Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
	Amounts	Amounts	Basis	Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property tax	\$ 3,401,401	\$ 3,446,474	\$ 3,447,614	\$ 1,140
Interest	-	-	-	-
Commercial vehicle excise tax	735	1,452	1,367	(85)
Other	331,477	307,962	356,451	48,489
Total Revenues	3,733,613	3,755,888	3,805,432	49,544
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	535,962	535,962	302,128	(233,834)
Capital outlay	90,567	90,567	25,470	(65,097)
Debt service	3,409,331	3,409,331	3,409,331	-
Total Cumulative Capital Development Fund	\$ 4,035,860	\$ 4,035,860	\$ 3,736,929	\$ (298,931)

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

(Continued)

	2004 Road Bond			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	Original	Final		
REVENUES:				
Property tax	\$ 2,390,716	\$ 2,682,652	\$ 2,676,367	\$ (6,285)
Interest	-	-	-	-
Commercial vehicle excise tax	463	1,069	1,021	(48)
Other	<u>220,883</u>	<u>230,356</u>	<u>266,626</u>	<u>36,270</u>
Total Revenues	<u>2,612,062</u>	<u>2,914,077</u>	<u>2,944,014</u>	<u>29,937</u>
EXPENDITURES:				
Debt service	<u>2,844,000</u>	<u>2,844,000</u>	<u>2,844,000</u>	<u>-</u>
Total 2004 Road Bond	<u>\$ 2,844,000</u>	<u>\$ 2,844,000</u>	<u>\$ 2,844,000</u>	<u>\$ -</u>

	Deferral Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	Original	Final		
REVENUES:				
Deferral program fees	\$ 28,682	\$ 40,479	\$ 26,426	\$ (14,053)
Interest	958	2,530	3,581	1,051
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>29,640</u>	<u>43,009</u>	<u>30,007</u>	<u>(13,002)</u>
EXPENDITURES:				
Personal services	64,396	122,921	47,257	(75,664)
Supplies	21,025	21,025	1,962	(19,063)
Other services and charges	110,229	112,229	4,460	(107,769)
Capital outlay	<u>13,500</u>	<u>13,500</u>	<u>2,195</u>	<u>(11,305)</u>
Total Deferral Fund	<u>\$ 209,150</u>	<u>\$ 269,675</u>	<u>\$ 55,874</u>	<u>\$ (213,801)</u>

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

(Continued)

	2016 Property Tax Bond Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
	Original	Final	Basis	Positive
		Amounts	(Negative)	
REVENUES:				
Property tax	\$ 1,373,521	\$ 1,384,363	\$ 1,383,104	\$ (1,259)
Interest	-	-	-	-
Commercial vehicle excise tax	261	541	528	(13)
Other	<u>120,368</u>	<u>114,663</u>	<u>137,590</u>	<u>22,927</u>
Total Revenues	<u>1,494,150</u>	<u>1,499,567</u>	<u>1,521,222</u>	<u>21,655</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	<u>1,483,530</u>	<u>1,483,530</u>	<u>1,483,530</u>	<u>-</u>
Total 2016 Property Tax Bond Fund	<u>\$ 1,483,530</u>	<u>\$ 1,483,530</u>	<u>\$ 1,483,530</u>	<u>\$ -</u>

	Storm Water Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
	Original	Final	Basis	Positive
		Amounts	(Negative)	
REVENUES:				
Service charges and fees	\$ 3,135,141	\$ 3,135,141	\$ 2,765,970	\$ (369,171)
Interest	-	-	501,165	501,165
Other	<u>-</u>	<u>-</u>	<u>187,404</u>	<u>187,404</u>
Total Revenues	<u>3,135,141</u>	<u>3,135,141</u>	<u>3,454,539</u>	<u>319,398</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	3,335,171	3,335,171	3,176,910	(158,261)
Capital outlay	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Storm Water Fund	<u>\$ 3,335,171</u>	<u>\$ 3,335,171</u>	<u>\$ 3,176,910</u>	<u>\$ (158,261)</u>

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CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2018

(Continued)

	User Fee Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Permits	68,692	68,692	63,228	(5,464)
Charges for services	27,310	27,310	24,960	(2,350)
Other	-	-	-	-
Total Revenues	<u>96,002</u>	<u>96,002</u>	<u>88,188</u>	<u>(7,814)</u>
EXPENDITURES:				
Personal services	-	-		-
Supplies	-	-		-
Other services and charges	125,000	125,000	101,318	(23,682)
Capital outlay	-	-		-
Other	-	-	11,096	11,096
Total User Fee Fund	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 112,414</u>	<u>\$ (12,586)</u>

	Court Records Prepetuation Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 43,657	\$ 39,963	\$ 39,360	\$ (603)
Interest	87	-	-	-
Other	-	-	-	-
Total Revenues	<u>43,744</u>	<u>39,963</u>	<u>39,360</u>	<u>(603)</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	10,000	10,000	2,096	(7,904)
Capital outlay	45,000	45,000	2,267	(42,733)
Debt service	-	-	-	-
Total Court Records Prepetuation Fund	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 4,363</u>	<u>\$ (50,637)</u>

Continued on next page.

CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2018

(Continued)

	Parks Program Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,935,271	\$ 2,910,945	\$ 4,210,871	\$ 1,299,926
Interest	-	-	42,275	42,275
Other	1,800	2,107	2,925	818
Total Revenues	<u>2,937,071</u>	<u>2,913,052</u>	<u>4,256,071</u>	<u>1,343,019</u>
EXPENDITURES:				
Personal services	2,776,260	2,776,260	2,777,293	1,033
Supplies	247,000	247,000	273,168	26,168
Other services and charges	418,860	418,860	746,194	327,334
Capital outlay	5,000	5,000	20,871	15,871
Debt service	-	-	-	-
Total Parks Program Fund	<u>\$ 3,447,120</u>	<u>\$ 3,447,120</u>	<u>\$ 3,817,526</u>	<u>\$ 370,406</u>

	Drug Task Force Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 328,453	\$ 99,557	\$ 286,135	\$ 186,578
Interest	2,647	4,824	9,218	4,394
Other	49,308	97,928	36,181	(61,747)
Total Revenues	<u>380,408</u>	<u>202,309</u>	<u>331,534</u>	<u>129,225</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	7,600	7,600	3,209	(4,391)
Other services and charges	294,953	294,953	200,807	(94,146)
Capital outlay	58,500	58,500	31,204	(27,296)
Debt service	-	-	-	-
Total Drug Task Force Fund	<u>\$ 361,053</u>	<u>\$ 361,053</u>	<u>\$ 235,220</u>	<u>\$ (125,833)</u>

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CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Ambulance Capital Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ambulance fees	\$ 1,330,017	\$ 1,595,454	\$ 1,609,478	\$ 14,024
Interest	1,517	3,288	10,142	6,854
Other	-	382	-	(382)
Total Revenues	<u>1,331,534</u>	<u>1,599,124</u>	<u>1,619,620</u>	<u>20,496</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	113,453	113,453	109,284	(4,169)
Other services and charges	-	-	6,300	6,300
Capital outlay	1,442,248	1,442,248	987,957	(454,291)
Other	-	-	6,828	6,828
Total Ambulance Capital Fund	<u>\$ 1,555,701</u>	<u>\$ 1,555,701</u>	<u>\$ 1,110,369</u>	<u>\$ (445,332)</u>

	Judicial Salary Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures - judicial salaries fees	\$ 40,723	\$ 37,413	\$ 36,551	\$ (862)
Interest	311	-	-	-
Other	-	-	-	-
Total Revenues	<u>41,034</u>	<u>37,413</u>	<u>36,551</u>	<u>(862)</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	24,000	24,000	8,830	(15,170)
Other services and charges	82,500	82,500	33,040	(49,460)
Capital outlay	22,403	22,403	6,995	(15,408)
Debt service	-	-	-	-
Total Judicial Salary Fund	<u>\$ 128,903</u>	<u>\$ 128,903</u>	<u>\$ 48,865</u>	<u>\$ (80,038)</u>

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CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Parks Monon Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,400,125	\$ 5,400,125	\$ 6,197,202	\$ 797,077
Department fees	288,299	288,299	-	(288,299)
Interest	-	-	34,840	34,840
Other	-	-	17,786	17,786
Total Revenues	<u>5,688,424</u>	<u>5,688,424</u>	<u>6,249,828</u>	<u>561,404</u>
EXPENDITURES:				
Personal services	2,904,116	2,904,116	2,913,485	9,369
Supplies	450,900	450,900	469,968	19,068
Other services and charges	2,322,903	2,341,533	2,292,337	(49,196)
Capital outlay	75,000	75,000	106,122	31,122
Other	-	-	22,596	22,596
Total Parks Monon Fund	<u>\$ 5,752,919</u>	<u>\$ 5,771,549</u>	<u>\$ 5,804,508</u>	<u>\$ 32,959</u>

	Parks Facilities Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 42,259	\$ 38,859	\$ 128,501	\$ 89,642
Department fees	36,670	49,660	-	(49,660)
Interest	147	545	1,224	679
Other	360	950	1,870	920
Total Revenues	<u>79,436</u>	<u>90,014</u>	<u>131,595</u>	<u>41,581</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	10,850	10,850	23,288	12,438
Other services and charges	39,335	39,335	51,161	11,826
Capital outlay	-	-	38,403	38,403
Debt service	-	-	-	-
Total Parks Facilities Fund	<u>\$ 50,185</u>	<u>\$ 50,185</u>	<u>\$ 112,852</u>	<u>\$ 62,667</u>

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CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Public Defender Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures - public defender fees	\$ 2,410	\$ 3,295	\$ 4,328	\$ 1,033
Interest	8	-	-	-
Other	-	-	-	-
Total Revenues	<u>2,418</u>	<u>3,295</u>	<u>4,328</u>	<u>1,033</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	6,000	6,000	5,750	(250)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total Public Defender Fund	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 5,750</u>	<u>\$ (250)</u>

	Illinois Street Construction Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ -	\$ -
Other	-	-	698	698
Total Revenues	<u>-</u>	<u>-</u>	<u>698</u>	<u>698</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	60,149	60,149	8,043	(52,106)
Debt service	-	-	-	-
Total Illinois Street Construction Fund	<u>\$ 60,149</u>	<u>\$ 60,149</u>	<u>\$ 8,043</u>	<u>\$ (52,106)</u>

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CITY OF CARMEL, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018
(Continued)

	Center Green Ice Nonreverting Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 2,063	\$ 2,063
Other	-	-	<u>401,802</u>	<u>401,802</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>403,865</u>	<u>403,865</u>
EXPENDITURES:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	211,481	15,558	(195,923)
Capital outlay	-	-	-	-
Other	-	-	<u>29,331</u>	<u>29,331</u>
Total Center Green Ice Nonreverting Fund	<u>\$ -</u>	<u>\$ 211,481</u>	<u>\$ 44,889</u>	<u>\$ (166,592)</u>

CITY OF CARMEL, INDIANA FIDUCIARY FUNDS

Pension trust funds - used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans. The City maintains the following pension trust funds:

The 1925 Police Pension Trust Fund accounts for the retirement and disability payments to police officers hired prior to May 1, 1977.

The 1937 Fire Pension Trust Fund accounts for the retirement and disability benefits to firefighters hired prior to May 1, 1977.

Agency funds - used to account for resources that are custodial in nature. They are amounts held by the City on behalf of third parties. The City maintains the following agency funds:

The City Court Agency Fund accounts for certain collections made by municipal court for redistribution to third parties.

The Payroll Agency Fund accounts for certain amounts withheld from the compensation of City employees for redistribution to third parties.

CITY OF CARMEL, INDIANA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION - PENSION FUNDS

December 31, 2018

	1925 Police Pension Trust Fund	1937 Fire Pension Trust Fund	Total Trust Funds
ASSETS:			
Cash and investments	\$ 131,361	\$ 5,405	\$ 136,766
Receivable from State of Indiana	48,777	50,662	99,439
Total assets	<u>180,138</u>	<u>56,067</u>	<u>236,205</u>
LIABILITIES:			
Payroll withholdings	48,777	50,662	99,439
Court escrow	-	-	-
Total liabilities	<u>48,777</u>	<u>50,662</u>	<u>99,439</u>
NET POSITION: restricted for pensions	<u><u>\$ 131,361</u></u>	<u><u>\$ 5,405</u></u>	<u><u>\$ 136,766</u></u>

CITY OF CARMEL, INDIANA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION - AGENCY FUNDS
 December 31, 2018

	City Court Agency Fund	Payroll Agency Fund	Total Agency Funds
ASSETS:			
Cash and investments	\$ 157,873	\$ -	\$ 157,873
Receivable from State of Indiana			
Total assets	157,873	-	157,873
LIABILITIES:			
Payroll withholdings	-	-	-
Court escrow	157,873	-	157,873
Total liabilities	\$ 157,873	\$ -	\$ 157,873

CITY OF CARMEL, INDIANA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION FUNDS

For the Fiscal Year Ended December 31, 2018

	1925 Police Pension Trust Fund	1937 Fire Pension Trust Fund	Total Trust Funds
ADDITIONS:			
State of Indiana contributions	\$ 564,928	\$ 584,282	\$ 1,149,210
Investment income	1,203	310	1,513
Miscellaneous revenue	2,246	2,461	4,707
Total additions	<u>568,377</u>	<u>587,053</u>	<u>1,155,430</u>
DEDUCTIONS:			
Benefits	582,141	607,675	1,189,816
Other services and charges	2,346	-	2,346
Total deductions	<u>584,487</u>	<u>607,675</u>	<u>1,192,162</u>
NET INCREASE (DECREASE) IN NET POSITION	(16,110)	(20,622)	(36,732)
NET POSITION: beginning	<u>147,471</u>	<u>26,027</u>	<u>173,498</u>
NET POSITION: ending - restricted for pensions	<u>\$ 131,361</u>	<u>\$ 5,405</u>	<u>\$ 136,766</u>

CITY OF CARMEL, INDIANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Fiscal Year Ended December 31, 2018

	City Court Agency Fund	Payroll Agency Fund	Total Agency Funds
ASSETS AT JANUARY 1, 2018	\$ 131,570	\$ -	\$ 131,570
Additions	1,668,884	(58,423,729)	(56,754,845)
Deductions	(1,642,581)	58,423,729	56,781,148
ASSETS AT DECEMBER 31, 2018	<u>\$ 157,873</u>	<u>\$ -</u>	<u>\$ 157,873</u>
LIABILITIES AT JANUARY 1, 2018	\$ 131,570	\$ -	\$ 131,570
Additions	1,668,884	(58,423,729)	(56,754,845)
Deductions	(1,642,581)	58,423,729	56,781,148
LIABILITIES AT DECEMBER 31, 2018	<u>\$ 157,873</u>	<u>\$ -</u>	<u>\$ 157,873</u>

CITY OF CARMEL, INDIANA

Comprehensive Annual Financial Report

STATISTICAL SECTION

This part of the City's comprehensive annual financial report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends	136 - 141
<i>Financial trends information is intended to assist users in understanding and assessing how the City's financial position has changed over time.</i>	
Revenue Capacity	142 - 145
<i>Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the City's ability to generate its own-source revenues.</i>	
Debt Capacity	146 - 150
<i>Debt capacity information is intended to assist users in understanding and assessing the City's debt burden and its ability to issue additional debt.</i>	
Demographic and Economic Information	151 - 152
<i>Demographic and economic information is intended to (1) assist users in understanding the socioeconomic environment within which the City operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.</i>	
Operating Information	153 - 154
<i>Operating information is intended to provide contextual information about the City's operations and resources to assist readers in using financial statement information to understand and assess the City's economic condition.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the CAFR for the relevant year.

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:				
Net investment				
in capital assets	\$ 412,830,075	\$ 344,721,169	\$ 299,216,267	\$ 314,601,738
Not spendable	-	-	-	-
Restricted	35,065,020	30,924,357	25,355,156	25,629,325
Unrestricted	(94,111,631)	(83,269,698)	(35,777,877)	(42,319,616)
Total governmental activities net position	<u>\$ 353,783,464</u>	<u>\$ 292,375,828</u>	<u>\$ 288,793,546</u>	<u>\$ 297,911,447</u>
Business-type activities:				
Net investment				
in capital assets	\$ 114,861,067	\$ 118,497,972	\$ 116,495,474	\$ 113,210,726
Not spendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted	(5,903,010)	(9,695,164)	(4,011,279)	(1,147,670)
Total business-type activities net position	<u>\$ 108,958,057</u>	<u>\$ 108,802,808</u>	<u>\$ 112,484,195</u>	<u>\$ 112,063,056</u>
Primary government:				
Net investment				
in capital assets	\$ 527,691,142	\$ 463,219,141	\$ 415,711,741	\$ 427,812,464
Not spendable	-	-	-	-
Restricted	35,065,020	30,924,357	25,355,156	25,629,325
Unrestricted	(100,014,641)	(92,964,862)	(39,789,157)	(43,467,286)
Total primary government net position	<u>\$ 462,741,521</u>	<u>\$ 401,178,636</u>	<u>\$ 401,277,741</u>	<u>\$ 409,974,503</u>

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
CHANGES IN NET POSITION
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses:				
Governmental activities:				
General government	\$ 24,996,549	\$ 30,372,875	\$ 30,984,884	\$ 20,841,943
Public safety	53,919,299	41,085,416	40,267,560	42,151,467
Streets and other infrastructure	48,637,707	25,476,391	12,340,719	29,584,125
Economic development	15,817,738	16,711,747	54,995,901	10,771,611
Culture and recreation	21,621,998	17,932,242	10,122,290	18,549,674
Unallocated interest expense	2,267,516	18,217,810	5,545,855	4,542,707
Total governmental activities expenses	167,260,807	149,796,481	154,257,210	126,441,527
Business-type activities:				
Water	19,277,075	20,824,320	19,439,437	13,542,037
Sewer	10,163,336	10,451,835	10,016,870	7,305,928
Storm Water	-	5,367,154	1,651,075	-
Other	-	769,837	706,935	895,780
Total business-type activities expenses	29,440,411	37,413,146	31,814,317	21,743,745
Total primary government expenses	\$ 196,701,218	\$ 187,209,627	\$ 186,071,527	\$ 148,185,272
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 221,467	\$ 211,995	\$ 82,803	\$ 72,056
Public safety	1,713,002	1,726,580	1,470,638	1,152,600
Streets and other infrastructure	2,869,523	98,090	248,036	480
Economic development	1,482,785	52,093	-	-
Culture and recreation	12,403,573	12,818,388	11,585,645	7,345,221
Operating grants and contributions:				
General government	-	-	-	-
Public safety	1,322,719	96,894	112,651	60,618
Streets and other infrastructure	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital grants and contributions:				
General government	-	-	-	-
Public safety	-	-	-	-
Streets and other infrastructure	386,624	1,906,397	865,258	3,516,506
Economic development	-	-	-	-
Culture and recreation	-	-	-	50,043
Total governmental activities revenues	\$ 20,399,693	\$ 16,910,436	\$ 14,365,031	\$ 12,197,524

Continued on next page.

CITY OF CARMEL

Changes in Net Position

Last Ten Fiscal Years

(Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Business-type activities:				
Charges for services				
Water	\$ 17,735,563	\$ 16,982,790	\$ 15,458,695	\$ 13,500,929
Sewer	9,994,658	9,638,861	9,303,554	8,471,996
Storm Water	-	3,295,837	3,222,138	-
Other	-	1,067,865	1,034,682	4,038,620
Operating grants and contributions				
Water	-	-	-	-
Sewer	-	-	-	-
Capital grants and contributions				
Water	3,279,973	4,995,765	4,620,949	-
Sewer	629,483	336,363	552,460	-
Total business-type activities revenues	<u>31,639,677</u>	<u>36,317,481</u>	<u>34,192,478</u>	<u>26,011,545</u>
Total primary government revenues	<u>\$ 52,039,370</u>	<u>\$ 53,227,917</u>	<u>\$ 48,557,509</u>	<u>\$ 38,209,069</u>
Net (expense) revenue and changes in net position:				
Governmental Activities	\$(146,861,114)	\$(132,886,045)	\$(139,892,179)	\$(114,244,003)
Business-Type Activities	<u>2,199,266</u>	<u>(1,095,665)</u>	<u>2,378,161</u>	<u>4,267,800</u>
Total primary government net (expense) revenue	<u>(144,661,848)</u>	<u>(133,981,710)</u>	<u>(137,514,018)</u>	<u>(109,976,203)</u>
GENERAL REVENUES AND TRANSFERS:				
Property tax	54,455,110	52,042,841	52,989,360	44,104,576
Income tax	43,996,077	41,801,838	36,700,613	32,745,504
Other taxes	33,658,972	30,326,364	28,850,762	26,154,361
Unrestricted investment earnings	4,487,604	2,723,267	574,253	155,461
Other	29,899,818	15,522,157	16,797,331	20,679,190
Transfers	-	-	-	-
Total general revenues and transfers	<u>166,497,581</u>	<u>142,416,467</u>	<u>135,912,319</u>	<u>123,839,092</u>
CHANGE IN NET POSITION BEFORE SPECIAL ITEMS	21,835,733	8,434,757	(1,601,699)	13,862,889
SPECIAL ITEM: gain	-	-	-	619,000
Total CHANGE IN NET POSITION	21,835,733	8,434,757	(1,601,699)	14,481,889
NET POSITION: beginning	400,056,203	401,190,880	409,974,503	395,492,614
Restatement	40,849,585	(8,447,001)	(7,095,064)	-
NET POSITION: beginning, adjusted	<u>440,905,788</u>	<u>392,743,879</u>	<u>402,879,439</u>	<u>395,492,614</u>
NET POSITION: ending	<u>\$ 462,741,521</u>	<u>\$ 401,178,636</u>	<u>\$ 401,277,741</u>	<u>\$ 409,974,503</u>

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	3,014,336	1,803,672	1,910,880	1,416,155
Unassigned	23,328,255	15,034,935	15,066,402	14,008,886
Total General Fund	<u>\$ 26,342,591</u>	<u>\$ 16,838,607</u>	<u>\$ 16,977,282</u>	<u>\$ 15,425,041</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	178,817,196	256,581,733	257,811,177	43,069,142
Committed	6,007,566	5,443,978	3,212,225	1,115,637
Assigned	-	-	-	-
Unassigned	-	-	-	(249,855)
Total all other governmental funds	<u>\$ 184,824,762</u>	<u>\$ 262,025,711</u>	<u>\$ 261,023,402</u>	<u>\$ 43,934,924</u>

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:				
Property tax	\$ 54,425,761	\$ 52,259,944	\$ 52,647,063	\$ 44,043,914
Income tax	44,606,607	37,187,574	46,625,784	28,847,934
Other local tax	33,658,972	30,326,364	28,850,762	26,154,361
Charges for services	18,679,782	14,907,146	12,901,368	8,570,357
Investment income	4,356,867	2,339,501	442,961	74,597
Licenses and permits	2,909,371	2,490,849	2,441,853	2,159,234
Fines and forfeits	457,062	466,731	571,556	788,604
Intergovernmental:				
Grants	4,358,623	1,710,058	1,191,485	3,062,731
Fire service contract	-	-	6,825,041	4,870,501
State shared revenue	2,993,528	2,736,296	1,198,398	1,116,639
Other	7,426,341	5,995,761	-	-
Contributions	190,321	262,116	660,714	286,716
Other	12,175,681	4,336,810	5,858,544	10,915,190
Total revenues	186,238,916	155,019,150	160,215,529	130,890,778
Expenditures:				
Current:				
General government	24,830,230	29,533,750	28,670,916	20,135,899
Public safety	49,683,728	40,261,813	38,547,773	45,026,384
Streets and other infrastructure	30,794,894	13,258,597	13,540,350	13,784,488
Economic development	20,179,724	1,319,474	5,074,808	4,284,583
Culture and recreation	14,359,423	12,938,526	13,397,374	13,432,578
Debt service:				
Principal	21,976,855	18,808,576	17,387,515	15,768,608
Interest	28,361,382	26,688,864	17,763,071	17,223,247
Capital outlay:				
General government	503,513	707,523	2,931,360	119,885
Public safety	2,440,252	1,327,731	1,925,392	3,710,693
Streets and other infrastructure	84,098,163	60,138,533	25,097,876	4,445,749
Economic development	15,212,738	34,138,220	16,809,771	2,439,830
Culture and recreation	5,061,517	747,324	734,053	422,388
Total expenditures	297,502,419	239,868,931	181,880,259	140,794,332
Excess (deficit) of revenues over (under) expenditures	(111,263,503)	(84,849,781)	(21,664,730)	(9,903,554)

Continued on next page.

CITY OF CARMEL, INDIANA
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Other financing sources (uses)				
Bond issuance - principal	13,791,036	81,358,423	199,265,510	-
Bond issuance - premium	243,540	3,334,569	35,087,956	-
Proceeds - refunding	0	23,180,000	18,170,404	-
Capital lease proceeds	2,555,639	2,638,693	2,294,226	3,167,006
Payment to refunded bond escrow agent	0	(26,501,547)	(17,909,681)	-
Transfers in	60,427,364	126,937,135	278,264,371	30,928,247
Transfer in from associated utility	1,320,506	1,703,277	1,606,319	1,014,100
Transfers out	(60,427,364)	(126,937,135)	(278,264,371)	(30,928,247)
Total other financing sources (uses)	<u>17,910,721</u>	<u>85,713,415</u>	<u>238,514,734</u>	<u>4,181,106</u>
Total change in fund balances	<u>\$ (93,352,782)</u>	<u>\$ 863,634</u>	<u>\$ 216,850,004</u>	<u>\$ (5,722,448)</u>
Total debt service expenditures as a percentage of noncapital expenditures	29.5%	28.9%	23.4%	25.0%

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year	Net Value Real Estate Property	Net Value Railroad/ Utility/ Business Personal Property	Total Net Taxable Assessed Value	Estimated Actual Value		Total Direct Tax Rate
2018	6,666,896,042	467,365,607	7,134,261,649	12,997,560,747	54.9%	0.7887
2017	6,474,642,116	436,043,965	6,910,686,081	12,552,181,043	55.1%	0.7895
2016	6,220,543,748	420,168,770	6,640,712,518	12,043,692,490	55.1%	0.8356
2015	6,006,875,967	409,451,119	6,416,327,086	11,591,806,730	55.4%	0.7007
2014	4,829,947,454	398,186,327	5,228,133,781	9,538,010,360	54.8%	0.7007
2013	4,762,146,198	373,474,201	5,135,620,399	9,445,479,646	54.4%	0.7007
2012	4,863,829,903	398,308,947	5,262,138,850	9,604,804,116	54.8%	0.6788
2011	4,891,357,512	426,518,904	5,317,876,416	9,561,032,777	55.6%	0.6664
2010	5,088,667,610	388,639,324	5,477,306,934	9,654,531,997	56.7%	0.6664
2009	5,010,445,942	392,184,979	5,402,630,921	9,462,572,040	57.1%	0.6664

Source: Hamilton County Auditor's office property tax abstracts.

- Notes:**
1. Property taxes are the City's most significant own-source revenue.
 2. Estimated actual value is 100% of *gross* assessed value, which approximates market value. Residential real property for homesteads is subject to a \$45,000 homestead deduction plus a 35% supplemental homestead deduction to arrive at *net* assessed value.
 3. Assessed on January 1 of the prior year for taxes due and payable in the year indicated.
 4. Personal property other than business personal property is not taxable beginning in 2009.

CITY OF CARMEL, INDIANA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (Rate per \$100 of assessed value)
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
City Direct Rates:										
Corporation General	0.5769	0.5741	0.5745	0.5088	0.5381	0.5459	0.5284	0.5266	0.4578	0.3969
Motor Vehicle Highway	0.1051	0.1027	0.1701	0.1643	0.1249	0.1268	0.1080	0.0777	0.1291	0.1490
Cumulative Sewer	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0166
Debt Service	0.0193	0.0195	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Redevelopment Bond	0.0374	0.0440	0.0424	0.0000	0.0101	0.0000	0.0160	0.0145	0.0331	0.0565
Lease Rental Payment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0144	0.0133	0.0143
Cumulative Capital Development	0.0500	0.0492	0.0486	0.0276	0.0276	0.0280	0.0264	0.0332	0.0331	0.0331
Total Direct Rate	0.7887	0.7895	0.8356	0.7007	0.7007	0.7007	0.6788	0.6664	0.6664	0.6664
Overlapping Rates:										
State	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
County	0.2814	0.2814	0.2814	0.2926	0.3054	0.3074	0.2901	0.2769	0.2724	0.2651
Solid Waste	0.0032	0.0032	0.0032	0.0033	0.0033	0.0033	0.0032	0.0030	0.0030	0.0029
Township - Clay	0.0675	0.0694	0.0673	0.0746	0.0719	0.0781	0.0693	0.0753	0.0674	0.0945
Library	0.0760	0.0760	0.0778	0.0787	0.0787	0.0765	0.0682	0.0657	0.0657	0.0657
Carmel Clay School Corp	0.8118	0.8291	0.8053	0.8106	0.8453	0.8591	0.7911	0.8990	0.6460	0.6373
Total Direct and Overlapping Rate	2.0286	2.0486	2.0706	1.9605	2.0053	2.0251	1.9007	1.9863	1.7209	1.7319

Source: Hamilton County Auditor's office property tax abstracts; Indiana Department of Local Government Finance certified budget orders.

Notes: For taxes due and payable in the year indicated and assessed the prior year.

The Indiana Constitution limits the taxing power of Indiana public agencies. A taxpayer's property tax liability on homestead property taxes is capped at 1%, other residential and agricultural property taxes are capped at 2%, and other real property and personal property taxes are capped at 3%. Property taxes approved by referendum are not subject to these limitations.

CITY OF CARMEL, INDIANA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

2018			2009		
<u>Taxpayer</u>	<u>Assessed Value</u>	Percentage of Total City <u>Assessed Value</u>	<u>Taxpayer</u>	<u>Assessed Value</u>	Percentage of Total City <u>Assessed Value</u>
Clarion Health North LLC	98,553,400	1.48%	Duke Realty	147,134,300	2.94%
Carmel Lofts LLC	46,895,600	0.70%	Clarion Health North	146,743,500	2.93%
VSM Partners LLC	31,906,200	0.48%	Carmel Indy Properties LLC	56,539,300	1.13%
Parkwood Four & Five LLC	31,622,800	0.47%	TIC Carmel Center Furnas LLC	32,712,800	0.65%
Clay Terrace Partners LLC	31,265,100	0.47%	Clay Terrace Partners LLC	31,929,500	0.64%
Carmel Center Apartments LLC	30,348,000	0.46%	HCRI Indiana Properties LLC	27,044,500	0.54%
BC Gramercy I LLC	29,178,400	0.44%	Mohawk Associates LLC	23,697,600	0.47%
Edward Rose Development Company LLC	28,157,900	0.42%	Providence Housing	23,186,800	0.46%
Carmel Indy Holdings LLC	27,022,900	0.41%	North Haven Apartments	23,103,800	0.46%
Providence HUD LLC	26,337,300	0.40%	Liberty Parkwood Crossing LLC	22,225,100	0.44%
	<u>381,287,600</u>	<u>5.72%</u>		<u>534,317,200</u>	<u>10.66%</u>

Source: Hamilton County Auditor's office.

CITY OF CARMEL, INDIANA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Total Taxes Levied	Total Taxes Collected	Percentage of Levy
2018	56,917,333	53,042,657	93.19%
2017	52,180,837	50,907,298	97.56%
2016	55,990,426	52,647,063	94.03%
2015	45,416,367	44,043,913	96.98%
2014	44,020,059	40,554,757	92.13%
2013	43,391,737	38,072,795	87.74%
2012	43,399,780	37,319,721	85.99%
2011	35,993,200	34,393,205	95.55%
2010	36,193,490	36,600,347	101.12%
2009	36,092,579	35,075,840	97.18%

Source: Hamilton County Auditor's Office

Note: Hamilton County Auditor's Office system is not structured to track collections by year levied. The amount collected includes any delinquent payment plus any penalty or interest applicable. At the end of 2018, total delinquent property tax due to the City for 2018 and all prior years was approximately \$4,699,849.

CITY OF CARMEL, INDIANA
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Certified net assessed valuation	\$ 7,216,601,040	\$ 6,994,981,173	\$ 6,700,625,433	\$ 6,481,570,742
2% statutory debt limit	2.0%	2.0%	2.0%	2.0%
Subtotal	<u>144,332,021</u>	<u>139,899,623</u>	<u>134,012,509</u>	<u>129,631,415</u>
divided by 3	3.0	3.0	3.0	3.0
Debt limit	48,110,674	46,633,208	44,670,836	43,210,472
Net debt applicable to debt limit	<u>(26,977,490)</u>	<u>(29,641,000)</u>	<u>(33,580,000)</u>	<u>(15,417,000)</u>
Legal debt margin	<u>\$ 21,133,184</u>	<u>\$ 16,992,208</u>	<u>\$ 11,090,836</u>	<u>\$ 27,793,472</u>
Legal debt margin as percentage of debt limit	43.93%	36.44%	24.83%	64.32%

Source: Indiana Department of Local Government Finance budget orders.

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

	Governmental Activities			Business Activities				Percentage of Personal Income ¹	Debt per Capita ¹
	Bonds and Contract Purchases	Capital Leases	Total Governmental Activities	Bonds and Contract Purchases	Capital Leases	Total Business Activities	Total Primary Government		
2018	743,736,654	7,637,383	751,374,037	135,831,887	519,822	136,351,709	887,725,746	13.16%	9,161
2017	721,260,757	7,315,666	728,576,423	172,348,990	721,688	173,070,678	901,647,101	15.07%	10,128
2016	660,449,791	6,836,403	667,286,194	175,750,411	562,700	176,313,111	843,599,305	14.08%	9,427
2015	755,670,563	7,315,666	762,986,229	139,951,647	721,688	147,318,693	910,304,922	12.42%	6,441

¹Population and personal income data can be found on the Schedule of Demographics and Economic Statistics.

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CITY OF CARMEL, INDIANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

	Bonds and Contract Purchases¹	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Value of Taxable Property³	Per Capita⁴
2018	879,568,541	25,853,165	853,715,376	6.57%	8,810
2017	893,609,747	20,790,202	872,819,545	6.95%	9,585
2016	836,200,202	21,862,629	814,337,573	6.76%	9,147
2015	895,622,210	17,977,793	877,644,417	7.57%	9,893

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

¹ Includes bonds and contract purchases of both governmental and business-type activities.

² Amount restricted for debt service principal payments.

³ Property tax value can be found on the Schedule of Assessed Value and Actual Value of Taxable Property.

⁴ Population data can be found on the Schedule of Demographics and Economic Statistics.

CITY OF CARMEL, INDIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
at December 31, 2018

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Percent Applicable to Carmel (1)</u>	<u>Amount Applicable to Carmel</u>
Direct Debt:			
City of Carmel (see page 147)	<u>\$ 751,374,037</u>	100%	<u>\$ 751,374,037</u>
Overlapping Debt Paid with Property Taxes:			
Carmel Clay School Corporation	38,900,000	77.90%	30,303,444
Carmel Clay Public Library	1,425,000	97.54%	1,389,935
Clay Township	35,084,500	97.54%	34,221,168
Hamilton County	37,545,000	34.59%	12,986,919
Other Overlapping Debt:			
Hamilton County Income Tax Bonds	40,595,500	34.59%	14,042,095
Hamilton County Tax Increment Bonds	<u>38,790,000</u>	0.00%	<u>-</u>
Sub-Total Overlapping Debt:	<u>\$ 192,340,000</u>		<u>92,943,561</u>
Total Direct and Overlapping Debt:			<u>\$ 844,317,598</u>
Population - 2018 (2)			96,900
Estimated direct and overlapping debt per capita			<u>\$ 8,713</u>

Note: Overlapping districts are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping districts that is borne by the residents and businesses of the City. This process recognizes that, when considering the districts' ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of another governmental unit's assessed value that is within the City's corporate boundaries and dividing it by each unit total assessed value.

(2) Source: U.S. Census Bureau

CITY OF CARMEL, INDIANA
PLEGDED-REVENUE COVERAGE
at December 31, 2018

	Water Utility						Sewer Utility					
	<u>Operating Revenue</u>	<u>Operating Expenses</u> ¹	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>		<u>Coverage</u> ²	<u>Operating Revenue</u>	<u>Operating Expenses</u> ¹	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>		<u>Coverage</u> ²
			<u>Principal</u>	<u>Interest</u>					<u>Principal</u>	<u>Interest</u>		
2018	\$ 17,735,563	\$ 10,480,050	\$ 7,255,513	\$ 3,191,000	\$ 4,912,499	90%	\$ 9,994,658	\$ 7,042,092	\$ 2,952,566	\$ 1,323,861	\$ 495,372	162%
2017	\$ 16,982,790	\$ 11,035,945	\$ 5,946,845	\$ 2,797,000	\$ 5,901,623	68%	\$ 9,638,861	\$ 7,300,561	\$ 2,338,300	\$ 1,288,670	\$ 538,490	128%
2016	\$ 15,458,695	\$ 9,343,469	\$ 6,115,226	\$ 2,877,177	\$ 5,993,331	69%	\$ 9,303,554	\$ 6,915,953	\$ 2,387,601	\$ 1,254,484	\$ 557,477	132%
2015	\$ 13,500,929	\$ 9,367,529	\$ 4,133,400	\$ 3,457,294	\$ 6,158,188	43%	\$ 8,471,996	\$ 6,383,278	\$ 2,088,718	\$ 1,256,303	\$ 562,869	115%

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

¹ Operating expenses do not include depreciation and amortization.

² Coverage = Net Available Revenue/Debt Service Requirements.

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Population ¹	Median Age ^{1,2}	Per Capita Income ³	Personal Income	High School Graduation ⁴	Public School Enrollment ⁵	Unemployment Rate ⁶
2018	96,900	39.2	69,598	6,744,030,050	97.9%	16,147	2.6%
2017	91,065	39.2	65,475	5,962,495,041	97.5%	16,082	2.8%
2016	89,029	39.9	67,191	5,981,947,539	96.5%	15,954	3.2%
2015	88,713	38.5	65,197	5,783,821,461	95.8%	15,971	3.3%
2014	86,682	38.4	62,931	5,454,984,942	96.9%	15,912	4.0%
2013	85,929	38.7	59,917	5,148,607,893	96.3%	15,724	4.8%
2012	83,595	38.4	59,170	4,946,316,150	94.3%	15,750	5.0%
2011	81,633	38.2	56,629	4,622,795,157	93.8%	15,493	5.3%
2010	79,191	38.0	53,247	4,216,683,177	93.0%	15,498	5.9%
2009	78,265	37.3	52,218	4,086,841,770	90.9%	15,218	6.2%

Sources:

- ¹ U.S. Census Bureau
U.S. Census Bureau, American Community Survey 1-Year Estimates
- ² U.S. Census Bureau, 5-Year American Community Survey
Median Age and City of Carmel Per Capita Income
- ³ Bureau of Economic Analysis
Hamilton County Per Capita Income for years 2008-2016. 2017-18 estimates based on trend.
- ⁴ National Center for Educational Statistics
- ⁵ Indiana Department of Education
Corporate enrollment, Carmel Clay Schools
- ⁶ Bureau of Labor Statistics

CITY OF CARMEL, INDIANA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2018

<u>Company</u>	<u>Industry</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Carmel Clay Schools	Public education	2,151	1	4.52%
CNO Financial Group	Life insurance holding company	1,709	2	3.59%
KAR Auction Services Inc.	Automotive remarketing services	1,600	3	3.36%
Liberty Mutual	Insurance company	1,430	4	3.00%
GEICO	Auto insurance company	1,114	5	2.34%
Resort Condominium Int'l. (RCI)	Vacation exchange network and services	1,100	6	2.31%
IU Health North	Acute healthcare facility	1,080	7	2.27%
NextGear Capital	Automotive dealer financial services provi	1,057	8	2.22%
The Capital Group	Financial Services	1,000	9	2.10%
Midcontinent ISO	Electric power grid management	802	10	1.68%

2009

<u>Company</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Carmel Clay Schools	2,469	1	6.79%
Conseco Inc (now CNO Financial Group)	2,036	2	6.17%
Marsh Supermarkets	1,235	3	3.74%
Clarian North Medical Center (now IU Health North)	1,150	4	3.48%
Liberty Mutual/Indiana Insurance	750	5	2.27%
City of Carmel	700	6	2.12%
St. Vincent Carmel Hospital	664	7	2.01%
Independent Transmission System Operator	600	8	1.82%
TCL - Thomson Electronics	550	9	1.67%
St. Vincent Heart Center	500	10	1.51%

Sources: Hamilton County Economic Development Corporation
 City and Company Officials
 Carmel Clay School Corporation

CITY OF CARMEL, INDIANA
CITY GOVERNMENT EMPLOYEES
BY FUNCTION/ PROGRAM
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government:				
Clerk-Treasurer	9	9	8	6
Mayor	3	3	3	3
City Council	7	7	7	7
Board of Public Works	2	2	2	2
Plan Commission	9	9	11	11
Administration	3	3	2	4
City Court	6	7	7	7
Law Department	7	6	6	8
Community Services	23	21	22	22
Community Relations	7	6	5	4
Public Safety:				
Police				
Officers	114	114	109	117
Civilians	24	23	23	26
Fire				
Firefighters and Officers	146	147	153	166
Civilians	9	8	8	9
Culture and Recreation:				
Parks Department	63	65	64	62
Brookshire Golf	4	4	4	4
Utilities (Water and Sewer)	104	104	103	109
Other Programs:				
Human Resources	3	3	3	3
Street	50	48	48	52
Engineering	15	15	15	16
Information Systems	10	9	9	9
Communication Center	4	4	6	4
Redevelopment	4	2	3	1
TOTAL	626	619	621	652

Source: City of Carmel Department Heads; Human Resources

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

CITY OF CARMEL, INDIANA
OPERATING INDICATORS AND CAPITAL ASSET STATISTICS
BY FUNCTION/ PROGRAM
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government:				
Community Services				
Permits issued	1,731	1,557	1,351	1,237
Residential construction permits	478	463	429	359
Total number of dwelling units	767	759	432	1,663
Building inspections performed	487	472	431	476
Public Safety:				
Police				
Incidents	83,740	85,500	83,955	83,904
Occurred incidents	4,361	4,010	4,270	4,330
Fire				
Emergency medical responses	5,517	5,136	4,755	4,402
Fire-related calls for service	3,220	2,906	2,592	2,312
Number of fire stations	6	6	6	6
Culture and recreation:				
Number of parks and greenways	17	17	16	15
Total acres	505	505	505	505
Total trail miles	16	16	16	16
Streets:				
Number of "center lane" miles streets	486	486	482	482
Number of roundabouts	122	116	111	97
Sewer:				
Wastewater treatment capacity (in millions of gallons)	12	12	12	12
Water:				
Miles of watermains	538	538	538	538
Number of wells	20	20	20	20

Source: City of Carmel Department Heads; Carmel Clay Parks

Note: The City is presenting its fourth CAFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.