

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

COMPLIANCE REPORT
OF
CARMEL REDEVELOPMENT AUTHORITY
HAMILTON COUNTY, INDIANA
January 1, 2019 to December 31, 2019



FILED
12/03/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Henry Mestetsky Ann Bingman	01-01-19 to 02-03-20 02-04-20 to 12-31-20
President of the Redevelopment Authority Board	Robert Bush	01-01-19 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF THE CARMEL REDEVELOPMENT
AUTHORITY, HAMITON COUNTY, INDIANA

The Carmel Redevelopment Authority (Authority) is considered a component unit of the City of Carmel (City) under accounting principles generally accepted in the United States of America. The Authority's financial information was audited as part of the City's financial statements for the period from January 1, 2019 to December 31, 2019. The Financial Statements Audit Report of the City, which provides our opinions on the City's financial statements and which includes the Authority's financial information, may be found at www.in.gov/sboa.

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

The Authority's Annual Financial Report information can be found on the Indiana Gateway for Government Units financial reporting system website: <https://gateway.ifionline.org>, and has not been subjected to any audit procedures.

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

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

September 22, 2020

CARMEL REDEVELOPMENT AUTHORITY
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

Although an Annual Financial Report (AFR) was prepared and supporting financial records presented, the following items were noted:

- The AFR included errors in the presented activity for the following funds: Redevelopment Authority Debt Service Fund, Redevelopment Authority Capital Projects Fund, 2017A Bond Construction Fund, 2018 CMBC Bond Construction Fund, and 2019 Project Fund.
- The financial records presented were determined to contain inaccuracies and did not include detail listings of revenue or expenses.
- No evidence was observed indicating expenses were approved by the Redevelopment Authority Board or other governing Board.

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

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

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."



OFFICIAL RESPONSE

Date: December 1, 2020

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Carmel Redevelopment Authority, Audit Result and Comment

CONDITION OF RECORDS

Although an Annual Financial Report was prepared and supporting financial records presented the following items were noted:

The Annual Financial Report included errors in the presented activity for the following funds: Redevelopment Authority Debt Service Fund, Redevelopment Authority Capital Projects Fund, 2017 A Bond Construction Fund, 2018 CMBC Bond Construction Fund, and the 2019 Project Fund.

There were a few errors that have been corrected and the updated AFR was submitted on September 14th. A Field Examiner reviewed the changes and had no further comments.

The financial records presented were determined to contain inaccuracies and did not include detail listings of revenues or expenses.

There were a few inaccuracies and they have been corrected. A detail listings of revenues and expenses are being reflected on a going forward basis.

No evidence was observed indicating expenses were approved by the Redevelopment Authority Board or other governing Board.

The governing body claims approval process of IC 5-11-10-1.6 does not apply to RDA, and the SBOA has cited no authoritative source to establish that adequate internal control must include direct approval of expenses by a governing body.

DEPARTMENT OF THE CONTROLLER

ONE CIVIC SQUARE, CARMEL, IN 46032 / OFFICE: 317-571-2414 / FAX: 317-571-2410 / WWW.CARMEL.IN.GOV

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A handwritten signature in black ink, appearing to read 'AB', with a horizontal line extending to the right.

Ann Bingman, CPA
City Controller

CARMEL REDEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2020, with Henry Mestetsky, Redevelopment Commission Director/Fiscal Officer; Mike Lee, Redevelopment Commission Financial Manager; Robert Bush, President of the Redevelopment Authority Board; Jay Brill, Redevelopment Authority Board member; Lea Lockhart Sasena, Redevelopment Authority Board member; and Ann Bingman, current Fiscal Officer.