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November 9, 2021

To: The Officials of the City of Carmel  
City of Carmel  
1 Civic Square  
Carmel, IN 46032

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City of Carmel. We have reviewed the audit report opined upon by BKD, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the Annual Comprehensive Financial Report present fairly the financial condition of the City of Carmel, as of December 31, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report which can be found on page 10 in the Single Audit Report section. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 13 and 14 of the Single Audit Report section.

In our opinion, BKD, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Handwritten signature of Paul D. Joyce in blue ink.  
Paul D. Joyce, CPA  
State Examiner

# CITY OF CARMEL INDIANA

## Comprehensive Annual Financial Report



For the Fiscal Year Ended December 31, 2020



**CITY OF CARMEL, INDIANA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended December 31, 2020



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, 2020

### TABLE OF CONTENTS

INTRODUCTORY SECTION	Pages
Letter of Transmittal	8-17
GFOA Certificate of Achievement	18
Organizational Chart	19
List of Elected and Appointed Officials	20-21
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	23-25
Management Discussion and Analysis	26-36
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	37
Statement of Activities	38
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet - Governmental Funds	39
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position	40
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	41-42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Government-wide Statement of Activities	43
Proprietary Funds:	
Statement of Net Position - Proprietary Funds	44-45
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	46
Statement of Cash Flows - Proprietary Funds	47-48
Fiduciary Funds:	
Statement of Fiduciary Net Position - Fiduciary Funds	49
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	50
Notes to the Basic Financial Statements	51-93
Required Supplementary Information:	
Other Post-Employment Benefits Plan	
Schedule of Changes in Net OPEB Liability and Related Ratios	94
Schedule of Net OPEB Liability	95
Notes to Schedules	96
1925 Police Officers' And 1937 Firefighters' Pension Plans:	
Schedule of Employer Contributions	97
Schedule of Net Pension Liability and Related Ratios	98
Schedule of Changes in Net Pension Liability	99
Notes to Schedules	100
Defined Benefit Pension Plans - Multiple Employer Plans:	
Schedule of the City's Proportionate Share of the Net Pension Liability	101-102
Schedule of City Contributions	103
Notes to Schedules	104

**CITY OF CARMEL, INDIANA**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended December 31, 2020

**TABLE OF CONTENTS (CONTINUED)**

	Pages
Budgetary Comparison Schedules - General Fund	105–108
Notes to the Required Supplementary Information - Budgetary Comparison Schedules	109
<b>Supplementary Information:</b>	
Nonmajor Governmental Funds - Information	110–113
Combining Balance Sheet - Nonmajor Governmental Funds:	
Special Revenue Funds	114–117
Capital Projects Funds	117–119
Debt Service Funds	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds:	
Special Revenue Funds	120–123
Capital Projects Funds	123–125
Debt Service Funds	125
Budgetary Comparison Schedules - Nonmajor Funds	126–136
Combining Statement of Fiduciary Net Position - Pension Funds	138
Combining Statement of Fiduciary Net Position - Custodial Fund	139
Combining Statement of Changes in Fiduciary Net Position - Pension Funds	140
Combining Statement of Changes in Fiduciary Net Position - Custodial Fund	141
<b>STATISTICAL SECTION</b>	
<hr/>	
<b>Financial Trends:</b>	
Net Position by Component	143
Changes in Net Position	144–145
Fund Balances - Governmental Funds	146
Changes in Fund Balances - Governmental Funds	147–148
<b>Revenue Capacity:</b>	
Assessed Value and Estimated Actual Value of Taxable Property	149
Property Tax Rates - Direct and Overlapping Governments	150
Principal Property Taxpayers	151
Property Tax Levies and Collections	152
<b>Debt Capacity:</b>	
Legal Debt Margin Information	153
Ratios of Outstanding Debt by Type	154
Ratios of General Bonded Debt Outstanding	155
Direct and Overlapping Governmental Activities Debt	156
Pledged-Revenue Coverage	157
<b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics	158
Principal Employers	159
<b>Operating Information:</b>	
City Government Employees by Function/ Program	160
Operating Indicators and Capital Asset Statistics by Function/ Program	161

# INTRODUCTORY SECTION



## *Introductory Section:*

*Letter of Transmittal*

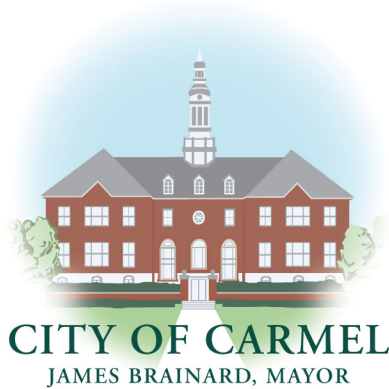
*Certificate of Achievement – Government Finance  
Officers Association*

*City of Carmel Organization Chart*

*List of Principal Officials*



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October 28, 2021

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 (“Report”) for the City of Carmel (“City”) year ended December 31, 2020. 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 control 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 City’s audit for 2020 was performed by the independent certified public accounting firm of BKD, LLP. Their audit was conducted in accordance with generally accepted governmental auditing standards. The independent certified public accounting firm concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the City of Carmel’s financial statements for the year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section, on page 23 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 report.

## **CITY PROFILE**

The City of Carmel was incorporated in 1874 and is located in Hamilton County, directly north of Indianapolis. The City occupies nearly 49 square miles, with more than 524 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 99,757 according to the U.S. Census Bureau's 2020 Census. Personal income statistics are above national and State of Indiana averages. The median household income level is \$112,765 and the median value of a home is \$333,200. 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 significantly lower than that of the State of Indiana throughout 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 the Midwest by Newsweek Magazine in 2020, 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**

In 2020, the City operated under elected officials including the Mayor, City Clerk, Judge and a nine-member Common Council pursuant to Indiana law. The Mayor serves as the chief executive of the City and serves a four-year term. The City Controller is appointed by the Mayor and is responsible for the financial records of the City. The legislative and fiscal body for the City is the Common Council. The nine-member Council is comprised of three at-large and six 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 Community Services, Community Relations and Economic Development, Redevelopment, Engineering, Human Resources, Street Department, Law, Administration, Information Systems, Police, Fire, Brookshire Golf Club and the Carmel Water and Sewer Utilities.

The City employs a total of 658 full-time employees, with union representation as follows:

Carmel Professional Firefighters / IAFF #4444  
Firefighters 160

Fraternal Order of Police Lodge #185  
Police 129

The unions negotiate contracts with the City, but they are not collective bargaining units.

### **Planning and Zoning**

The Carmel Plan Commission promotes orderly growth throughout the City and other areas of Clay Township. The nine-member Plan Commission is appointed by the Mayor (5), City Council (1), Park Board (1), City Engineer (1), and Board of Public Works (1). 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, four 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 of Carmel has experienced extensive residential and commercial development in recent years and has been one of the fastest growing areas in the Indianapolis Metropolitan Area. More than 130 companies have international, national or regional headquarters located in the City. Hamilton County has the second highest per capita income and highest median household income in the State of Indiana.

The newest or expanded businesses in the City include Simplifeye, which relocated here

from New York City with a \$10-million investment in the Carmel Arts & Design District and plans to add 75 new jobs with salaries averaging \$100,000; Braunability's \$7.5-million research and innovation lab that will hire an additional 68 high-paying high-tech jobs, and several companies that have relocated to Carmel's growing mixed-use developments such as the Proscenium.

Several established major employers in the City include GEICO with 1,500 employees, Liberty Mutual Insurance with 1,450 employees, RCI (formerly Resort Condominium International) with 1,125 employees, The Capital Group with approximately 975 employees, Next Gear Capital with 694 employees, Delta Faucet with 400 employees, and Duke Realty with 252 employees.

Along US 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, Encore Sotheby's, and Liberty Mutual Insurance are among the many office complexes which line the Meridian Corridor for five miles from 96th Street to 146th Street. In 2020, KAR Global formally opened its \$80-million state-of-the-art campus along the Meridian Corridor. The company currently employs 892 employees in the City.

In addition to these corporate headquarters, the Corridor's strength as a provider of medical services is attested to by numerous health care facilities, including St. Vincent Carmel Hospital and its newly built Women's Center, St. Vincent Heart Center, I.U. Health North Hospital and Franciscan Health Carmel, which is in the process of building a new campus with a full-service hospital. IU Health opened a \$55-million new cancer center at its North hospital campus in January 2020. Goodman Campbell Brain and Spine moved into a new \$17.6-million facility in May 2019 along the Meridian Corridor. In May 2019, Medistar Corporation and Post-Acute Medical LLC announced the development of a 60,000-square-foot rehabilitation hospital along the Meridian Corridor. A \$47-million national headquarters for Zotec Medical Billing company is nearly completed and is expected to create 300 additional jobs by 2022. Franciscan Health Carmel is expanding with a new \$120-million development, Franciscan Health Orthopedic Center of Excellence. The 235,000-square-foot facility is expected to be completed in 2022 and is being developed by Meridian Ortho Development.

The Bridges is a 65-acre mixed-use, master planned development located on the west side of US 31 in the Meridian Corridor. Over 250,000 square feet of restaurant and retail space, including a Market District store, serves 59,000 nearby workers, and attracts customers from inside and outside Carmel.

To the east of Meridian Corridor, two major mixed-use developments have been constructed and opened within the past couple years: "The Olivia on Main", a \$30-million development that includes 200 luxury apartments above ground floor retail developed by Keystone Corporation; and "Grand and Main" an \$80-million development that includes townhomes, apartments, a retirement community, retail space and a hotel.

Old Town Companies is developing a project along Smoky Row in the City. The project, expected to be completed by 2024, is a \$135-million mixed-use development which will consist of retail space, office space, single-family homes, apartments, townhomes, and condominiums.

## **IMPACT OF COVID-19 PANDEMIC**

The City received \$3,357,991 in reimbursements from the State of Indiana Coronavirus Relief Fund in 2020 for COVID-19 expenditures. The City currently anticipates that it will be eligible to receive \$7,522,920 from the American Rescue Plan Act of 2021 (“ARP”). The ARP established the Coronavirus Local Fiscal Recovery Fund (“Fund”) and appropriated money for allocations to metropolitan cities, non-entitlement units and counties. The federal government will make the first payment from the Fund to the State of Indiana, the metropolitan cities and the Indiana Counties by May 11, 2021. A second payment will be received not earlier than twelve months after the first payment. All appropriated money remains available through December 31, 2024.

The unemployment rate in Carmel has also been impacted, but not to the extent seen in other communities. Hamilton County has been substantially lower than that of the State of Indiana during the past 10 years. Although the local economy has been affected by COVID-19, many residents employed in professional services industries have continued to work from home.

In December of 2020, the City unemployment rate was 3.2 percent, which is lower than the national and statewide average. The monthly unemployment rates for 2020 include: January 2.6%; February 2.4%; March 2.8% (mid-March COVID-19 restrictions imposed); April 8.3%; May 6.7%; June 6.8%; July 5.9%; August 4.8%; September 4.2%; October 3.7%; and November 3.4%.

The City’s normally vibrant arts and culture district and activities have been impacted by COVID-19, much like the rest of the country, but appears to be recovering as the local economy reopens as outlined by Governor Eric Holcomb’s plan. The Center for Performing Arts (PAC), which includes the Tarkington and Studio Theater and a world class concert hall known as the Palladium, experienced significant financial losses and relied on relief from the federal Paycheck Protection Program. The PAC has applied for and received \$757,000 in Paycheck Protection Program (PPP) funding through the CARES Act, and the PPP funding was used to maintain employment status for staff members through June 30, 2020. For the PAC’s current fiscal year, July 1, 2020 through June 30, 2021, the PAC has greatly adjusted its budget and plans to utilize reserves and its PPP funding to offset revenue reductions resulting from a reduced number of performances and social distancing restrictions on seating capacity, which are expected to cause shows to lose money.

## **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 an 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.

Carter 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. The Carmel Christkindlmarkt and the Ice at Center Green is a winter wonderland with shops, dining options, skating and entertainment in the fresh crisp air, attracting more than 300,000 visitors in 2019. The 2020 event was canceled due to the global COVID-19 pandemic.

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.

In 2020, despite COVID-19 restrictions, the expanded Monon Greenway and Midtown Plaza continued to provide outdoor public spaces to give local residents and visitors an opportunity to escape the restrictions of the pandemic and venture out for some much-needed experiences with nature.

Among the amenities, this linear park features unique outdoor, all-weather games that allow visitors to play ping pong and pool; an outdoor stage for live music; outdoor seating; green space; outdoor fireplace and a 16-foot-wide digital video screen on which the City shows family-friendly movies and live sporting events.

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. 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. The library is currently in the process of completing a \$40-million expansion that is anticipated to include additional teen space, additional programming space, functional outdoor space, and a parking garage.

## **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 Indiana Department of Education reports 2020 enrollment for the School Corporation at 16,664 students, and the superintendent's office reports 2,717 certified and 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**

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. Located at the intersection of the Monon Greenway and Main Street is a mixed-use development called Monon & Main. The recently completed \$20-million structure features Anthony's Chophouse, a three-story, 12,000-square-foot restaurant and 3-UP, a rooftop bar, a four-story office building, retail space along Main Street, a parking garage, and seven townhomes.

The City Center redevelopment project is home to the Center for the Performing Arts and several mixed-use buildings, including the new Hotel Carmichael, 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 major redevelopment in an area located along the Monon Greenway between City Center and the Arts District – an area known as Midtown. The first several phases of the Midtown redevelopment project, which includes mixed-use buildings, has attracted several corporate headquarters. This area is poised for rapid growth in 2021 for both residential and business sectors. Additional public spaces are planned as well. Another major mixed-use development, known as the Proscenium, is currently under construction in a redevelopment area south of the City government center. The \$60-million project includes apartments, a 100,000 square foot office building, retail space and a one-level underground parking garage. The Proscenium will welcome the arrival of 101 Beer Kitchen and Indiana's first Wahlburgers – a nationally recognized restaurant created by the Wahlburg family, which includes actors that are known on the national and international stage.

The City's \$30-million plan to expand the Monon Greenway from a 12-foot path to a 140-foot greenway with expanded paths for pedestrians and bicyclists, along with new one-way streets on either side, includes the popular Midtown Plaza, a public park-like setting with green space, community games (such as outdoor ping pong and pool), a 16-foot video screen where movies and sporting events are broadcast and a stage for live music. In addition, the Monon Greenway expansion includes additional artwork, community benches, a spray plaza, and other features to enhance the landscape for residents and visitors.

The City has invested millions of dollars in infrastructure improvements in the past decade from major thoroughfares and road widening to replacing 130 intersections with roundabouts. The City also took ownership of the former Ind. 431 from the State of Indiana and transformed it into a nationally recognized and award-winning, free-flowing Keystone Parkway. With \$90 million from the State for reconstruction, Keystone Parkway was transformed from a congested, dangerous five-mile stretch of roadway into a free-flowing parkway with no traffic signals and intersections that are controlled by grade-separation and roundabouts. Upon seeing that project work well, the State of Indiana followed a similar model to upgrade U.S. 31 through Carmel and Westfield, removing traffic signals and using roundabouts to control grade-separated interchanges along 13 miles between I-465 in Indianapolis to Ind. 38 north of the City. Additionally, the creation of new interchanges has helped spur additional economic development on Main Street.

The City also transformed a key north-south corridor known as Range Line Road, which cuts through middle of Carmel's central corridor, placing the former 4-lane road with traffic signals on a "Road Diet." This process eliminated two lanes of traffic, added a bike lane, a landscaped median, replaced traffic signals with roundabouts and added pedestrian and bike friendly raised crosswalks to promote walkability and safety in an area that has been transformed by the City's redevelopment efforts.

## **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 Employees' 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 hired prior to October 3, 2016, who have completed twenty or more years of full-time service to the City. Such benefits are self-funded by the City and administered 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 (subject to DLGF approval) through the passage of an ordinance no later than October 31, 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 directors 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.

### **Accounting System**

The City’s accounting records for general government operations are maintained by the Fiscal Office on 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 Fiscal 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 automobile liability and physical damage, general liability, public officials' liability, property and casualty, inland marine/boiler coverage, and crime insurance coverage. The City insures Worker Compensation using a large Per Claim Deductible Program with Stop Loss and Excess Insurance in place. The Water Treatment Facility is insured under "Special Form" property coverage.

### **CERIFICATE OF ACHIEVEMENT**

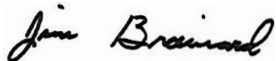
The Government Finance Officers Association of the United States (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year that ended December 31, 2019. This Certificate of Achievement is the highest form 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 to determine its eligibility for another certificate.

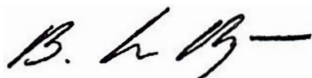
### **ACKNOWLEDGEMENTS**

The preparation of this report involved many dedicated people across the organization. In particular, we would like to express appreciation to the staff of the Fiscal Office, whose support and dedication made the report possible. We would like to express our appreciation to BKD, LLP 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 report. 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



Ann Bingman, CPA  
Controller



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, 2019

*Christopher P. Morill*

Executive Director/CEO



*Certificate  
of  
Achievement*  
**FOR EXCELLENCE IN**  
*Financial Reporting*

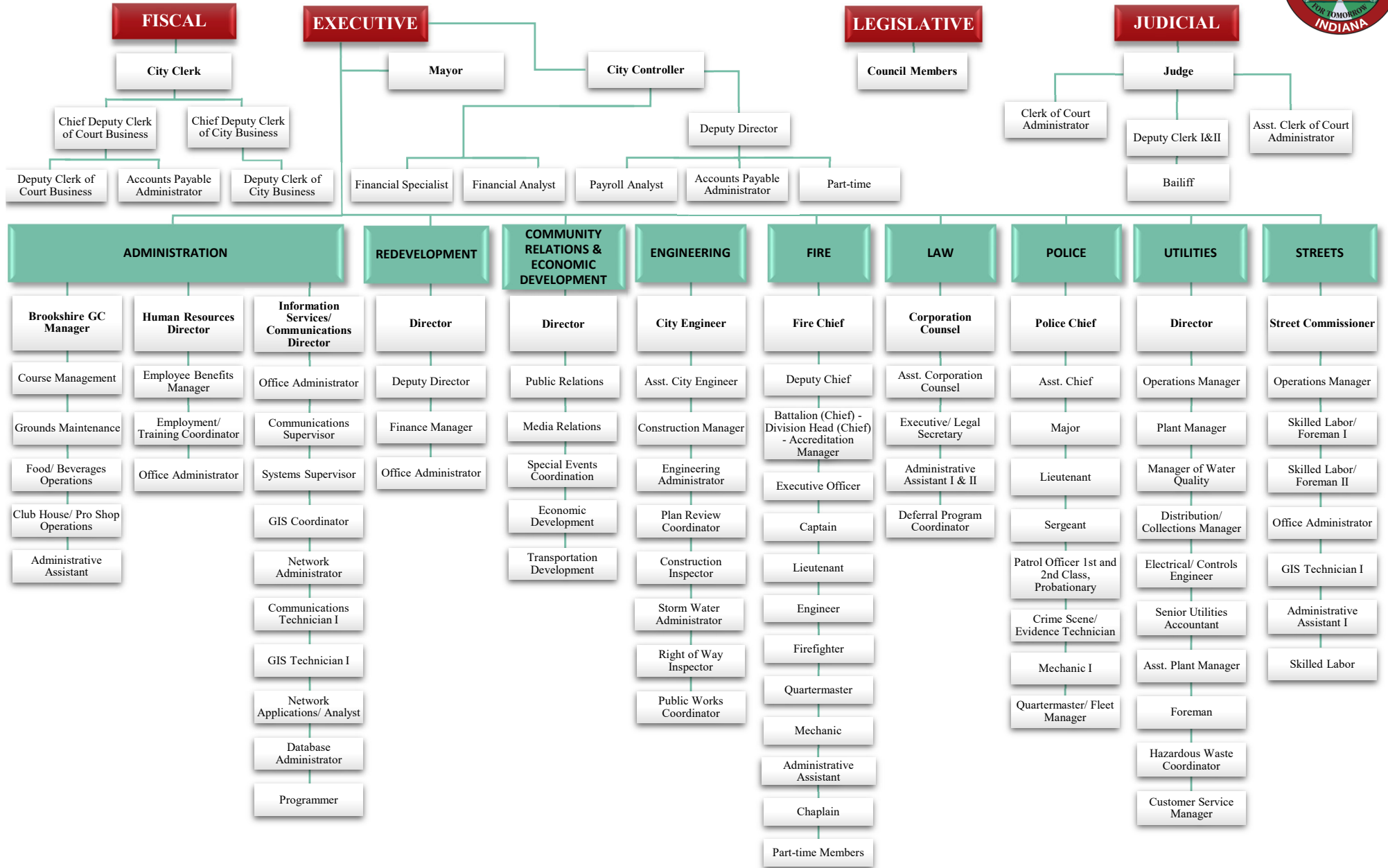
The Government Finance Officers Association of the United States (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended December 31, 2019. This Certificate of Achievement is the highest 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 to determine its eligibility for another certificate.



# CITY OF CARMEL, INDIANA

## 2020 ORGANIZATIONAL CHART



CITY OF CARMEL, INDIANA  
**List of Elected and Appointed Officials**  
For the Fiscal Reporting Year Ended December 31, 2020

Elected Officials



**Mayor**  
James Brainard  
jbrainard@carmel.in.gov



**City Clerk**  
Sue Wolfgang  
swolfgang@carmel.in.gov



**City Court Judge**  
Brian Poindexter  
bpoindexter@carmel.in.gov



**President**  
Sue Finkam  
*Northeast District*  
sfinkam@carmel.in.gov



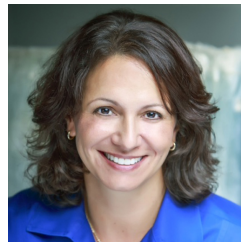
**Vice-President & Chaplain**  
Kevin "Woody" Rider  
*At-Large*  
krider@carmel.in.gov



**Parliamentarian**  
Jeff Worrell  
*At-Large*  
jworrell@carmel.in.gov



Bruce Kimball  
*Central District*  
bkimball@carmel.in.gov



Laura Campbell  
*North District*  
lcampbell@carmel.in.gov



Tim Hannon  
*At-Large*  
thannon@carmel.in.gov



Tony Green  
*Southwest District*  
agree@carmel.in.gov



Miles Nelson  
*West District*  
mnelson@carmel.in.gov



Adam Aasen  
*Southeast District*  
aaasen@carmel.in.gov

CITY OF CARMEL, INDIANA  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
For the Fiscal Reporting Year Ended December 31, 2020  
(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

Sue Finkam

Michael Ruggiero

Ted Spearman

**Carmel Redevelopment Authority**

(Appointed Officials)

Robert Bush, President

Jay Brill, Secretary/Treasurer

Lea Lockhart Sasena

**Carmel Redevelopment Commission**

(Appointed Officials)

William Hammer, President

David Bowers, Vice President

William Brooks, Secretary

Adam Campagna

Jeff Worrell

Michael Kerschner

# FINANCIAL SECTION

***Financial Section:***

*Independent Auditor's Report*

*Management Discussion and Analysis*

*Basic Financial Statements*

*Required Supplementary Information*

*Combining and Individual Fund Financial  
Statements and Schedules*

## Independent Auditor's Report

Audit Committee  
City of Carmel, Indiana  
Carmel, 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, Indiana (City) as of and for the year ended December 31, 2020, 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 did not audit the financial statements of The City of Carmel Local Public Improvement Bond Bank, a blended component unit, which represent 0.7 percent, 49 percent and 0.2 percent, respectively, of the assets, liabilities and net position of the total governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the governmental activities, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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, based on our audit and the report of other auditors, 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 of Carmel, Indiana, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

The 2019 financial statements, before they were restated for the matters discussed in Note II.K and II.L, were audited by other auditors, and their report thereon, dated September 22, 2020, expressed unmodified opinions. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, along with pension and other postemployment benefit information 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 combining and individual fund statements, nonmajor funds budgetary comparison schedules, and the introductory and statistical sections, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and nonmajor funds budgetary comparison schedules are the responsibility of management and was 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 information is 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.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated October 28, 2021, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*BKD, LLP*

Indianapolis, Indiana  
October 28, 2021

CITY OF CARMEL, INDIANA  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended December 31, 2020

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, 2020. 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 37 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 \$435,647,465 (net position).
- The City's total net position increased \$8,619,053 from the adjusted 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 \$124,114,695, a decrease of \$33,472,565 in comparison with the prior year. Approximately \$22,314,019 of this amount (18.0%) 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 \$27,573,796, or approximately 31.0% of total General Fund expenditures.
- The City's total outstanding long-term liabilities increased by \$5,442,076 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, three 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 37 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-six 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, Redevelopment Authority Debt Service Fund, and Bond Bank Project 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 39 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 44 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. *Custodial 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 49 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 51 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 94 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 114 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 \$435,647,465 at the close of the fiscal year.

#### City of Carmel's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019 Adjusted*	2020	2019 Adjusted*	2020	2019 Adjusted*
Current and other assets	\$ 137,118,190	\$ 180,296,332	\$ 23,216,203	\$ 25,067,510	\$ 160,334,393	\$ 205,363,842
Capital assets	972,643,978	941,343,015	267,954,454	251,436,899	1,240,598,432	1,192,779,914
Total assets	1,109,762,168	1,121,639,347	291,170,657	276,504,409	1,400,932,825	1,398,143,756
Total deferred outflows of resources	32,430,049	31,381,409	1,350,754	1,172,916	33,780,803	32,554,325
Other liabilities	15,541,311	20,132,289	2,516,845	2,838,709	18,058,156	22,970,998
Long-term liabilities outstanding	795,713,811	803,672,537	173,326,097	160,254,582	969,039,908	963,927,119
Total liabilities	811,255,122	823,804,826	175,842,942	163,093,291	987,098,064	986,898,117
Total deferred inflows of resources	7,816,719	10,662,685	4,151,380	4,592,813	11,968,099	15,255,498
Net position:						
Net investment in capital assets	376,746,545	378,022,382	138,083,697	101,192,811	514,830,242	479,215,193
Restricted	14,625,073	23,734,389	2,069,280	-	16,694,353	23,734,389
Unrestricted	(68,251,242)	(84,719,580)	(27,625,888)	8,798,410	(95,877,130)	(75,921,170)
Total net position	\$ 323,120,376	\$ 317,037,191	\$ 112,527,089	\$ 109,991,221	\$ 435,647,465	\$ 427,028,412

\*The effect of 2020 prior period adjustments is included above in 2019. See Note II.L. on page 93 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.

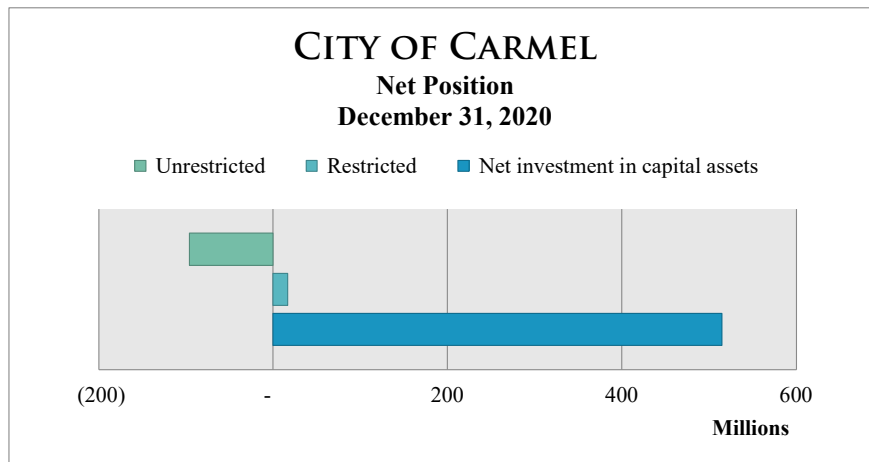
An additional portion of the City's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of spendable net position is a deficit of \$95,877,130.

The City reported significant negative unrestricted net position of \$68,251,242 in governmental activities. This deficit is due in part to unfunded pension and retiree healthcare liabilities of \$60.4 million, as follows:

Other post-employment benefits – retiree healthcare obligation	\$ 26,487,196
Non-uniform public employee retirement plan obligation	10,618,349
'37 firefighters pension plan obligation	9,264,176
'25 police pension plan obligation	8,479,462
'77 firefighters pension plan obligation	3,110,611
'77 police pension plan obligation	2,485,745
	<u>\$ 60,445,539</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. The plan was closed to new entrants as of October 3, 2016.

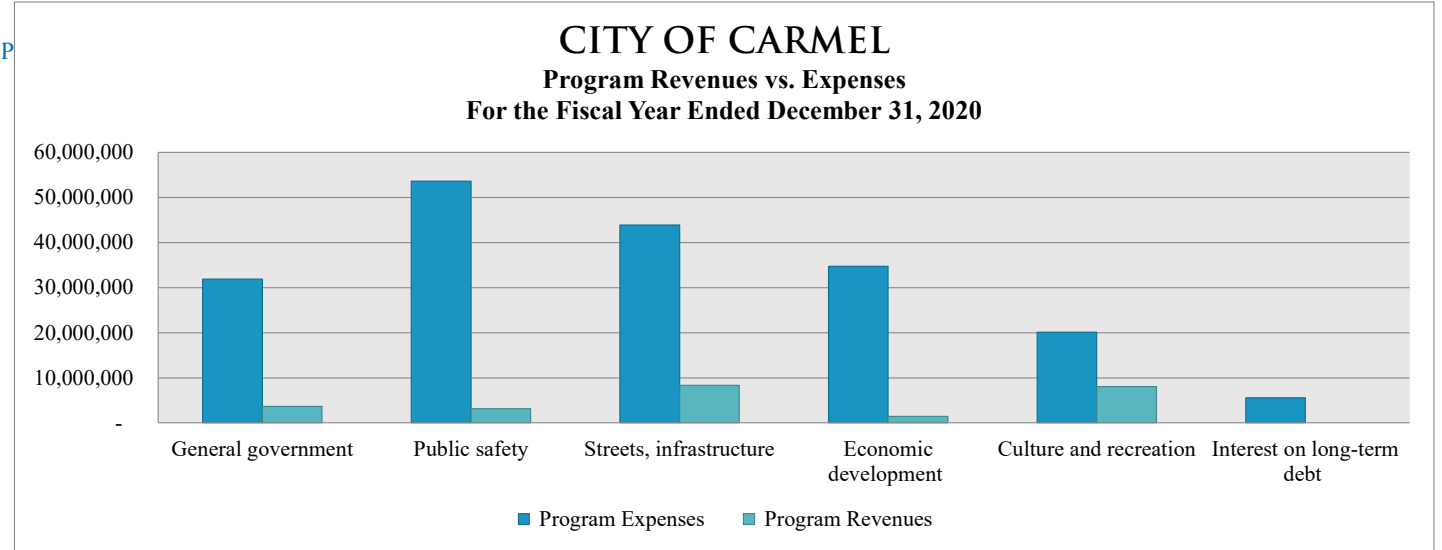
Another contributing factor to the deficit is the City's growth and aggressive acquisition of capital assets for infrastructure and other amenities. This growth and improvement have been financed with debt, resulting in significant transaction costs and amortization of deferred outflows. The City views 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 strong tax base, yielding one of the lowest local tax rates in Indiana, despite the cost of debt.



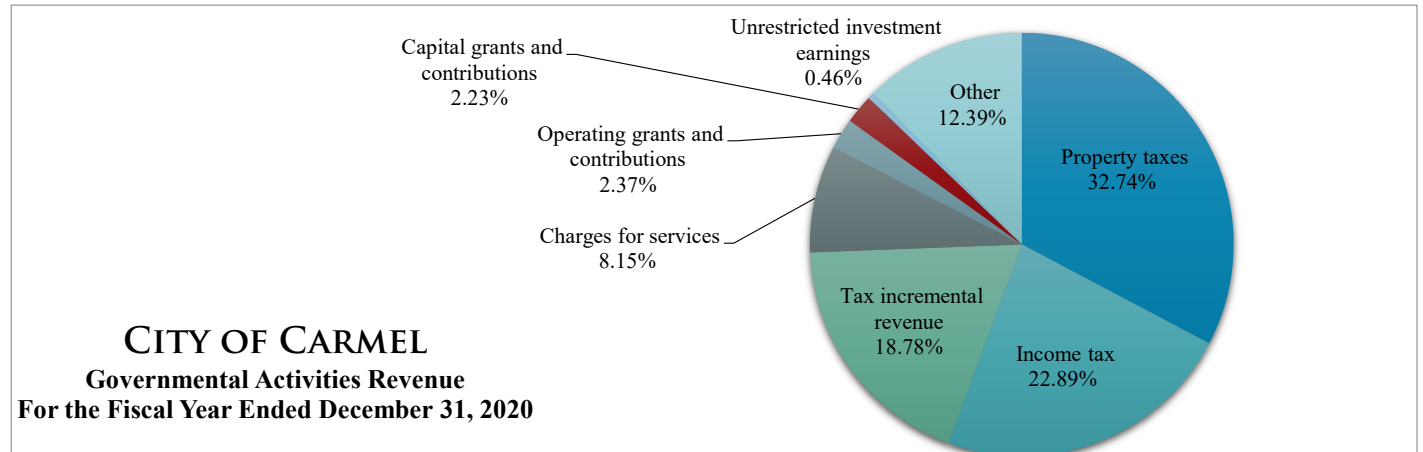
The City's overall net position increased \$8,619,053 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$6,083,185 from the prior fiscal year for an ending balance of \$323,120,376. The increase was two percent, indicating a healthy and stable 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.



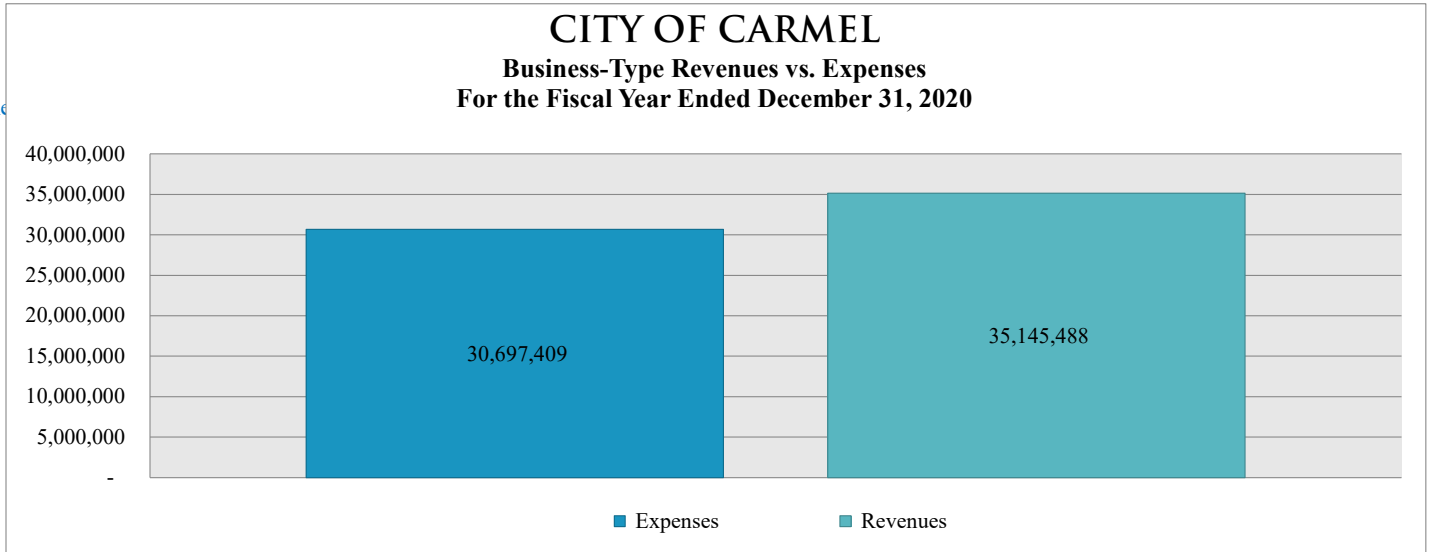
## City of Carmel's Changes in Net Position

REVENUES:	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 15,806,603	\$ 20,998,709	\$ 30,383,687	\$ 28,565,172	\$ 46,190,290	\$ 49,563,881
Operating grants and contributions	4,596,617	1,245,695	-	-	4,596,617	1,245,695
Capital grants and contributions	4,324,469	3,070,276	4,181,014	3,845,529	8,505,483	6,915,805
General revenues:						
Property taxes	63,533,389	56,571,934	-	-	63,533,389	56,571,934
Income tax	44,412,562	44,847,572	-	-	44,412,562	44,847,572
Tax incremental revenue	36,446,525	36,555,314	-	-	36,446,525	36,555,314
Unrestricted investment earnings	897,178	3,958,675	223,599	-	1,120,777	3,958,675
Other	24,041,757	20,779,293	357,188	666,529	24,398,945	21,445,822
<b>Total revenues</b>	<b>194,059,100</b>	<b>188,027,468</b>	<b>35,145,488</b>	<b>33,077,230</b>	<b>229,204,588</b>	<b>221,104,698</b>
<b>EXPENSES:</b>						
General government	31,926,796	29,340,736	-	-	31,926,796	29,340,736
Public safety	53,605,541	54,710,167	-	-	53,605,541	54,710,167
Streets, infrastructure	43,870,342	46,372,722	-	-	43,870,342	46,372,722
Water distribution	-	-	20,130,070	20,063,976	20,130,070	20,063,976
Sewer collection	-	-	10,567,339	10,479,383	10,567,339	10,479,383
Economic development	34,750,667	39,956,058	-	-	34,750,667	39,956,058
Culture and recreation	20,141,103	21,497,105	-	-	20,141,103	21,497,105
Interest on long-term debt	5,593,677	2,623,251	-	-	5,593,677	2,623,251
Other	-	-	-	-	-	-
<b>Total expenses</b>	<b>189,888,126</b>	<b>194,500,039</b>	<b>30,697,409</b>	<b>30,543,359</b>	<b>220,585,535</b>	<b>225,043,398</b>
Change in net position before transfers	4,170,974	(6,472,571)	4,448,079	2,533,871	8,619,053	(3,938,700)
Transfers	1,912,211	1,320,506	(1,912,211)	(1,320,506)	-	-
Increase (decrease) in net position	6,083,185	(5,152,065)	2,535,868	1,213,365	8,619,053	(3,938,700)
NET POSITION - beginning	331,561,593	353,783,464	110,171,422	108,958,057	441,733,015	462,741,521
Restatement*	(14,524,402)	(17,069,806)	(180,201)	-	(14,704,603)	(17,069,806)
NET POSITION - beginning, adjusted	317,037,191	336,713,658	109,991,221	108,958,057	427,028,412	445,671,715
NET POSITION - ending	\$ 323,120,376	\$ 331,561,593	\$ 112,527,089	\$ 110,171,422	\$ 435,647,465	\$ 441,733,015

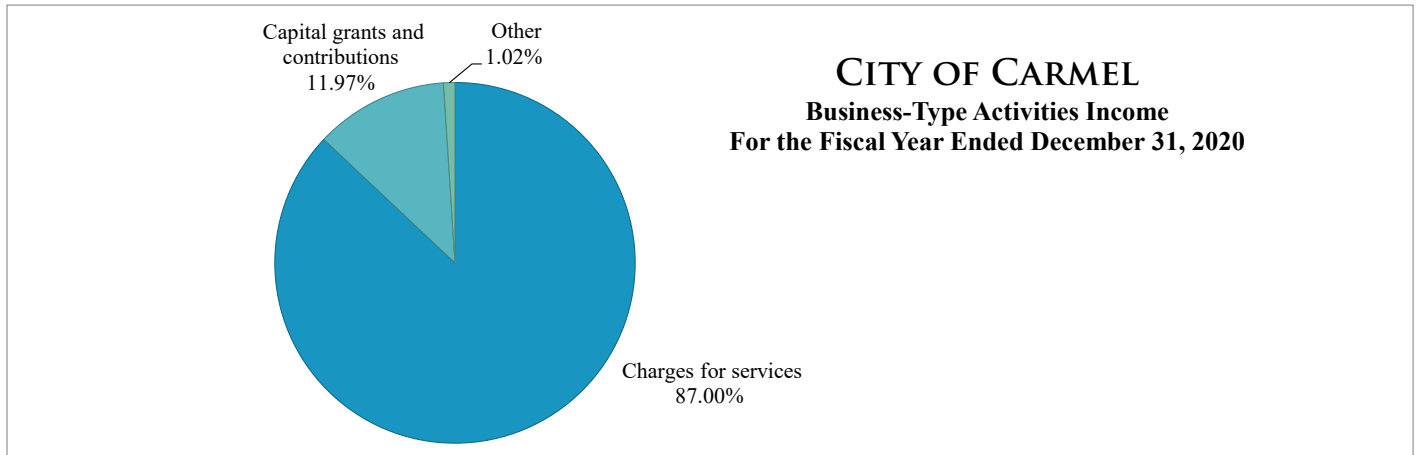
The City has not retrospectively restated the prior year balances for restatements made during 2020

**Business-type Activities.** For the City's business-type activities, overall net position increased to an ending balance of \$112,527,089. The total increase in net position for business-type activities (water and sewer) was \$2,535,868 or 2.3% from the prior fiscal year, indicating a relatively stable and healthy net position.

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, 2020, the City's governmental funds reported combined fund balances of \$124,114,695, a decrease of \$33,472,565 in comparison with the prior year. Approximately 18.0% of this amount, \$22,314,019, 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 (\$90,467,731), it is committed for particular purposes (\$6,073,168), or it is assigned for particular purposes (\$5,259,777).

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 \$22,314,019 while the total fund balance was \$27,573,796. 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 25.1% of total general fund expenditures while total fund balance represents 31.0% of that amount.

The fund balance of the City's General Fund increased by \$2,552,601 during the year, indicating a budget variance within approximately 1% of revenues and expenditures, which is considered reasonable.

The Redevelopment Commission Fund, a major fund, accounts for tax increment revenue, which is restricted for certain economic development projects. The fund had a \$870,137 increase in fund balance during the year, due primarily to certain payments received from developers, which put the overall fund balance at \$12,242,441.

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

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

The Redevelopment Authority Debt Service Fund, a major fund, had a \$1,866,265 decrease in fund balance during the current fiscal year, representing normal variations in the amount of debt service due each year. The ending balance was \$24,582,395, all of which was restricted for debt service.

The Bond Bank Project Fund, a major fund, accounts for debt issued by the Carmel Bond Bank, a component unit which aggregates multiple City debt issuances to enhance transaction cost efficiency. The Bond Bank Project Fund received transfers from the funds responsible for servicing the debt and paid out principal and interest of \$26,265,233. It also retains some debt service reserves.

**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 \$26,764,013; for the Sewer Utility, it was a deficit of \$861,875. Water Utility net position, before capital contributions and transfers, increased \$100,074. The Water Utility increase 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, increased \$166,991, which is considered satisfactory.

### 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	\$ 43,080,000	\$ 45,232,553	\$ 2,152,553
Income tax	43,531,440	47,713,401	4,181,961
Licenses and permits	2,884,696	1,752,075	(1,132,621)
Intergovernmental	239,894	523,316	283,422
Charges for services	2,314,376	1,337,562	(976,814)
Fines and forfeits	475,526	250,062	(225,464)
Miscellaneous	-	1,508,932	1,508,932
Township joinder agreements	-	-	-
Investment earnings, subfund transactions, and other	12,461,405	8,171,233	(4,290,172)
Total	<u>\$ 104,987,337</u>	<u>\$ 106,489,134</u>	<u>\$ 1,501,797</u>

The revenue excesses and shortfalls in the above revenue sources net to less than 2% and were not considered significant.

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

<b>Department</b>	<b>Final Estimated Expenditures</b>	<b>Final Actual Expenditures</b>	<b>Difference</b>
Controller	\$ 1,123,848	\$ 1,025,861	\$ (97,987)
Clerk	874,233	604,626	(269,607)
Mayor's Office	4,996,671	4,812,493	(184,178)
City Council	780,025	532,968	(247,057)
Board of Public Works	17,404,416	17,396,040	(8,376)
Administration	3,655,022	3,260,499	(394,523)
Brookshire Golf Course	1,783,903	1,310,745	(473,158)
Building Operations	3,414,982	3,486,509	71,527
City Court	758,630	536,233	(222,397)
Law Department	1,698,061	1,512,848	(185,213)
Planning Commission	-	2,630	2,630
Community Services	5,029,044	4,195,409	(833,634)
Personnel/ Human Resources	749,394	649,047	(100,347)
Information Systems	13,545	-	(13,545)
City Property Maintenance	1,347,508	838,625	(508,883)
Public Affairs/ Community Relations	4,757,921	3,460,186	(1,297,735)
Fire Department	30,227,453	28,452,240	(1,775,214)
Police Department	26,604,268	24,444,137	(2,160,131)
Communication Center	6,864,887	3,560,958	(3,303,929)
Parks Department	3,852,695	3,728,783	(123,912)
Redevelopment Department	790,552	774,310	(16,242)
Other	-	1,705,514	1,705,514
<b>Total</b>	<b>\$ 116,727,057</b>	<b>\$ 106,290,662</b>	<b>\$ (10,436,395)</b>

The Communication Center posted the most significant difference between actual expenditures and the final estimated budget. The change is due to the fact that a large communications service contract with another local government unit could be terminated because the other unit acquired its own revenue source to cover it.

### 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, 2020, amounts to \$1,240,598,432 (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 4.01%.

### Capital Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>Adjusted*</u>	<u>2020</u>	<u>Adjusted*</u>	<u>2020</u>	<u>Adjusted*</u>
Land	\$ 197,628,106	\$ 191,612,873	\$ 4,130,981	\$ 4,130,981	\$ 201,759,087	\$ 195,743,854
Construction in progress	202,570,110	212,344,671	35,989,902	15,165,802	238,560,012	227,510,473
Buildings	200,587,544	203,624,074	-	-	200,587,544	203,624,074
Machinery, equipment, and vehicles	23,128,405	21,207,860	-	-	23,128,405	21,207,860
Infrastructure	348,729,813	312,553,537	-	-	348,729,813	312,553,537
Water distribution system	-	-	163,977,184	165,983,055	163,977,184	165,983,055
Sewer system	-	-	63,856,387	66,157,060	63,856,387	66,157,060
<b>Total</b>	<b>\$ 972,643,978</b>	<b>\$ 941,343,015</b>	<b>\$ 267,954,454</b>	<b>\$ 251,436,898</b>	<b>\$ 1,240,598,432</b>	<b>\$ 1,192,779,913</b>

\*The effect of 2020 prior period adjustments is included above in 2019. See Note II.L. beginning on page 93 for more information.

Additional information on the City's capital assets can be found in Note II.C. on pages 59–60 of this report.

**Long-term Debt.** On April 9, 2020, the City's Sewer Utility issued \$15,954,000 of its Sewage Revenue Bonds, Series 2020. The bonds were issued in order to finance infrastructure improvements. To satisfy the principal and interest on the bonds, for the terms of the bonds, the City has pledged its wastewater revenues. 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 August 3, 2020, the City issued \$6,700,000 of its Storm Water District Revenue Bonds, Series 2020. The bonds were issued in order to finance infrastructure improvements. To satisfy the principal and interest on the bonds, for the terms of the bonds, the City has pledged its storm water revenues. 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 October 7, 2020, the City issued \$125,195,000 of its Taxable Lease Rental Revenue Refunding Bonds, Series 2020A. The bonds were issued to refund certain obligations that were used to acquire capital assets. The City has pledged a special benefits tax, an ad valorem property tax levied on all taxable property within the City Redevelopment District, to repay the bonds.

On October 7, 2020, the City issued \$62,270,000 of its Taxable Lease Rental Revenue Refunding Bonds, Series 2020B. The bonds were issued to refund certain obligations that were used to acquire capital assets. The City has pledged a special benefits tax, an ad valorem property tax levied on all taxable property within the City Redevelopment District, to repay the bonds.

At the end of the current fiscal year, the City had total bonded debt outstanding of \$836,493,661. Of this amount, \$571,190,287 is debt backed by an unlimited ad valorem property tax levy, \$54,715,000 is debt backed by income tax, \$46,640,000 is debt backed by tax increment, and \$163,948,374 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 Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Total	
	2019		2019		2019	
	<u>2020</u>	<u>Adjusted*</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>Adjusted*</u>
Bonds	\$ 672,545,287	\$ 675,676,201	\$ 163,948,374	\$ 150,717,271	\$ 836,493,661	\$ 826,393,472
Contract purchases	8,737,615	9,384,233	-	-	8,737,615	9,384,233
Unamortized premium	43,779,354	54,034,964	415,270	448,607	44,194,624	54,483,571
Compensated absences	1,827,642	1,387,219	510,525	488,548	2,338,167	1,875,767
OPEB	26,487,196	24,736,720	4,218,078	3,978,360	30,705,274	28,715,080
Pension-related debt	33,958,343	31,585,824	3,655,129	4,018,210	37,613,472	35,604,034
Capital leases	10,206,016	8,387,706	1,089,246	1,092,136	11,295,262	9,479,842
<b>Total</b>	<b>\$ 797,541,453</b>	<b>\$ 805,192,867</b>	<b>\$ 173,836,622</b>	<b>\$ 160,743,132</b>	<b>\$ 971,378,075</b>	<b>\$ 965,935,999</b>

The City's total debt outstanding increased by \$5,442,076 (0.56%) 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".

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 60–69 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 2021 fiscal year budget.

- The unemployment rate for the City was 3.1% at the close of the fiscal year, which is significantly below the national rate of 6.7% and also below the rate of nearby communities.
- 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 Controller, One Civic Square, Carmel, Indiana 46032.

CITY OF CARMEL, INDIANA  
STATEMENT OF NET POSITION  
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 120,773,753	\$ 4,467,693	\$ 125,241,446
Receivables (net of allowances for uncollectibles):			
Accounts	747,546	493,745	1,241,291
Taxes	13,924,916	-	13,924,916
Other	-	1,436,855	1,436,855
Internal balances	362,448	(362,448)	-
Inventories	-	852,286	852,286
Prepaid expenditures	1,309,527	24,999	1,334,526
Cash, restricted for debt service	-	16,303,073	16,303,073
Capital assets:			
Not being depreciated: land, improvements, and construction in progress	400,198,216	40,120,883	440,319,099
Other capital assets, net of depreciation	572,445,762	227,833,571	800,279,333
<b>Total assets</b>	<u>1,109,762,168</u>	<u>291,170,657</u>	<u>1,400,932,825</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Bond refunding	19,125,428	-	19,125,428
Pensions	12,378,552	1,203,278	13,581,830
Other post-employment benefits	926,069	147,476	1,073,545
<b>Total deferred outflows of resources</b>	<u>32,430,049</u>	<u>1,350,754</u>	<u>33,780,803</u>
<b>LIABILITIES:</b>			
Accounts payable	2,403,708	917,963	3,321,671
Accrued interest payable	9,185,799	744,978	9,930,777
Claims payable	910,893	-	910,893
Other current payables	-	187,027	187,027
Accrued payroll and withholdings payable	1,213,269	113,472	1,326,741
Compensated absences	1,827,642	510,525	2,338,167
Customer deposits	-	42,880	42,880
Noncurrent liabilities:			
Due within one year:			
Bonds payable	37,043,881	5,471,260	42,515,141
Capital leases payable	2,627,517	271,239	2,898,756
Due in more than one year:			
Bonds payable	688,018,375	158,892,384	846,910,759
Capital leases payable	7,578,499	818,007	8,396,506
Net pension liability	33,958,343	3,655,129	37,613,472
Total OPEB liability	26,487,196	4,218,078	30,705,274
<b>Total liabilities</b>	<u>811,255,122</u>	<u>175,842,942</u>	<u>987,098,064</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
2008 bond call rights waiver	-	3,043,173	3,043,173
Pensions	5,962,451	812,915	6,775,366
Other post-employment benefits	1,854,268	295,292	2,149,560
<b>Total deferred inflows of resources</b>	<u>7,816,719</u>	<u>4,151,380</u>	<u>11,968,099</u>
<b>NET POSITION:</b>			
Net investment in capital assets	376,746,545	138,083,697	514,830,242
Restricted:			
General government	457,836	-	457,836
Public safety	1,848,900	-	1,848,900
Streets and other infrastructure	4,781,900	2,069,280	6,851,180
Economic development	1,755,116	-	1,755,116
Culture and recreation	5,781,321	-	5,781,321
Unrestricted	(68,251,242)	(27,625,888)	(95,877,130)
<b>Total net position</b>	<u>\$ 323,120,376</u>	<u>\$ 112,527,089</u>	<u>\$ 435,647,465</u>

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, 2020

	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
<b>FUNCTIONS/PROGRAMS:</b>							
Governmental activities:							
General government	\$ 31,926,796	\$ 306,364	\$ 3,357,992	\$ -	\$ (28,262,440)	\$ -	\$ (28,262,440)
Public safety	53,605,541	1,926,343	1,238,625		(50,440,573)	-	(50,440,573)
Streets and other infrastructure	43,870,342	4,016,186	-	4,324,469	(35,529,687)	-	(35,529,687)
Economic development	34,750,667	1,470,526	-		(33,280,141)	-	(33,280,141)
Culture and recreation	20,141,103	8,087,184	-		(12,053,919)	-	(12,053,919)
Unallocated interest expense	5,593,677	-	-	-	(5,593,677)	-	(5,593,677)
<b>Total governmental activities</b>	<u>189,888,126</u>	<u>15,806,603</u>	<u>4,596,617</u>	<u>4,324,469</u>	<u>(165,160,437)</u>	<u>-</u>	<u>(165,160,437)</u>
Business-type activities:							
Water	20,130,070	19,764,152	-	3,419,195	-	3,053,277	3,053,277
Sewer	10,567,339	10,619,535	-	761,819	-	814,015	814,015
<b>Total business-type activities</b>	<u>30,697,409</u>	<u>30,383,687</u>	<u>-</u>	<u>4,181,014</u>	<u>-</u>	<u>3,867,292</u>	<u>3,867,292</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 220,585,535</u>	<u>\$ 46,190,290</u>	<u>\$ 4,596,617</u>	<u>\$ 8,505,483</u>	<u>(165,160,437)</u>	<u>3,867,292</u>	<u>(161,293,145)</u>
<b>GENERAL REVENUES AND TRANSFERS:</b>							
General Revenues:							
Property tax					63,533,389	-	63,533,389
Income tax					44,412,562	-	44,412,562
Tax incremental revenue					36,446,525	-	36,446,525
Unrestricted investment earnings					897,178	223,599	1,120,777
Other					24,041,757	357,188	24,398,945
Transfers					1,912,211	(1,912,211)	-
<b>Total general revenues and transfers</b>					<u>171,243,622</u>	<u>(1,331,424)</u>	<u>169,912,198</u>
<b>CHANGE IN NET POSITION</b>					6,083,185	2,535,868	8,619,053
<b>NET POSITION: beginning</b>					331,561,593	110,171,422	441,733,015
<b>Restatement (See Note III.)</b>					<u>(14,524,402)</u>	<u>(180,201)</u>	<u>(14,704,603)</u>
<b>NET POSITION: beginning, adjusted</b>					<u>317,037,191</u>	<u>109,991,221</u>	<u>427,028,412</u>
<b>NET POSITION: ending</b>					<u>\$ 323,120,376</u>	<u>\$ 112,527,089</u>	<u>\$ 435,647,465</u>

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

CITY OF CARMEL, INDIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

	General Fund	Redevelopment Commission Fund	2016 Project Fund	2017 Project Fund	Redevelopment Authority Debt Service Fund	Bond Bank Project Fund	Total Nonmajor Funds	Total
<b>ASSETS:</b>								
Cash and investments	\$ 22,382,204	\$ 12,478,536	\$ 2,420,970	\$ 16,192,471	\$ 24,582,395	\$ 2,793,866	\$ 39,923,311	\$ 120,773,753
Receivables:								
Accounts	644,545	-	-	-	-	-	103,001	747,546
Taxes:								
Property	1,331,022	-	-	-	-	-	530,895	1,861,917
Income	12,062,999	-	-	-	-	-	-	12,062,999
Due from other governmental funds	-	-	-	-	-	-	58,412	58,412
Due from related utility	-	-	-	-	-	-	362,448	362,448
<b>TOTAL ASSETS</b>	<b>36,420,770</b>	<b>12,478,536</b>	<b>2,420,970</b>	<b>16,192,471</b>	<b>24,582,395</b>	<b>2,793,866</b>	<b>40,978,067</b>	<b>135,867,075</b>
<b>LIABILITIES:</b>								
Accounts payable	1,269,343	236,095	-	-	-	-	898,270	2,403,708
Claims payable	-	-	-	-	-	-	910,893	910,893
Due to other funds	-	-	-	-	-	-	58,412	58,412
Accrued payroll withholdings payable	1,024,865	-	-	-	-	-	188,404	1,213,269
<b>Total liabilities</b>	<b>2,294,208</b>	<b>236,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,055,979</b>	<b>4,586,282</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable revenue	6,552,766	-	-	-	-	-	613,332	7,166,098
<b>FUND BALANCES:</b>								
Restricted:								
General government	-	-	-	-	-	-	457,836	457,836
Public safety	-	-	-	-	-	-	1,848,900	1,848,900
Highways and streets	-	-	2,420,970	16,127,295	8,564,729	2,793,866	22,226,040	52,132,900
Drainage and other capital assets	-	-	-	-	-	-	166,375	166,375
Economic development	-	12,242,441	-	65,176	9,655,453	-	1,755,116	23,718,186
Culture and recreation	-	-	-	-	6,362,213	-	5,781,321	12,143,534
Committed:								
General government	-	-	-	-	-	-	2,790,803	2,790,803
Public safety	-	-	-	-	-	-	1,819,997	1,819,997
Highways and streets	-	-	-	-	-	-	1,269,446	1,269,446
Economic development	-	-	-	-	-	-	192,922	192,922
Assigned:								
General government	3,050,708	-	-	-	-	-	-	3,050,708
Public safety	1,969,201	-	-	-	-	-	-	1,969,201
Economic development	7,050	-	-	-	-	-	-	7,050
Culture and recreation	232,818	-	-	-	-	-	-	232,818
Unassigned	22,314,019	-	-	-	-	-	-	22,314,019
<b>Total fund balances</b>	<b>27,573,796</b>	<b>12,242,441</b>	<b>2,420,970</b>	<b>16,192,471</b>	<b>24,582,395</b>	<b>2,793,866</b>	<b>38,308,756</b>	<b>124,114,695</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 36,420,770</b>	<b>\$ 12,478,536</b>	<b>\$ 2,420,970</b>	<b>\$ 16,192,471</b>	<b>\$ 24,582,395</b>	<b>\$ 2,793,866</b>	<b>\$ 40,978,067</b>	<b>\$ 135,867,075</b>

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, 2020

<b>Fund Balance - governmental funds</b>		<b>\$ 124,114,695</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>		
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.		1,309,527
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land and construction in progress	\$ 400,198,216	
Machinery, equipment, and vehicles	787,761,861	
Accumulated depreciation	<u>(215,316,099)</u>	
		972,643,978
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	\$ 1,861,917	
Income tax	4,626,378	
Ambulance fees	82,437	
Supplemental ambulance fees	<u>595,366</u>	
		7,166,098
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	\$ (33,958,343)	
Other post-employment benefit liability	<u>(26,487,196)</u>	
		(60,445,539)
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	\$ 19,125,428	
Pension-related inflows	(5,962,451)	
OPEB-related inflows	(1,854,268)	
Pension-related outflows	12,378,552	
OPEB-related outflows	<u>926,069</u>	
		24,613,330
Other noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	\$ (1,827,642)	
Accrued interest payable	(9,185,799)	
Unamortized value of capital leases	(10,206,016)	
Unamortized premiums on bonds outstanding	(43,779,354)	
Unamortized principal on bonds outstanding	<u>(681,282,902)</u>	
		<u>(746,281,713)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 323,120,376</u></b>

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, 2020

	General Fund	Redevelopment Commission Fund	2016 Project Fund	2017 Project Fund	Redevelopment Authority Debt Service Fund	Bond Bank Project Fund	Total Nonmajor Funds	Total
<b>REVENUES:</b>								
Property tax	\$ 45,232,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,204,577	\$ 63,437,130
Income tax	47,894,782	-	-	-	-	-	-	47,894,782
Other local tax	1,942,436	33,522,401	-	-	-	-	981,688	36,446,525
Charges for services	1,342,596	218,323	-	-	-	-	14,245,684	15,806,603
Investment income	445,690	3,796	51,380	172,708	30,930	2,991	189,683	897,178
Licenses and permits	3,103,548	-	-	-	-	-	72,558	3,176,106
Fines and forfeits	250,062	-	-	-	-	-	-	250,062
Intergovernmental:								
Grants	-	-	-	-	-	-	7,748,027	7,748,027
State shared revenue	892,440	-	-	-	-	-	5,804,931	6,697,371
Other	2,177,824	-	-	-	-	-	-	2,177,824
Contributions	-	-	-	-	-	-	100,185	100,185
Other	1,541,204	4,802,495	3,270,779	137,591	-	149,033	1,579,026	11,480,128
<b>Total revenues</b>	<u>104,823,135</u>	<u>38,547,015</u>	<u>3,322,159</u>	<u>310,299</u>	<u>30,930</u>	<u>152,024</u>	<u>48,926,359</u>	<u>196,111,921</u>
<b>EXPENDITURES:</b>								
Current:								
General government	25,935,891	-	-	-	-	-	4,045,402	29,981,293
Public safety	50,389,030	-	-	-	-	-	2,351,173	52,740,203
Streets and other infrastructure	708,056	-	3,678	7,838,386	-	16,655	12,377,286	20,944,061
Economic development	755,583	2,433,017	-	1,252,952	-	-	288,696	4,730,248
Culture and recreation	5,852,419	-	-	-	-	-	8,622,294	14,474,713
Debt service:								
Principal	695,000	1,564,060	-	-	9,889,804	12,602,000	3,328,033	28,078,897
Interest	63,858	1,084,076	-	-	13,872,646	13,663,233	1,506,269	30,190,082
Capital outlay:								
General government	237,309	-	-	-	1,392,110	-	-	1,629,419
Public safety	4,189,888	-	-	-	-	-	-	4,189,888
Streets and other infrastructure	-	-	16,904,906	-	-	-	27,563,040	44,467,946
Economic development	2,734	6,884,730	-	-	-	-	5,262,506	12,149,970
Culture and recreation	192,931	-	-	-	-	-	2,697,869	2,890,800
<b>Total expenditures</b>	<u>89,022,699</u>	<u>11,965,883</u>	<u>16,908,584</u>	<u>9,091,338</u>	<u>25,154,560</u>	<u>26,281,888</u>	<u>68,042,568</u>	<u>246,467,520</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>15,800,436</u>	<u>26,581,132</u>	<u>(13,586,425)</u>	<u>(8,781,039)</u>	<u>(25,123,630)</u>	<u>(26,129,864)</u>	<u>(19,116,209)</u>	<u>(50,355,599)</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, 2020  
(Continued)

	General Fund	Redevelopment Commission Fund	2016 Project Fund	2017 Project Fund	Redevelopment Authority Debt Service Fund	Bond Bank Project Fund	Total Nonmajor Funds	Total
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Bond issuance - principal	-	-	-	-	-	-	9,200,000	9,200,000
Bond issuance - refunding principal	-	-	-	-	187,465,000	-	-	187,465,000
Debt issuance - capital leases	2,234,712	-	-	-	-	-	2,413,707	4,648,419
Payment to refunded bond escrow agent	-	-	-	-	(186,342,596)	-	-	(186,342,596)
Transfers in, governmental funds	526,874	259,984	2,850,000	-	43,790,944	26,505,680	5,412,665	79,346,147
Transfer in (out) from (to) enterprise funds	1,320,506	-	591,705	-	-	-	-	1,912,211
Transfers (out), governmental funds	(17,329,927)	(25,970,979)	-	-	(21,655,983)	-	(14,389,258)	(79,346,147)
<b>Total other financing sources and uses</b>	<u>(13,247,835)</u>	<u>(25,710,995)</u>	<u>3,441,705</u>	<u>-</u>	<u>23,257,365</u>	<u>26,505,680</u>	<u>2,637,114</u>	<u>16,883,034</u>
<b>NET CHANGES IN FUND BALANCES</b>	2,552,601	870,137	(10,144,720)	(8,781,039)	(1,866,265)	375,816	(16,479,095)	(33,472,565)
<b>FUND BALANCES: beginning</b>	25,021,195	11,372,304	12,565,690	24,973,510	26,448,660	2,418,050	55,951,906	158,751,315
<b>Restatement</b>	-	-	-	-	-	-	(1,164,055)	(1,164,055)
<b>FUND BALANCES: beginning, restated</b>	<u>25,021,195</u>	<u>11,372,304</u>	<u>12,565,690</u>	<u>24,973,510</u>	<u>26,448,660</u>	<u>2,418,050</u>	<u>54,787,851</u>	<u>157,587,260</u>
<b>FUND BALANCES: ending</b>	<u>\$ 27,573,796</u>	<u>\$ 12,242,441</u>	<u>\$ 2,420,970</u>	<u>\$ 16,192,471</u>	<u>\$ 24,582,395</u>	<u>\$ 2,793,866</u>	<u>\$ 38,308,756</u>	<u>\$ 124,114,695</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, 2020

Net change in fund balances - total governmental funds, Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (33,472,565)

**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	52,749,457	
Depreciation expense	<u>(21,448,494)</u>	
		31,300,963

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:

Payment to escrow agent and bond principal payments	200,442,532	
Issuance of private placement bonds	(6,700,000)	
Issuance of other bonds secured by revenues	(189,965,000)	
Amortization of certain bond-related prepaid expense and deferred inflows and outflows	2,130,622	
Amortization of premium on bonds outstanding	3,869,005	
Principal payments on capital leases	2,875,603	
Capital lease proceeds	(4,648,419)	
Compensated absences	<u>(440,423)</u>	
		7,563,920

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

Property tax	96,259	
Income tax	(3,482,220)	
Ambulance fees	23,126	
Ambulance fee supplemental	<u>136,955</u>	
		(3,225,880)

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

1925 Police Officers' plan	1,026,503	
1937 Firefighters' plan	1,066,768	
1977 Police Officers' plan	483,573	
1977 Firefighters' plan	655,089	
Civilian public employee retirement plan	811,181	
Other post-employment benefits - retiree health insurance	<u>(1,558,218)</u>	
		2,484,896

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, net decrease in accrual.

1,431,851

**Change in net position of governmental activities (Statement of Activities) \$ 6,083,185**

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, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total Enterprise</b>
<b>ASSETS:</b>			
Current assets:			
Cash and investments	\$ 3,202,669	\$ 1,265,024	\$ 4,467,693
Accounts receivable (net of allowance)	230,837	262,908	493,745
Other receivables	859,399	577,456	1,436,855
Due from associated utility	-	859,140	859,140
Inventories	443,627	408,659	852,286
Prepaid items	15,624	9,375	24,999
<b>Total current assets</b>	<b>4,752,156</b>	<b>3,382,562</b>	<b>8,134,718</b>
Noncurrent assets:			
Restricted cash, debt service	6,699,002	9,604,071	16,303,073
Due from associated utility	723,287	-	723,287
Capital assets:			
Land, improvements to land and construction in progress	24,351,711	15,769,172	40,120,883
Utility plant in service, net of depreciation	163,977,184	63,856,387	227,833,571
<b>Total noncurrent assets</b>	<b>195,751,184</b>	<b>89,229,630</b>	<b>284,980,814</b>
<b>Total assets</b>	<b>200,503,340</b>	<b>92,612,192</b>	<b>293,115,532</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension-related	659,980	543,298	1,203,278
OPEB-related	80,976	66,500	147,476
<b>Total deferred outflow of resources</b>	<b>740,956</b>	<b>609,798</b>	<b>1,350,754</b>

Continued on next page

CITY OF CARMEL, INDIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2020  
(Continued)

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total Enterprise</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$ 687,399	\$ 230,564	\$ 917,963
Accrued wages payable	62,586	50,886	113,472
Compensated absences	286,842	223,683	510,525
Due to associated governmental funds	362,448	-	362,448
Due to associated utility	859,140	-	859,140
Hydrant deposits	42,880	-	42,880
Revenue bonds payable, current portion	4,070,000	1,401,260	5,471,260
Capital leases payable, current portion	200,784	70,455	271,239
Accrued interest payable	614,505	130,473	744,978
Other	187,027	-	187,027
<b>Total current liabilities</b>	<b>7,373,611</b>	<b>2,107,321</b>	<b>9,480,932</b>
Noncurrent liabilities:			
Bonds payable (net of unamortized discount, premium)	129,756,859	29,135,525	158,892,384
Capital leases payable	662,536	155,471	818,007
Due to associated utility	-	723,287	723,287
Net pension liability	2,004,785	1,650,344	3,655,129
Total OPEB liability	2,316,066	1,902,012	4,218,078
<b>Total noncurrent liabilities</b>	<b>134,740,246</b>	<b>33,566,639</b>	<b>168,306,885</b>
<b>Total liabilities</b>	<b>142,113,857</b>	<b>35,673,960</b>	<b>177,787,817</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension-related	445,872	367,043	812,915
OPEB-related	162,139	133,153	295,292
2008 bond call rights waiver	3,043,173	-	3,043,173
<b>Total deferred inflow of resources</b>	<b>3,651,184</b>	<b>500,196</b>	<b>4,151,380</b>
<b>NET POSITION:</b>			
Net investment in capital assets	81,242,439	56,841,258	138,083,697
Restricted for infrastructure	1,000,829	1,068,451	2,069,280
Unrestricted	(26,764,013)	(861,875)	(27,625,888)
<b>Total net position</b>	<b>\$ 55,479,255</b>	<b>57,047,834</b>	<b>\$ 112,527,089</b>

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, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total Enterprise</b>
<b>OPERATING REVENUES:</b>			
Residential sales	\$ 14,728,632	\$ 5,707,698	\$ 20,436,330
Commercial and industrial sales	4,477,313	4,818,850	9,296,163
Other operating revenue	558,207	92,987	651,194
<b>Total operating revenues</b>	<u>19,764,152</u>	<u>10,619,535</u>	<u>30,383,687</u>
<b>OPERATING EXPENSES:</b>			
Source of supply and expense - operation and maintenance	797,402	-	797,402
Water treatment expense - operation and maintenance	4,053,001	-	4,053,001
Transmission and distribution	3,923,226	-	3,923,226
Collection system - operation and maintenance	-	1,165,493	1,165,493
Pumping - operation and maintenance	-	316,107	316,107
Treatment and disposal expense - operation and maintenance	-	3,715,278	3,715,278
Customer accounts	801,735	662,848	1,464,583
Administration and general	150,185	1,219,048	1,369,233
Payroll tax expense	317,587	258,572	576,159
Utility receipts tax expense	278,370	-	278,370
Depreciation expense	4,369,889	2,671,697	7,041,586
Pension expense (credit)	(167,000)	(199,648)	(366,648)
OPEB expense	166,906	40,428	207,334
<b>Total operating expenses</b>	<u>14,691,301</u>	<u>9,849,823</u>	<u>24,541,124</u>
<b>OPERATING INCOME</b>	<u>5,072,851</u>	<u>769,712</u>	<u>5,842,563</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest and investment revenue	177,098	46,501	223,599
Miscellaneous revenue	279,368	45,930	325,298
Amortization of call rights waiver	583,318	-	583,318
Amortization of debt premium	26,934	7,794	34,728
Interest expense	(6,049,021)	(725,310)	(6,774,331)
Gain from disposition of property	9,526	22,364	31,890
<b>Total nonoperating revenue (expenses)</b>	<u>(4,972,777)</u>	<u>(602,721)</u>	<u>(5,575,498)</u>
<b>CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>100,074</u>	<u>166,991</u>	<u>267,065</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>			
Capital contributions	3,419,195	761,819	4,181,014
Transfers to associated city	(1,431,468)	(480,743)	(1,912,211)
<b>Total capital contributions and transfers</b>	<u>1,987,727</u>	<u>281,076</u>	<u>2,268,803</u>
<b>CHANGE IN NET POSITION</b>	<u>2,087,801</u>	<u>448,067</u>	<u>2,535,868</u>
<b>NET POSITION: beginning</b>	53,488,100	56,683,322	110,171,422
<b>Restatement (See Note II.L.)</b>	(96,646)	(83,555)	(180,201)
<b>NET POSITION: beginning, adjusted</b>	<u>53,391,454</u>	<u>56,599,767</u>	<u>109,991,221</u>
<b>TOTAL NET POSITION: ending</b>	<u>\$ 55,479,255</u>	<u>\$ 57,047,834</u>	<u>\$ 112,527,089</u>

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, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 19,164,610	\$ 10,522,066	\$ 29,686,676
Payments for goods and services	(4,458,038)	(2,679,496)	(7,137,534)
Payments to employees	(6,206,467)	(5,058,808)	(11,265,275)
Other receipts	586,359	119,790	706,149
<b>Net cash provided by operating activities</b>	<u>9,086,464</u>	<u>2,903,552</u>	<u>11,990,016</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of bonds	-	15,954,000	15,954,000
Capital contributions	2,279,466	506,501	2,785,967
Acquisition and construction of capital assets	(12,362,250)	(9,553,299)	(21,915,549)
Payment of capital debt, including refunded debt	(3,909,640)	(1,389,341)	(5,298,981)
Interest paid on debt	(3,732,086)	(640,120)	(4,372,206)
Proceeds from sale of equipment	24,165	12,850	37,015
Other	385,236	104,349	489,585
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(17,315,109)</u>	<u>4,994,940</u>	<u>(12,320,169)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	<u>177,098</u>	<u>46,501</u>	<u>223,599</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers from (to) governmental funds	<u>(1,431,468)</u>	<u>(480,743)</u>	<u>(1,912,211)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(9,483,015)	7,464,250	(2,018,765)
<b>CASH AND CASH EQUIVALENTS: beginning</b>	<u>19,384,686</u>	<u>3,404,845</u>	<u>22,789,531</u>
<b>CASH AND CASH EQUIVALENTS: ending</b>	<u>\$ 9,901,671</u>	<u>\$ 10,869,095</u>	<u>\$ 20,770,766</u>

Continued on next page

**CITY OF CARMEL, INDIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Fiscal Year Ended December 31, 2020  
(Continued)

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total Enterprise</b>
<b>RECONCILIATION OF OPERATING INCOME TO</b>			
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
<b>Operating income</b>	<u>5,072,851</u>	<u>769,712</u>	<u>5,842,563</u>
<b>Adjustments to reconcile operating</b>			
<b>income (loss) to net cash provided (used)</b>			
<b>by operating activities:</b>			
Depreciation expense	4,369,889	2,671,697	7,041,586
Nonoperating income (expense)	279,367	45,930	325,297
(Increase) decrease in assets:			
Accounts receivable	(43,143)	(8,552)	(51,695)
Pension-related deferred outflows of resources	(102,869)	(77,268)	(180,137)
OPEB-related deferred outflows of resources	1,303	4,635	5,938
Other	(858,410)	210,809	(647,601)
Interfund receivables	30,283	(102,608)	(72,325)
Inventories	(10,885)	(46,685)	(57,570)
Increase (decrease) in liabilities:			
Accounts payable	194,656	(439,238)	(244,582)
Wages payable	(105,854)	(88,308)	(194,162)
Compensated absence payable	12,158	9,819	21,977
Net pension liability	(161,411)	(201,670)	(363,081)
Total OPEB liability	182,388	57,330	239,718
Pension-related deferred inflows of resources	104,783	75,425	180,208
OPEB-related deferred inflows of resources	(16,785)	(21,537)	(38,322)
Other current liabilities	138,143	44,061	182,204
<b>Total adjustments</b>	<u>4,013,613</u>	<u>2,133,840</u>	<u>6,147,453</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 9,086,464</u>	<u>\$ 2,903,552</u>	<u>\$ 11,990,016</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>			
Initiation of capital leases	\$ 253,841	\$ 58,192	\$ 312,033
Contributions of capital assets and aid in construction	\$ 736,042	\$ 122,250	\$ 858,292
Amortization of call rights waiver	\$ 583,318	\$ -	\$ 583,318
Amortization of bond premium	\$ 26,934	\$ 7,794	\$ 34,728
Amortization of bond discount	\$ -	\$ (1,391)	\$ (1,391)
Water utility revenue bonds additions	\$ 2,261,161	\$ -	\$ 2,261,161

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, 2020

	Pension Trust Funds	Custodial Funds
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 151,270	\$ 102,978
Receivable from State of Indiana	97,330	-
<b>Total assets</b>	248,600	102,978
<b>LIABILITIES:</b>		
Payroll withholdings	97,330	-
<b>Total liabilities</b>	97,330	-
<b>NET POSITION: restricted</b>	\$ 151,270	\$ 102,978

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, 2020

	Pension Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
State of Indiana contributions	\$ 1,173,059	\$ -
Investment income	584	-
Court costs and fees	-	892,038
<b>Total additions</b>	1,173,643	892,038
<b>DEDUCTIONS:</b>		
Benefits to plan members and beneficiaries	1,203,909	-
Distributions	-	910,506
<b>Total deductions</b>	1,203,909	910,506
<b>NET DECREASE IN NET POSITION</b>	(30,266)	(18,468)
<b>NET POSITION: beginning</b>	181,536	121,446
<b>NET POSITION: ending</b>	\$ 151,270	\$ 102,978

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, 2020

**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, 2020, 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 appointed controller as fiscal officer, and a nine-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 six blended component units.

The Carmel Redevelopment Authority is organized under Indiana Code Chapter 36-7-14.5 as a body corporate and politic, separate from the City, 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.

Carmel Midtown Building Corporation (CMBC) is a legally separate Indiana not-for-profit corporation that facilitates borrowing for certain City capital projects. Accordingly, it imposes certain financial burdens and provides certain benefits to the City. City officials appoint its board. It exists exclusively for the benefit of the City.

The Carmel City Center Community Development Corporation (4CDC) Carmel Midtown Community Development Corporation (CMCDC) and Downtown City Center Development Corporation (DCCDC) are legally separate Indiana not-for-profit corporations that are organized as community development corporations, pursuant to Indiana Code 4-4-28-2. Their primary function is to facilitate borrowing for certain City capital projects. Accordingly, they impose certain financial burdens and provide certain benefits to the City. City officials appoint their boards. They exist exclusively for the benefit of the City.

The Carmel Redevelopment Authority, CMBC, CMCDC, DCCDC, 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, organized under Indiana Code Chapter 5-1.4-2 as a body corporate and politic, separate from the City. It serves as a facility by which certain local governmental agencies may issue debt. Its board is appointed by City officials, it serves the City exclusively, 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 *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 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.

*Custodial funds* account for 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, pensions, other post-employment benefits, 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, pension, and custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

## **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 include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

### **2. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension and OPEB trust funds are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

### **3. 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.

### **4. 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

### **5. *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.

### **6. *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.

### **7. *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 three 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 others are certain debits arising from changes in actuarial assumptions and timing differences for pensions and other post-employment benefits.

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 and OPEB-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.

### **8. *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.

### **9. *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.

## 10. 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.

## 11. 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, OPEB liabilities, deferred inflows and outflows of resources related to pensions and OPEB, and certain receivables.

## 12. 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 its value on January 1 of the year prior to the budget/levy year, and, before November 1 of that year. The Council is empowered to adopt the ensuing year property tax levies and rates. The Council's action is subject to certain statutory limitations. In some instances, these statutory limitations may be appealed by the City, and adjusted as appropriate by the Indiana Department of Local Government Finance (DLGF). Such appeals must be filed by the City by October 10 or December 31, depending on the nature of the appeal. After November 1, levies, rates, and appropriations adopted by the Council are subject to review by the Indiana DLGF and adjusted, as appropriate, to meet statutory requirements and to reflect the results of levy appeals. In some circumstances, taxpayers may also appeal the levies and rates at a public hearing before the DLGF. Review by the DLGF must be completed by December 31 or January 15, depending on the type of levy appeal the City may file. Rates must then be published by county officials three times, at least one week apart. The County Auditor then computes a tax bill for each parcel. The County Auditor must apply a credit to each real estate tax bill that exceeds a certain percentage of the gross assessed value of the parcel. Those percentages are 1% for most single-family owner-occupied residences, 2% for most other residential property, and 3% for commercial and other real property. The credit is funded by reducing a portion of the levy of the City and each other overlapping taxing jurisdiction, on a pro-rata basis. Tax bills, net of credits, are due and payable in two installments on May 10 and November 10 of the budget/levy year. The City considers property tax revenue to be receivable when it is due and payable by the property owner, at which time the City has an enforceable legal claim on the revenue.

## **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 and services. 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 Investments**

#### **1. 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, 2020, were \$110,936,522, of which \$16,303,073 is restricted and \$94,633,449 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.

## 2. 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.

These investments are required by statute to have a stated final maturity of not more than 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	More than 5
Municipal Bonds	\$ 2,344,518	\$ 772,929	\$ 1,571,589	\$ -
Federal Home Loan Mortgage Corporation	1,727,676	1,727,676	-	-
Federal Home Loan Bank Board	855,219	855,219	-	-
U.S. Government-backed Securities	25,680,584	25,680,584	-	-
Total	\$ 30,607,997	\$ 29,036,408	\$ 1,571,589	\$ -

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's investments in Federal Home Loan Bank Board and Federal Home Loan Mortgage Corporation are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service and the municipal bond investments are all rated AA or better by Standard & Poor's and Moody's Investors Service.

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, 2020, 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	\$ 1,331,022	\$ 530,895	\$ 1,861,917
Income taxes	12,062,999	-	12,062,999
Other	644,545	103,001	747,546
Due from other funds	-	58,412	58,412
Due from utility	-	362,448	362,448
Total	<u>\$ 14,038,566</u>	<u>\$ 1,054,756</u>	<u>\$ 15,093,322</u>

Receivables at December 31, 2020, for business-type activities of the City's individual major enterprise funds consisted of the following:

<u>Revenue Source</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Accounts and other	\$ 1,090,236	\$ 840,364	\$ 1,930,600
Due from associated utility - current	-	859,140	859,140
Due from associated utility - noncurrent	723,287	-	723,287
Total	<u>\$ 1,813,523</u>	<u>\$ 1,699,504</u>	<u>\$ 3,513,027</u>

The Sewer Utility recognizes a long-term liability due to the Water Utility for its share of the Water Utility's 2020 revenue bond.

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:

<u>Description</u>	<u>Unavailable Revenue</u>
Property taxes	\$ 1,861,917
Income taxes	4,626,378
Ambulance fees	82,437
Supplemental Medicaid	595,366
Total unavailable revenue	<u>\$ 7,166,098</u>

### 2. Transfers

#### a) Transfers among Governmental Funds

<u>Transfers Out</u>	<u>Transfers In</u>						<u>Total</u>
	<u>General</u>	<u>Redevelopment Commission</u>	<u>2016 Project Fund</u>	<u>RDA Debt Service</u>	<u>Bond Bank Project Fund</u>	<u>Nonmajor</u>	
General	\$ -	\$ -	\$ -	\$ 16,617,927	\$ -	\$ 712,000	\$ 17,329,927
Redevelopment Commission	526,874	-	-	23,812,500	993,057	638,548	25,970,979
RDA Debt Service	-	-	-	-	21,655,983	-	21,655,983
Nonmajor	-	259,984	2,850,000	3,360,517	3,856,640	4,062,117	14,389,258
Total	<u>\$ 526,874</u>	<u>\$ 259,984</u>	<u>\$ 2,850,000</u>	<u>\$ 43,790,944</u>	<u>\$ 26,505,680</u>	<u>\$ 5,412,665</u>	<u>\$ 79,346,147</u>

The General Fund, Redevelopment Commission, and nonmajor funds made lease payments to the Redevelopment Authority in the amounts of \$16,617,927, \$23,812,500, and \$3,360,517, respectively, in order to satisfy debt service payments.

The General Fund transferred \$525,000 of proceeds from a sale of property to a nonmajor fund to pay for park projects.

The General Fund transferred \$187,000 to a nonmajor fund for certain recreation projects.

The Redevelopment Commission Fund transferred \$526,874 to the General Fund.

The Redevelopment Commission Fund transferred \$608,000 to a nonmajor fund.

The Redevelopment Commission Fund and nonmajor funds transferred \$993,057 and \$3,856,640, respectively, to the Bond Bank Project Fund to satisfy debt service payments.

The Redevelopment Commission transferred \$30,548 of excess tax incremental revenue to another nonmajor fund in accordance with a trust indenture.

A nonmajor fund granted \$259,984 to the Redevelopment Commission Fund in accordance with a grant agreement.

A nonmajor fund granted \$2,300,000 to another nonmajor fund for economic development projects.

A nonmajor fund transferred \$2,850,000 to the 2016 Projects Fund for public improvement reimbursement.

A nonmajor fund transferred \$1,000,000 of grant revenue to another nonmajor fund for street projects.

A nonmajor fund transferred \$762,117 to another nonmajor fund in compliance with a City ordinance.

The Redevelopment Authority Debt Service Fund transferred debt service of \$21,655,983 to the Bond Bank Project Fund to satisfy debt service payments.

#### b) Transfers between Governmental and Enterprise Funds

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General</u>	<u>2016 Project</u>	<u>Total</u>
Water Fund	\$ 839,763	\$ 591,705	\$ 1,431,468
Sewer Fund	480,743	-	480,743
Total	<u>\$ 1,320,506</u>	<u>\$ 591,705</u>	<u>\$ 1,912,211</u>

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

The Water Fund transferred \$591,705 of reimbursements to the 2016 Project 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, 2020, was as follows:

Governmental Activities:	Balance Jan 1, 2020	Additions/ Transfers In	Deletions/ Transfers Out	Balance Dec 31, 2020
Capital assets, not being depreciated	(restated)			
Land	\$ 191,612,873	\$ 6,015,233	\$ -	\$ 197,628,106
Construction in progress	212,344,671	43,009,695	(52,784,256)	202,570,110
Total capital assets, not being depreciated	<u>403,957,544</u>	<u>49,024,928</u>	<u>(52,784,256)</u>	<u>400,198,216</u>
Capital assets, being depreciated				
Buildings and improvements	243,968,596	2,384,033	-	246,352,629
Machinery, equipment, and vehicles	45,247,217	5,895,992	(1,654,508)	49,488,701
Infrastructure	443,490,695	48,429,836	-	491,920,531
Total capital assets, being depreciated	<u>732,706,508</u>	<u>56,709,861</u>	<u>(1,654,508)</u>	<u>787,761,861</u>
Less accumulated depreciation, for				
Buildings and improvements	40,344,522	5,420,563	-	45,765,085
Machinery, equipment, and vehicles	24,039,357	3,774,371	(1,453,432)	26,360,296
Infrastructure	130,937,158	12,253,560	-	143,190,718
Total accumulated depreciation	<u>195,321,037</u>	<u>21,448,494</u>	<u>(1,453,432)</u>	<u>215,316,099</u>
Total capital assets, being depreciated, net	<u>537,385,471</u>	<u>35,261,367</u>	<u>(201,076)</u>	<u>572,445,762</u>
Governmental activities capital assets, net	<u>\$ 941,343,015</u>	<u>\$ 84,286,295</u>	<u>\$ (52,985,332)</u>	<u>\$ 972,643,978</u>

Capital asset activity for Business-Type Activities for the year ended December 31, 2020, was as follows:

Business-Type Activities:	Balance Jan 1, 2020	Additions/ Transfers In	Deletions/ Transfers Out	Balance Dec 31, 2020
Capital assets, not being depreciated				
Land & land rights	\$ 4,130,981	\$ -	\$ -	\$ 4,130,981
Construction in progress	15,165,802	22,356,503	(1,532,403)	35,989,902
Total capital assets, not being depreciated	<u>19,296,783</u>	<u>22,356,503</u>	<u>(1,532,403)</u>	<u>40,120,883</u>
Capital assets, being depreciated				
Utility plant & equipment in service	325,100,804	2,853,479	(351,500)	327,602,783
Total capital assets, being depreciated	<u>325,100,804</u>	<u>2,853,479</u>	<u>(351,500)</u>	<u>327,602,783</u>
Less accumulated depreciation for				
Utility plant & equipment in service	92,960,689	7,041,586	(233,063)	99,769,212
Total capital assets, being depreciated, net	<u>232,140,115</u>	<u>(4,188,107)</u>	<u>(118,437)</u>	<u>227,833,571</u>
Business-type activities capital assets, net	<u>\$ 251,436,898</u>	<u>\$ 18,168,396</u>	<u>\$ (1,650,840)</u>	<u>\$ 267,954,454</u>

Depreciation expense was charged as follows for the year ended December 31, 2020:

Governmental Activities:	
General Government	\$ 516,925
Economic Development	6,107,450
Culture & Recreation	149,387
Public Safety	1,528,486
Streets and other infrastructure	<u>13,146,246</u>
Total governmental depreciation	<u>21,448,494</u>
Business-Type Activities:	
Utility plant & equipment in service	<u>7,041,586</u>
Total business-type depreciation	<u>7,041,586</u>
Total depreciation	<u>\$ 28,490,080</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, 2020:

	Balance Jan 1, 2020	Additions	Reductions	Balance Dec 31, 2020	Due Within One Year
Governmental Activities:					
Private placement bonds	\$ 74,755,000	\$ 6,700,000	\$ (4,390,000)	\$ 77,065,000	\$ 10,910,000
Other bonds secured by revenues	600,921,201	189,965,000	(195,405,914)	595,480,287	25,449,439
Contract purchase obligations	9,384,233	-	(646,618)	8,737,615	684,442
Unamortized bond premium	54,034,964	-	(10,255,610)	43,779,354	
Subtotal, bonds, premiums, and discounts	<u>739,095,398</u>	<u>196,665,000</u>	<u>(210,698,142)</u>	<u>725,062,256</u>	<u>37,043,881</u>
Capital leases	8,387,706	4,648,419	(2,875,603)	10,206,016	2,627,517
Compensated absences	1,387,219	623,369	(182,946)	1,827,642	1,827,642
Net pension liability	31,403,654	12,638,542	(10,083,853)	33,958,343	-
Total OPEB liability	<u>24,736,720</u>	<u>2,741,918</u>	<u>(991,442)</u>	<u>26,487,196</u>	<u>-</u>
Total governmental activities	<u>\$ 805,010,697</u>	<u>\$ 217,317,248</u>	<u>\$ (224,831,986)</u>	<u>797,541,453</u>	<u>\$ 41,499,040</u>
Less,					
Portion of above due within one year				41,499,040	
Portion of capital leases payable due in more than one year				7,578,499	
Net pension liability and total OPEB liability				60,445,539	
Bonds payable due in more than one year				<u>\$ 688,018,375</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.

	<u>Balance</u> <u>Jan 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-Type Activities:</b>					
Sewer utility revenue bonds	\$ 15,939,559	\$ 15,954,000	\$ (1,359,058)	\$ 30,534,501	\$ 1,401,260
Water utility revenue bonds	134,777,712	2,261,161	(3,625,000)	133,413,873	4,070,000
<b>Total business-type bonds</b>	<b>150,717,271</b>	<b>18,215,161</b>	<b>(4,984,058)</b>	<b>163,948,374</b>	<b>5,471,260</b>
Sewer utility bond premium	22,362	-	(7,794)	14,568	
Sewer utility bond discount	(13,675)	1,391	-	(12,284)	
Water utility bond premium	439,920	-	(26,934)	412,986	
<b>Subtotal, bonds, premiums, and discounts</b>	<b>151,165,878</b>	<b>18,216,552</b>	<b>(5,018,786)</b>	<b>164,363,644</b>	<b>5,471,260</b>
Utility capital leases	1,092,136	312,033	(314,923)	1,089,246	271,239
Compensated absences	488,548	106,842	(84,865)	510,525	510,525
Net pension liability	4,021,777	1,053,998	(1,420,646)	3,655,129	-
<b>Total OPEB liability</b>	<b>3,978,360</b>	<b>375,491</b>	<b>(135,773)</b>	<b>4,218,078</b>	<b>-</b>
<b>Total business-type activities</b>	<b>\$ 160,746,699</b>	<b>\$ 20,064,916</b>	<b>\$ (6,974,993)</b>	<b>173,836,622</b>	<b>\$ 6,253,024</b>

Less,

Portion of above due within one year	6,253,024
Portion of capital leases payable due in more than one year	818,007
Net pension liability and total OPEB liability	7,873,207
<b>Bonds payable due in more than one year</b>	<b>\$ 158,892,384</b>

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</u> <u>Issue</u>	<u>Year of</u> <u>Maturity</u>	<u>Original</u> <u>Amount</u>	<u>Amount</u> <u>Outstanding</u>
Taxable Lease Rental Revenue Refunding Bonds, Series 2020A	0.839%- 2.628%	2020	2038	\$ 125,195,000	\$ 125,195,000
Taxable Lease Rental Revenue Refunding Bonds, Series 2020B	0.337%- 2.074%	2020	2033	62,270,000	62,270,000
Storm Water District Revenue Bonds, Series 2020	2.110%	2020	2033	6,700,000	6,700,000
Taxable Lease Rental Bonds, Series 2019A-1	3.940%	2019	2027	10,525,000	8,835,000
Taxable Lease Rental Bonds, Series 2019A-2	3.990% - 4.850%	2019	2035	8,170,000	7,530,000
Redevelopment Authority Tax-Exempt Lease Rental Bonds, Series 2017B-1	3.000% - 5.000%	2017	2037	32,495,000	31,985,000
Redevelopment Authority Tax-Exempt Lease Rental Bonds, Series 2017B-2	3.200% - 3.200%	2017	2037	24,000,000	23,550,000
Redevelopment Authority Taxable Lease Rental Bonds, Series 2017C-1	2.006% - 3.200%	2017	2027	815,000	620,000
Taxable Special Program Bonds, Series 2016	1.576%- 3.762%	2016	2041	18,830,000	18,445,000
General Obligation Bonds, Series 2016A	2.000%- 5.000%	2016	2036	1,214,000	1,036,000
General Obligation Bonds, Series 2016B	2.000%- 5.000%	2016	2036	1,089,000	928,000

General Obligation Bonds, Series 2016C	2.000%-5.000%	2016	2036	1,633,000	1,393,000
General Obligation Bonds, Series 2016D	2.000%-5.000%	2016	2036	1,373,000	1,171,000
General Obligation Bonds, Series 2016E	2.000%-5.000%	2016	2036	1,599,000	1,364,000
General Obligation Bonds, Series 2016F	2.000%-5.000%	2016	2036	1,577,000	1,347,000
General Obligation Bonds, Series 2016G	2.000%-5.000%	2016	2036	1,373,000	1,171,000
General Obligation Bonds, Series 2016H	2.000%-5.000%	2016	2036	1,577,000	1,347,000
General Obligation Bonds, Series 2016I	2.000%-5.000%	2016	2036	1,426,000	1,217,000
General Obligation Bonds, Series 2016J	2.000%-5.000%	2016	2036	1,513,000	1,291,000
General Obligation Bonds, Series 2016K	2.000%-5.000%	2016	2036	1,394,000	1,189,000
General Obligation Bonds, Series 2016L	2.000%-5.000%	2016	2036	1,383,000	1,181,000
General Obligation Bonds, Series 2016M	2.000%-5.000%	2016	2036	1,211,000	1,033,000
2016 Storm Water Bond (Authorized: \$44,500,000)	2.000%-5.000%	2016	2036	30,720,000	25,611,000
Redevelopment Authority Lease Rental Bonds, Series 2016A (Public Infrastructure Projects)	2.000%-5.000%	2016	2036	139,872,000**	133,548,000
Redevelopment Authority Lease Rental Bonds, Series 2016B (Economic Development Projects)	2.000%-5.000%	2016	2029	10,337,000	9,261,000
Redevelopment Authority Lease Rental Bonds, Series 2016C (Energy Center Project)	2.000%-5.000%	2016	2035	15,164,000	13,053,000
Redevelopment Authority Taxable Lease Rental Bonds, Series 2016D (Midtown Phase 1A)	1.576%-3.762%	2016	2041	10,890,000	10,345,000
Redevelopment District Bonds of 2013	2.000%-4.000%	2013	2035	6,535,000	5,530,000
Lease Rental Revenue Multipurpose Bonds, Series 2012B	1.190%-3.000%	2012	2025	69,245,000	33,190,000
Lease Rental Revenue Refunding Bonds of 2011 (West Clay road)	5.000%	2011	2024	25,190,000	8,890,000
Lease Rental Revenue Bonds of 2005 (unrefunded portion)	5.800%-8.450%	2005	2026	19,649,150*	30,964,287

\* 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, 2020, the total of payments on the bonds listed above was 0.512% 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 Refunding Bonds of 2011	2.320%	2011	2022	7,180,000	1,515,000
COIT Lease Rental Revenue Refunding Bond, Series 2014B (Northwest Clay Road)	3.000%- 5.000%	2014	2027	46,795,000	33,075,000
Redevelopment Authority LIT Lease Rental Revenue Refunding Bonds, Series 2017	2.360% - 2.360%	2017	2030	23,180,000	20,125,000

In the year ended December 31, 2020, the total of payments on the bonds listed immediately above was 18.2% 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	2,810,000
Redevelopment Authority Taxable Lease Rental Bonds, Series 2017A (Midtown South)	1.973% - 3.864%	2017	2042	7,405,000	7,385,000
Taxable Lease Rental Bonds, Series 2017C-2	2.100% - 3.750%	2017	2025	16,600,000	15,345,000
Taxable Economic Development Lease Rental Revenue Bonds, Series 2018A (Midtown West Project)	2.500% - 5.000%	2018	2043	12,645,000	12,600,000
2019 City Center Community Development Loan	5.150%	2019	2021	6,000,000	6,000,000
2020 Carmel Midtown Community Development Corporation Mortgage Note	LIBO +215 basis points	2020	2021	2,500,000	2,500,000

In the year ended December 31, 2020, the total of payments on the bonds listed immediately above was 28.8% 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	6,840,000
Restated Secondary Village #1	LIBOR	2013	2034	4,500,000	1,897,615
Total bond principal and contract purchases					681,282,902
Capital Leases	3.400%- 7.650%	2010-2020	2030	N/A	10,206,016
Compensated Absences	N/A	N/A	N/A	N/A	1,827,642
Total bond principal, contract purchases, capital leases, and compensated absences.					693,316,560
Bond premium					43,779,354
Total governmental activities bonds, contract purchases, capital leases, and compensated absences.					<u>\$ 737,095,914</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, net of reasonable expenses of operation, repair, and maintenance, 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	\$ 3,958,000
Sewer Utility 2009 SRF	0.420%	2009	2030	5,894,000	2,927,501
Sewer Utility 2012 Revenue Bonds	2.000%- 3.250%	2012	2032	11,040,000	7,695,000
Waterworks Special Program Bonds, Series 2016	3.000%- 5.000%	2016	2028	53,735,000	47,405,000
Water Utility 2008 Capital Appreciation Bonds	4.130%- 5.790%	2008	2025	20,644,479	41,246,873
Water Utility Junior Waterwork Revenue Bond of 2012	2.000%- 4.000%	2012	2036	21,625,000	15,580,000
Junior Waterworks Revenue Refunding Bonds of 2017	1.800%- 3.700%	2017	2037	13,000,000	11,437,000
Waterworks Revenue Bond Anticipation Notes of 2019	2.320%	2019	2023	17,745,000	17,745,000
Sewer Utility Revenue Bonds of 2020	2.250%	2020	2039	15,954,000	15,954,000
Bond Premium/ Discount					415,270
Total bonded debt, including amount due in one year					164,363,644
Capital Leases		2013	2029	1,198,932	1,089,246
Compensated Absences	N/A	N/A	N/A	N/A	510,525
Total business-type activities bonds, capital leases, and compensated absences.					165,963,415
Total City bonds, capital leases, and compensated absences.					<u>\$ 903,059,329</u>

In the year ended December 31, 2020, revenue, net of reasonable expenses for operation, repair, and maintenance, was 150.6% of debt service requirement for the Water utility and 263.7% of debt service requirement for the Sewer utility.

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	\$ 9,684,628
Economic development	8,912,150
Total	<u>\$ 18,596,778</u>

## 2. Debt Service Requirements to Maturity

### Governmental Activities:

Year Ended December 31	Notes and Loan Payable - Direct Placement			Contract Purchase Obligations Payable		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 10,910,000	\$ 2,349,415	\$ 13,259,415	\$ 684,442	\$ 540,323	\$ 1,224,765
2022	5,070,000	2,049,106	7,119,106	717,543	523,731	1,241,274
2023	4,770,000	1,872,199	6,642,199	755,929	465,083	1,221,012
2024	4,800,000	1,690,109	6,490,109	794,612	425,167	1,219,779
2025	4,405,000	1,543,060	5,948,060	838,602	381,160	1,219,762
2026 - 2030	23,400,000	5,678,972	29,078,972	4,126,487	1,044,856	5,171,343
2031 - 2035	16,510,000	2,567,930	19,077,930	820,000	20,993	840,993
2036 - 2040	7,200,000	307,200	7,507,200	-	-	-
2041 - 2045	-	-	-	-	-	-
	<u>\$ 77,065,000</u>	<u>\$ 18,057,991</u>	<u>\$ 95,122,991</u>	<u>\$ 8,737,615</u>	<u>\$ 3,401,313</u>	<u>\$ 12,138,928</u>

Year Ended December 31	Notes and Loan Payable - Direct Borrowings			Notes and Loan and Contract Purchase Obligations Payable - Total		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 25,449,439	\$ 22,613,625	\$ 48,063,064	\$ 37,043,881	\$ 25,503,363	\$ 62,547,244
2022	29,517,702	22,710,529	52,228,231	35,305,245	25,283,366	60,588,611
2023	27,898,488	22,097,397	49,995,885	33,424,417	24,434,679	57,859,096
2024	28,783,494	22,313,692	51,097,186	34,378,106	24,428,968	58,807,074
2025	32,965,042	15,475,708	48,440,750	38,208,644	17,399,928	55,608,572
2026 - 2030	187,094,660	63,691,991	250,786,651	214,621,147	70,415,819	285,036,966
2031 - 2035	178,790,000	30,738,067	209,528,067	196,120,000	33,326,990	229,446,990
2036 - 2040	59,837,000	4,052,975	63,889,975	67,037,000	4,360,175	71,397,175
2041 - 2045	3,765,000	175,421	3,940,421	3,765,000	175,421	3,940,421
Total Requirements	574,100,825	<u>\$ 203,869,405</u>	<u>\$ 777,970,230</u>	659,903,440	<u>\$ 225,328,709</u>	<u>\$ 885,232,149</u>
Accretion on CABs	<u>21,379,462</u>			<u>21,379,462</u>		
Total Requirements	<u>\$ 595,480,287</u>			<u>\$ 681,282,902</u>		

### Business-Type Activities:

Year Ended December 31	Principal	Interest	Total
2021	\$ 5,471,260	\$ 4,376,195	\$ 9,847,455
2022	6,011,466	4,169,572	\$ 10,181,038
2023	24,342,678	3,723,081	\$ 28,065,759
2024	8,140,894	3,214,433	\$ 11,355,327
2025	8,891,116	2,846,192	\$ 11,737,308
2026 - 2030	49,251,568	23,565,348	\$ 72,816,916
2031 - 2035	31,001,998	42,454,134	\$ 73,456,132
2036 - 2040	10,235,000	424,331	\$ 10,659,331
2041 - 2045			
Total Requirements	143,345,980	<u>\$ 84,773,286</u>	<u>\$ 228,119,266</u>
Accretion on CABs	<u>20,602,394</u>		
Total Requirements	<u>\$ 163,948,374</u>		

### 3. Capital Leases

#### Governmental Activities:

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, 2020, the City had assets with an original cost of \$16,844,051 and accumulated depreciation of \$5,741,794 financed through capital leases.

Year Ended December	Equipment Capital Leases		
	Principal	Interest	Total
2021	\$ 2,627,517	\$ 231,569	\$ 2,859,086
2022	2,373,436	166,477	2,539,913
2023	1,735,914	115,786	1,851,700
2024	1,412,400	76,770	1,489,170
2025	901,695	47,976	949,671
2026 - 2030	1,155,054	67,299	1,222,353
Total	<u>\$ 10,206,016</u>	<u>\$ 705,877</u>	<u>\$ 10,911,893</u>

#### Business-type Activities:

The Water and Sewer Utilities entered into various capital leases for certain equipment. As of December 31, 2020, the Utilities had assets with an original cost of \$1,392,745 and accumulated depreciation of \$562,327 financed through capital leases.

#### Capital Leases:

Year Ended December 31	Principal	Interest	Total
2021	\$ 271,239	\$ 21,675	\$ 292,914
2022	225,170	16,919	242,089
2023	157,171	13,252	170,423
2024	58,049	10,372	68,421
2025	60,211	38,823	99,034
2026 - 2030	317,406	19,727	337,133
Total	<u>\$ 1,089,246</u>	<u>\$ 120,768</u>	<u>\$ 1,210,014</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. Rent revenue of \$992,229 was recognized under this arrangement during 2020. Depreciation expense for the year ended December 31, 2020, was \$410,000 and book value for the year ended December 31, 2020, was \$17,220,000.

### 5. Other Commitments

Various claims and lawsuits are pending against the City. At December 31, 2020, 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. For governmental funds, these obligations are included in, and do not exceed, the assigned, committed and restricted fund balances of the respective funds.

Total assigned from the General Fund balance: \$ 5,259,777

Construction commitments for the Water and Sewer Enterprise Funds were less than \$100,000.

### 6. Contingent Grants

The Carmel Redevelopment Commission, an integral part of the City, is contingently liable for the issuance of up to \$25.5 million of grants, via a community development corporation which is a component unit of the City. The purpose of the contingent grants is to encourage private investment in the area served by the community development corporation. The grants are contingent upon the need to cover payments on loans used to finance the private investment. As of December 31, 2020, no grant payments had been made by the City in connection with these loans. The Administration believes no such payments will be needed in the future.

**7. Limited Recourse Obligations Payable Solely from Property Taxes Generated from a Specific Project Site**

The City has entered into certain transactions with private firms to redevelop designated real property meeting certain criteria. In these instances, bonds are issued to finance improvements on property designated by the City but owned by the private firm and its affiliates. The bonds are purchased by the same private firm and affiliates. The private firm may supplement these improvements with additional improvements financed from its own resources. As improvements are completed, incremental property tax revenue is generated, and a pre-determined portion of that revenue is applied to the payment of the bonds. This pre-determined share of tax paid by the private firm is the sole source of repayment. There is no recourse to the City if this revenue is inadequate to pay principal and interest on the bonds. The private firm and its affiliates are, in substance, the property owner, the owner of the bonds, and the taxpayer. Accordingly, the bonds are not reported as liabilities of the City in the accompanying financial statements. Following are the currently active transactions of this kind.

- 2020 Economic Development Tax Increment Revenue Bonds (Brookshire Village Shoppes Project)
- 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 Lofts & Shoppes)
- 2011 Taxable Economic Development Revenue Bonds (Meridian and Main)
- 2011 Taxable Economic Development Revenue Bonds (116<sup>th</sup> 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)

**8. Economic Gain on Advance Refunding**

Proceeds of City bonds issued during the year ended December 31, 2020, known as the Taxable Lease Rental Revenue Refunding Bonds, Series 2020A, were used to refund certain other obligations then outstanding, at an economic gain of \$13,979,529.

The change in cash flows resulting from the refunding is as follows:

<u>Year</u>	<u>Refunded Obligations</u>	<u>Refunding Bonds</u>	<u>Savings</u>
2021	\$ 4,392,581	\$ 1,951,886	\$ 2,440,695
2022	4,392,581	2,390,065	2,002,517
2023	4,392,581	2,390,065	2,002,517
2024	4,392,581	3,160,065	1,232,517
2025	10,160,991	9,691,904	469,087
2026 - 2030	60,014,338	57,679,597	2,334,740
2031 - 2035	49,457,800	47,125,318	2,332,482
2036 - 2038	30,662,100	29,497,125	1,164,975
Totals	<u>\$ 167,865,553</u>	<u>\$ 153,886,024</u>	<u>\$ 13,979,529</u>

Proceeds of City bonds issued during the year ended December 31, 2020, known as the Taxable Lease Rental Revenue Refunding Bonds, Series 2020B, were used to advance refund certain other obligations then outstanding, at an economic gain of \$2,989,142.

The change in cash flows resulting from the advance refunding is as follows:

<u>Year</u>	<u>Refunded Bonds</u>	<u>Refunding Bonds</u>	<u>Savings</u>
2021	\$ 2,487,906	\$ 1,517,634	\$ 970,272
2022	2,487,325	1,768,244	719,081
2023	2,486,344	1,769,151	717,193
2024	2,489,619	2,123,527	366,091
2025	2,484,369	5,521,609	(3,037,240)
2026 - 2030	46,972,728	45,744,481	1,228,247
2031 - 2033	13,508,125	11,482,627	2,025,498
Totals	<u>\$ 72,916,416</u>	<u>\$ 69,927,274</u>	<u>\$ 2,989,142</u>

**9. Schedule of Outstanding Principal on Advance Refunded Debt**

<u>Outstanding Bonds</u>	<u>Outstanding Amount</u> <u>Refunded Bonds</u>	<u>Bonds Refunded</u>	<u>Outstanding</u> <u>Through</u>
Taxable Lease Rental Revenue Refunding Bonds, Series 2020A	\$ 115,900,000	2012A LR Multi Bonds	1/1/2031
Taxable Lease Rental Revenue Refunding Bonds, Series 2020B	55,065,000	2014 LR Refunding Bonds	1/15/2035
Local Income Tax Lease Rental Revenue Refunding Bonds, Series 2017	22,325,000	2010 COIT LR Bonds	1/1/2031
Lease Rental Revenue Multipurpose Bonds, Series 2012A	33,265,000	2010A COPS	1/15/2035
Taxable Lease Rental Revenue Multipurpose Bonds, Series 2012B	2,245,000	2010B COPS	1/15/2035
Carmel Bond Bank Lease Rental Refunding Bonds, Series 2016C	13,440,000	2010C COPS	7/15/2035
Carmel Bond Bank Special Program Bonds, Series 2016	54,095,000	2008B Jr. Water	6/1/2026
	<u>\$ 296,335,000</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. The City removed its aggregate stop loss coverage in 2020.

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:

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of fiscal year	\$ 646,713	\$ 510,271
Incurred claims and changes in estimates	11,368,866	11,805,111
Claim payments	<u>11,104,686</u>	<u>11,668,670</u>
Unpaid claims, end of fiscal year	<u>\$ 910,893</u>	<u>\$ 646,713</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 Controller 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:

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	14
Terminated employees entitled to but not yet receiving benefits	-	-
Current active employees	-	-
Total Plan Members	14	14

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, 2020, the State of Indiana contributed \$607,355 to the '25 Police Officers' Plan and \$565,704 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 \$8,479,462 for the '25 Police Officers' Plan and \$9,264,176 for the '37 Firefighters' Plan was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. For the year ended December 31, 2020, the City recognized pension expense of -\$418,121 for the '25 Police Plan and -\$501,554 for the '37 Firefighters Plan.

Assumptions and Other Inputs

Measurement Date	December 31, 2020
Valuation Date	December 31, 2020—Police Officers' member census data as of January 1, 2021, and Firefighters' member census data as of January 1, 2021, was used in the valuation.

Mortality and Mortality Improvement

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

SOA published mortality improvement scale: MP-2020 generational, which projects mortality improvement indefinitely after 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.

Discount Rate

3.48% Police Officers; 3.48% Firefighters for 2020  
3.54% Police Officers; 3.58% Firefighters for 2019

Cost of Living Increase:

1925 or 1937 Plan 2.50%  
1977 Plan Converted 2.50%

Changes in the Net Pension Liability:

	'25 Police Officers' Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2019	\$ 9,650,494	\$ 145,316	\$ 9,505,178
Changes for the year:			
Service Cost	-	-	-
Interest	329,811	-	329,811
Changes in Plan Provisions	-	-	-
Difference between Expected and Actual Experience	(599,196)	-	(599,196)
Changes in Assumptions	(148,471)	-	(148,471)
Benefit Payments	(616,260)	-	(616,260)
Employer contributions	-	607,355	(607,355)
Employee contributions	-	-	-
Net transfers into (out of) trust	-	-	-
Net investment income	-	505	(505)
Benefit payments	-	(616,260)	616,260
Administrative expenses	-	-	-
Other	-	-	-
Balances as of December 31, 2020	<u>\$ 8,616,378</u>	<u>\$ 136,916</u>	<u>\$ 8,479,462</u>
Fiduciary net position as a percentage of total pension liability			<u>1.59%</u>

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

At December 31, 2020, the City reported a net pension liability of \$8,479,462 for the '25 Police Officers' Plan.

For the year ended December 31, 2020, the City recognized pension expense of -\$418,121, which included net amortization of deferred amounts from liability experience, assumption changes and investment gains and/or losses. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the '25 Police Officers' Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>'25 Police Officers' Plan</u>		
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	6,579	-
Changes in assumptions	-	-
Total	<u>\$ 6,579</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>	
2021	\$ 2,758
2022	1,861
2023	1,033
2024	927
2025	-
Thereafter	-
	<u>\$ 6,579</u>

Changes in the Net Pension Liability:

	<u>'37 Firefighters' 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, 2019	\$ 10,366,629	\$ 36,220	\$ 10,330,409
Changes for the year:			
Service Cost	-	-	-
Interest	355,711	-	355,711
Changes in Plan Provisions	-	-	-
Difference between Expected and Actual Experience	(699,325)	-	(699,325)
Changes in Assumptions	(156,836)	-	(156,836)
Benefit Payments	(587,649)	-	(587,649)
Employer contributions	-	565,704	(565,704)
Employee contributions	-	-	-
Net transfers into (out of) trust	-	-	-
Net investment income	-	79	(79)
Benefit payments	-	(587,649)	587,649
Administrative expenses	-	-	-
Other	-	-	-
Balances as of December 31, 2020	<u>\$ 9,278,530</u>	<u>\$ 14,354</u>	<u>\$ 9,264,176</u>
Fiduciary net position as a percentage of total pension liability			<u>0.15%</u>

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

At December 31, 2020, the City reported a net pension liability of \$9,264,176 for the '37 Firefighters' Plan.

For the year ended December 31, 2020, the City recognized pension expense of -\$501,554, which included net amortization of deferred amounts from liability experience, assumption changes and investment gains and/or losses. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the '37 Firefighters' Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>'37 Firefighters' Plan</u>		
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	1,395	392
Changes in assumptions	-	-
Total	<u>\$ 1,395</u>	<u>\$ 392</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>	
2021	\$ 415
2022	238
2023	111
2024	239
2025	-
Thereafter	-
	<u>\$ 1,003</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	\$ 9,343,082	\$ 8,479,462	\$ 7,737,738
'37 Firefighters' Plan	\$ 10,234,742	\$ 9,264,176	\$ 8,436,126

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, 2020. The amounts were \$607,355 and \$565,704, 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, 2020

	<u>'25 Police Pension Trust</u>	<u>'37 Fire Pension Trust Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 136,916	\$ 14,354
Receivable from State of Indiana	48,467	48,863
Total assets	<u>185,383</u>	<u>63,217</u>
LIABILITIES: payroll withholdings		
	48,467	48,863
NET POSITION: restricted for pensions	<u>\$ 136,916</u>	<u>\$ 14,354</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION FUNDS  
For the Fiscal Year Ended December 31, 2020

	<u>'25 Police Pension Trust</u>	<u>'37 Fire Pension Trust Fund</u>
ADDITIONS:		
State of Indiana contributions	\$ 607,355	\$ 565,704
Investment income	505	79
Miscellaneous revenue	-	-
Total additions	<u>607,860</u>	<u>565,783</u>
DEDUCTIONS:		
Benefits	616,260	587,649
Other services and charges	-	-
Total deductions	<u>616,260</u>	<u>587,649</u>
NET INCREASE (DECREASE) IN NET POSITION	(8,400)	(21,866)
NET POSITION: beginning	<u>145,316</u>	<u>36,220</u>
NET POSITION: ending - restricted for pensions	<u>\$ 136,916</u>	<u>\$ 14,354</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' Defined Contribution Plan (PERF My Choice Retirement Savings Plan).

City of Carmel participants are viewed by INPRS to be classified into two groups, solely for purposes of actuarial evaluation:

1. Employees who are compensated through the Parks Department of the General Fund and through certain other funds committed or restricted for parks (Parks).
2. All other civilian employees of the City (City)

The City plan is allocated between governmental and business-type activities based on the percentage of total civilian (non-uniformed) PERF expenditures during the City's fiscal year ended December 31.

There are two components to the PERF Hybrid Plan defined benefit structure: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account.

First time new employees hired by the State or a participating political subdivision who offers a choice have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC). Refer to the Description of Defined Contribution Funds for discussion of both the PERF DC and PERF MC DC accounts. A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

### **Benefits Provided:**

#### Full Retirement Benefit

At age 65 with at least 10 years of creditable service (eight years for certain elected officials).

At age 60 with at least 15 years of creditable service.

At age 55 if age and creditable service total at least 85 ("Rule of 85").

At age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.

At age 70 with 20 years of creditable service and still active in the PERF-covered position.

#### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

#### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month).

#### Survivor Benefit

While in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. While receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

### **Contribution Rates:**

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2020, the City contributed 11.2% of employee compensation to the plan. The DC Account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the City has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their DC Account. An employee's contribution and interest credits belong to the employee and do not belong to the State or the City.

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.

The City's contribution to the plan for the year ending December 31, 2020, was \$3,497,604 for City participants and \$344,090 for the Park participants, which was equal to the required contributions for the year.

**Proportionate Share of the Net Pension Liability:**

At December 31, 2020, the City reported a liability of \$12,392,074 for its proportionate share of the City net pension liability and \$1,881,404 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, 2020 measurement date was 0.0041028 for the City plan and 0.0006229 for the Park plan.

**Actuarial Assumptions and Inputs:**

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

Type of Plan	The Public Employees' Retirement Fund is a cost-sharing multiple-employer plan for GASB accounting purposes.
Measurement Date	June 30, 2020
Valuation Date	June 30, 2020
Assets:	June 30, 2020
Liabilities:	June 30, 2019 – The TPL as of June 30, 2020 was determined based on an actuarial valuation prepared as of June 30, 2019 rolled forward one year to June 30, 2020, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Inflation	2.25% per year
Future Salary Increases	2.50% - 8.75% based on service

<u>Service</u>	<u>Wage Inflation</u>	<u>Merit</u>	<u>Salary Increase</u>
0	2.75%	6.00%	8.75%
1	2.75%	5.00%	7.75%
2	2.75%	4.00%	6.75%
3	2.75%	3.00%	5.75%
4	2.75%	2.50%	5.25%
5	2.75%	2.00%	4.75%
6	2.75%	1.50%	4.50%
7	2.75%	1.50%	4.25%
8	2.75%	1.25%	4.00%
9	2.75%	1.00%	3.75%
10	2.75%	0.75%	3.50%
11	2.75%	0.50%	3.25%
12	2.75%	0.25%	3.00%
13+	2.75%	0.00%	2.75%

Cost-of-Living Increases As of June 30, 2020:  
In lieu of a COLA on January 1, 2021, members in pay status were provided a 13th check on October 1, 2020. 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, 2019:  
In lieu of a COLA on January 1, 2020, and January 1, 2021, members in pay status were provided a 13th check on October 1, 2019 and October 1, 2020. 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

Mortality Assumption Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

*Healthy Employees* – General Employee table with a 3 year set forward for males and a 1 year set forward for females.

*Retirees* – General Retiree table with a 3 year set forward for males and a 1 year set forward for females.

*Beneficiaries* – Contingent Survivor table with no set forward for males and a 2 year set forward for females.

*Disableds* – General Disabled table with a 140% load.

Experience Study

The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were updated as appropriate based on the results of the study for this June 30, 2020 actuarial valuation.

Discount Rate

6.75%, net of investment expenses

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 11.2% (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, 2020 actuarial valuation assumes a long-term rate of return on assets of 6.75%, a 20-year level dollar closed method for amortizing the future layers of unfunded actuarial accrued liability (30 years for amortization layers established prior to June 30, 2016), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.

In the past several years, the Board has followed its current funding policy and the State has complied in its contributions to the plan. Therefore, if past practice is continued, the appropriations will be sufficient to fully fund the plan within 20 to 30 years. In the past, deterministic projections have shown the actuarially determined contribution rate to reach a peak of 10.9% which is slightly below the current rate. As a result, it is presumed that the projected plan assets will be sufficient to cover the future benefit payments for current members and a detailed projection of plan assets and cash flows has not been prepared.

Discount Rate Sensitivity

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:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
2020 City	\$ 20,203,295	\$ 12,392,074	\$ 5,849,541
2020 Park	\$ 3,067,328	\$ 1,881,404	\$ 888,096

Classes of Plan Members Covered

The June 30, 2020 valuation was performed using census data provided by INPRS as of June 30, 2019. Standard actuarial techniques were used to roll forward the total pension liability computed as of June 30, 2019 to the June 30, 2020 Measurement Date using actual benefit payments during that period of time.

Money-Weighted Rate of Return

The money-weighted rate of return equals investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the fiscal year ending June 30, 2020, the moneyweighted return on the plan assets is 2.6%.

**Summary of Plan Provisions:**

**Definitions**

Fiscal year

Twelve month period ending June 30.

Participation

All full time employees of the State of Indiana and all full time employees of Political Subdivisions which have adopted the plan become members of PERF upon date of hire.

Average monthly earnings

The monthly average of earnings during 20 quarters (in groups of 4 consecutive contribution quarters) preceding retirement that produce the highest such average. Earnings include basic salary, the member's 3% mandatory contribution paid by the employer, the member's salary reduction agreement under Section 125, 430(b), or 457 of the Internal Revenue Code, and up to \$2,000 of additional compensation received from the employer in anticipation of the member's termination or retirement.

Member contributions	<p>Each member is required to contribute to an Annuity Savings Account at the rate of 3% of pay (unless the employer has opted to make the contribution for the employee). These contributions are kept on deposit and credited with interest based on the investment elections of each member until such time as they are withdrawn or annuitized by the member.</p> <p>The Annuity Savings Account benefit is in addition to the annuity benefits provided by employer contributions. During FYE 2018, the Annuity Savings Accounts were completely separated from the defined benefit plan, and so are no longer relevant to the valuation process.</p>
Minimum pension benefit	The minimum pension benefit paid to a member with 10 or more years of creditable service receiving any pension benefit is \$180 per month.
<b>Eligibility for Benefits</b>	
Deferred vested	10 or more years of vesting service and no longer active.
Disability retirement	5 or more years of vesting service and qualified for Social Security disability benefits or federal Civil Service disability benefits.
Early retirement	Age 50 with 15 or more years of vesting service.
Normal retirement	Earliest of: Age 65 with 10 or more years of vesting service Age 60 with 15 or more years of vesting service Age 55 with sum of age and vesting service equal to 85 or more.
Pre-retirement death	10 or more years of vesting service.
<b>Monthly Benefits Payable</b>	
Normal retirement	The normal retirement benefit is a pension payable for life with 60 months guaranteed and is equal to 1.1% of average monthly earnings multiplied by years of creditable service earned. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.
Early retirement	<p>The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A member may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 1/10% for each of the first 60 months and by 5/12% for each of the next 120 months that the benefit commencement date precedes the normal retirement date. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.</p>
Deferred retirement	The termination benefit is the accrued retirement benefit determined as of the termination date and payable commencing at age 65. If the member has 15 or more years of creditable service, then the member may elect to receive a reduced early retirement benefit prior to age 65. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.
Diability	The disability retirement benefit is the accrued retirement benefit determined as of the disability date and payable commencing the month following disability date without reduction for early commencement. The minimum monthly benefit is \$180.
Pre-retirement death	The spouse or dependent beneficiary is entitled to receive the monthly life benefit payable immediately under the assumption that the member retired on the later of age 50 or the date before the date of death and elected the joint and full survivor option. The minimum monthly benefit is \$180 if the member has at least 10 years of creditable service.
Cost-of-Living-Adjustments	<p>The employer-funded monthly pension benefits for members in pay status are increased periodically to preserve purchasing power that is diminished due to inflation. Such increases are not guaranteed by Statute and will only be provided by legislative action.</p> <p>A "13th check" was paid to each member in pay status during fiscal year 2018, 2019, 2020 and 2021. The amount of the 13th check varied based on the years of creditable service the member had earned prior to retirement.</p> <p>Legislation passed in the 2018 legislative session creates a funding mechanism to provide for future benefit increases or 13th checks. The INPRS Board has the authority to have employers contribute up to 1% of member pay into the fund. Increases or payments are made upon passed legislation subject to the availability of funds to provide the benefit.</p>
Forms of payment	
a. 5-Year Guaranteed Beneficiary Benefit	Member will receive a monthly benefit for the rest of their life. If the member dies before receiving benefits for 5 years, the beneficiary will receive that monthly benefit for the remainder of those 5 years or a lump sum distribution equal to the present value of those payments. After 5 years, there are no payments available to the beneficiary.

b. Benefit with No Guarantee	Member will receive a monthly benefit for life, but there are no monthly payments to anyone after death. However, the balance of the Annuity Savings Account will be distributed to the beneficiary or estate if it is larger than the payments previously made to the member.
c. Joint with Full Survivor Benefits	Member will be paid a monthly benefit for life. After death, the same monthly benefit will be paid to the beneficiary for their lifetime.
d. Joint with Two-Thirds Survivor Benefits	Member will be paid a monthly benefit for life. After death, two-thirds (2/3) of the benefit will be paid to the beneficiary for their lifetime.
e. Joint with One-Half Survivor Benefits	Member will be paid a monthly benefit for life. After death, one-half (1/2) of the benefit will be paid to the beneficiary for their lifetime.
f. Integration with Social Security	<p>A member who retires between ages 50 and 62 may integrate the PERF monthly pension benefit with the member's estimated Social Security benefits. This does not affect the amount of the benefit received from the Social Security Administration.</p> <p>Before age 62, the member's benefits will equal the sum of the member's Social Security estimate, multiplied by actuarial factors, and the member's early retirement benefit. This will result in the member receiving a larger monthly benefit payment before age 62. After age 62, the member's benefit will equal the difference between the member's Social Security estimate, multiplied by actuarial factors, and the member's pre-62 monthly pension benefit. Depending upon the member's estimated Social Security disbursement, benefit payments may be greatly reduced or terminated at age 62.</p>
g. 5-Year Guaranteed Beneficiary Benefit with ASA Cash Refund	In order to select this option, the member must choose to combine at least a portion of their Annuity Savings Account (ASA) with their lifetime monthly pension benefit. If selected, the member will receive a monthly benefit for the rest of their life. If the member dies before receiving payments for 5 years, the beneficiary will receive the pension portion of their monthly benefit for the remainder of those 5 years or a lump sum equal to the present value of those remaining payments. Also, upon death (whether death occurs before or after receiving 5 years of benefits), the beneficiary may receive any remaining balance of the ASA.

**Actuarial Methods:**

Actuarial Cost Method	The actuarial cost method is Entry Age Normal - Level Percent of Payroll.
COLA Surcharge	The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.
Asset Valuation Method	Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Market Value of Assets subject to a 20% corridor.
Anticipated Payroll	The Anticipated Payroll for the fiscal year beginning July 1, 2020 is equal to the actual payroll during the year ending June 30, 2020, increased with one year of salary scale.
Employer Contribution Rates	Based on the assumptions and methods previously described, an actuarially determined contribution rate is computed. The Board considers this information and has ultimate authority in setting the employer contribution rates.

**Other Assumptions:**

Form of payment	100% of members are assumed to elect the normal form of benefit payment, a single life annuity with a five-year certain period.
Marital status	
Percent married	80% of male members and 65% 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 years older than their spouses and female members are assumed to be two years younger than their spouses.
Decrement timing	Decrements are assumed to occur at the beginning of the year.
Miscellaneous adjustments	For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

**Data Assumptions:**

Changes in actuarial assumptions:

- The most significant change in the economic assumptions is the increase of the wage inflation assumption from 2.50% + Merit (age-based) to 2.75% + Merit (service-based).  
The major demographic assumptions include mortality, retirement, disability, terminations, and salary merit increases. Mortality is typically the most significant demographic assumption. The mortality tables used in calculating the valuations
- have been updated from RP-2014 projected from 2006 with Social Security Administration's 2014 Trustee report (generational) to Pub-2010 General Amount-Weighted Mortality projected with MP-2019 (generational). Male ages set forward three years, females set forward one year.
- As a result of the 2014-2019 Experience Study, there were changes to many assumptions. Please see that Study for complete details (available on the INPRS web site at [www.in.gov/inprs/actuarialvaluation.htm](http://www.in.gov/inprs/actuarialvaluation.htm)).

Changes in actuarial methods:

- There were no changes in actuarial methods since the prior year.

Changes in plan provisions:

- There were no changes in plan provisions since the prior year.

**Pension Expense and Deferred Items Summary:**

For the year ended December 31, 2020, the City recognized pension expense of \$1,585,184 for the City plan and \$164,926 for the Park plan. Pension expense included net amortization of deferred amounts described below. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

<b>City</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 219,552	\$ 166,380
Net difference between projected and actual earnings on pension plan investments	1,060,561	-
Changes in assumptions	-	2,581,990
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>798,841</u>	<u>7,676</u>
Total that will be recognized in pension expense (income) based on the table below	2,078,954	2,756,046
Pension contributions subsequent to measurement date	<u>2,000,548</u>	-
Total	<u>\$ 4,079,502</u>	<u>\$ 2,756,046</u>
<b>Parks</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,333	\$ 25,260
Net difference between projected and actual earnings on pension plan investments	161,018	-
Changes in assumptions	-	392,006
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>41,443</u>	<u>26,224</u>
Total that will be recognized in pension expense (income) based on the table below	235,794	443,490
Pension contributions subsequent to measurement date	<u>204,156</u>	-
Total	<u>\$ 439,950</u>	<u>\$ 443,490</u>

Contributions subsequent to the June 30, 2020, measurement date of the net pension liability, but before the end of the employer's reporting period, are recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

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. Differences between expected and actual experience and changes in assumptions are 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>Parks Amount</u>
2021	\$ (683,494)	\$ (172,534)
2022	(312,195)	(66,277)
2023	(131,904)	(37,281)
2024	450,501	68,396
2025	-	-
Thereafter	-	-
Total	<u>\$ (677,092)</u>	<u>\$ (207,696)</u>

**Pension Plan Report and 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](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

***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 (or rehired) after April 30, 1977.

**Benefits Provided:**

The fund provides retirement, disability, and survivor benefits to full-time sworn officers of a police force of an Indiana city or eligible town, along with full-time firefighters employed by an Indiana city, town, township, or county. Administration of the fund is generally in accordance with Indiana Code Article 36-8 and other Indiana pension law.

**Contributions and 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 2020, 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.

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.

The City's contribution to the plan for the year ending December 31, 2020, was \$2,117,739 for police participants and \$2,695,458 for fire participants, which was equal to the required contributions for the year.

**Proportionate Share of the Net Pension Liability:**

At December 31, 2020, the City reported a liability of \$2,485,745 for police and a liability of \$3,110,611 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, 2020, measurement date was 0.0102375 for police and 0.012811 for fire.

## 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 cost-sharing multiple-employer plan for GASB accounting purposes.
Measurement Date	June 30, 2020
Valuation Date	
Assets:	June 30, 2020
Liabilities:	June 30, 2019 – The TPL as of June 30, 2020 was determined based on an actuarial valuation prepared as of June 30, 2019 rolled forward one year to June 30, 2020, 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	2.75%
Cost-of-Living Increases	As of June 30, 2020: 2.1% compounded annually, beginning July 1, 2020. Actual COLA increases at July 1, 2019 (1.6%) and July 1, 2020 (2.1%) are reflected in the valuation.  As of June 30, 2019: 2.0% compounded annually, beginning July 1, 2020. Actual COLA increases at July 1, 2018 (2.2%) and July 1, 2019 (1.6%) are reflected in the valuation.
Mortality Assumption	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.  <i>Healthy Employees</i> – Safety Employee table with a 3-year set forward for males and no set forward for females.  <i>Retirees</i> – Safety Retiree table with a 3-year set forward for males and a 1 year set forward for females.  <i>Beneficiaries</i> – Contingent Survivor table with no set forward for males and a 2-year set forward for females.  <i>Disableds</i> – General Disabled table.
Experience Study	The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were updated as appropriate based on the results of the study for this June 30, 2020 actuarial valuation.
Discount Rate	6.75%, net of investment expenses  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, 2020 actuarial valuation assumes a long-term rate of return on assets of 6.75%, a 20-year level dollar closed method for amortizing the future layers of unfunded actuarial accrued liability (dropped below 100% funded as of June 30, 2020), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.

#### Discount Rate Sensitivity

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:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	5.75%	6.75%	7.75%
2020 Police	\$ 13,238,798	\$ 2,485,745	\$ (6,226,465)
2020 Fire	\$ 16,566,764	\$ 3,110,611	\$ (7,791,672)

#### Classes of Plan Members Covered

The June 30, 2020 valuation was performed using census data provided by INPRS as of June 30, 2019. Standard actuarial techniques were used to roll forward the total pension liability computed as of June 30, 2019 to the June 30, 2020 Measurement Date using actual benefit payments during that period of time.

#### Money-Weighted Rate of Return

The money-weighted rate of return equals investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the fiscal year ending June 30, 2020, the moneyweighted return on the plan assets is 2.6%.

#### **Summary of Plan Provisions:**

##### **Definitions**

Fiscal year	Twelve month period ending June 30.
Participation	All full-time, fully-paid police officers and firefighters who work for employers participating in the 1977 Fund and who are hired or rehired after April 30, 1977.
Member contributions	Members are assumed to contribute at the rate of 6% of salary until they have completed 32 years of service.

##### **Eligibility for Benefits**

Deferred vested	20 or more years of creditable service and no longer active.
Disability retirement	As determined by a disability medical panel.
Early retirement	Age 50 with 20 or more years of creditable service.
Normal retirement	Age 52 with 20 or more years of creditable service.
Pre-retirement death	Immediate.

##### **Monthly Benefits Payable**

Normal retirement	The retirement benefit valued is 52% of the base salary (first-class salary) of a First Class Police Officer and Firefighter with 20 years of service, plus an additional 1% for each completed 6 months of service over 20 years up to a maximum of 76% with 32 years of service.
Early retirement	Early retirement benefits are reduced by 7% per year for commencement between ages 50 and 52.
Deferred retirement	If a member ends employment other than by death or disability before completing 20 years of active service, the member shall be entitled to the member's contributions plus accumulated interest. This benefit is not available to converted members.  If termination is after earning 20 years of service, the termination benefit is the accrued retirement benefit determined as of the termination date and payable commencing of the normal retirement date. The member may elect to receive a reduced early retirement benefit.

Diability

Hired before 1990

This disability benefit is only available to members hired prior to January 1, 1990 and who do not choose to be covered by the disability benefit for members hired after 1989. The disability benefit is equal to the benefit the member would have received if the member had retired. If the member does not have 20 years of service or is not at least age 52 on the date of disability, the benefit is computed as if the member does have 20 years of service and is age 52 on the date of disability.

2017 House Enrolled Act No. 1617 Enhanced Disability:

For catastrophic physical personal injuries that result in a degree of impairment of at least 67% and permanently prevents the member from performing any gainful work, the member will receive a disability benefit equal to 100% of base salary. Additionally, the benefit is increased by the increase in the base salary.

Hired after 1989

This disability benefit is for members hired after 1989, or hired prior to January 1, 1990, who have chosen to be covered by this disability benefit. The following describes the three different classes of impairments and the amount of base benefit for each class:

Class 1 Impairment:

A personal injury that occurs while on duty, while responding to an emergency, or due to an occupational disease. The disability benefit is equal to a base benefit of 45% of base salary, plus an additional amount between 10% and 45% of this salary based on degree of impairment. The benefit is payable for life, at which time the member is entitled to a retirement benefit based on the salary and service the member would have earned had the member remained in active service.

Class 2 Impairment:

A proven duty-related disease. The disability benefit is equal to a base benefit of 22% of base salary, plus an additional 0.5% of this salary for each year of service up to a maximum of 30 years of service, plus an additional amount between 10% and 45% of this salary based on degree of impairment. If the member's total benefit is less than 30% of this salary and the member has fewer than 4 years of service, then the benefit is payable for a period equal to the years of service of the member. Otherwise, the benefit is payable for life.

Class 3 Impairment:

All other impairments that are not Class 1 or Class 2. The disability benefit is equal to a base benefit of 1% of base salary for each year of service up to a maximum of 30 years of service, plus an additional amount between 10% and 45% of this salary based on degree of impairment. If the member's total benefit is less than 30% of this salary and the member has fewer than 4 years of service, then the benefit is payable for a period equal to the years of service of the member. Otherwise, the benefit is payable until age 52, at which time the member is entitled to a retirement benefit based on 20 years of service.

2017 House Enrolled Act No. 1617 Enhanced Disability:

For catastrophic physical personal injuries that result in a degree of impairment of at least 67% and permanently prevents the member from performing any gainful work, the member will receive a disability benefit equal to 100% of base salary. Additionally, the benefit is increased by the increase in the base salary.

Pre-retirement death

Surviving spouse

If a member dies other than in the line of duty, the spouse's benefit is equal to 70% of the monthly benefit the member was receiving or was entitled to receive on the date of death.

If a member dies in the line of duty, the spouse's benefit is equal to the monthly benefit the member was receiving or was entitled to receive on the date of death.

In either case, if the member does not have 20 years of service or is not at least age 52 on the date of death, the benefit is computed as if the member does have 20 years of service and is age 52 on the date of death.

Children

A payment shall be made to each child of a deceased member equal to 20% of the member's benefit until the later of (a) the date the child becomes age 18, or (b) the date the child becomes age 23 if enrolled in a qualified school. If a child is at least 18 and is mentally or physically incapacitated, the child is entitled to an amount equal to the greater of 30% of the base salary, or 55% of the member's benefit payable for the duration of the incapacity. If the member does not have 20 years of service or is not at least age 52 on the date of death, the benefit is computed as if the member does have 20 years of service and is age 52 on the date of death.

Dependent parents	If a deceased member leaves no surviving spouse and no qualified child but does leave a dependent parent or parents, an amount equal to 50% of the member's benefit shall be paid to the parent or parents jointly during their lifetime. If the member does not have 20 years of service or is not at least age 52 on the date of death, the benefit is computed as if the member does have 20 years of service and is age 52 on the date of death.
No spouse or dependent	If a deceased member leaves no surviving spouse, no qualified dependent child, nor a dependent parent, a refund of the member's contributions plus accumulated interest will be made to the member's estate.
Additional death benefits	A funeral death benefit is paid to the heirs or estate upon the member's death from any cause and is equal to at least \$12,000. An additional death benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.
Deferred retirement option plan ("DROP")	<p>The DROP is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit payable in a lump sum or three annual installments. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions.</p> <p>When a member enters the DROP, a "DROP frozen benefit" will be calculated. This is equal to the member's monthly retirement benefit based on accrued service and base salary as of the date member enters the DROP. Upon DROP retirement, the member is eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. You may elect to receive this amount in three annual installments instead of in a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. The member will not continue to accrue service credit for the years in the DROP. Cost of living adjustments will not apply to the frozen monthly benefit while in the DROP. The cost of living adjustments will begin to be applied to the frozen monthly benefit, however, in the year after the year in which the member retires.</p> <p>If the member elected to participate in the DROP, the member may, upon retirement, elect to forego DROP benefits, and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. These benefits would be based on accrued service and base salary as of the date the member retires.</p>
Cost-of-Living-Adjustments	Benefits for retired members are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.
Forms of payment	
a. Single life annuity	Member will receive a monthly benefit for life, but there are no monthly payments to anyone after death.
b. Joint with 70% survivor benefits	Member will be paid a monthly benefit for life. After death, 70% of the benefit will be paid to the spouse or parent for their lifetime or the dependent until age 18.

**Actuarial Methods:**

Actuarial Cost Method	The actuarial cost method is Entry Age Normal - Level Percent of Payroll.
Asset Valuation Method	The Actuarial Value of Assets smoothes the recognition of gains and losses on the Market Value of Assets over five years, subject to a 20% corridor.
Employer Contribution Rate	Based on the assumptions and methods previously described, an actuarially determined contribution rate is computed. The Board considers this information and has ultimate authority in setting the employer contribution rate.
Anticipated Payroll	The anticipated payroll for the fiscal year following the valuation date is equal to the actual payroll during the year ending on the valuation date, increased with one year of salary scale.

**Other Assumptions:**

Form of payment	Members are assumed to elect either a single life annuity or a 70% joint survivor benefit based on the marriage assumptions below.
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Marital status	
Percent married	80% 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 years older than their spouses and female members are assumed to be two years younger than their spouses.
Decrement timing	Decrements are assumed to occur at the beginning of the year.
Members in DROP	
	Members who are participating in the DROP are assumed to receive an annuity benefit commencing at the end of their DROP period, as well as a lump sum payment equal to the number of years they were in the DROP times their annual annuity benefit.
Active member death	20% are assumed to be in the line of duty and 80% are other than in the line of duty.
Active member disability retirement	<u>For members hired after 1989 who become disabled:</u> 59% are assumed to be Class 1, 10% are assumed to be Class 2, 30% are assumed to be Class 3, and 1% are assumed to be a catastrophic disability (HEA 1617). The additional monthly amount determined under IC 36-8-8-13.5(f) based on the degree of impairment is assumed to be 17%.
Active member disability retirement	<u>For members hired before 1989 who become disabled:</u> 99% are assumed to be a non-catastrophic disability, and 1% are assumed to be a catastrophic disability (HEA 1617).

**Data Assumptions:**

Changes in actuarial assumptions:

- The most significant changes in the economic assumptions are the increase of the wage inflation assumption from 2.50% + Merit (age-based) to 2.75% + Merit (service-based) and the increase in the COLA assumption from 2.00% (2.50% catastrophic disability) to 2.10% (2.75% catastrophic disability).
- Merit (age-based) to 2.75% + Merit (service-based) and the increase in the COLA assumption from 2.00% (2.50% catastrophic disability) to 2.10% (2.75% catastrophic disability).

The major demographic assumptions include mortality, retirement, disability, terminations, and salary merit increases.

- Mortality is typically the most significant demographic assumption. The mortality tables used in calculating the valuations have been updated from RP-2014 Blue Collar projected from 2006 with Social Security Administration's 2014 Trustee report (generational) to Pub-2010 Safety Amount-Weighted Mortality projected with MP-2019 (generational). Male ages set forward 3 years, females not adjusted.
- As a result of the 2014-2019 Experience Study, there were changes to many assumptions. Please see that Study for complete details (available on the INPRS web site at [www.in.gov/inprs/actuarialvaluation.htm](http://www.in.gov/inprs/actuarialvaluation.htm)).

Changes in actuarial methods:

- There were no changes in actuarial methods since the prior year.

Changes in plan provisions:

- There were no changes in plan provisions since the prior year.

**Pension Expense and Deferred Items Summary:**

For the year ended December 31, 2020, the City recognized pension expense of \$1,626,880 for police and \$2,023,006 for fire, which included net amortization of deferred amounts described below. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the 1977 Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Police</u>		
Differences between expected and actual experience	\$ 1,551,775	\$ 254,019
Net difference between projected and actual earnings on pension plan investments	1,263,463	-
Changes in assumptions	20,447	1,258,635
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>69,750</u>	<u>63,451</u>
Total that will be recognized in pension expense (income) based on the table below	2,905,435	1,576,105
Pension contributions subsequent to measurement date	<u>1,107,572</u>	-
Total	<u>\$ 4,013,007</u>	<u>\$ 1,576,105</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Firefighters</u>		
Differences between expected and actual experience	\$ 1,941,859	\$ 317,874
Net difference between projected and actual earnings on pension plan investments	1,581,073	-
Changes in assumptions	25,587	1,575,030
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>77,343</u>	<u>106,429</u>
Total that will be recognized in pension expense (income) based on the table below	3,625,862	1,999,333
Pension contributions subsequent to measurement date	<u>1,415,535</u>	-
Total	<u>\$ 5,041,397</u>	<u>\$ 1,999,333</u>

Contributions subsequent to the June 30, 2020, measurement date of the net pension liability, but before the end of the employer's reporting period, are recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

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. Differences between expected and actual experience and changes in assumptions are 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>Police Amount</u>	<u>Fire Amount</u>
2021	\$ (101,521)	\$ (139,878)
2022	25,987	19,683
2023	317,384	391,887
2024	677,919	846,288
2025	211,490	263,868
Thereafter	<u>198,071</u>	<u>244,681</u>
	<u>\$ 1,329,330</u>	<u>\$ 1,626,529</u>

**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

**G. Other Post-Employment Benefits**

***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 allocated between governmental and and business-type activities based on the percentage of total personal services expenditures during the City's fiscal year ended December 31.

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:

	Plan A		Plan B	
	Network	Non-Network	Network	Non-Network
<u>Non-prescription Coverage</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	365 days/visits inpatient/outpatient hospice combined		365 days/visits inpatient/outpatient hospice combined	

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

	Plan A		Plan B
<u>Prescription Coverage</u>			
Copayment			
Retail Generic	Subject to medical deductible and coinsurance		\$10
Formulary Brand			\$60
Non-Formulary Brand			\$100
Mail Order			2x Above
<u>Dental Coverage</u>			
Deductible (2x Family)	\$50	Waived for preventative and orthodontia	
Copayment Percentage			
Preventative	100%		
Basic	80%		
Major/Orthodontia	50%		
Annual Maximum	\$2,500	\$2,500 lifetime max for orthodontia	

Monthly Premiums:

	2017/2018		2019/2020	
	Plan A	Plan B	Plan A	Plan B
<u>Medical and Vision</u>				
Retiree	\$668.00	\$786.00	\$724.00	\$852.00
Spouse	\$876.00	\$1,030.00	\$949.00	\$1,115.00
<u>Dental</u>	<u>Dental Plan</u>		<u>Plan B</u>	
Retiree	\$56.00		\$61.00	
Spouse	\$48.00		\$52.00	

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 \$456,406 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, 2020, the City contributed \$906,212 to the Plan for current premiums.

Employees Covered By Benefit Terms

At December 31, 2020, the following members were projected to be 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	146
Active plan members: not fully eligible	503
Total	<u>687</u>

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, 2020, 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
Balances at December 31, 2019	\$ 28,715,080	\$ -	\$ 28,715,080
Changes for the Year			
Service Cost	1,831,489	-	1,831,489
Interest	994,250	-	994,250
Changes in Plan Provisions	-	-	-
Difference between Expected and Actual Experience	70,667	-	70,667
Changes in Assumptions	-	-	-
Benefit Payments:	(906,212)	-	(906,212)
Total OPEB Expense/ Net Changes	1,990,194	-	1,990,194
Balances at December 31, 2020	<u>\$ 30,705,274</u>	<u>\$ -</u>	<u>\$ 30,705,274</u>

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	\$ 33,468,403	\$ 30,705,274	\$ 28,132,521
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 33,468,403</u>	<u>\$ 30,705,274</u>	<u>\$ 28,132,521</u>

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	\$ 28,007,964	\$ 30,705,274	\$ 33,890,750
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 28,007,964</u>	<u>\$ 30,705,274</u>	<u>\$ 33,890,750</u>

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, 2020, the City recognized OPEB expense of \$2,671,761. 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, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Liability Experience Losses / (Gains)	\$ 64,402	\$ 948,775
Changes in Assumptions	1,009,144	1,200,785
Investment Losses / (Gains)	-	-
Total	<u>\$ 1,073,546</u>	<u>\$ 2,149,560</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ (153,978)
2022	(153,978)
2023	(153,978)
2024	(153,978)
2025	(153,978)
Thereafter	<u>(306,124)</u>
	<u>\$ (1,076,014)</u>

Actuarial Methods and Assumptions

Measurement Date December 31, 2020

Valuation Date December 31, 2020

COST METHOD

Entry Age Normal (Level % of Pay)

ECONOMIC ASSUMPTIONS:

Discount rate 3.30% per annum as of December 31, 2020  
3.30% per annum as of December 31, 2019  
3.69% per annum as of December 31, 2018

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.

Disability None assumed.

Mortality:

Civilian employees SOA published mortality table: Pub-2010 General Employees amount weighted mortality table. Separate tables for males and female participants. Separate tables for active employees, healthy annuitants, contingent survivors, and disabled participants.

Police and fire employees SOA published mortality table: Pub-2010 Safety Employees amount weighted mortality table. Separate tables for males and female participants. Separate tables for active employees, healthy annuitants, contingent survivors, and disabled participants.

Mortality improvement

SOA published mortality improvement scale: MP-2019 (MP-2018 at December 31, 2018) generational, which projects mortality improvement indefinitely beyond the 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.

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>2019</u>
Plan A	75%
Plan B	25%

Per capita claims cost:

Varies by age and status; representative rates follow:

<u>Age</u>	<u>2017/2018 Medical &amp; Vision</u>		<u>Age</u>	<u>2017/2018 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>2019/2020 Medical &amp; Vision</u>		<u>Age</u>	<u>2019/2020 Dental</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>
55-59	\$ 13,247	\$ 13,104	All Ages	\$ 704	\$ 704
60-64	\$ 16,991	\$ 15,353			

Inflation; health care cost trend rate:

<u>Year</u>	<u>2017/2018</u>		<u>2019/2020</u>	
	<u>Medical</u>	<u>Dental</u>	<u>Medical</u>	<u>Dental</u>
0	10.0%	5.0%	9.0%	5.0%
1 to 2	9.0%	5.0%	8.5%	5.0%
3 to 5	8.0%	5.0%	8.0%	5.0%
6 to 8	7.0%	5.0%	7.0%	5.0%
9 to 10	6.0%	5.0%	6.0%	5.0%
11+	5.0%	5.0%	6.0%	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	\$ 8,616,378	\$ 9,278,530	\$ 76,942,684	\$ 156,398,086	\$ 251,235,678
Pension assets	<u>136,916</u>	<u>14,354</u>	<u>62,669,206</u>	<u>150,801,730</u>	<u>213,622,206</u>
Net pension liability (asset)	<u>\$ 8,479,462</u>	<u>\$ 9,264,176</u>	<u>\$ 14,273,478</u>	<u>\$ 5,596,356</u>	<u>\$ 37,613,472</u>
Deferred outflows of resources	<u>\$ 6,579</u>	<u>\$ 1,395</u>	<u>\$ 4,519,452</u>	<u>\$ 9,054,404</u>	<u>\$ 13,581,830</u>
Deferred inflows of resources	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 3,199,536</u>	<u>\$ 3,575,438</u>	<u>\$ 6,775,366</u>
Pension expense (income)	<u>\$ (418,121)</u>	<u>\$ (501,554)</u>	<u>\$ 1,750,110</u>	<u>\$ 3,649,886</u>	<u>\$ 4,480,321</u>

\*Additional detail provided below.

The Public Employees' Retirement Fund is first classified by INPRS by (1) Parks employees (Parks) and (2) all other Civilian employees of the City (City). The City plan is then allocated between governmental and and business-type activities based on the percentage of total civilian (non-uniformed) PERF expenditures during the City's fiscal year ended December 31.

	Parks	City Plan			Total Public Employees' Retirement
		Water Utility	Sewer Utility	City- All Other	
Pension liability	\$ 10,141,905	\$ 10,807,005	\$ 8,896,353	\$ 47,097,421	\$ 76,942,684
Pension assets	<u>8,260,501</u>	<u>8,802,220</u>	<u>7,246,009</u>	<u>38,360,476</u>	<u>62,669,206</u>
Net pension liability (asset)	<u>\$ 1,881,404</u>	<u>\$ 2,004,785</u>	<u>\$ 1,650,344</u>	<u>\$ 8,736,945</u>	<u>\$ 14,273,478</u>
Deferred outflows of resources	<u>\$ 439,950</u>	<u>\$ 659,980</u>	<u>\$ 543,298</u>	<u>\$ 2,876,224</u>	<u>\$ 4,519,452</u>
Deferred inflows of resources	<u>\$ 443,490</u>	<u>\$ 445,872</u>	<u>\$ 367,043</u>	<u>\$ 1,943,131</u>	<u>\$ 3,199,536</u>
Pension expense (income)	<u>\$ 164,926</u>	<u>\$ 167,000</u>	<u>\$ 199,648</u>	<u>\$ 1,218,536</u>	<u>\$ 1,750,110</u>

**I. Deferred Compensation Plan**

The City offers its employees certain deferred compensation plans established in accordance with Internal Revenue Code Sections 401(a) and 457(b). The plans are 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 plans 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 plans 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 plans 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, 2020 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	\$ 58,412
Total among governmental funds		<u>\$ 58,412</u>
Water Enterprise Fund	Sewer Enterprise Fund	\$ 723,287
Sewer Enterprise Fund	Water Enterprise Fund	<u>859,140</u>
Total among proprietary funds		<u>\$ 1,582,427</u>
Storm Water Fund	Water Enterprise Fund	\$ 362,448
Total among governmental and proprietary funds		<u>\$ 362,448</u>

The Motor Vehicle Highway Fund is due \$58,412 from the Storm Water Fund to comply with an ordinance requiring certain transfers.

Water Utility invoices include charges for Sewer and Storm Water, and these charges are remitted as collected, one month in arrears.

The Sewer Utility recognizes a long-term liability due to the Water Utility for its share of the Water Utility's 2020 revenue bond.

**K. Reclassification and Fund-level Prior Period Adjustments**

A fund treated as nonmajor in the prior year were reclassified as major for the year ended December 31, 2020:

	<u>Major</u>	<u>Nonmajor</u>	<u>Total Governmental</u>
Total fund balances of nonmajor funds as previously reported	\$ 100,381,359	\$ 58,369,956	\$ 158,751,315
Reclassification from nonmajor to major funds:			
Bond Bank Project Fund	2,418,050	(2,418,050)	-
Restatement:			
Elimination of an escrow account not belonging to the City	-	(812,056)	(812,056)
Removal of intergovernmental accounts receivable	-	<u>(351,999)</u>	<u>(351,999)</u>
Total restatement	<u>-</u>	<u>(1,164,055)</u>	<u>(1,164,055)</u>
Total restated fund balances as of January 1, 2020	<u>\$ 102,799,409</u>	<u>\$ 54,787,851</u>	<u>\$ 157,587,260</u>

## L. Government-wide Prior Period Adjustments

The City made four prior period adjustments for the presentation of the year ended December 31, 2019.

During the current year, the City discovered several errors in capital assets as reported at December 31, 2019, totaling \$13,540,548. This misstatement had the effect of overstating assets and net position on the 2019 financial statements.

The City eliminated an escrow account with a December 31, 2019 balance of \$812,056, that was determined not to belong to the City.

The City corrected the allocation of OPEB deferred outflows (inflows) of resources between Governmental and Business-type Activities for the year ended December 31, 2019, correcting an understatement of net position in Governmental Activities of \$180,201, including a reduction in deferred outflows of resources of \$153,414 and a reduction in deferred inflows of resources \$333,615 and an overstatement of net position in Business-type activities of \$180,201, including an increase in deferred outflows of resources of \$153,414 and an increase in deferred inflows of resources \$333,615.

The City elected to remove an outdated intergovernmental accounts receivable in the amount of \$351,999 from its books as of December 31, 2019, resulting in a reduction in both assets and net position.

The effect of these prior period adjustments is that Governmental Activities beginning net position was adjusted downward \$14,524,402 and Business-type Activities beginning net position was adjusted downward \$180,201 as shown below:

	Governmental Activities	Business-Type Activities	Total
Beginning net position	\$ 331,561,593	\$ 110,171,422	\$ 441,733,015
Restatement:			
Restatement of the carrying value of capital assets	(13,540,548)	-	(13,540,548)
Elimination of an escrow account not belonging to the City	(812,056)	-	(812,056)
Reallocate OPEB deferred outflows (inflows) of resources	180,201	(180,201)	-
Eliminate outdated intergovernmental accounts receivable	(351,999)	-	(351,999)
Total restatement	<u>(14,524,402)</u>	<u>(180,201)</u>	<u>(14,704,603)</u>
Total restated beginning net position	<u>\$ 317,037,191</u>	<u>\$ 109,991,221</u>	<u>\$ 427,028,412</u>

## M. Subsequent Events

On September 14, 2021, the City issued, through its local public improvement bond bank, \$32,380,000 of its Local Income Tax Lease Rental Bonds, Series 2021. The bonds were issued to finance the acquisition of property, construction, renovation, installation, and equipping of buildings and other related improvements comprising an expansion to the police headquarters and relocating the related information technology facility into a new facility and funding the renovation, installation and equipping of that facility. The bonds are payable from the City's future distributions of local income tax and backed by an ad valorem property tax.

On September 14, 2021, the City issued, through its local public improvement bond bank, \$54,225,000 of its Ad Valorem Property Tax Lease Rental Bonds, Series 2021. The bonds were issued to finance the cost of the acquisition, design, construction, reconstruction, resurfacing, improvement and/or equipping of road and street projects. The City has pledged a special benefits tax, an ad valorem property tax levied on all taxable property within the City Redevelopment District, to repay the bonds.

On September 14, 2021, the City issued, through its local public improvement bond bank, \$24,215,000 of its Taxable Redevelopment District Bonds, Series 2021. The bonds were issued to finance the cost of certain public improvement projects, including land acquisition, site preparation, other on-site improvements, road and utility infrastructure improvements, utility relocation, parking facilities and other local public improvements. The City has pledged a special benefits tax, an ad valorem property tax levied on all taxable property within the City Redevelopment District, to repay the bonds. The Commission has reserved the right and reasonably expects, but is not required, to pay the debt service from Tax Increment revenues from several allocation areas in the District or other legally available revenues of the Commission. The bonds are further secured by a debt service reserve.

On September 14, 2021, the City issued, through its local public improvement bond bank, \$10,550,000 of its Taxable Local Income Tax General Obligation Bonds, Series 2021. The bonds were issued to provide funds for the acquisition, design, construction and/or equipping of a new police station parking garage to be located at the southeast corner of Monon Green Boulevard and Veterans Way in the City. The bonds are payable from the City's future distributions of local income tax and backed by an ad valorem property tax.

CITY OF CARMEL, INDIANA  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
For the Fiscal Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 1,831,489	\$ 1,420,618	\$ 1,519,286	\$ 1,330,012
Interest Cost	994,250	1,002,886	861,028	1,029,979
Projected Earnings on Plan Investments	-	-	-	-
Changes in Plan Provisions	-	-	-	-
Administrative Expenses	-	-	-	-
Other Changes in Plan Fiduciary Net Position	-	-	-	-
Current Period Recognition of Deferred Outflows / (Inflows) of Resources:				
Differences between Expected and Actual Experience	70,667	(107,011)	(787,315)	(418,473)
Changes in Assumptions	-	1,205,476	(676,338)	(1,046,528)
Benefit Payments	(906,212)	(884,567)	(539,334)	(413,786)
Net Changes in Total OPEB Liability	<u>1,990,194</u>	<u>2,637,402</u>	<u>377,327</u>	<u>481,204</u>
Total OPEB Liability - Beginning	<u>28,715,080</u>	<u>26,077,678</u>	<u>25,700,351</u>	<u>25,219,147</u>
Total OPEB Liability - Ending	<u>30,705,274</u>	<u>28,715,080</u>	<u>26,077,678</u>	<u>25,700,351</u>
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$ 30,705,274</u>	<u>\$ 28,715,080</u>	<u>\$ 26,077,678</u>	<u>\$ 25,700,351</u>

CITY OF CARMEL, INDIANA  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF NET OPEB LIABILITY**  
For the Fiscal Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability - Ending	\$ 30,705,274	\$ 28,715,080	\$ 26,077,678	\$ 25,700,351
Plan Fiduciary Net Position - Ending	-	-	-	-
Net OPEB Liability	30,705,274	28,715,080	26,077,678	25,700,351
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 45,468,975	\$ 44,359,976	\$ 38,986,588	\$ 38,047,090
Net OPEB Liability as a Percentage of Covered-Employee Payroll	67.53%	64.73%	66.89%	67.55%

The most recent actuarial valuation date is December 31, 2020.

Note: The City implemented GASB 75 in 2017. 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 86–90 of this report.

CITY OF CARMEL, INDIANA  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN**  
December 31, 2020

**SUMMARY OF MAIN PLAN PROVISIONS**

The plan is a PPO plan providing comprehensive major medical benefits to eligible retirees, their spouses, and dependents.

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. Employees hired or disabled on or after October 3, 2016 are not eligible (except for those killed or disabled in the line of duty).

**Monthly Premiums**

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 rate.

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

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.

**METHOD AND ASSUMPTIONS**

**COST METHOD**  
(Prescribed)

Entry Age Normal (Level % of Pay)

**ASSUMPTIONS:**

Discount Rate	3.30% per annum as of December 31, 2020 3.30% per annum as of December 31, 2019 3.69% per annum as of December 31, 2018
Discount Rate Basis	S&P Municipal Bond 20 Year High Grade Rate Index
Coverage Rate	90% of eligible employees are assumed to be covered in the plan at retirement.
Spouses	Retirees: Age and marital status based on actual census data Actives: 35% of retirees are assumed to cover a spouse with male spouses two years older than female spouses
Disability Mortality:	None Assumed
Civilian Employees	SOA published mortality table: Pub-2010 General Employees amount-weighted mortality table. Separate tables for males and female participants. Separate tables for active employees, healthy annuitants, contingent survivors, and disabled participants. (December 31, 2018: RP-2014 Total Dataset adjusted to 2006 base mortality year)
Police and Fire Employees	SOA published mortality table: Pub-2010 Safety Employees amount-weighted mortality table. Separate tables for males and female participants. Separate tables for active employees, healthy annuitants, contingent survivors, and disabled participants. (December 31, 2018: RP-2014 Blue Collar adjusted to 2006 base mortality year)
Mortality Improvement	SOA published mortality improvement scale: MP-2019 (MP-2018 at December 31, 2018) generational, which projects mortality improvement indefinitely beyond the 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.
Turnover	According to Sarason Table T-1
Plan Mix	Plan A: 75%; Plan B: 25%
Healthcare Cost Trend Rates	Medical costs were trended at 9.0% in the first year, graded down to 6.0% over 10 years; dental costs were trended at a flat 5.0% per year.

CITY OF CARMEL, INDIANA  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
December 31, 2020

<b>1925 Police Officers' Pension Plan:</b>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Actuarially determined contribution	\$ 607,355	\$ 564,928	\$ 564,928	\$ 557,208	\$ 546,748	\$ 534,143
Contributions in relation to the actuarially determined contribution	<u>607,355</u>	<u>564,928</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>1937 Firefighters' Pension Plan:</b>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Actuarially determined contribution	\$ 565,704	\$ 584,282	\$ 584,282	\$ 577,369	\$ 553,519	\$ 562,264
Contributions in relation to the actuarially determined contribution	<u>565,704</u>	<u>584,282</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	Not applicable	Not applicable	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, 2020

<b>1925 Police Officers' Pension Plan:</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Total pension liability	\$ 8,616,378	\$ 9,650,494	\$ 9,893,565	\$10,119,548	\$10,119,548	\$10,179,012
Less, fiduciary net position	<u>136,916</u>	<u>145,316</u>	<u>131,361</u>	<u>147,471</u>	<u>148,470</u>	<u>147,785</u>
Net pension liability	<u>\$ 8,479,462</u>	<u>\$ 9,505,178</u>	<u>\$ 9,762,204</u>	<u>\$ 9,972,077</u>	<u>\$ 9,971,078</u>	<u>\$10,031,227</u>
Fiduciary net position as a percentage of the total pension liability	<u>1.59%</u>	<u>1.51%</u>	<u>1.33%</u>	<u>1.46%</u>	<u>1.47%</u>	<u>1.45%</u>
Covered payroll	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
 <b>1937 Firefighters' Pension Plan:</b>	 <b><u>2020</u></b>	 <b><u>2019</u></b>	 <b><u>2018</u></b>	 <b><u>2017</u></b>	 <b><u>2016</u></b>	 <b><u>2015</u></b>
Total pension liability	\$ 9,278,530	\$10,366,629	\$10,601,151	\$10,883,369	\$10,883,369	\$10,997,707
Less, fiduciary net position	<u>14,354</u>	<u>36,220</u>	<u>5,405</u>	<u>26,027</u>	<u>30,375</u>	<u>39,365</u>
Net pension liability	<u>\$ 9,264,176</u>	<u>\$10,330,409</u>	<u>\$10,595,746</u>	<u>\$10,857,342</u>	<u>\$10,852,994</u>	<u>\$10,958,342</u>
Fiduciary net position as a percentage of the total pension liability	<u>0.15%</u>	<u>0.35%</u>	<u>0.05%</u>	<u>0.24%</u>	<u>0.28%</u>	<u>0.36%</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net position as a percentage of covered payroll	Not applicable	Not applicable	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 CHANGES IN NET PENSION LIABILITY**  
December 31, 2020

<b>1925 Police Officers' Pension Plan:</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Total pension liability - beginning	\$ 9,650,494	\$ 9,893,565	\$ 10,119,548	\$ 10,119,548	\$ 10,179,012	\$ 10,220,740
Interest on total pension liability	329,811	339,070	354,913	355,402	363,703	367,444
Effect of economic/demographic gains and losses	(599,196)	-	338,525	201,812	122,896	125,844
Effect of assumptions changes or inputs	(148,471)	-	(337,280)	-	-	-
Benefit payments	(616,260)	(582,141)	(582,141)	(557,214)	(546,063)	(535,016)
Total pension liability - ending	<u>8,616,378</u>	<u>9,650,494</u>	<u>9,893,565</u>	<u>10,119,548</u>	<u>10,119,548</u>	<u>10,179,012</u>
Fiduciary net position - beginning	145,316	131,361	147,471	148,470	147,785	148,615
Employer contributions	607,355	564,928	564,928	557,208	546,748	534,143
Net investment income	505	4,121	1,203	882	-	143
Benefit payments	(616,260)	(582,141)	(582,141)	(557,214)	(546,063)	(535,016)
Administrative expenses	-	-	(100)	(1,875)	-	(100)
Other	-	27,047	-	-	-	-
Fiduciary net position - ending	<u>136,916</u>	<u>145,316</u>	<u>131,361</u>	<u>147,471</u>	<u>148,470</u>	<u>147,785</u>
Net pension liability - ending	<u>\$ 8,479,462</u>	<u>\$ 9,505,178</u>	<u>\$ 9,762,204</u>	<u>\$ 9,972,077</u>	<u>\$ 9,971,078</u>	<u>\$ 10,031,227</u>
<b>1937 Firefighters' Pension Plan:</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Total pension liability - beginning	\$ 10,366,629	\$ 10,601,151	\$ 10,883,369	\$ 10,883,369	\$ 10,997,707	\$ 11,028,789
Interest on total pension liability	355,711	367,840	385,277	385,817	393,503	396,965
Effect of economic/demographic gains and losses	(699,325)	-	289,272	192,103	54,668	125,812
Effect of assumptions changes or inputs	(156,836)	-	(351,553)	-	-	-
Benefit payments	(587,649)	(602,362)	(605,214)	(577,920)	(562,509)	(553,859)
Total pension liability - ending	<u>9,278,530</u>	<u>10,366,629</u>	<u>10,601,151</u>	<u>10,883,369</u>	<u>10,883,369</u>	<u>10,997,707</u>
Fiduciary net position - beginning	36,220	5,405	26,027	30,375	39,365	30,909
Employer contributions	565,704	584,282	584,282	577,369	553,519	562,264
Net investment income	79	847	310	224	-	51
Benefit payments	(587,649)	(602,362)	(605,214)	(577,920)	(562,509)	(553,859)
Administrative expenses	-	-	-	(4,021)	-	-
Other	-	48,048	-	-	-	-
Fiduciary net position - ending	<u>14,354</u>	<u>36,220</u>	<u>5,405</u>	<u>26,027</u>	<u>30,375</u>	<u>39,365</u>
Net pension liability - ending	<u>\$ 9,264,176</u>	<u>\$ 10,330,409</u>	<u>\$ 10,595,746</u>	<u>\$ 10,857,342</u>	<u>\$ 10,852,994</u>	<u>\$ 10,958,342</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, 2020

Assumption changes:	Effective with the December 31, 2020 measurement date, the future mortality improvement assumption was updated from MP-2018 to MP-2020, which is the latest scale published by the Society of Actuaries.
Discount Rate:	3.48% Police Officers; 3.48% Firefighters for 2020 3.54% Police Officers; 3.58% Firefighters for 2019
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:	
Actuarial cost method	N/A
Amortization method	N/A
Remaining amortization period	N/A
Retirement age	N/A
Mortality	N/A
Other information	N/A

**Note:** The City is presenting its sixth ACFR 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, 2020

**Public Employees' Retirement Fund:**

Year Ended	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
<b><u>City:</u></b>					
June 30, 2020	0.0041028	\$ 12,392,074	\$ 22,149,413	55.9%	81.4%
June 30, 2019	0.0040206	\$ 13,288,339	\$ 20,947,877	63.4%	80.1%
June 30, 2018	0.0039301	\$ 13,350,728	\$ 20,053,519	66.6%	78.9%
June 30, 2017	0.0034924	\$ 15,581,494	\$ 17,326,450	89.9%	76.6%
June 30, 2016	0.0035353	\$ 16,044,763	\$ 16,943,306	94.7%	75.3%
June 30, 2015	0.0034106	\$ 13,891,040	\$ 16,335,991	85.0%	77.3%
<b><u>Parks:</u></b>					
June 30, 2020	0.0006229	\$ 1,881,404	\$ 3,362,676	55.9%	81.4%
June 30, 2019	0.0006321	\$ 2,089,131	\$ 3,293,425	63.4%	80.1%
June 30, 2018	0.0006161	\$ 2,092,920	\$ 3,143,577	66.6%	78.9%
June 30, 2017	0.0006062	\$ 2,704,588	\$ 3,007,362	89.9%	76.6%
June 30, 2016	0.0006398	\$ 2,903,697	\$ 3,066,437	94.7%	75.3%
June 30, 2015	0.0006001	\$ 2,444,149	\$ 2,874,230	85.0%	77.3%

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, 2020

(Continued)

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

Year Ended	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
<b><u>Police:</u></b>					
June 30, 2020	0.0102375	\$ 2,485,745	\$ 9,493,108	26.2%	96.4%
June 30, 2019	0.0101312	\$ 93,369	\$ 8,955,356	1.0%	99.9%
June 30, 2018	0.0102071	\$ (897,318)	\$ 8,596,291	-10.4%	101.5%
June 30, 2017	0.0094176	\$ (145,270)	\$ 7,634,954	-1.9%	100.3%
June 30, 2016	0.0101528	\$ 901,944	\$ 7,847,007	11.5%	98.2%
June 30, 2015	0.0101282	\$ (1,496,139)	\$ 7,552,611	-19.8%	103.2%
<b><u>Fire:</u></b>					
June 30, 2020	0.0128110	\$ 3,110,611	\$ 11,879,532	26.2%	96.4%
June 30, 2019	0.0129129	\$ 119,005	\$ 11,414,229	1.0%	99.9%
June 30, 2018	0.0135067	\$ (1,187,390)	\$ 11,375,165	-10.4%	101.5%
June 30, 2017	0.0126561	\$ (195,225)	\$ 10,260,440	-1.9%	100.3%
June 30, 2016	0.0135237	\$ 1,201,404	\$ 10,452,317	11.5%	98.2%
June 30, 2015	0.0137130	\$ (2,025,686)	\$ 10,225,780	-19.8%	103.2%

**Note:** The City is presenting its sixth ACFR 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, 2020

**Public Employees' Retirement Fund:**

Year Ended	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
<b>City:</b>					
December 31, 2020	\$ 3,497,604	\$ 3,497,604	\$ -	\$ 21,548,645	16.2%
December 31, 2019	\$ 3,523,477	\$ 3,523,477	\$ -	\$ 20,500,698	17.2%
December 31, 2018	\$ 3,308,652	\$ 3,308,652	\$ -	\$ 18,689,985	17.7%
December 31, 2017	\$ 3,045,739	\$ 3,045,739	\$ -	\$ 17,134,878	17.8%
December 31, 2016	\$ 2,916,463	\$ 2,916,463	\$ -	\$ 16,639,649	17.5%
December 31, 2015	\$ 2,755,295	\$ 2,755,295	\$ -	\$ 15,944,994	17.3%

**Parks:**

December 31, 2020	\$ 344,090	\$ 344,090	\$ -	\$ 3,328,051	10.3%
December 31, 2019	\$ 339,303	\$ 339,303	\$ -	\$ 3,218,501	10.5%
December 31, 2018	\$ 307,209	\$ 307,209	\$ -	\$ 3,075,470	10.0%
December 31, 2017	\$ 304,629	\$ 304,629	\$ -	\$ 3,036,900	10.0%
December 31, 2016	\$ 291,429	\$ 291,429	\$ -	\$ 2,970,334	9.8%
December 31, 2015	\$ 297,154	\$ 297,154	\$ -	\$ 2,936,304	10.1%

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

Year Ended	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
<b>Police:</b>					
December 31, 2020	\$ 2,117,739	\$ 2,117,739	\$ -	\$ 9,224,232	23.0%
December 31, 2019	\$ 1,920,734	\$ 1,920,734	\$ -	\$ 8,775,824	21.9%
December 31, 2018	\$ 1,809,416	\$ 1,809,416	\$ -	\$ 8,115,623	22.3%
December 31, 2017	\$ 1,713,532	\$ 1,713,532	\$ -	\$ 7,740,981	22.1%
December 31, 2016	\$ 1,657,359	\$ 1,657,359	\$ -	\$ 7,699,809	21.5%
December 31, 2015	\$ 1,607,669	\$ 1,607,669	\$ -	\$ 6,066,675	26.5%

**Fire:**

December 31, 2020	\$ 2,695,458	\$ 2,695,458	\$ -	\$ 11,646,881	23.1%
December 31, 2019	\$ 2,424,965	\$ 2,424,965	\$ -	\$ 11,394,697	21.3%
December 31, 2018	\$ 2,351,694	\$ 2,351,694	\$ -	\$ 10,817,803	21.7%
December 31, 2017	\$ 2,350,371	\$ 2,350,371	\$ -	\$ 10,356,379	22.7%
December 31, 2016	\$ 2,186,794	\$ 2,186,794	\$ -	\$ 10,339,049	21.2%
December 31, 2015	\$ 2,185,238	\$ 2,185,238	\$ -	\$ 10,058,633	21.7%

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, 2020

**Changes in actuarial assumptions:**

**Public Employees' Retirement Fund:**

The most significant change in the economic assumptions is the increase of the wage inflation assumption from 2.50% + Merit (age-based) to 2.75% + Merit (service-based).

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

The most significant changes in the economic assumptions are the increase of the wage inflation assumption from 2.50% + Merit (age-based) to 2.75% + Merit (service-based) and the increase in the COLA assumption from 2.00% (2.50% catastrophic disability) to 2.10% (2.75% catastrophic disability).

**Public Employees' Retirement Fund:**

The major demographic assumptions include mortality, retirement, disability, terminations, and salary merit increases. Mortality is typically the most significant demographic assumption. The mortality tables used in calculating the valuations have been updated from RP-2014 projected from 2006 with Social Security Administration's 2014 Trustee report (generational) to Pub-2010 General Amount-Weighted Mortality projected with MP-2019 (generational). Male ages set forward three years, females set forward one year.

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

The major demographic assumptions include mortality, retirement, disability, terminations, and salary merit increases. Mortality is typically the most significant demographic assumption. The mortality tables used in calculating the valuations have been updated from RP-2014 Blue Collar projected from 2006 with Social Security Administration's 2014 Trustee report (generational) to Pub-2010 Safety Amount-Weighted Mortality projected with MP-2019 (generational). Male ages set forward 3 years, females not adjusted.

As a result of the 2014-2019 Experience Study, there were changes to many assumptions. Please see that Study for complete details (available on the INPRS web site at [www.in.gov/inprs/actuarialvaluation.htm](http://www.in.gov/inprs/actuarialvaluation.htm)).

**Changes in actuarial methods:**

There were no changes in actuarial methods since the prior year.

**Changes in plan provisions:**

There were no changes in plan provisions since the prior year.

**Note:** The City is presenting its sixth ACFR 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, 2020

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property tax	\$ 43,080,000	\$ 43,080,000	\$ 45,232,553	\$ 2,152,553
Income tax	43,459,526	43,531,440	47,713,401	4,181,961
Licenses and permits	2,884,696	2,884,696	1,752,075	(1,132,621)
Intergovernmental	239,894	239,894	523,316	283,422
Charges for services	2,314,376	2,314,376	1,337,562	(976,814)
Fines and forfeits	475,526	475,526	250,062	(225,464)
Miscellaneous	-	-	1,508,932	1,508,932
Township and joinder agreements	-	-	-	-
Other	13,301,603	12,461,405	8,171,233	(4,290,172)
<b>Total revenues: budgetary basis</b>	<u>105,755,621</u>	<u>104,987,337</u>	<u>106,489,134</u>	<u>\$ 1,501,797</u>
Increase in available income tax receivable			181,381	
Transfer in from enterprise funds treated as revenue on a budgetary basis			(1,320,506)	
Transfer from a nonmajor fund treated as revenue on a budgetary basis			<u>(526,874)</u>	
<b>Total revenues reported on the Statement of Revenues and Expenditures</b>			<u>\$ 104,823,135</u>	
<b>EXPENDITURES:</b>				
Current:				
General government:				
City Controller:				
Personal services	\$ 927,748	\$ 927,748	\$ 833,829	\$ (93,919)
Supplies	8,900	8,900	7,368	(1,532)
Other services and charges	182,800	182,800	180,121	(2,679)
Capital outlay	4,400	4,400	4,542	142
City Clerk:				
Personal services	\$ 692,670	\$ 692,670	563,105	\$ (129,565)
Supplies	10,000	10,000	5,150	(4,850)
Other services and charges	125,902	125,902	19,926	(105,976)
Capital outlay	45,661	45,661	16,446	(29,215)
Mayor's Office:		-		
Personal services	500,055	500,055	469,302	(30,753)
Supplies	4,300	4,300	3,849	(451)
Other services and charges	4,272,316	4,452,316	4,329,516	(122,800)
Capital outlay	40,000	40,000	9,825	(30,175)
City Council:				
Personal services	401,018	401,018	372,217	(28,801)
Supplies	4,000	4,000	1,506	(2,494)
Other services and charges	367,417	367,417	157,351	(210,066)
Capital outlay	7,590	7,590	1,894	(5,696)

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020  
(Continued)

	Budgeted Amounts		<b>Actual Budgetary Basis Amounts</b>	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
General government (continued):				
Board of Public Works:				
Personal services	21,872	21,872	<b>15,655</b>	(6,217)
Debt service	17,382,544	17,382,544	<b>17,380,386</b>	(2,159)
Administration:				
Personal services	436,575	436,575	<b>448,076</b>	11,501
Supplies	69,280	69,280	<b>30,323</b>	(38,957)
Other services and charges	2,166,862	2,383,464	<b>2,097,680</b>	(285,784)
Capital outlay	765,703	765,703	<b>684,421</b>	(81,282)
Brookshire Golf Course:				
Personal services	856,539	856,539	<b>734,229</b>	(122,310)
Supplies	76,000	76,000	<b>28,800</b>	(47,200)
Other services and charges	454,839	488,864	<b>428,967</b>	(59,897)
Capital outlay	362,500	362,500	<b>118,749</b>	(243,751)
Building Operations:				
Supplies	8,000	8,000	<b>887</b>	(7,113)
Other services and charges	3,406,982	3,406,982	<b>3,485,622</b>	78,640
Capital outlay	-	-	-	-
City Court:				
Personal services	743,630	743,630	<b>511,027</b>	(232,603)
Supplies	-	-	-	-
Other services and charges	-	-	<b>24,306</b>	24,306
Capital outlay	15,000	15,000	<b>900</b>	(14,100)
Law Department:				
Personal services	1,137,724	1,137,724	<b>1,032,977</b>	(104,747)
Supplies	3,736	3,736	<b>2,903</b>	(833)
Other services and charges	472,854	516,854	<b>461,830</b>	(55,024)
Capital outlay	39,747	39,747	<b>15,137</b>	(24,610)
Planning Commission:				
Personal services	-	-	<b>2,630</b>	2,630
Community Services:				
Personal services	2,886,480	2,886,480	<b>2,769,271</b>	(117,209)
Supplies	54,588	54,588	<b>39,350</b>	(15,238)
Other services and charges	1,512,219	1,519,987	<b>911,882</b>	(608,105)
Capital outlay	567,989	567,989	<b>474,906</b>	(93,083)
Personnel/ Human Resources:		-		
Personal services	616,305	616,305	<b>567,863</b>	(48,442)
Supplies	1,000	1,000	<b>479</b>	(521)
Other services and charges	128,589	128,589	<b>79,897</b>	(48,692)
Capital outlay	3,500	3,500	<b>808</b>	(2,692)

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020

(Continued)

	<u>Budgeted Amounts</u>		<b>Actual Budgetary Basis Amounts</b>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures (continued):				
Current (continued):				
Information Systems:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	13,479	13,479	-	(13,479)
Capital outlay	66	66	-	(66)
City Property Maintenance:				
Supplies	160,198	160,198	<b>33,746</b>	(126,452)
Other services and charges	1,187,310	1,187,310	<b>804,879</b>	(382,431)
Public Affairs/ Community Relations:				
Personal services	1,131,660	1,131,660	<b>1,022,015</b>	(109,645)
Supplies	3,379	3,379	<b>3,265</b>	(114)
Other services and charges	3,591,688	3,591,688	<b>2,403,338</b>	(1,188,350)
Capital outlay	<u>31,194</u>	<u>31,194</u>	<b><u>31,568</u></b>	<u>374</u>
Street Department - Special Projects				
Other services and charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general government	<u>47,904,807</u>	<u>48,387,201</u>	<b><u>43,624,719</u></b>	<u>(4,762,482)</u>
Public Safety:				
Fire Department:				
Personal services	27,322,628	27,338,111	<b>25,937,108</b>	(1,401,003)
Supplies	328,577	328,577	<b>277,644</b>	(50,933)
Other services and charges	2,560,765	2,560,765	<b>2,237,487</b>	(323,278)
Police Department:				
Personal services	22,007,900	22,511,579	<b>21,035,365</b>	(1,476,214)
Supplies	669,306	679,426	<b>413,505</b>	(265,921)
Other services and charges	1,599,230	1,626,522	<b>1,204,260</b>	(422,262)
Capital outlay	1,695,641	1,786,741	<b>1,791,007</b>	4,266
Communication Center:				
Personal services	2,228,614	2,228,614	<b>2,049,619</b>	(178,995)
Supplies	42,575	42,575	<b>42,564</b>	(12)
Other services and charges	3,744,488	3,769,227	<b>918,575</b>	(2,850,652)
Capital outlay	<u>784,189</u>	<u>824,471</u>	<b><u>550,200</u></b>	<u>(274,270)</u>
Total public safety	<u>62,983,913</u>	<u>63,696,609</u>	<b><u>56,457,335</u></b>	<u>(7,239,273)</u>

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020

(Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
Culture and recreation:				
Parks Department:				
Personal services	2,603,708	2,603,708	<b>2,527,658</b>	(76,050)
Supplies	134,193	134,193	<b>113,746</b>	(20,447)
Other services and charges	1,099,794	1,099,794	<b>1,076,316</b>	(23,478)
Capital outlay	15,000	15,000	<b>11,063</b>	(3,937)
Total culture and recreation	3,852,695	3,852,695	<b>3,728,783</b>	(123,912)
Economic Development:				
Redevelopment Department:				
Personal services	692,315	692,315	<b>641,612</b>	(50,703)
Supplies	4,962	4,962	<b>7,844</b>	2,882
Other services and charges	92,275	92,275	<b>120,871</b>	28,596
Capital outlay	1,000	1,000	<b>3,984</b>	2,984
Total economic development	790,552	790,552	<b>774,310</b>	(16,242)
Transfers to nonmajor funds treated as expenditures on a budgetary basis	-	-	<b>1,591,582</b>	1,591,582
Other Expenditure	-	-	<b>113,932</b>	113,932
<b>Total expenditures, budgetary basis</b>	<b>\$ 115,531,967</b>	<b>\$ 116,727,057</b>	<b>106,290,662</b>	<b>\$ (10,436,395)</b>
Increase in accrued liabilities:				
Accounts payable			<b>(208,283)</b>	
Accrued payroll and withholdings payable			<b>(1,964,465)</b>	
Capital leases			<b>2,234,712</b>	
Transfers to other funds			<b>(17,329,927)</b>	
Total expenditures reported on the Statement of Revenues and Expenditures			<b>\$ 89,022,699</b>	

CITY OF CARMEL, INDIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
December 31, 2020

**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, and Public Defender 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. Original budgeted revenues represent the budgeted revenues submitted by the City along with budget expenditures, as adopted. The final budget reflects official changes to those numbers.

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 to 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 maintenance operations of the 4CDC office building.

The CMCDC Operating Fund accounts for revenue borrowed or otherwise set aside for certain economic development purposes.

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.

Continued on next page.

CITY OF CARMEL, INDIANA  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)

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

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 Fund 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 Sidewalk Non-Reverting Fund accounts for monies received and expended for City sidewalk improvements.

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.

Continued on next page.

CITY OF CARMEL, INDIANA  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)

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.

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 COVID CARES Fund accounts for relief monies received for navigating the impact of the COVID-19

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 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 equipment.

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.

Continued on next page.

CITY OF CARMEL, INDIANA  
NONMAJOR GOVERNMENTAL FUNDS  
(Continued)

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.

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

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.

The 2019 Project 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, 2020

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	CMCDC Operating Fund
<b>ASSETS:</b>													
Cash and cash equivalents	\$ 1,109,244	\$ 29,780	\$ 1,483,031	\$ 2,638,160	\$ 151,784	\$ 2,457,519	\$ 230,446	\$ 108,302	\$ 6	\$ 166,369	\$ 10,329,480	\$ 1,209,439	\$ 200,000
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from related utility	-	-	-	-	-	-	-	-	-	-	362,448	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	4,076	-
<b>Total assets</b>	<u>1,109,244</u>	<u>29,780</u>	<u>1,483,031</u>	<u>2,638,160</u>	<u>151,784</u>	<u>2,457,519</u>	<u>230,446</u>	<u>108,302</u>	<u>6</u>	<u>166,369</u>	<u>10,691,928</u>	<u>1,213,515</u>	<u>200,000</u>
<b>LIABILITIES:</b>													
Accounts payable	12,797	-	15,402	87,951	7,339	82,087	103	4,432	-	-	1,675	169,612	-
Claims payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	58,412	-	-
Accrued payroll	-	-	29,139	28,503	-	-	388	-	-	-	-	-	-
<b>Total liabilities</b>	<u>12,797</u>	<u>-</u>	<u>44,541</u>	<u>116,454</u>	<u>7,339</u>	<u>82,087</u>	<u>491</u>	<u>4,432</u>	<u>-</u>	<u>-</u>	<u>60,087</u>	<u>169,612</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>													
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE:</b>													
Restricted:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	29,780	-	-	-	-	229,955	103,870	-	-	-	-	-
Highways and streets	-	-	-	-	-	2,375,432	-	-	-	-	10,631,841	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	6	166,369	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	1,043,903	200,000
Culture and recreation	1,096,447	-	1,438,490	2,521,706	144,445	-	-	-	-	-	-	-	-
Committed:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,096,447</u>	<u>29,780</u>	<u>1,438,490</u>	<u>2,521,706</u>	<u>144,445</u>	<u>2,375,432</u>	<u>229,955</u>	<u>103,870</u>	<u>6</u>	<u>166,369</u>	<u>10,631,841</u>	<u>1,043,903</u>	<u>200,000</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>													
	<u>\$ 1,109,244</u>	<u>\$ 29,780</u>	<u>\$ 1,483,031</u>	<u>\$ 2,638,160</u>	<u>\$ 151,784</u>	<u>2,457,519</u>	<u>\$ 230,446</u>	<u>\$ 108,302</u>	<u>\$ 6</u>	<u>\$ 166,369</u>	<u>\$ 10,691,928</u>	<u>\$ 1,213,515</u>	<u>\$ 200,000</u>

CITY OF CARMEL, INDIANA

BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2020

(Continued)

	Special Revenue Funds												
	Motor Vehicle Highway Fund	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	Sidewalk Non-Reverting	Urban Forestry	Clerk's Record Perpetuation
<b>ASSETS:</b>													
Cash and cash equivalents	\$ 2,593,392	\$ 9,421	\$ 3,106,220	\$ 727,278	\$ 19,134	\$ 137,845	\$ 22,255	\$ 620,578	\$ 31,036	\$ 30,884	\$ 50,000	\$ 71,191	\$ 290,998
Property tax receivable	299,722	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental funds	58,412	-	-	-	-	-	-	-	-	-	-	-	-
Due from related utility	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>2,951,526</u>	<u>9,421</u>	<u>3,106,220</u>	<u>727,278</u>	<u>19,134</u>	<u>137,845</u>	<u>22,255</u>	<u>620,578</u>	<u>31,036</u>	<u>30,884</u>	<u>50,000</u>	<u>71,191</u>	<u>290,998</u>
<b>LIABILITIES:</b>													
Accounts payable	281,337	-	131,802	-	-	-	-	124	-	-	-	-	-
Claims payable	-	-	910,893	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	130,374	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>411,711</u>	<u>-</u>	<u>1,042,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>													
Unavailable revenue	299,722	-	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE:</b>													
Restricted:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	290,998
Public safety	-	9,421	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	2,240,093	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	71,191	-
Committed:													
General government	-	-	2,063,525	727,278	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	137,845	22,255	620,454	31,036	30,884	50,000	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	19,134	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,240,093</u>	<u>9,421</u>	<u>2,063,525</u>	<u>727,278</u>	<u>19,134</u>	<u>137,845</u>	<u>22,255</u>	<u>620,454</u>	<u>31,036</u>	<u>30,884</u>	<u>50,000</u>	<u>71,191</u>	<u>290,998</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 2,951,526</u>	<u>\$ 9,421</u>	<u>\$ 3,106,220</u>	<u>\$ 727,278</u>	<u>\$ 19,134</u>	<u>\$ 137,845</u>	<u>\$ 22,255</u>	<u>\$ 620,578</u>	<u>\$ 31,036</u>	<u>\$ 30,884</u>	<u>\$ 50,000</u>	<u>\$ 71,191</u>	<u>\$ 290,998</u>

CITY OF CARMEL, INDIANA  
**BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended December 31, 2020  
(Continued)

Special Revenue Funds

	Court Interpreter	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
<b>ASSETS:</b>												
Cash and cash equivalents	\$ 64	\$ 11,823	\$ 116,574	\$ 190,921	\$ 26,740	\$ 61,561	\$ 37,586	\$ 126,914	\$ 39,924	\$ 23,565	\$ 58,865	\$ 550,622
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from related utility	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>64</u>	<u>11,823</u>	<u>116,574</u>	<u>190,921</u>	<u>26,740</u>	<u>61,561</u>	<u>37,586</u>	<u>126,914</u>	<u>39,924</u>	<u>23,565</u>	<u>58,865</u>	<u>550,622</u>
<b>LIABILITIES:</b>												
Accounts payable	-	-	2,781	17,133	-	1,519	-	-	-	-	-	7,481
Claims payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>2,781</u>	<u>17,133</u>	<u>-</u>	<u>1,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,481</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>												
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE:</b>												
Restricted:												
General government	-	-	-	-	-	-	-	126,914	39,924	-	-	-
Public safety	64	11,823	113,793	-	26,740	60,042	-	-	-	-	-	543,141
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	23,565	58,865	-
Culture and recreation	-	-	-	-	-	-	37,586	-	-	-	-	-
Committed:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	173,788	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>64</u>	<u>11,823</u>	<u>113,793</u>	<u>173,788</u>	<u>26,740</u>	<u>60,042</u>	<u>37,586</u>	<u>126,914</u>	<u>39,924</u>	<u>23,565</u>	<u>58,865</u>	<u>543,141</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 64</u>	<u>\$ 11,823</u>	<u>\$ 116,574</u>	<u>\$ 190,921</u>	<u>\$ 26,740</u>	<u>\$ 61,561</u>	<u>\$ 37,586</u>	<u>\$ 126,914</u>	<u>\$ 39,924</u>	<u>\$ 23,565</u>	<u>\$ 58,865</u>	<u>\$ 550,622</u>

CITY OF CARMEL, INDIANA

BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2020

(Continued)

	Special Revenue Funds			Total Special Revenue Funds	Capital Projects Funds						
	Thoroughfare	COVID CARES	Grant		Redevelopment Authority Capital Projects Fund	Ambulance	Park Capital	Cumulative Capital Improvement	Cumulative Capital Sewer	Cumulative Capital Development	Illinois Street Construction
<b>ASSETS:</b>											
Cash and cash equivalents	\$ 1,394,868	\$ -	\$ 720,271	\$ 31,184,090	\$ 811,469	\$ 1,857,739	\$ 481,436	\$ 377,272	\$ 278,758	\$ 444,866	\$ 204,059
Property tax receivable	-	-	-	299,722	-	-	-	-	-	118,187	-
Due from other governmental funds	-	-	-	58,412	-	-	-	-	-	-	-
Due from related utility	-	-	-	362,448	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	4,076	-	98,925	-	-	-	-	-
<b>Total assets</b>	<u>1,394,868</u>	<u>-</u>	<u>720,271</u>	<u>31,908,748</u>	<u>811,469</u>	<u>1,956,664</u>	<u>481,436</u>	<u>377,272</u>	<u>278,758</u>	<u>563,053</u>	<u>204,059</u>
<b>LIABILITIES:</b>											
Accounts payable	-	-	-	823,575	-	54,230	9,980	300	-	10,185	-
Claims payable	-	-	-	910,893	-	-	-	-	-	-	-
Due to other funds	-	-	-	58,412	-	-	-	-	-	-	-
Accrued payroll	-	-	-	188,404	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981,284</u>	<u>-</u>	<u>54,230</u>	<u>9,980</u>	<u>300</u>	<u>-</u>	<u>10,185</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>											
Unavailable revenue	-	-	-	299,722	-	82,437	-	-	-	118,187	-
<b>FUND BALANCE:</b>											
Restricted:											
General government	-	-	-	457,836	-	-	-	-	-	-	-
Public safety	-	-	720,271	1,848,900	-	-	-	-	-	-	-
Highways and streets	1,394,868	-	-	16,642,234	811,469	-	-	-	278,758	434,681	204,059
Drainage and other capital assets	-	-	-	166,375	-	-	-	-	-	-	-
Economic development	-	-	-	1,326,333	-	-	-	-	-	-	-
Culture and recreation	-	-	-	5,309,865	-	-	471,456	-	-	-	-
Committed:											
General government	-	-	-	2,790,803	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,819,997	-	-	-	-	-
Highways and streets	-	-	-	892,474	-	-	-	376,972	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	192,922	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,394,868</u>	<u>-</u>	<u>720,271</u>	<u>29,627,742</u>	<u>811,469</u>	<u>1,819,997</u>	<u>471,456</u>	<u>376,972</u>	<u>278,758</u>	<u>434,681</u>	<u>204,059</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>											
	<u>\$ 1,394,868</u>	<u>\$ -</u>	<u>\$ 720,271</u>	<u>\$ 31,908,748</u>	<u>\$ 811,469</u>	<u>\$ 1,956,664</u>	<u>\$ 481,436</u>	<u>\$ 377,272</u>	<u>\$ 278,758</u>	<u>\$ 563,053</u>	<u>\$ 204,059</u>

CITY OF CARMEL, INDIANA

BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2020

(Continued)

	Capital Projects Funds										
	Old Town/126th Construction	2016 Property Tax Bond Construction 1	2016 Property Tax Bond Construction 2	2016 Property Tax Bond Construction 3	2016 Property Tax Bond Construction 4	2016 Property Tax Bond Construction 5	2016 Property Tax Bond Construction 6	2016 Property Tax Bond Construction 7	2016 Property Tax Bond Construction 8	2016 Property Tax Bond Construction 9	2016 Property Tax Bond Construction 10
<b>ASSETS:</b>											
Cash and cash equivalents	\$ 459	\$ 5,509	\$ 113,112	\$ 1,765,218	\$ 60,629	\$ 26,052	\$ 10,639	\$ -	\$ -	\$ 32,785	\$ 155,801
Property tax receivable	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental funds	-	-	-	-	-	-	-	-	-	-	-
Due from related utility	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>459</u>	<u>5,509</u>	<u>113,112</u>	<u>1,765,218</u>	<u>60,629</u>	<u>26,052</u>	<u>10,639</u>	<u>-</u>	<u>-</u>	<u>32,785</u>	<u>155,801</u>
<b>LIABILITIES:</b>											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Claims payable	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>											
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE:</b>											
Restricted:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	5,509	113,112	1,765,218	60,629	26,052	10,639	-	-	32,785	155,801
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-
Economic development	459	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Committed:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>459</u>	<u>5,509</u>	<u>113,112</u>	<u>1,765,218</u>	<u>60,629</u>	<u>26,052</u>	<u>10,639</u>	<u>-</u>	<u>-</u>	<u>32,785</u>	<u>155,801</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 459</u>	<u>\$ 5,509</u>	<u>\$ 113,112</u>	<u>\$ 1,765,218</u>	<u>\$ 60,629</u>	<u>\$ 26,052</u>	<u>\$ 10,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,785</u>	<u>\$ 155,801</u>

CITY OF CARMEL, INDIANA  
**BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended December 31, 2020  
(Continued)

	Capital Projects Funds						Total Capital Projects Funds	Debt Service Funds			Total Debt Service Funds	Total Nonmajor Governmental Funds
	2016 Property Tax Bond Construction 11	2016 Property Tax Bond Construction 12	2016 Property Tax Bond Construction 13	2017 A Bond Construction Fund	2018 CMBC Bond Construction Fund	2019 Project Fund		Lease Rental	2004 Road Bond	2016 Property Tax Bond Fund		
<b>ASSETS:</b>												
Cash and cash equivalents	\$ 150,437	\$ 81,359	\$ 20,852	\$ 1,488	\$ 428,324	\$ -	\$ 7,308,263	\$ 3,853	\$ 1,258,413	\$ 168,692	\$ 1,430,958	\$ 39,923,311
Property tax receivable	-	-	-	-	-	-	118,187	-	69,730	43,256	112,986	530,895
Due from other governmental funds	-	-	-	-	-	-	-	-	-	-	-	58,412
Due from related utility	-	-	-	-	-	-	-	-	-	-	-	362,448
Intergovernmental receivables	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	98,925	-	-	-	-	103,001
<b>Total assets</b>	<u>150,437</u>	<u>81,359</u>	<u>20,852</u>	<u>1,488</u>	<u>428,324</u>	<u>-</u>	<u>7,525,375</u>	<u>3,853</u>	<u>1,328,143</u>	<u>211,948</u>	<u>1,543,944</u>	<u>40,978,067</u>
<b>LIABILITIES:</b>												
Accounts payable	-	-	-	-	-	-	74,695	-	-	-	-	898,270
Claims payable	-	-	-	-	-	-	-	-	-	-	-	910,893
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	58,412
Accrued payroll	-	-	-	-	-	-	-	-	-	-	-	188,404
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,055,979</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>												
Unavailable revenue	-	-	-	-	-	-	200,624	-	69,730	43,256	112,986	613,332
<b>FUND BALANCE:</b>												
Restricted:												
General government	-	-	-	-	-	-	-	-	-	-	-	457,836
Public safety	-	-	-	-	-	-	-	-	-	-	-	1,848,900
Highways and streets	150,437	81,359	20,852	1,488	-	-	4,152,848	3,853	1,258,413	168,692	1,430,958	22,226,040
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	166,375
Economic development	-	-	-	-	428,324	-	428,783	-	-	-	-	1,755,116
Culture and recreation	-	-	-	-	-	-	471,456	-	-	-	-	5,781,321
Committed:												
General government	-	-	-	-	-	-	-	-	-	-	-	2,790,803
Public safety	-	-	-	-	-	-	1,819,997	-	-	-	-	1,819,997
Highways and streets	-	-	-	-	-	-	376,972	-	-	-	-	1,269,446
Drainage and other capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	192,922
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>150,437</u>	<u>81,359</u>	<u>20,852</u>	<u>1,488</u>	<u>428,324</u>	<u>-</u>	<u>7,250,056</u>	<u>3,853</u>	<u>1,258,413</u>	<u>168,692</u>	<u>1,430,958</u>	<u>38,308,756</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 150,437</u>	<u>\$ 81,359</u>	<u>\$ 20,852</u>	<u>\$ 1,488</u>	<u>\$ 428,324</u>	<u>\$ -</u>	<u>\$ 7,525,375</u>	<u>\$ 3,853</u>	<u>\$ 1,328,143</u>	<u>\$ 211,948</u>	<u>\$ 1,543,944</u>	<u>\$ 40,978,067</u>

CITY OF CARMEL, INDIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended December 31, 2020

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	CMCDC Operating Fund
<b>REVENUES:</b>													
Charges for services	\$ 964,584	\$ 3,274	\$ 2,581,073	\$ 3,386,211	\$ 119,084	\$ -	\$ 11,908	\$ 25,996	\$ -	\$ -	\$ 3,832,391	\$ 992,229	\$ 259,974
Investment income	15,804	182	16,924	22,466	835	-	1,757	-	-	59,688	-	-	-
Licenses and permits	-	-	-	-	-	-	-	72,558	-	-	-	-	-
Other	-	-	2,398	-	1,737	276,382	-	1,326	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	708	-	-	-	-	-	-	-	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:													
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared revenue	-	-	-	-	-	2,160,717	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>980,388</b>	<b>3,456</b>	<b>2,600,395</b>	<b>3,409,385</b>	<b>121,656</b>	<b>2,437,099</b>	<b>13,665</b>	<b>99,880</b>	<b>-</b>	<b>-</b>	<b>3,892,079</b>	<b>992,229</b>	<b>259,974</b>
<b>EXPENDITURES:</b>													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	470,314	-
Public safety	-	-	-	-	-	-	78,805	79,860	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	188,970	-
Culture and recreation	-	-	3,626,947	4,658,942	108,858	-	-	-	-	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	227,577	-
Capital outlay:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	5,818,005	-	-	-	-	14,447,787	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	2,540,790	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,540,790</b>	<b>-</b>	<b>3,626,947</b>	<b>4,658,942</b>	<b>108,858</b>	<b>5,818,005</b>	<b>78,805</b>	<b>79,860</b>	<b>-</b>	<b>-</b>	<b>14,447,787</b>	<b>886,861</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,560,402)</b>	<b>3,456</b>	<b>(1,026,552)</b>	<b>(1,249,557)</b>	<b>12,798</b>	<b>(3,380,906)</b>	<b>(65,140)</b>	<b>20,020</b>	<b>-</b>	<b>-</b>	<b>(10,555,708)</b>	<b>105,368</b>	<b>259,974</b>
Other financing sources (uses):													
Transfers in, governmental funds	-	-	-	-	-	1,000,000	-	-	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	(508,508)	-	-	-	-	(3,134,412)	-	(2,559,974)
Redevelopment bond issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	6,700,000	-	2,500,000
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,565,588</b>	<b>-</b>	<b>(59,974)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,560,402)</b>	<b>3,456</b>	<b>(1,026,552)</b>	<b>(1,249,557)</b>	<b>12,798</b>	<b>(2,889,414)</b>	<b>(65,140)</b>	<b>20,020</b>	<b>-</b>	<b>-</b>	<b>(6,990,120)</b>	<b>105,368</b>	<b>200,000</b>
<b>FUND BALANCES: beginning</b>	<b>2,656,849</b>	<b>26,324</b>	<b>2,465,042</b>	<b>3,771,263</b>	<b>131,647</b>	<b>5,264,846</b>	<b>295,095</b>	<b>83,850</b>	<b>6</b>	<b>166,369</b>	<b>17,621,961</b>	<b>938,535</b>	<b>-</b>
<b>Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES: beginning, restated</b>	<b>2,656,849</b>	<b>26,324</b>	<b>2,465,042</b>	<b>3,771,263</b>	<b>131,647</b>	<b>5,264,846</b>	<b>295,095</b>	<b>83,850</b>	<b>6</b>	<b>166,369</b>	<b>17,621,961</b>	<b>938,535</b>	<b>-</b>
<b>FUND BALANCES: ending</b>	<b>\$ 1,096,447</b>	<b>\$ 29,780</b>	<b>\$ 1,438,490</b>	<b>\$ 2,521,706</b>	<b>\$ 144,445</b>	<b>\$ 2,375,432</b>	<b>\$ 229,955</b>	<b>\$ 103,870</b>	<b>\$ 6</b>	<b>\$ 166,369</b>	<b>\$ 10,631,841</b>	<b>\$ 1,043,903</b>	<b>\$ 200,000</b>

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, 2020  
 (Continued)

Special Revenue													
	Motor Vehicle Highway Fund	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	Sidewalk Non-Reverting	Urban Forestry	Clerk's Record Perpetuation
<b>REVENUES:</b>													
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	69	-	-	-	875	141	3,167	202	182	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	274,201	-	-	188,865	-	-	-	318,770	32,281	10,000	50,000	-	21,913
Other taxes	442,035	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	818	-	-	-	-	-	-	224	-	-	-	-
General property taxes	10,188,438	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:													
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared revenue	3,641,115	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>14,545,789</b>	<b>887</b>	<b>-</b>	<b>188,865</b>	<b>-</b>	<b>875</b>	<b>141</b>	<b>321,937</b>	<b>32,707</b>	<b>10,182</b>	<b>50,000</b>	<b>-</b>	<b>21,913</b>
<b>EXPENDITURES:</b>													
Current:													
General government	-	-	46,549	212,526	-	-	-	-	-	-	-	-	5,106
Public safety	-	2,525	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	12,198,540	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	177,147	33,817	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	5,311,704	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>17,510,244</b>	<b>2,525</b>	<b>46,549</b>	<b>212,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,147</b>	<b>33,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,106</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,964,455)</b>	<b>(1,638)</b>	<b>(46,549)</b>	<b>(23,661)</b>	<b>-</b>	<b>875</b>	<b>141</b>	<b>144,790</b>	<b>(1,110)</b>	<b>10,182</b>	<b>50,000</b>	<b>-</b>	<b>16,807</b>
Other financing sources (uses):													
Transfers in, governmental funds	762,117	-	-	-	-	-	-	187,000	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Redevelopment bond issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	2,413,707	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>3,175,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>211,369</b>	<b>(1,638)</b>	<b>(46,549)</b>	<b>(23,661)</b>	<b>-</b>	<b>875</b>	<b>141</b>	<b>331,790</b>	<b>(1,110)</b>	<b>10,182</b>	<b>50,000</b>	<b>-</b>	<b>16,807</b>
<b>FUND BALANCES: beginning</b>	<b>2,380,723</b>	<b>11,059</b>	<b>2,110,074</b>	<b>750,939</b>	<b>19,134</b>	<b>136,970</b>	<b>22,114</b>	<b>288,664</b>	<b>32,146</b>	<b>20,702</b>	<b>-</b>	<b>71,191</b>	<b>274,191</b>
<b>Restatement</b>	<b>(351,999)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES: beginning, restated</b>	<b>2,028,724</b>	<b>11,059</b>	<b>2,110,074</b>	<b>750,939</b>	<b>19,134</b>	<b>136,970</b>	<b>22,114</b>	<b>288,664</b>	<b>32,146</b>	<b>20,702</b>	<b>-</b>	<b>71,191</b>	<b>274,191</b>
<b>FUND BALANCES: ending</b>	<b>\$ 2,240,093</b>	<b>\$ 9,421</b>	<b>\$ 2,063,525</b>	<b>\$ 727,278</b>	<b>\$ 19,134</b>	<b>\$ 137,845</b>	<b>\$ 22,255</b>	<b>\$ 620,454</b>	<b>\$ 31,036</b>	<b>\$ 30,884</b>	<b>\$ 50,000</b>	<b>\$ 71,191</b>	<b>\$ 290,998</b>

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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, 2020  
(Continued)

Special Revenue

	Court Interpreter	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
<b>REVENUES:</b>												
Charges for services	\$ -	\$ 831	\$ 20,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	166	375	181	661	23	-	-	3,840
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	54,111	-	-	-	1,150	-	20,000	-	14,026
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	15,462	27,002	14,165	36,806	-	-	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Grants	-	-	-	-	-	-	-	-	-	-	-	65,566
Shared revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>831</b>	<b>20,492</b>	<b>54,111</b>	<b>15,628</b>	<b>27,377</b>	<b>14,346</b>	<b>38,617</b>	<b>23</b>	<b>20,000</b>	<b>-</b>	<b>83,432</b>
<b>EXPENDITURES:</b>												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	47,236	-	2,918	30,434	-	-	-	-	-	173,100
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	24,726	-	-	-	-	-	75,000	-	-
Culture and recreation	-	-	-	-	-	-	7,173	(9,658)	19,068	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>47,236</b>	<b>24,726</b>	<b>2,918</b>	<b>30,434</b>	<b>7,173</b>	<b>(9,658)</b>	<b>19,068</b>	<b>75,000</b>	<b>-</b>	<b>173,100</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>831</b>	<b>(26,744)</b>	<b>29,385</b>	<b>12,710</b>	<b>(3,057)</b>	<b>7,173</b>	<b>48,275</b>	<b>(19,045)</b>	<b>(55,000)</b>	<b>-</b>	<b>(89,668)</b>
Other financing sources (uses):												
Transfers in, governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
Redevelopment bond issuance	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>831</b>	<b>(26,744)</b>	<b>29,385</b>	<b>12,710</b>	<b>(3,057)</b>	<b>7,173</b>	<b>48,275</b>	<b>(19,045)</b>	<b>(55,000)</b>	<b>-</b>	<b>(89,668)</b>
<b>FUND BALANCES: beginning</b>	<b>64</b>	<b>10,992</b>	<b>140,537</b>	<b>144,403</b>	<b>14,030</b>	<b>63,099</b>	<b>30,413</b>	<b>78,639</b>	<b>58,969</b>	<b>78,565</b>	<b>58,865</b>	<b>632,809</b>
<b>Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES: beginning, restated</b>	<b>64</b>	<b>10,992</b>	<b>140,537</b>	<b>144,403</b>	<b>14,030</b>	<b>63,099</b>	<b>30,413</b>	<b>78,639</b>	<b>58,969</b>	<b>78,565</b>	<b>58,865</b>	<b>632,809</b>
<b>FUND BALANCES: ending</b>	<b>\$ 64</b>	<b>\$ 11,823</b>	<b>\$ 113,793</b>	<b>\$ 173,788</b>	<b>\$ 26,740</b>	<b>\$ 60,042</b>	<b>\$ 37,586</b>	<b>\$ 126,914</b>	<b>\$ 39,924</b>	<b>\$ 23,565</b>	<b>\$ 58,865</b>	<b>\$ 543,141</b>

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, 2020  
(Continued)

	Special Revenue				Capital Projects Funds					
	Thoroughfare	COVID CARES	Grant	Total Special Revenue Funds	Redevelopment Authority Capital Projects Fund	Ambulance	Parks Capital	Cumulative Capital Improvement	Cumulative Capital Sewer	Cumulative Capital Development
<b>REVENUES:</b>										
Charges for services	\$ 183,795	\$ -	\$ -	\$ 12,381,842	\$ -	\$ 1,863,842	\$ -	\$ -	\$ -	\$ -
Investment income	10,392	-	-	137,930	5,901	8,714	778	-	-	-
Licenses and permits	-	-	-	72,558	-	-	-	-	-	-
Other	-	-	-	1,267,160	-	30,141	-	-	-	146,453
Other taxes	-	-	-	442,035	-	-	-	198,715	-	174,304
Contributions	-	-	5,000	100,185	-	-	-	-	-	-
General property taxes	-	-	-	10,188,438	-	-	-	-	-	4,018,941
Intergovernmental:										
Grants	-	3,357,992	4,324,469	7,748,027	-	-	-	-	-	-
Shared revenue	-	-	-	5,801,832	-	-	-	-	-	1,584
<b>Total revenues</b>	<b>194,187</b>	<b>3,357,992</b>	<b>4,329,469</b>	<b>38,140,007</b>	<b>5,901</b>	<b>1,902,697</b>	<b>778</b>	<b>198,715</b>	<b>-</b>	<b>4,341,282</b>
<b>EXPENDITURES:</b>										
Current:										
General government	-	3,310,907	-	4,045,402	-	-	-	-	-	-
Public safety	-	47,085	349,469	811,432	-	1,539,741	-	-	-	-
Streets and other infrastructure	-	-	-	12,198,540	-	-	-	-	7,439	170,004
Economic development	-	-	-	288,696	-	-	-	-	-	-
Culture and recreation	-	-	-	8,622,294	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	2,769,873
Interest	-	-	-	227,577	-	-	-	-	-	1,278,692
Capital outlay:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	25,577,496	1,093,094	-	-	126,221	-	14,685
Economic development	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	2,540,790	-	-	157,079	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>3,357,992</b>	<b>349,469</b>	<b>54,312,227</b>	<b>1,093,094</b>	<b>1,539,741</b>	<b>157,079</b>	<b>126,221</b>	<b>7,439</b>	<b>4,233,254</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>194,187</b>	<b>-</b>	<b>3,980,000</b>	<b>(16,172,220)</b>	<b>(1,087,193)</b>	<b>362,956</b>	<b>(156,301)</b>	<b>72,494</b>	<b>(7,439)</b>	<b>108,028</b>
Other financing sources (uses):										
Transfers in, governmental funds	-	-	-	1,949,117	30,548	-	525,000	-	-	-
Transfers (out), governmental funds	-	-	(3,850,000)	(10,052,894)	(8,519)	-	-	-	-	-
Redevelopment bond issuance	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	9,200,000	-	-	-	-	-	-
Capital lease proceeds	-	-	-	2,413,707	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>(3,850,000)</b>	<b>3,509,930</b>	<b>22,029</b>	<b>-</b>	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>194,187</b>	<b>-</b>	<b>130,000</b>	<b>(12,662,290)</b>	<b>(1,065,164)</b>	<b>362,956</b>	<b>368,699</b>	<b>72,494</b>	<b>(7,439)</b>	<b>108,028</b>
<b>FUND BALANCES: beginning</b>	<b>1,200,681</b>	<b>-</b>	<b>590,271</b>	<b>42,642,031</b>	<b>1,876,633</b>	<b>1,457,041</b>	<b>102,757</b>	<b>304,478</b>	<b>286,197</b>	<b>326,653</b>
<b>Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(351,999)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES: beginning, restated</b>	<b>1,200,681</b>	<b>-</b>	<b>590,271</b>	<b>42,290,032</b>	<b>1,876,633</b>	<b>1,457,041</b>	<b>102,757</b>	<b>304,478</b>	<b>286,197</b>	<b>326,653</b>
<b>FUND BALANCES: ending</b>	<b>\$ 1,394,868</b>	<b>\$ -</b>	<b>\$ 720,271</b>	<b>\$ 29,627,742</b>	<b>\$ 811,469</b>	<b>\$ 1,819,997</b>	<b>\$ 471,456</b>	<b>\$ 376,972</b>	<b>\$ 278,758</b>	<b>\$ 434,681</b>

Continued

CITY OF CARMEL, INDIANA  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended December 31, 2020  
(Continued)

Capital Projects Funds										
Illinois Street Construction	Old Town/126th Construction	2016 Property Tax Bond Construction 1	2016 Property Tax Bond Construction 2	2016 Property Tax Bond Construction 3	2016 Property Tax Bond Construction 4	2016 Property Tax Bond Construction 5	2016 Property Tax Bond Construction 6	2016 Property Tax Bond Construction 7	2016 Property Tax Bond Construction 8	2016 Property Tax Bond Construction 9
<b>REVENUES:</b>										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	24	486	27,937	270	191	246	-	137
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Other	128,758	-	-	-	-	-	-	6,513	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
General property taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Grants	-	-	-	-	-	-	-	-	-	-
Shared revenue	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>128,758</u>	<u>-</u>	<u>24</u>	<u>486</u>	<u>27,937</u>	<u>270</u>	<u>191</u>	<u>6,759</u>	<u>-</u>	<u>137</u>
<b>EXPENDITURES:</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	-	-	-	-	522	-	-	484	297	-
Economic development	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital outlay:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	5,302	-	-	-	3,703	2,250	18,514	55,584	-	121,235
Economic development	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>5,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,225</u>	<u>2,250</u>	<u>18,514</u>	<u>56,068</u>	<u>297</u>	<u>121,235</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>123,456</u>	<u>-</u>	<u>24</u>	<u>486</u>	<u>23,712</u>	<u>(1,980)</u>	<u>(18,323)</u>	<u>(49,309)</u>	<u>(297)</u>	<u>(121,098)</u>
Other financing sources (uses):										
Transfers in, governmental funds	-	-	-	-	-	-	-	-	-	-
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	-	-
Redevelopment bond issuance	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>123,456</u>	<u>-</u>	<u>24</u>	<u>486</u>	<u>23,712</u>	<u>(1,980)</u>	<u>(18,323)</u>	<u>(49,309)</u>	<u>(297)</u>	<u>(121,098)</u>
<b>FUND BALANCES: beginning</b>	<u>80,603</u>	<u>459</u>	<u>5,485</u>	<u>112,626</u>	<u>1,741,506</u>	<u>62,609</u>	<u>44,375</u>	<u>59,948</u>	<u>297</u>	<u>121,098</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES: beginning, restated</b>	<u>80,603</u>	<u>459</u>	<u>5,485</u>	<u>112,626</u>	<u>1,741,506</u>	<u>62,609</u>	<u>44,375</u>	<u>59,948</u>	<u>297</u>	<u>121,098</u>
<b>FUND BALANCES: ending</b>	<u>\$ 204,059</u>	<u>\$ 459</u>	<u>\$ 5,509</u>	<u>\$ 113,112</u>	<u>\$ 1,765,218</u>	<u>\$ 60,629</u>	<u>\$ 26,052</u>	<u>\$ 10,639</u>	<u>\$ -</u>	<u>\$ 32,785</u>

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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, 2020  
 (Continued)

	Capital Projects Funds							Debt Service Funds				Total Nonmajor Governmental Funds		
	2016 Property Tax Bond Construction 10	2016 Property Tax Bond Construction 11	2016 Property Tax Bond Construction 12	2016 Property Tax Bond Construction 13	2017 A Bond Construction Fund	2018 CMBC Bond Construction Fund	2019 Project Fund	Elimination of 2019 escrow account not belonging to the City - see Note II.L.	Total Capital Projects Funds	Lease Rental	2004 Road Bond		2016 Property Tax Bond Fund	Total Debt Service Funds
<b>REVENUES:</b>														
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,863,842	\$ -	\$ -	\$ -	\$ -	\$ 14,245,684
Investment income	1,252	1,130	438	72	5	4,002	57	57	51,753	-	-	-	-	189,683
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	72,558
Other	-	-	-	-	-	1	-	-	311,866	-	-	-	-	1,579,026
Other taxes	-	-	-	-	-	-	-	-	373,019	-	102,839	63,795	166,634	981,688
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	100,185
General property taxes	-	-	-	-	-	-	-	-	4,018,941	-	2,468,986	1,528,212	3,997,198	18,204,577
Intergovernmental:														
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	7,748,027
Shared revenue	-	-	-	-	-	-	-	-	1,584	-	935	580	1,515	5,804,931
<b>Total revenues</b>	<u>1,252</u>	<u>1,130</u>	<u>438</u>	<u>72</u>	<u>5</u>	<u>4,003</u>	<u>57</u>	<u>-</u>	<u>6,621,005</u>	<u>-</u>	<u>2,572,760</u>	<u>1,592,587</u>	<u>4,165,347</u>	<u>48,926,359</u>
<b>EXPENDITURES:</b>														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	4,045,402
Public safety	-	-	-	-	-	-	-	-	1,539,741	-	-	-	-	2,351,173
Streets and other infrastructure	-	-	-	-	-	-	-	-	178,746	-	-	-	-	12,377,286
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	288,696
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	8,622,294
Debt service:														
Principal	-	-	-	-	-	558,160	-	-	3,328,033	-	-	-	-	3,328,033
Interest	-	-	-	-	-	-	-	-	1,278,692	-	-	-	-	1,506,269
Capital outlay:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets and other infrastructure	300,122	198,384	46,450	-	-	-	-	-	1,985,544	-	-	-	-	27,563,040
Economic development	-	-	-	-	-	918,888	4,343,618	-	5,262,506	-	-	-	-	5,262,506
Culture and recreation	-	-	-	-	-	-	-	-	157,079	-	-	-	-	2,697,869
<b>Total expenditures</b>	<u>300,122</u>	<u>198,384</u>	<u>46,450</u>	<u>-</u>	<u>-</u>	<u>1,477,048</u>	<u>4,343,618</u>	<u>-</u>	<u>13,730,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,042,568</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(298,870)</u>	<u>(197,254)</u>	<u>(46,012)</u>	<u>72</u>	<u>5</u>	<u>(1,473,045)</u>	<u>(4,343,561)</u>	<u>-</u>	<u>(7,109,336)</u>	<u>-</u>	<u>2,572,760</u>	<u>1,592,587</u>	<u>4,165,347</u>	<u>(19,116,209)</u>
Other financing sources (uses):														
Transfers in, governmental funds	-	-	-	-	-	608,000	2,300,000	-	3,463,548	-	-	-	-	5,412,665
Transfers (out), governmental funds	-	-	-	-	-	-	-	-	(8,519)	-	(2,843,500)	(1,484,345)	(4,327,845)	(14,389,258)
Redevelopment bond issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance - principal	-	-	-	-	-	-	-	-	-	-	-	-	-	9,200,000
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	2,413,707
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,000</u>	<u>2,300,000</u>	<u>-</u>	<u>3,455,029</u>	<u>-</u>	<u>(2,843,500)</u>	<u>(1,484,345)</u>	<u>(4,327,845)</u>	<u>2,637,114</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(298,870)</u>	<u>(197,254)</u>	<u>(46,012)</u>	<u>72</u>	<u>5</u>	<u>(865,045)</u>	<u>(2,043,561)</u>	<u>-</u>	<u>(3,654,307)</u>	<u>-</u>	<u>(270,740)</u>	<u>108,242</u>	<u>(162,498)</u>	<u>(16,479,095)</u>
<b>FUND BALANCES: beginning</b>	<u>454,671</u>	<u>347,691</u>	<u>127,371</u>	<u>20,780</u>	<u>1,483</u>	<u>1,293,369</u>	<u>2,043,561</u>	<u>812,056</u>	<u>11,716,419</u>	<u>3,853</u>	<u>1,529,153</u>	<u>60,450</u>	<u>1,593,456</u>	<u>55,951,906</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(812,056)</u>	<u>(812,056)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,164,055)</u>
<b>FUND BALANCES: beginning, restated</b>	<u>454,671</u>	<u>347,691</u>	<u>127,371</u>	<u>20,780</u>	<u>1,483</u>	<u>1,293,369</u>	<u>2,043,561</u>	<u>-</u>	<u>10,904,363</u>	<u>3,853</u>	<u>1,529,153</u>	<u>60,450</u>	<u>1,593,456</u>	<u>54,787,851</u>
<b>FUND BALANCES: ending</b>	<u>\$ 155,801</u>	<u>\$ 150,437</u>	<u>\$ 81,359</u>	<u>\$ 20,852</u>	<u>\$ 1,488</u>	<u>\$ 428,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,250,056</u>	<u>\$ 3,853</u>	<u>\$ 1,258,413</u>	<u>\$ 168,692</u>	<u>\$ 1,430,958</u>	<u>\$ 38,308,756</u>

CITY OF CARMEL, INDIANA  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR FUNDS**  
For the Fiscal Year Ended December 31, 2020

	<b>Motor Vehicle Highway Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 10,266,909	\$ 10,266,909	\$ 10,188,438	\$ (78,471)
MVHF distribution	3,442,240	3,442,240	3,637,097	194,857
Miscellaneous	1,708,685	1,552,292	1,478,128	(74,164)
<b>Total Revenues</b>	<u>15,417,834</u>	<u>15,261,441</u>	<u>15,303,663</u>	<u>42,222</u>
<b>EXPENDITURES:</b>				
Engineering:				
Personal services	1,939,250	1,939,250	1,866,457	(72,793)
Supplies	12,400	12,400	7,229	(5,171)
Other services and charges	616,428	616,428	357,824	(258,604)
Capital outlay	115,248	115,248	40,258	(74,990)
Street Department:				
Personal services	6,433,568	6,433,568	6,130,147	(303,421)
Supplies	2,851,194	2,851,194	1,440,124	(1,411,070)
Other services and charges	5,520,488	6,520,488	3,266,757	(3,253,731)
Capital outlay	1,850,352	1,850,352	1,108,442	(741,910)
Construction, reconstruction, and preservation	-	-	1,773,172	1,773,172
<b>Total Motor Vehicle Highway Fund</b>	<u>\$ 19,338,928</u>	<u>\$ 20,338,928</u>	<u>\$ 15,990,410</u>	<u>\$ (4,348,518)</u>

	<b>Fire Pension Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 12	\$ 12	\$ 79	\$ 67
Miscellaneous	24,194	24,194	-	(24,194)
State assumption of pension payments	624,358	624,358	564,555	(59,803)
<b>Total Revenues</b>	<u>648,564</u>	<u>648,564</u>	<u>564,634</u>	<u>(83,930)</u>
<b>EXPENDITURES:</b>				
Personal services	624,358	624,358	586,071	(38,287)
Supplies	150	150	-	(150)
Other services and charges	8,000	8,000	429	(7,571)
<b>Total Fire Pension Fund</b>	<u>\$ 632,508</u>	<u>\$ 632,508</u>	<u>\$ 586,500</u>	<u>\$ (46,008)</u>

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020

(Continued)

	<b>Police Pension Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 40	\$ 40	\$ 505	\$ 465
State assumption of pension payments	<u>617,521</u>	<u>617,521</u>	<u>608,731</u>	<u>(8,790)</u>
<b>Total Revenues</b>	<u>617,561</u>	<u>617,561</u>	<u>609,236</u>	<u>(8,325)</u>
<b>EXPENDITURES:</b>				
Personal services	617,521	617,521	617,536	15
Supplies	300	300	-	(300)
Other services and charges	<u>5,200</u>	<u>5,200</u>	<u>100</u>	<u>(5,100)</u>
<b>Total Police Pension Fund</b>	<u>\$ 623,021</u>	<u>\$ 623,021</u>	<u>\$ 617,636</u>	<u>\$ (5,385)</u>

	<b>Local Road &amp; Street Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local road & street distribution	\$ 1,828,255	\$ 1,828,255	\$ 2,160,717	\$ 332,462
Miscellaneous	<u>603,493</u>	<u>603,493</u>	<u>276,382</u>	<u>(327,111)</u>
<b>Total Revenues</b>	<u>2,431,748</u>	<u>2,431,748</u>	<u>2,437,099</u>	<u>5,351</u>
<b>EXPENDITURES:</b>				
Other services and charges	5,202,294	5,202,294	6,267,415	1,065,121
Debt Service	<u>508,509</u>	<u>508,509</u>	<u>-</u>	<u>(508,509)</u>
<b>Total Local Road &amp; Street Fund</b>	<u>\$ 5,710,803</u>	<u>\$ 5,710,803</u>	<u>\$ 6,267,415</u>	<u>\$ 556,612</u>

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020  
(Continued)

	<b>Cumulative Capital Improvement Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Cigarette tax distribution	\$ 207,161	\$ 207,161	\$ 198,715	\$ (8,446)
<b>Total Revenues</b>	207,161	207,161	198,715	(8,446)
<b>EXPENDITURES:</b>				
Other services and charges	311,598	311,598	92,661	(218,937)
Capital outlay	50,000	50,000	50,000	-
<b>Total Cumulative Capital Improvement Fund</b>	\$ 361,598	\$ 361,598	\$ 142,661	\$ (218,937)

	<b>Cumulative Capital Development Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property tax	\$4,048,466	\$4,048,466	\$ 4,018,941	\$ (29,525)
Commercial vehicle excise tax	1,534	1,666	1,584	(82)
Other	399,933	323,702	320,757	(2,945)
<b>Total Revenues</b>	4,449,933	4,373,834	4,341,282	(32,552)
<b>EXPENDITURES:</b>				
Other services and charges	351,798	351,798	4,218,569	3,866,771
Capital outlay	-	-	4,500	4,500
Debt service	4,048,565	4,048,565	-	(4,048,565)
<b>Total Cumulative Capital Development Fund</b>	\$ 4,400,363	\$ 4,400,363	\$ 4,223,069	\$ (177,294)

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020

(Continued)

	<b>2004 Road Bond</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property tax	\$ 2,388,595	\$ 2,388,595	\$ 2,468,986	\$ 80,391
Commercial vehicle excise tax	864	983	935	(48)
Other	236,374	190,984	102,839	(88,145)
<b>Total Revenues</b>	<u>2,625,833</u>	<u>2,580,562</u>	<u>2,572,760</u>	<u>(7,802)</u>
<b>EXPENDITURES:</b>				
Debt service	2,843,500	2,843,500	2,843,500	-
<b>Total 2004 Road Bond</b>	<u>\$ 2,843,500</u>	<u>\$ 2,843,500</u>	<u>\$ 2,843,500</u>	<u>\$ -</u>

	<b>Deferral Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Deferral program fees	\$ -	\$ -	\$ 11,908	\$ 11,908
Interest	-	-	1,757	1,757
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>13,665</u>	<u>13,665</u>
<b>EXPENDITURES:</b>				
Personal services	64,542	64,542	47,870	(16,672)
Supplies	12,025	12,025	1,875	(10,150)
Other services and charges	55,600	55,600	12,816	(42,784)
Capital outlay	21,500	21,500	18,854	(2,646)
<b>Total Deferral Fund</b>	<u>\$ 153,667</u>	<u>\$ 153,667</u>	<u>\$ 81,416</u>	<u>\$ (72,251)</u>

Continued on next page.

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

For the Fiscal Year Ended December 31, 2020  
(Continued)

	<b>2016 Property Tax Bond Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property tax	\$ 1,481,738	\$ 1,481,738	\$ 1,528,212	\$ 46,474
Commercial vehicle excise tax	491	610	580	(30)
Other	126,411	118,475	63,795	(54,680)
<b>Total Revenues</b>	1,608,640	1,600,823	1,592,587	(8,236)
<b>EXPENDITURES:</b>				
Debt service	1,484,345	1,484,345	1,484,345	-
<b>Total 2016 Property Tax Bond Fund</b>	\$ 1,484,345	\$ 1,484,345	\$ 1,484,345	\$ -

	<b>Storm Water Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Service charges and fees	\$ 3,600,407	\$ 3,600,407	\$ 3,810,585	\$ 210,178
Interest	-	-	59,688	59,688
Other	-	-	-	-
<b>Total Revenues</b>	3,600,407	3,600,407	3,870,273	269,866
<b>EXPENDITURES:</b>				
Other services and charges	4,596,897	4,596,897	3,998,165	(598,732)
Transfers	-	-	-	-
<b>Total Storm Water Fund</b>	\$ 4,596,897	\$ 4,596,897	\$ 3,998,165	\$ (598,732)

Continued on next page.

CITY OF CARMEL, INDIANA  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR FUNDS**  
For the Fiscal Year Ended December 31, 2020  
(Continued)

	<b>User Fee Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Permits	\$ -	\$ -	\$ 72,558	\$ 72,558
Charges for services	-	-	25,996	25,996
Other	-	-	1,326	1,326
	-	-	99,880	99,880
<b>Total Revenues</b>	-	-	99,880	99,880
<b>EXPENDITURES:</b>				
Other services and charges	100,000	100,000	76,130	(23,870)
Other	-	-	-	-
	-	-	-	-
<b>Total User Fee Fund</b>	\$ 100,000	\$ 100,000	\$ 76,130	\$ (23,870)

	<b>Clerk's Records Perpetuation Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 21,913	\$ 21,913
Interest	-	-	-	-
	-	-	21,913	21,913
<b>Total Revenues</b>	-	-	21,913	21,913
<b>EXPENDITURES:</b>				
Other services and charges	10,000	10,000	1,862	(8,138)
Capital outlay	50,000	50,000	3,244	(46,756)
	50,000	50,000	3,244	(46,756)
<b>Total Clerk's Records Perpetuation Fund</b>	\$ 60,000	\$ 60,000	\$ 5,106	\$ (54,894)

Continued on next page.



CITY OF CARMEL, INDIANA  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR FUNDS**  
For the Fiscal Year Ended December 31, 2020  
(Continued)

	<b>Ambulance Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ambulance fees	\$ -	\$ -	\$ 1,863,842	\$ 1,863,842
Interest	-	-	8,714	8,714
Other	-	-	30,141	30,141
<b>Total Revenues</b>	-	-	1,902,697	1,902,697
<b>EXPENDITURES:</b>				
Supplies	117,000	117,000	115,704	(1,296)
Capital outlay	1,531,781	1,531,781	1,600,864	69,083
Other	-	-	18,002	18,002
<b>Total Ambulance Fund</b>	\$ 1,648,781	\$ 1,648,781	\$ 1,734,570	\$ 85,789

	<b>Judicial Salary Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures - judicial salaries fees	\$ -	\$ 37,413	\$ 20,492	\$ (16,921)
Interest	-	-	-	-
<b>Total Revenues</b>	-	37,413	20,492	(16,921)
<b>EXPENDITURES:</b>				
Supplies	19,500	19,500	9,101	(10,399)
Other services and charges	84,400	84,400	34,669	(49,731)
Capital outlay	9,000	9,000	2,868	(6,132)
<b>Total Judicial Salary Fund</b>	\$ 112,900	\$ 112,900	\$ 46,638	\$ (66,262)

Continued on next page.

CITY OF CARMEL, INDIANA  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR FUNDS  
 For the Fiscal Year Ended December 31, 2020  
 (Continued)

	<b>Parks Monon Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 3,386,211	\$ 3,386,211
Department fees	-	-	-	-
Interest	-	-	22,466	22,466
Other	-	-	708	708
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>3,409,385</u>	<u>3,409,385</u>
<b>EXPENDITURES:</b>				
Personal services	3,247,480	3,247,480	2,569,374	(678,106)
Supplies	501,300	501,300	257,556	(243,744)
Other services and charges	2,521,391	2,521,391	1,990,446	(530,945)
Capital outlay	45,500	45,500	133,897	88,397
<b>Total Parks Monon Fund</b>	<u>\$ 6,315,671</u>	<u>\$ 6,315,671</u>	<u>\$ 4,951,273</u>	<u>\$ (1,364,398)</u>

	<b>Parks Facilities Fund</b>			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 119,084	\$ 119,084
Department fees	-	-	-	-
Interest	-	-	835	835
Other	-	-	1,737	1,737
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>121,656</u>	<u>121,656</u>
<b>EXPENDITURES:</b>				
Supplies	15,950	15,950	12,288	(3,662)
Other services and charges	78,870	78,870	94,933	16,063
<b>Total Parks Facilities Fund</b>	<u>\$ 94,820</u>	<u>\$ 94,820</u>	<u>\$ 107,222</u>	<u>\$ 12,402</u>

Continued on next page.

CITY OF CARMEL, INDIANA  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR FUNDS**  
For the Fiscal Year Ended December 31, 2020  
(Continued)

<b>Park Capital Fund</b>				
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 778	\$ 778
Other	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>778</u>	<u>778</u>
<b>EXPENDITURES:</b>				
Capital outlay	525,000	525,000	147,099	(377,901)
<b>Total Park Capital Fund</b>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 147,099</u>	<u>\$ (377,901)</u>
<b>Public Defender Fund</b>				
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures - public defender fees	\$ -	\$ -	\$ 831	\$ 831
Interest	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>831</u>	<u>831</u>
<b>EXPENDITURES:</b>				
Other services and charges	6,000	6,000	-	(6,000)
<b>Total Public Defender Fund</b>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ (6,000)</u>

Continued on next page.

CITY OF CARMEL, INDIANA  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR FUNDS  
 For the Fiscal Year Ended December 31, 2020  
 (Continued)

	<b>Cumulative Sewer Fund</b>			
	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	Budgetary Basis Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Other	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Other services and charges	284,139	284,139	7,439	(276,700)
<b>Total Cumulative Sewer Fund</b>	<u>\$ 284,139</u>	<u>\$ 284,139</u>	<u>\$ 7,439</u>	<u>\$ (276,700)</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.

**Custodial 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 custodial fund:

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

CITY OF CARMEL, INDIANA  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION FUNDS**  
 December 31, 2020

	1925 Police Pension Trust Fund	1937 Fire Pension Trust Fund	Total Trust Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 136,916	\$ 14,354	\$ 151,270
Receivable from State of Indiana	48,467	48,863	97,330
<b>Total assets</b>	<u>185,383</u>	<u>63,217</u>	<u>248,600</u>
<b>LIABILITIES:</b>			
Payroll withholdings	48,467	48,863	97,330
<b>Total liabilities</b>	<u>48,467</u>	<u>48,863</u>	<u>97,330</u>
<b>NET POSITION: restricted for pensions</b>	<u>\$ 136,916</u>	<u>\$ 14,354</u>	<u>\$ 151,270</u>

CITY OF CARMEL, INDIANA  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND**  
 December 31, 2020

	City Court Custodial Fund
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 102,978
<b>Total assets</b>	102,978
 <b>LIABILITIES:</b>	
Court escrow	-
<b>Total liabilities</b>	-
<b>NET POSITION</b>	\$ 102,978

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

For the Fiscal Year Ended December 31, 2020

	1925 Police Pension Trust	1937 Fire Pension Trust Fund	Total Trust Funds
<b>ADDITIONS:</b>			
State of Indiana contributions	\$ 607,355	\$ 565,704	\$ 1,173,059
Investment income	505	79	584
Miscellaneous revenue	-	-	-
<b>Total additions</b>	<u>607,860</u>	<u>565,783</u>	<u>1,173,643</u>
<b>DEDUCTIONS:</b>			
Benefits	616,260	587,649	1,203,909
Other services and charges	-	-	-
<b>Total deductions</b>	<u>616,260</u>	<u>587,649</u>	<u>1,203,909</u>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	(8,400)	(21,866)	(30,266)
<b>NET POSITION: beginning</b>	<u>145,316</u>	<u>36,220</u>	<u>181,536</u>
<b>NET POSITION: ending</b>	<u>\$ 136,916</u>	<u>\$ 14,354</u>	<u>\$ 151,270</u>

**CITY OF CARMEL, INDIANA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**

For the Fiscal Year Ended December 31, 2020

	City Court Custodial Fund
<b>ADDITIONS:</b>	
Court costs and fees	\$ 892,038
Miscellaneous revenue	-
<b>Total additions</b>	892,038
<b>DEDUCTIONS:</b>	
Distributions	910,506
<b>Total deductions</b>	910,506
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	(18,468)
<b>NET POSITION: beginning</b>	121,446
<b>NET POSITION: ending</b>	\$ 102,978

# CITY OF CARMEL, INDIANA

## STATISTICAL SECTION

This part of the City's annual comprehensive financial report (ACFR) 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.

<b>CONTENTS</b>	<b>PAGES</b>
<b>Financial Trends</b>	<b>143 - 148</b>
<i>Financial trends information is intended to assist users in understanding and assessing how the City's financial position has changed over time.</i>	
<b>Revenue Capacity</b>	<b>149 - 152</b>
<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>	
<b>Debt Capacity</b>	<b>153 - 157</b>
<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>	
<b>Demographic and Economic Information</b>	<b>158 - 159</b>
<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>	
<b>Operating Information</b>	<b>160 - 161</b>
<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 ACFR for the relevant year.

**Note:** The City is presenting its sixth ACFR 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Governmental activities:</b>						
Net investment						
in capital assets	\$376,746,545	\$378,022,382	\$412,830,075	\$344,721,169	\$299,216,267	\$314,601,738
Not spendable	-	-	-	-	-	-
Restricted	14,625,073	23,734,389	35,065,020	30,924,357	25,355,156	25,629,325
Unrestricted	(68,251,242)	(70,195,178)	(94,111,631)	(83,269,698)	(35,777,877)	(42,319,616)
Total governmental activities net position	<u>\$323,120,376</u>	<u>\$331,561,593</u>	<u>\$353,783,464</u>	<u>\$292,375,828</u>	<u>\$288,793,546</u>	<u>\$297,911,447</u>
<b>Business-type activities:</b>						
Net investment						
in capital assets	\$138,083,697	\$101,192,811	\$114,861,067	\$118,497,972	\$116,495,474	\$113,210,726
Not spendable	-	-	-	-	-	-
Restricted	2,069,280	-	-	-	-	-
Unrestricted	(27,625,888)	8,978,611	(5,903,010)	(9,695,164)	(4,011,279)	(1,147,670)
Total business-type activities net position	<u>\$112,527,089</u>	<u>\$110,171,422</u>	<u>\$108,958,057</u>	<u>\$108,802,808</u>	<u>\$112,484,195</u>	<u>\$112,063,056</u>
<b>Primary government:</b>						
Net investment						
in capital assets	\$514,830,242	\$479,215,193	\$527,691,142	\$463,219,141	\$415,711,741	\$427,812,464
Not spendable	-	-	-	-	-	-
Restricted	16,694,353	23,734,389	35,065,020	30,924,357	25,355,156	25,629,325
Unrestricted	(95,877,130)	(61,216,567)	(100,014,641)	(92,964,862)	(39,789,156)	(43,467,286)
Total primary government net position	<u>\$435,647,465</u>	<u>\$441,733,015</u>	<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 sixth ACFR 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Expenses:</u></b>						
<b>Governmental activities:</b>						
General government	\$ 31,926,796	\$ 29,340,736	\$ 24,996,549	\$ 30,372,875	\$ 30,984,884	\$ 20,841,943
Public safety	53,605,541	54,710,167	53,919,299	41,085,416	40,267,560	42,151,467
Streets and other infrastructure	43,870,342	46,372,722	48,637,707	25,476,391	12,340,719	29,584,125
Economic development	34,750,667	39,956,058	15,817,738	16,711,747	54,995,901	10,771,611
Culture and recreation	20,141,103	21,497,105	21,621,998	17,932,242	10,122,290	18,549,674
Unallocated interest expense	5,593,677	2,623,251	2,267,516	18,217,810	5,545,855	4,542,707
Total governmental activities expenses	<u>189,888,126</u>	<u>194,500,039</u>	<u>167,260,807</u>	<u>149,796,481</u>	<u>154,257,209</u>	<u>126,441,527</u>
<b>Business-type activities:</b>						
Water	20,130,070	20,063,976	19,277,075	20,824,320	19,439,437	13,542,037
Sewer	10,567,339	10,479,383	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	<u>30,697,409</u>	<u>30,543,359</u>	<u>29,440,411</u>	<u>37,413,146</u>	<u>31,814,317</u>	<u>21,743,745</u>
Total primary government expenses	<u>\$ 220,585,535</u>	<u>\$ 225,043,398</u>	<u>\$ 196,701,218</u>	<u>\$ 187,209,627</u>	<u>\$ 186,071,526</u>	<u>\$ 148,185,272</u>
<b><u>Program Revenues:</u></b>						
<b>Governmental activities:</b>						
Charges for services:						
General government	\$ 306,364	\$ 146,498	\$ 221,467	\$ 211,995	\$ 82,803	\$ 72,056
Public safety	1,926,343	1,774,066	1,713,002	1,726,580	1,470,638	1,152,600
Streets and other infrastructure	4,016,186	4,181,410	2,869,523	98,090	248,036	480
Economic development	1,470,526	1,913,324	1,482,785	52,093	-	-
Culture and recreation	8,087,184	12,983,411	12,403,573	12,818,388	11,585,645	7,345,221
Operating grants and contributions:						
General government	3,357,992	-	-	-	-	-
Public safety	1,238,625	1,245,695	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	4,324,469	3,070,276	386,624	1,906,397	865,258	3,516,506
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	50,043
Total governmental activities revenues	<u>\$ 24,727,689</u>	<u>\$ 25,314,680</u>	<u>\$ 20,399,693</u>	<u>\$ 16,910,437</u>	<u>\$ 14,365,031</u>	<u>\$ 12,197,524</u>

Continued on next page.

**CITY OF CARMEL, INDIANA**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years  
(Continued)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Business-type activities:</b>						
Charges for services						
Water	\$ 19,764,152	\$ 18,407,840	\$ 17,735,563	\$ 16,982,790	\$ 15,458,695	\$ 13,500,929
Sewer	10,619,535	10,157,332	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	3,419,195	3,458,396	3,279,973	4,995,765	4,620,949	-
Sewer	761,819	387,133	629,483	336,363	552,460	-
Total business-type activities revenues	<u>34,564,701</u>	<u>32,410,701</u>	<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>\$ 59,292,390</u>	<u>\$ 57,725,381</u>	<u>\$ 52,039,370</u>	<u>\$ 53,227,918</u>	<u>\$ 48,557,509</u>	<u>\$ 38,209,069</u>
Net (expense) revenue and changes in net position:						
Governmental Activities	\$(165,160,437)	\$(169,185,359)	\$(146,861,114)	\$(132,886,044)	\$(139,892,178)	\$(114,244,003)
Business-Type Activities	3,867,292	1,867,342	2,199,266	(1,095,665)	2,378,161	4,267,800
Total primary government net (expense) revenue	<u>(161,293,145)</u>	<u>(167,318,017)</u>	<u>(144,661,848)</u>	<u>(133,981,709)</u>	<u>(137,514,017)</u>	<u>(109,976,203)</u>
GENERAL REVENUES AND TRANSFERS:						
Property tax	63,533,389	56,571,934	54,455,110	52,042,841	52,989,360	44,104,576
Income tax	44,412,562	44,847,572	43,996,077	41,801,838	36,700,613	32,745,504
Tax incremental revenue	36,446,525	36,555,314	33,658,972	30,326,364	28,850,762	26,154,361
Unrestricted investment earnings	1,120,777	4,208,019	4,487,604	2,723,267	574,253	155,461
Other	24,398,945	21,196,478	29,899,818	15,522,157	16,797,331	20,679,190
Transfers	-	-	-	-	-	-
Total general revenues and transfers	<u>169,912,198</u>	<u>163,379,317</u>	<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						
SPECIAL ITEM: gain	8,619,053	(3,938,700)	21,835,733	8,434,758	(1,601,698)	13,862,889
Total CHANGE IN NET POSITION	<u>8,619,053</u>	<u>(3,938,700)</u>	<u>21,835,733</u>	<u>8,434,758</u>	<u>(1,601,698)</u>	<u>14,481,889</u>
NET POSITION: beginning	441,733,015	462,741,521	400,056,203	401,190,880	409,974,503	395,492,614
Restatement (See Note II.L.)	(14,704,603)	(17,069,806)	40,849,585	(8,447,001)	(7,095,064)	-
NET POSITION: beginning, adjusted	<u>427,028,412</u>	<u>445,671,715</u>	<u>440,905,788</u>	<u>392,743,879</u>	<u>402,879,439</u>	<u>395,492,614</u>
NET POSITION: ending	<u>\$ 435,647,465</u>	<u>\$ 441,733,015</u>	<u>\$ 462,741,521</u>	<u>\$ 401,178,637</u>	<u>\$ 401,277,741</u>	<u>\$ 409,974,503</u>

**Note:** The City is presenting its sixth ACFR 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Fund:</b>						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	5,259,777	3,014,336	3,014,336	1,803,672	1,910,880	1,416,155
Unassigned	22,314,019	22,006,859	23,328,255	15,034,935	15,066,402	14,008,886
<b>Total General Fund</b>	<b>\$ 27,573,796</b>	<b>\$ 25,021,195</b>	<b>\$ 26,342,591</b>	<b>\$ 16,838,607</b>	<b>\$ 16,977,282</b>	<b>\$ 15,425,041</b>
<b>All Other Governmental Funds:</b>						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	90,467,731	128,443,455	178,817,196	256,581,733	257,811,177	43,069,142
Committed	6,073,168	5,286,665	6,007,566	5,443,978	3,212,225	1,115,637
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(249,855)
<b>Total all other Governmental Funds</b>	<b>\$ 96,540,899</b>	<b>\$ 133,730,120</b>	<b>\$ 184,824,762</b>	<b>\$ 262,025,711</b>	<b>\$ 261,023,402</b>	<b>\$ 43,934,924</b>
<b>Total, Governmental Funds</b>	<b>\$ 124,114,695</b>	<b>\$ 158,751,315</b>	<b>\$ 211,167,353</b>	<b>\$ 278,864,318</b>	<b>\$ 278,000,684</b>	<b>\$ 59,359,965</b>

**Note:** The City is presenting its sixth ACFR 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>						
Property tax	\$ 63,437,130	\$ 56,633,438	\$ 54,425,761	\$52,259,944	\$ 52,647,063	\$ 44,043,914
Income tax	47,894,782	45,139,812	44,606,607	37,187,574	46,625,784	28,847,934
Other local tax	36,446,525	36,555,314	33,658,972	30,326,364	28,850,762	26,154,361
Charges for services	15,806,603	20,998,709	18,679,782	14,907,146	12,901,368	8,570,357
Investment income	897,178	3,958,675	4,356,867	2,339,501	442,961	74,597
Licenses and permits	3,176,106	2,572,301	2,909,371	2,490,849	2,441,853	2,159,234
Fines and forfeits	250,062	439,110	457,062	466,731	571,556	788,604
Intergovernmental:						
Grants	7,748,027	3,166,761	4,358,623	1,710,058	1,191,485	3,062,731
Fire service contract	-	-	-	-	6,825,041	4,870,501
State shared revenue	6,697,371	6,986,908	2,993,528	2,736,296	1,198,398	1,116,639
Other	2,177,824	3,289,848	7,426,341	5,995,761	-	-
Contributions	100,185	240,302	190,321	262,116	660,714	286,716
Other	11,480,128	7,091,842	12,175,681	4,336,810	5,858,544	10,915,190
<b>Total revenues</b>	<b>196,111,921</b>	<b>187,073,020</b>	<b>186,238,916</b>	<b>155,019,150</b>	<b>160,215,529</b>	<b>130,890,778</b>
<b>Expenditures:</b>						
Current:						
General government	29,981,293	28,720,273	24,830,230	29,533,750	28,670,916	20,135,899
Public safety	52,740,203	49,435,106	49,683,728	40,261,813	38,547,773	45,026,384
Streets and other infrastructure	20,944,061	31,433,579	30,794,894	13,258,597	13,540,350	13,784,488
Economic development	4,730,248	5,840,957	20,179,724	1,319,474	5,074,808	4,284,583
Culture and recreation	14,474,713	18,102,363	14,359,423	12,938,526	13,397,374	13,432,578
Debt Service:						
Principal	28,078,897	24,650,551	21,976,855	18,808,576	17,387,515	15,768,608
Interest	30,190,082	28,998,519	28,361,382	26,688,864	17,763,071	17,223,247
Lease rentals and issuance costs	-	328,421	-	-	-	-
Capital outlay:						
General government	1,629,419	1,301,526	503,513	707,523	2,931,360	119,885
Public safety	4,189,888	1,016,079	2,440,252	1,327,731	1,925,392	3,710,693
Streets and other infrastructure	44,467,946	52,780,716	84,098,163	60,138,533	25,097,876	4,445,749
Economic development	12,149,970	24,325,592	15,212,738	34,138,220	16,809,771	2,439,830
Culture and recreation	2,890,800	2,261,904	5,061,517	747,324	734,053	422,388
<b>Total expenditures</b>	<b>246,467,520</b>	<b>269,195,586</b>	<b>297,502,419</b>	<b>239,868,931</b>	<b>181,880,259</b>	<b>140,794,332</b>
Excess (deficit) of revenues over (under) expenditures	(50,355,599)	(82,122,566)	(111,263,503)	(84,849,781)	(21,664,730)	(9,903,554)

Continued on next page.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Other financing sources (uses):</b>						
Bond issuance - principal	9,200,000	24,695,000	13,791,036	81,358,423	199,265,510	-
Bond issuance - premium	-	-	243,540	3,334,569	35,087,956	-
Proceeds - refunding	187,465,000	-	-	23,180,000	18,170,404	-
Capital lease proceeds	4,648,419	3,530,369	2,555,639	2,638,693	2,294,226	3,167,006
Payment to refunded bond escrow agent	(186,342,596)	-	-	(26,501,547)	(17,909,681)	-
Transfers in	79,346,147	79,578,276	60,427,364	126,937,135	278,264,371	30,928,247
Transfer in from associated utility	1,912,211	1,320,506	1,320,506	1,703,277	1,606,319	1,014,100
Transfers out	(79,346,147)	(79,578,276)	(60,427,364)	(126,937,135)	(278,264,371)	(30,928,247)
<b>Total other financing sources (uses)</b>	<u>16,883,034</u>	<u>29,545,875</u>	<u>17,910,721</u>	<u>85,713,415</u>	<u>238,514,734</u>	<u>4,181,106</u>
<b>Total change in fund balances</b>	<u>\$ (33,472,565)</u>	<u>\$ (52,576,691)</u>	<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	30.1%	27.5%	29.5%	28.9%	23.4%	25.0%

**Note:** The City is presenting its sixth ACFR 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

<b>Taxes Payable Year <sup>2</sup></b>	<b>Net Value Real Estate Property</b>	<b>Net Value Railroad/ Utility/ Business Personal Property</b>	<b>Total Net Taxable Assessed Value</b>	<b>Estimated Actual Value <sup>3</sup></b>	<b>Assessed Value as a Percentage of Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>
2020	8,005,622,698	509,094,794	8,514,717,492	15,258,648,418	55.8%	0.7877
2019	7,442,409,615	458,423,501	7,900,833,116	14,197,500,652	55.6%	0.7886
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

**Sources:** Hamilton County Auditor's office  
 Indiana Gateway for Government Units

- Notes:**
1. Property taxes are the City's most significant own-source revenue.
  2. Assessed on January 1 of the prior year for taxes due and payable in the year indicated.
  3. 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 and a 35% supplemental homestead and other deductions to arrive at *net* assessed value.
  4. Tax rates are per \$100 of net assessed value.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>City Direct Rates:</b>										
Corporation General	0.5631	0.5572	0.5769	0.5741	0.5745	0.5088	0.5381	0.5459	0.5284	0.5266
Motor Vehicle Highway	0.1268	0.1188	0.1051	0.1027	0.1701	0.1643	0.1249	0.1268	0.1080	0.0777
Debt Service	0.0183	0.0184	0.0193	0.0195	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Redevelopment Bond	0.0295	0.0445	0.0374	0.0440	0.0424	0.0000	0.0101	0.0000	0.0160	0.0145
Lease Rental Payment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0144
Cumulative Capital Development	0.0500	0.0497	0.0500	0.0492	0.0486	0.0276	0.0276	0.0280	0.0264	0.0332
<b>Total Direct Rate</b>	<u>0.7877</u>	<u>0.7886</u>	<u>0.7887</u>	<u>0.7895</u>	<u>0.8356</u>	<u>0.7007</u>	<u>0.7007</u>	<u>0.7007</u>	<u>0.6788</u>	<u>0.6664</u>
<b>Overlapping Rates:</b>										
State	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
County	0.2754	0.2791	0.2814	0.2814	0.2814	0.2926	0.3054	0.3074	0.2901	0.2769
Solid Waste	0.0030	0.0031	0.0032	0.0032	0.0032	0.0033	0.0033	0.0033	0.0032	0.0030
Township - Clay	0.0565	0.0640	0.0675	0.0694	0.0673	0.0746	0.0719	0.0781	0.0693	0.0753
Library	0.0751	0.0755	0.0760	0.0760	0.0778	0.0787	0.0787	0.0765	0.0682	0.0657
Carmel Clay School Corp	0.8572	0.8251	0.8118	0.8291	0.8053	0.8106	0.8453	0.8591	0.7911	0.8990
<b>Total Direct and Overlapping Rate</b>	<u>2.0549</u>	<u>2.0354</u>	<u>2.0286</u>	<u>2.0486</u>	<u>2.0706</u>	<u>1.9605</u>	<u>2.0053</u>	<u>2.0251</u>	<u>1.9007</u>	<u>1.9863</u>

**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.

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

**2020**

<u><b>Taxpayer</b></u>	<u><b>Assessed Value</b></u>	<u><b>Percentage of Total City Assessed Value</b></u>
Clarion Health North	95,476,500	1.19%
Karmel Property	48,481,700	0.61%
Carmel Lofts	38,357,800	0.48%
Edward Rose Development Carmel	36,084,700	0.45%
Carmel Center Apartments	34,815,500	0.43%
Hunt Sunrise	33,560,600	0.42%
BMF 2 Gramercy	33,498,600	0.42%
Lakeside Apartments of Carmel	32,890,400	0.41%
Parkwood Four & Five	31,555,200	0.39%
Clarian Health Partners	31,383,300	0.39%
	<u>416,104,300</u>	<u>5.19%</u>

**2011**

<u><b>Taxpayer</b></u>	<u><b>Assessed Value</b></u>	<u><b>Percentage of Total City Assessed Value</b></u>
Clarion Health North	105,908,500	2.17%
Duke Weeks Realty	75,768,200	1.55%
Duke Realty Limited Partnership	65,074,800	1.33%
Carmel Indy Properties	56,732,300	1.16%
Clay Terrace Partners	53,376,800	1.09%
Carmel Lofts	40,790,200	0.83%
Washington National	36,482,800	0.75%
HCRI Indiana Properties	30,550,900	0.62%
MRI Spring Mill Miamidian	30,414,000	0.62%
TIC Carmel Center 350	29,334,700	0.60%
	<u>524,433,200</u>	<u>10.72%</u>

**Source:** Hamilton County Auditor's office.

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

<b>Taxes Payable Year</b>	<b>Total Certified Tax Levy</b>	<b>Total Collections</b>			<b>Percentage of Levy</b>
		<b>Credits <sup>1</sup></b>	<b>Cash Collections <sup>2</sup></b>	<b>Total</b>	
2020	63,779,530	2,425,294	61,908,918	64,334,212	100.87%
2019	59,383,729	2,402,495	55,252,616	57,655,111	97.09%
2018	56,917,333	2,048,991	53,042,657	55,091,648	96.79%
2017	52,180,837	2,642,506	50,907,298	53,549,804	102.62%
2016	55,990,426	2,917,489	52,647,063	55,564,552	99.24%
2015	45,416,367	1,132,485	44,043,913	45,176,398	99.47%
2014	44,020,059	1,105,727	40,554,757	41,660,484	94.64%
2013	43,391,737	1,119,259	38,072,795	39,192,054	90.32%
2012	43,399,780	270,162	37,319,721	37,589,883	86.61%
2011	35,993,200	614,682	34,393,205	35,007,887	97.26%

**Sources:** Indiana Gateway for Government Units  
 Indiana Department of Local Government Finance

- Note:**
1. Indiana local units are required to credit back to taxpayers a portion of tax bills exceeding a percentage of each property's adjusted assessed value. 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.
  2. 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 2020, total delinquent property tax due to the City for 2020 and all prior years was approximately \$4,857,251.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Certified net assessed valuation	\$ 8,096,931,541	\$ 7,530,272,592	\$ 7,216,601,040	\$ 6,994,981,173	\$ 6,700,625,433	\$ 6,481,570,742
2% constitutional debt limit	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Subtotal	161,938,631	150,605,452	144,332,021	139,899,623	134,012,509	129,631,415
divided by three <sup>1</sup>	3.0	3.0	3.0	3.0	3.0	3.0
Debt limit	53,979,544	50,201,817	48,110,674	46,633,208	44,670,836	43,210,472
Net debt applicable to debt limit	(25,874,016)	(24,822,199)	(26,977,490)	(29,641,000)	(33,580,000)	(15,417,000)
Legal debt margin	<u>\$ 28,105,528</u>	<u>\$ 25,379,618</u>	<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	52.07%	50.56%	43.93%	36.44%	24.83%	64.32%

**Source:** Indiana Department of Local Government Finance

- Notes:**
1. Division by three is required to adjust for a change in the method of determining values since the constitutional standard was established.
  2. The City is presenting its sixth ACFR 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

	<u>Governmental Activities</u>			<u>Business Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income<sup>1</sup></u>	<u>Debt per Capita<sup>1</sup></u>
	<u>Bonds and Contract Purchases</u>	<u>Capital Leases</u>	<u>Total Governmental Activities</u>	<u>Bonds and Contract Purchases</u>	<u>Capital Leases</u>	<u>Total Business Activities</u>			
2020	725,062,256	10,206,016	735,268,272	164,363,644	1,089,246	165,452,890	900,721,162	11.48%	9,029
2019	739,095,398	8,433,199	747,528,597	151,165,878	1,092,136	152,258,014	899,786,611	11.79%	8,903
2018	743,736,654	7,637,383	751,374,037	135,831,887	519,822	136,351,709	887,725,746	12.84%	9,161
2017	721,260,757	7,315,666	728,576,423	172,348,990	721,688	173,070,678	901,647,101	14.61%	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	140,673,335	903,659,564	12.42%	6,441

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

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

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

	<b>Bonds and Contract Purchases<sup>1</sup></b>	<b>Less: Amounts Available in Debt Service Fund<sup>2</sup></b>	<b>Total</b>	<b>Percentage of Estimated Actual Value of Taxable Property<sup>3</sup></b>	<b>Per Capita<sup>4</sup></b>
2020	889,425,900	30,013,581	859,412,319	5.63%	8,615
2019	890,261,276	30,090,234	860,171,042	6.06%	8,511
2018	879,568,541	27,141,500	852,427,041	6.56%	8,797
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 sixth ACFR since 2007. Accordingly, a 10-year history is not presented for certain statistical section presentations.

<sup>1</sup> Includes bonds and contract purchases of both governmental and business-type activities.

<sup>2</sup> Amount restricted for debt service principal payments.

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

<sup>4</sup> 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, 2020

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Percent Applicable to Carmel (1)</u>	<u>Amount Applicable to Carmel</u>
<b>Direct Debt:</b>			
City of Carmel (see page 154)	<u>\$735,268,272</u>	100%	<u>\$ 735,268,272</u>
<b>Overlapping Debt Paid with Property Taxes:</b>			
Carmel Clay School Corporation	227,942,504	100.00%	227,942,504
Carmel Clay Public Library	35,260,950	100.00%	35,260,950
Clay Township	128,215,488	100.00%	128,215,488
Hamilton County	95,209,025	34.40%	32,751,905
Hamilton County Tax Increment Bonds	<u>50,866,567</u>	0.00%	<u>-</u>
Sub-Total Overlapping Debt	<u>\$537,494,534</u>		<u>424,170,847</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$1,159,439,119</u>
<b>Population - 2020 (2)</b>			<u>99,757</u>
<b>Estimated direct and overlapping debt per capita</b>			<u>\$ 11,623</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's total assessed value.

(2) Source: U.S. Census Bureau

**CITY OF CARMEL, INDIANA**  
**PLEDGED-REVENUE COVERAGE**  
at December 31, 2020

	<u>Operating Revenue</u>	<u>Operating Expenses</u> <sup>1</sup>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>		<u>Coverage</u> <sup>2</sup>
				<u>Principal</u>	<u>Interest</u>	
<b>Water Utility</b>						
2020	\$ 19,764,152	\$ 10,321,412	\$ 9,442,740	\$ 4,070,000	\$ 6,049,021	93%
2019	\$ 18,407,840	\$ 10,818,376	\$ 7,589,464	\$ 3,625,000	\$ 5,019,477	88%
2018	\$ 17,735,563	\$ 10,480,050	\$ 7,255,513	\$ 3,191,000	\$ 4,912,499	90%
2017	\$ 16,982,790	\$ 11,035,945	\$ 5,946,845	\$ 2,797,000	\$ 5,901,623	68%
2016	\$ 15,458,695	\$ 9,343,469	\$ 6,115,226	\$ 2,877,177	\$ 5,993,331	69%
2015	\$ 13,500,929	\$ 9,367,529	\$ 4,133,400	\$ 3,457,294	\$ 6,158,188	43%
<b>Sewer Utility</b>						
2020	\$ 10,619,535	\$ 7,178,126	\$ 3,441,409	\$ 1,401,260	\$ 725,310	162%
2019	\$ 10,157,332	\$ 7,377,202	\$ 2,780,130	\$ 1,359,058	\$ 472,156	152%
2018	\$ 9,994,658	\$ 7,042,092	\$ 2,952,566	\$ 1,323,861	\$ 495,372	162%
2017	\$ 9,638,861	\$ 7,300,561	\$ 2,338,300	\$ 1,288,670	\$ 538,490	128%
2016	\$ 9,303,554	\$ 6,915,953	\$ 2,387,601	\$ 1,254,484	\$ 557,477	132%
2015	\$ 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.

<sup>1</sup> Operating expenses do not include depreciation and amortization.

<sup>2</sup> Coverage = Net Available Revenue/Debt Service Requirements.

**Note:** The City is presenting its sixth ACFR 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

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Median Age <sup>1,2</sup></b>	<b>Per Capita Income <sup>3</sup></b>	<b>Personal Income</b>	<b>High School Graduation <sup>4</sup></b>	<b>Public School Enrollment <sup>4</sup></b>	<b>Year-end Unemployment Rate <sup>5</sup></b>
2020	99,757	39.4	78,626	7,843,495,393	95.2%	16,664	3.2%
2019	101,068	39.5	77,263	7,808,816,884	97.6%	16,352	2.0%
2018	96,900	39.2	75,653	7,330,775,700	97.9%	16,147	2.4%
2017	91,065	39.2	72,005	6,557,135,325	97.5%	16,082	2.2%
2016	89,029	39.9	69,337	6,173,003,773	96.5%	15,954	2.6%
2015	88,713	38.5	67,040	5,947,319,520	95.8%	15,971	3.0%
2014	86,682	38.4	64,271	5,571,138,822	96.9%	15,912	3.6%
2013	85,929	38.7	60,857	5,229,381,153	96.3%	15,724	3.8%
2012	83,595	38.4	60,158	5,028,908,010	94.3%	15,750	5.1%
2011	81,633	38.2	57,333	4,680,264,789	93.8%	15,493	4.9%
2010	79,191	38.0	53,886	4,267,286,226	93.0%	15,498	5.0%

**Sources:**

- <sup>1</sup> U.S. Census Bureau  
 U.S. Census Bureau, American Community Survey 1-Year Estimates  
 2020 - U.S. Census Bureau, 2020 Census
- <sup>2</sup> U.S. Census Bureau, 5-Year American Community Survey  
 Median Age and City of Carmel Per Capita Income
- <sup>3</sup> Bureau of Economic Analysis  
 Hamilton County Per Capita Income for years 2010-2019. 2020 estimate based on trend.
- <sup>4</sup> Indiana Department of Education  
 Total graduation rate and corporate enrollment, Carmel Clay Schools
- <sup>5</sup> Bureau of Labor Statistics

**CITY OF CARMEL, INDIANA**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

**2020**

<u>Company</u>	<u>Industry</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Carmel Clay Schools	Public education	2,717	1	5.13%
CNO Financial Group	Life insurance holding company	1,600	2	3.02%
GEICO	Auto insurance company	1,500	3	2.83%
Liberty Mutual	Insurance company	1,450	4	2.74%
Resort Condominium Int'l. (RCI)	Vacation exchange network and services	1,125	5	2.12%
Allegion	Safety and security systems	1,100	6	2.08%
The Capital Group	Financial Services	975	7	1.84%
KAR Global	Automotive remarketing services	892	8	1.68%
Whisper Hearing Center	Home health services	800	9	1.51%
Midcontinent ISO	Electrical transmission operator	700	10	1.32%

**2011**

<u>Company</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Carmel Clay Schools	2,469	1	6.16%
Conseco Inc (now CNO Financial Group)	2,036	2	5.08%
Marsh Supermarkets	1,235	3	3.08%
Clarian North Medical Center (now IU Health North)	1,150	4	2.87%
Liberty Mutual/Indiana Insurance	750	5	1.87%
City of Carmel	700	6	1.75%
St. Vincent Carmel Hospital	664	7	1.66%
Independent Transmission System Operator (now Midcontinent ISO)	600	8	1.50%
TCL - Thomson Electronics	550	9	1.37%
St. Vincent Heart Center	500	10	1.25%

**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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Government:</b>						
Controller	7					
City Clerk	5	9	9	9	8	6
Mayor	3	3	3	3	3	3
City Council	9	7	7	7	7	7
Board of Public Works	2	3	2	2	2	2
Plan Commission	9	9	9	9	11	11
Administration	4	4	3	3	2	4
City Court	4	6	6	7	7	7
Law Department	6	7	7	6	6	8
Community Services	24	23	23	21	22	22
Community Relations	9	7	7	6	5	4
<b>Public Safety:</b>						
Police						
Officers	129	118	114	114	109	117
Civilians	24	25	24	23	23	26
Fire						
Firefighters and Officers	160	154	146	147	153	166
Civilians	10	10	9	8	8	9
<b>Culture and Recreation:</b>						
Parks Department	53	69	63	65	64	62
Brookshire Golf	5	4	4	4	4	4
<b>Utilities (Water and Sewer)</b>	105	105	104	104	103	109
<b>Other Programs:</b>						
Human Resources	4	4	3	3	3	3
Street	52	52	50	48	48	52
Engineering	15	15	15	15	15	16
Communications	14	14	14	16	15	13
Redevelopment	5	4	4	2	3	1
<b>TOTAL</b>	<b>658</b>	<b>652</b>	<b>626</b>	<b>622</b>	<b>621</b>	<b>652</b>

**Source:** City of Carmel Department Heads; Human Resources

**Note:** Clerk-Treasurer split into City Clerk and Controller beginning in 2020.

The City is presenting its sixth ACFR 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Government:</b>						
Community Services						
Permits issued	1,610	1,628	1,703	1,557	1,351	1,237
Residential construction permits	332	358	478	463	429	359
Total number of dwelling units	592	469	767	759	432	1,663
Building inspections performed	531	512	487	472	431	476
<b>Public Safety:</b>						
Police						
Incidents	89,250	91,436	83,740	85,500	83,955	83,904
Occurred incidents	3,642	4,548	4,361	4,010	4,270	4,330
Accidents	1,602	2,645	2,575	2,504	2,488	2,442
Total agency arrests	2,500	2,469	2,569	2,459	2,530	2,642
Fire						
Emergency medical responses	6,769	6,279	5,517	5,136	4,755	4,402
Fire-related calls for service	4,252	3,848	3,220	2,906	2,592	2,312
Number of fire stations	6	6	6	6	6	6
<b>Culture and recreation:</b>						
Number of parks and greenways	19	17	17	17	16	15
Total acres	550	540	530	505	505	505
Total trail miles	26.5	26.5	26.5	16	16	16
<b>Streets:</b>						
Number of "center lane" miles streets	524	515	486	485	483	482
Number of roundabouts	138	131	122	115	111	97
<b>Sewer:</b>						
Miles of sanitary mains	252	265	248	243	243	243
Miles of sanitary sewer main cleaned/inspected	27.00	25.40	16.00	14.85	14.20	13.65
Wastewater treatment flow per day (in millions of gallons)	10.24	10.82	10.78	10.16	10.05	9.92
<b>Water:</b>						
Miles of watermains	555	550	565	538	538	538
Peak-day water demand (in millions of gallons)	22.5	24.0	21.5	22.0	21.0	19.0
Number of fire hydrants inspected/serviced	7,295	5,524	5,580	5,024	4,655	4,500

**Source:** City of Carmel Department Heads; Carmel Clay Parks

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

# **City of Carmel, Indiana**

## Single Audit Report

For the Year Ended December 31, 2020

# City of Carmel, Indiana

December 31, 2020

## Contents

Schedule of Expenditures of Federal Awards .....	1
Notes to the Schedule of Expenditures of Federal Awards .....	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> - Independent Auditor's Report.....	3
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance - Independent Auditor's Report.....	5
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Prior Audit Findings.....	12

**City of Carmel, Indiana**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2020**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Amount Passed-Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Justice</b>				
Bulletproof Vest Partnership	16.607	N/A	\$ -	\$ 17,075
<b>Total U.S. Department of Justice</b>			<u>-</u>	<u>17,075</u>
<b>U.S. Department of Transportation</b>				
Indiana Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1383180	-	137,986
Highway Planning and Construction	20.205	1600885	-	136,906
Highway Planning and Construction	20.205	1702128	-	52,876
Highway Planning and Construction	20.205	1702127	-	45,782
<b>Total Highway Planning and Construction Cluster</b>			<u>-</u>	<u>373,550</u>
Hamilton County				
Highway Safety Cluster				
State and Community Highway Safety	20.600	69A37519300004020IN0	-	16,794
<b>Total U.S. Department of Transportation</b>			<u>-</u>	<u>390,344</u>
<b>U.S. Department of Treasury</b>				
Indiana Finance Authority				
COVID-19 Coronavirus Relief Fund	21.019	N/A	-	3,310,907
<b>Total U.S. Department of Treasury</b>			<u>-</u>	<u>3,310,907</u>
<b>Total Federal Expenditures</b>			<u>\$ -</u>	<u>\$ 3,718,326</u>

**City of Carmel, Indiana**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2020**

***Notes to Schedule***

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Carmel, Indiana (City) under programs of the federal government for the year ended December 31, 2020. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The City of Carmel had no federal loans that they were administering as of December 31, 2020.

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

### **Independent Auditor's Report**

Audit Committee  
City of Carmel, Indiana  
Carmel, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining information of the City of Carmel, Indiana (City) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 2021, which contained an emphasis of matter paragraph for a restatement of prior year financial statements.

Our report includes a reference to other auditors who audited the financial statements of The City of Carmel Local Public Improvement Bond Bank, a blended component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City of Carmel, Indiana's Response to Findings***

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### ***Purpose of this Report***

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

**BKD, LLP**

Indianapolis, Indiana  
October 28, 2021

**Report on Compliance for the Major Federal Program;  
Report on Internal Control over Compliance and Report on Schedule of  
Expenditures of Federal Awards Required by Uniform Guidance**

**Independent Auditor's Report**

Audit Committee  
City of Carmel, Indiana  
Carmel, Indiana

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

We have audited the City of Carmel, Indiana (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

## ***Opinion on the Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 28, 2021, which contained unmodified opinion on those financial statements, and included an emphasis of matter paragraph for a restatement of prior year financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BKD, LLP*

Indianapolis, Indiana

October 28, 2021

**City of Carmel, Indiana**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2020**

**Summary of Auditor's Results**

*Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. The independent auditor's report on internal control over financial reporting disclosed:  
Significant deficiency(ies)?       Yes       None reported  
Material weakness(es)?       Yes       No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?       Yes       No

*Federal Awards*

4. The independent auditor's report on internal control over compliance for the major federal awards program disclosed:  
Significant deficiency(ies)?       Yes       None reported  
Material weakness(es)?       Yes       No
  
5. The opinion expressed in the independent auditor's report on compliance for the major federal award was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?       Yes       No

**City of Carmel, Indiana**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2020**

7. The City's major program was:

<u>Cluster/Program</u>	<u>CFDA Number</u>
COVID-19 Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee?  Yes  No

**City of Carmel, Indiana**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2020**

**Findings Required to be Reported by *Government Auditing Standards***

<b>Reference Number</b>	<b>Finding</b>
2020-001	<p><b>Criteria or Specific Requirement:</b> Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p><b>Condition:</b> The City’s internal control environment over financial reporting did not timely detect certain adjustments related to the previous fiscal year that were needed to prevent the opening net position for 2020 from being materially misstated. Additionally, certain adjustments related to the current fiscal year were identified through audit procedures that were needed to prevent current year financial statements from being materially misstated. (Material Weakness)</p> <p><b>Effect:</b> Misstatements in the financial statements.</p> <p><b>Cause:</b> The City’s internal control environment did not timely detect certain adjustments necessary to report materially accurate financial statements.</p> <p><b>Recommendation:</b> The City should continue refining an effective process to accurately and timely report capital assets as well as all other significant financial statement balances.</p> <p><b>Views of Responsible Officials and Planned Corrective Action:</b> We agree with the finding identified. The City and the City Accountant will closely monitor the existing controls over financial reporting to assure that they remain at an optimal level. Also, see separate corrective action plan.</p>

**City of Carmel, Indiana**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2020**

**Findings Required to be Reported by *Uniform Guidance***

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**City of Carmel, Indiana**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2020**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
	No matters are reportable.	



Official Response  
Findings Required to be Reported by *Governmental Audit Standards*

Date: October 22, 2021

**CRITERIA OR SPECIFIC REQUIREMENT- 2020-001:**

Management is responsible for establishing and maintaining effective internal controls over financial reporting.

**CONDITION:**

The City's internal control environment over financial reporting did not timely detect certain adjustments related to the previous fiscal year that were needed to prevent the opening net position for 2020 from being materially misstated. Additionally, certain adjustments related to the current fiscal year were identified through audit procedures that were needed to prevent current year financial statements from being materially misstated. (Material Weakness)

**CONTEXT:**

The City's internal controls over preparing full accrual statements in accordance with GAAP did not timely detect certain adjustments to capital assets as of December 31, 2019 which resulted in a restatement of capital assets for the previous year. An adjustment of approximately \$10 million was also identified related to capital assets during the audit which was necessary to present materially correct financial statements. Additionally, an adjustment to cash balances of approximately \$13 million and an adjustment to payable balances of approximately \$6 million at December 31, 2020 were detected by audit procedures.

**EFFECT:**

Misstatements in the financial statements.

**CAUSE:**

The City's internal control environment did not timely detect certain adjustments necessary to report materially accurate financial statements.

**RECOMMENDATION:**

The City should continue refining an effective process to accurately and timely report capital assets as well as all other significant financial statement balances.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:**

We agree with the finding identified.

As it relates to the restatement of capital assets and the adjustment of \$10 million to capital assets, the City notes that both the restatement and the adjustment each related to one asset. Despite having detailed capital asset policies and procedures, two assets were incorrectly reflected in the financial statements for different reasons. As a result, the Controller's Office has updated its capital asset policies and procedures to include additional controls that will help prevent these situations from occurring. There will be a more detailed review to verify the legal ownership of the asset identified on the Acquisition and Disbursement Form data that other City Departments communicate to us, rather than just reviewing the Form for accuracy and completeness before entry in the General Ledger. The Forms will be evaluated as a whole, and not individually, to ensure that City Departments do not provide us with asset duplications through multiple Form submissions on different dates for the same asset. These changes to controls were put in place at the time the Controller's Office became aware of the issue, so corrective action has been taken.

As it relates to cash balances and payable balances, the City believes its present controls and the related risks provide reasonable, but not absolute assurance, that controls are adequate and cost beneficial. The City's controls over financial reporting include segregation of duties and multiple levels of review.

Cash in the amount of \$13 million is immaterial in relevance. The misstatement was in the Storm Water Fund, which is not an operating fund. Its revenues are mostly pledged to pay debt. However, the City is aware that the bond holders do not rely on the Storm Water Fund for payment, but rather on a separate property tax pledge. Accordingly, the City assesses risk in this fund as minimal.

Note payable in the amount of \$6 million is immaterial in relevance and less than 1% of debt. Also, it was an overstatement of liability, which is much less relevant to a reasonable person than an understatement or omission.

Regarding a corrective action plan for the coming year, the City and the City Accountant will closely monitor the existing controls over financial reporting to assure that they remain at an optimal level.



Ann Bingman, CPA  
City Controller