

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF EVANSVILLE
VANDERBURGH COUNTY, INDIANA

January 1, 2015 to December 31, 2015



FILED
11/23/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Russell G. Lloyd, Jr.	01-01-15 to 12-31-16
Mayor	Lloyd Winnecke	01-01-12 to 12-31-19
President of the Board of Public Works	Marty Amsler	01-01-15 to 12-31-16
President of the City Council	Dr. H. Dan Adams Missy Mosby	01-01-15 to 12-31-15 01-01-16 to 12-31-16
Director of Utilities	Allen Mounts	01-01-15 to 12-31-16



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF EVANSVILLE, VANDERBURGH COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Evansville (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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 statement is free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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.


Paul D. Joyce, CPA
State Examiner

October 25, 2016



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CITY OF EVANSVILLE, VANDERBURGH COUNTY, 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 statement of the City of Evansville (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated October 25, 2016, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of 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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)


determination of financial statement amounts. 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 Evansville's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement 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.


Paul D. Joyce, CPA
State Examiner

October 25, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF EVANSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015

Fund	Cash and Investments		Cash and Investments	
	01-01-15	Receipts	Disbursements	12-31-15
General	\$ 307,140	\$ 96,172,818	\$ 90,533,910	\$ 5,946,048
Motor Vehicle Highway	92,845	5,540,875	4,978,535	655,185
Local Road And Street	3,090,678	2,407,742	4,046,261	1,452,159
IHCDA Blight Elimination Fund Grant	(37,280)	672,950	755,153	(119,483)
Area Plan Commission	68,432	455,094	387,237	136,289
Parking Garages	(93,939)	495	67,805	(161,249)
Unsafe Building	35,459	37,277	-	72,736
Parks And Recreation	107,669	9,031,150	9,443,331	(304,512)
Rainy Day	2,939,047	2,049,768	2,039,047	2,949,768
Riverboat Capital Project	14,226,682	24,236,463	21,158,081	17,305,064
Cumulative Capital Improvement	-	294,950	294,950	-
Purchasing Internal Service	15,193	390,854	346,315	59,732
Police Pension	4,279,033	8,522,081	8,338,874	4,462,240
Fire Pension	4,563,498	5,733,686	5,983,586	4,313,598
Jacobsville TIF Projects	3,417,168	1,870,728	787,142	4,500,754
Melzer Trust	50,002	-	-	50,002
Evansville Community Trust	12,854	24	-	12,878
Berry Plastics	2,210	514,149	516,359	-
American Gen Project 2010	3,303	238,448	241,751	-
Recovery Grant	2,917	95,577	43,719	54,775
Rental Registry	1,548	45,862	46,249	1,161
Evansville Park 12 Sinking	18	1,563,351	1,563,353	16
Evansville Park Refunding 2010	545,382	1,084,480	1,090,766	539,096
Arena Bond	8,377,609	17,077,559	17,530,558	7,924,610
IDHS Hazard Mitigation Grant	-	3,599	-	3,599
Downtown Hotel/Convention	788,797	507	607,685	181,619
IU Medical Center	7,352,206	12,162,395	14,518,572	4,996,029
Eville Economic Dev 14 Const - Haier	1,277,491	7,044,520	8,133,661	188,350
Redevelopment- Victory	1,778	-	657,015	(655,237)
Arts District	(2,508)	129,954	37,897	89,549
Berry Plastics 2011	-	-	6,005	(6,005)
2015 Economic Development Refunding	-	11,387,714	4,151,439	7,236,275
Convention Hotel 2015A	-	11,232,325	1,674,507	9,557,818
IU Medical School Bond 2015C	-	9,500,636	103,685	9,396,951
IU Medical School Bond 2015D	-	12,046,538	5,434,128	6,612,410
Economic Dev Sinking 2015A	-	17	-	17
Donations	6,716	82,066	40,540	48,242
Fire Donation	-	-	-	-
Miscellaneous Grant	1,471,580	253,898	669,729	1,055,749
Law Enforcement	79,879	193,116	132,740	140,255
Golf Course	(338,391)	1,269,901	1,459,683	(528,173)
Local County Option Income Tax	7,710,707	15,159,278	16,776,225	6,093,760
Greenway Project	927,791	4,391	95,936	836,246
Sports Non-Reverting	(124,975)	227,173	321,370	(219,172)
Zoo Animal Revolving	9,938	-	5,453	4,485
Rental Rehab	73,250	-	26	73,224
Certified Tech Park	8,350	-	8,350	-
EDA Revolving Loan Fund	870,289	122	91	870,320
Home Admin Investment Trust	5,721	676,201	588,250	93,672

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

CITY OF EVANSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Community Dev Block Grant	(19,188)	2,668,108	2,681,514	(32,594)
Old Post Office	53,015	-	-	53,015
Economic Development Loan	795,556	179,921	153,284	822,193
Emergency Shelter Grant	(58,218)	203,986	200,853	(55,085)
Building Code Books	2,603	-	-	2,603
Bicycle License Revolving	3,761	-	-	3,761
Sidewalk Program	324,233	43,653	300,494	67,392
ERC Capital Non Reverting	582,392	1,051,529	245,274	1,388,647
Housing Trust	42,886	3,500	1	46,385
HUD Fair Housing	116,936	57,225	23,572	150,589
Equal Emp Opportunity Commission	193,428	66,850	47,077	213,201
Master TIF Projects	3,490,818	9,076,114	7,187,476	5,379,456
Food And Beverage Tax Distribution	-	1,130,484	466,888	663,596
Locust Hill Perpetual Care	135,563	1,869	-	137,432
Oakhill Perpetual Care	732,878	10,859	81,767	661,970
EMA Revolving Donation Fund	2,567	-	-	2,567
Coleman Trust	12,043	37	-	12,080
Mattie J Bayard Trust	6,102	19	-	6,121
RT Legler Trust	2,305	7	-	2,312
CDBG- City Bank Of Evansville	253,874	432	-	254,306
CDBG- EDA Revolving Loan Fifth Third	679,568	448	7,770	672,246
Historic Preservation	5,350	935	70	6,215
Park District Bond Refunding 2010	(12,832)	1,622,557	1,091,260	518,465
TIF Redevelopment Bond	213,373	4,358,836	4,564,096	8,113
General Obligation #2	323,692	-	25,000	298,692
Sidewalk Improvement Bond	78,419	-	-	78,419
Redevelopment Arena Ban 2008	32,151	-	32,151	-
Unemployment	623,941	6,703	14,019	616,625
Workers Compensation	5,927	1,143,785	999,446	150,266
Liability	1,315,820	2,492,592	3,110,899	697,513
Hospitalization	(680,089)	25,390,179	25,440,147	(730,057)
Evansville Civil City Payroll	214,564	31,492,447	31,489,578	217,433
Accounts Receivable Clearing	(9,312)	265,774	291,246	(34,784)
Oakhill Lease Escrow	5,377	-	-	5,377
Sewer Bond	7,313,434	16,405,406	14,755,267	8,963,573
Sewer Improvement Fund	5,951,944	5,302,968	5,004,968	6,249,944
Sewer Bond Construction	35,426,522	32,480,972	39,608,860	28,298,634
Sewer Reserve Fund	14,622,358	865,959	-	15,488,317
Sewer Payroll	483,765	2,805,828	3,272,984	16,609
Sewer Operating	4,944,448	50,755,963	50,573,637	5,126,774
Water Improvement Fund	454,726	424,804	532,519	347,011
Waterworks Payroll	566,027	3,593,312	4,137,400	21,939
Waterworks Reserve	4,227,160	118,804	-	4,345,964
Water Utility- Operating	1,372,388	32,237,414	31,101,187	2,508,615
Water Utility- Bond & Int Sinking	3,533,997	6,888,506	10,331,552	90,951
Water Utility- Consumer Meter Deposit	1,167,346	419,955	290,663	1,296,638
Water Utility- Construction	18,404,121	1,666,754	7,679,413	12,391,462
Totals	\$ 170,063,826	\$ 494,646,226	\$ 471,358,301	\$ 193,351,751

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

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes, which can include one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits, which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, dog tax licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services, which can include, but are not limited to, the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Utility fees, which are comprised mostly of charges for current services.

Other receipts, which include amounts received from various sources including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

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

Personal services, which include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies, which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges, which include, but are not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest, which includes fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay, which includes all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses, which include all outflows for operating the utilities.

Other disbursements, which include, but are not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Three of the fund balances (IHCDA Blight Elimination Fund Grant, Community Dev Block Grant, and Emergency Shelter Grant) are a result of those funds set up for reimbursable grants. The reimbursements for expenditures made by the City were not received by December 31, 2015. The Accounts Receivable Clearing fund has a cash balance deficit due to the nature of the fund. The Parking Garages, Parks and Recreation, Golf Course, Redevelopment - Victory, Berry Plastics 2011, Sports Non-reverting, and Hospitalization funds expenditures exceeded revenues.

Note 8. Restatements

For the year ended December 31, 2015, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances:

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Fund Name	Balance as of December 31, 2014	Prior Period Adjustment	Balance as of January 1, 2015
Miscellaneous Grant	\$ 1,471,054	\$ 526	\$ 1,471,580
Old Post Office	53,540	(525)	53,015
Historic Preservation	6,558	(1,208)	5,350

Note 9. Subsequent Events

A. Evansville Economic Development Revenue Bonds - Series 2016A (Medical School Project)

On March 10, 2016, Economic Development Revenue Bonds were issued in the principal amount of \$18,000,000 for the acquisition, construction, installation, and equipping of a new regional medical school in downtown Evansville. This project is being managed and developed in partnership with Indiana University and a private developer.

B. Wastewater Utility - Taxable Sewage Works Bond Anticipation Notes of 2014 (Extended)

In March 2016, the Common Council decided to extend the 2014 BAN for the purpose of constructing various sewage works improvements. The extended 2014 BAN was sold to the EBB with substantive terms similar to that of the prior BAN, and became due on or before March 26, 2018.

C. Water Utility - Taxable Waterworks District Bond Anticipation Note of 2016

In March 2016, the Water Utility's Board approved the issuance of BAN in the amount not to exceed \$2,000,000 for various waterworks improvements, due on or before March 24, 2017. The BAN was sold to EBB pursuant to a Bond Anticipation Note Purchase Agreement between the City and the EBB.

D. Evansville Redevelopment District Tax Increment Revenue Bonds - Series 2016 (Jacobsville Project)

On February 22, 2016, the Common Council approved the issuance of the aggregate principal amount not to exceed \$16,750,000 in Economic Development District Tax Increment Revenue Bonds for the purpose of constructing infrastructure and various improvements in the Redevelopment District area (Jacobsville North Main St.). On April 6, 2016, the bonds were issued in the principal amount of \$15,740,000.

E. Evansville Economic Development Revenue Bonds - Series 2016B (Medical School Project)

On April 7, 2016, Economic Development Revenue Bonds were issued in the principal amount of \$12,345,000 for the acquisition, construction, installation, and equipping of the new regional medical school in downtown Evansville. This project is being managed and developed in partnership with Indiana University and a private developer.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Evansville Economic Development Lease Rental Revenue Bonds - Series 2016A (Downtown Convention Hotel Project)

On April 12, 2016, Economic Development Lease Rental Revenue Bonds were issued in the principal amount of \$7,500,000 for the acquisition, construction, installation, and equipping of the new convention hotel located in downtown Evansville. This project is being managed and developed in partnership with a private developer.

G. Senate Enrolled Act 67 One-Time Distribution of Local Income Tax Funds

Pursuant to Senate Enrolled Act 67 passed by the General Assembly under Indiana Code 6-3.6-9-17 the City of Evansville received \$3,359,522.87 as a one-time distribution of held local income tax trust funds on April 29, 2016.

H. Evansville Redevelopment Authority Lease Rental Revenue Refunding Bonds - Series 2016 (Arena Project)

Evansville Redevelopment Authority Lease Rental Revenue Refunding for the purpose of paying the principal and interest on the Series 2016 bonds and 2010B Bonds were issued on June 30, 2016, in the amount of \$92,425,000.

I. Wastewater Utility - Sewage Works Revenue Bonds - Series 2016A

On July 28, 2016, Sewage Works Revenue Bonds, Series 2016A were issued in the principal amount of \$25,855,000 for the purpose of constructing various sewage works improvements, which include IOCP and Wastewater Master Plan projects and to pay-off a portion of the Taxable Sewage Works Bond Anticipation Notes of 2014 (Extended) (the 2014 BANs).

J. Water Utility - Rate Increase

The proposed two-phase across-the-board rate increase is being considered by the IURC as of the date of this report, after settlement negotiations between the Water Utility and the Office of Utility Consumer Counselor (OUCC), pursuant to Cause No. 44760. As stipulated in the proposed order in the Cause, Phase I of the increase is an assumed 26.07 percent increase over the present rates effective upon an approved order by the Commission. Phase II of the increase is an assumed 16.13 percent increase over the Phase I rates assumed effective January 1, 2018.

K. Wastewater Utility - Rate Increase

The Wastewater Utility had a Cost of Service Study (COSS) conducted during 2016. The results of the COSS have not been finalized; however, it proposes a four-phase increase with Phase I assumed effective January 1, 2017, and Phases II, III and IV effective each January 1st thereafter. The EWSU Board is anticipated to consider this COSS proposal in the fall of 2016 and subsequently making a recommendation to the Common Council to approve an Ordinance implementing revised rates and charges.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 10. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The City of Evansville Retiree Health Care Plan is a single-employer defined benefit health-care plan administered by the City of Evansville in an internal service fund. The plan provides health care benefits and life insurance to eligible retirees and their spouses. IC 5-10-8 assigns the authority to establish and amend benefit provisions to the City. These benefits pose a liability to the City for this year and in future years. The actuarial information included below is not required per the regulatory basis of accounting and is additional information. The actuarial information is not included in the City's regulatory basis financial statements for the years ended December 31, 2015 and 2014.

Funding Policy

The contribution requirements of plan members for the City of Evansville Retiree Health Care Plan are established by the City of Evansville. The required contribution is based on projected pay-as-you go financing requirements. For the year ended December 31, 2015, the City contributed \$5,840,566 to the plan. For the year ended December 31, 2014, the City contributed \$5,092,539 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

OPEB Obligation	2015	2014
ARC as of end of year	\$22,642,258	\$19,173,437
Interest on Net OPEB Obligation (NOO) to end of year	-	-
NOO amortization adjustment to the ARC	-	-
Annual OPEB cost	22,708,170	19,205,805
Estimated annual employer contribution for pay-go cost	(5,840,566)	(5,092,539)
Estimated annual employer contribution for pre-funding	-	-
Change in NOO	16,867,604	14,113,266
NOO as of beginning of year	27,731,699	13,618,433
Net OPEB obligation as of end of year	\$44,599,303	\$27,731,699

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 are as follows:

Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Year Ending	Net OPEB Obligation
\$ 22,708,170	25.7%	12-31-2015	\$ 44,599,303

Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Year Ending	Net OPEB Obligation
\$ 19,205,805	26.5%	12-31-2014	\$ 27,731,699

Funding Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$281,495,540 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$281,495,540.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about a probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care 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 financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 9 percent initially, reduced by 0.50 percent decrements to an ultimate rate of 5 percent after 21 years. Dental trend rates have been reset to an initial rate of 4.50 percent decreasing by 0.25 percent per year to an ultimate rate of 3.50 percent. Vision trend rates have been reset to an initial rate of 3.50 percent decreasing by 0.25 percent per year to an ultimate rate of 2.50 percent. All inflation is covered under the health care cost trend rate. A 4.5 percent rate of return on investments is assumed. The UAAL is being amortized as a level percentage of projected payrolls over 30 years on an open basis.

Additional information concerning the City of Evansville Retiree Health Care Plan may be obtained by contacting the City.

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OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General	Motor Vehicle Highway	Local Road And Street	IHCDA Blight Elimination Fund Grant	Area Plan Commission	Parking Garages	Unsafe Building
Cash and investments - beginning	\$ 307,140	\$ 92,845	\$ 3,090,678	\$ (37,280)	\$ 68,432	\$ (93,939)	\$ 35,459
Receipts:							
Taxes	47,808,395	-	-	-	-	-	-
Licenses and permits	3,095,333	-	-	-	-	-	-
Intergovernmental receipts	8,758,739	5,248,417	2,100,382	672,235	-	-	-
Charges for services	16,335,073	76,808	-	-	2	-	37,277
Utility fees	-	-	-	-	-	-	-
Other receipts	20,175,278	215,650	307,360	715	455,092	495	-
Total receipts	<u>96,172,818</u>	<u>5,540,875</u>	<u>2,407,742</u>	<u>672,950</u>	<u>455,094</u>	<u>495</u>	<u>37,277</u>
Disbursements:							
Personal services	73,786,371	3,635,368	769,677	-	-	-	-
Supplies	2,976,718	502,214	15,934	-	-	-	-
Other services and charges	5,979,245	834,329	1,526,800	755,153	387,237	67,805	-
Debt service - principal and interest	32,659	6,624	-	-	-	-	-
Capital outlay	69,039	-	1,733,850	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	7,689,878	-	-	-	-	-	-
Total disbursements	<u>90,533,910</u>	<u>4,978,535</u>	<u>4,046,261</u>	<u>755,153</u>	<u>387,237</u>	<u>67,805</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>5,638,908</u>	<u>562,340</u>	<u>(1,638,519)</u>	<u>(82,203)</u>	<u>67,857</u>	<u>(67,310)</u>	<u>37,277</u>
Cash and investments - ending	<u>\$ 5,946,048</u>	<u>\$ 655,185</u>	<u>\$ 1,452,159</u>	<u>\$ (119,483)</u>	<u>\$ 136,289</u>	<u>\$ (161,249)</u>	<u>\$ 72,736</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Parks And Recreation	Rainy Day	Riverboat Capital Project	Cumulative Capital Improvement	Purchasing Internal Service	Police Pension	Fire Pension
Cash and investments - beginning	\$ 107,669	\$ 2,939,047	\$ 14,226,682	\$ -	\$ 15,193	\$ 4,279,033	\$ 4,563,498
Receipts:							
Taxes	6,273,213	-	-	-	-	6,503,608	5,316,635
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	517,810	-	7,358,965	294,950	-	-	-
Charges for services	2,166,382	-	5,079,483	-	390,854	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	73,745	2,049,768	11,798,015	-	-	2,018,473	417,051
Total receipts	<u>9,031,150</u>	<u>2,049,768</u>	<u>24,236,463</u>	<u>294,950</u>	<u>390,854</u>	<u>8,522,081</u>	<u>5,733,686</u>
Disbursements:							
Personal services	5,851,937	-	-	-	-	14,648	15,364
Supplies	647,232	-	293,505	-	346,315	-	-
Other services and charges	2,915,439	-	1,100,760	-	-	6,720,340	5,165,002
Debt service - principal and interest	-	-	1,563,350	-	-	-	-
Capital outlay	-	-	2,583,137	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	28,723	2,039,047	15,617,329	294,950	-	1,603,886	803,220
Total disbursements	<u>9,443,331</u>	<u>2,039,047</u>	<u>21,158,081</u>	<u>294,950</u>	<u>346,315</u>	<u>8,338,874</u>	<u>5,983,586</u>
Excess (deficiency) of receipts over disbursements	<u>(412,181)</u>	<u>10,721</u>	<u>3,078,382</u>	<u>-</u>	<u>44,539</u>	<u>183,207</u>	<u>(249,900)</u>
Cash and investments - ending	<u>\$ (304,512)</u>	<u>\$ 2,949,768</u>	<u>\$ 17,305,064</u>	<u>\$ -</u>	<u>\$ 59,732</u>	<u>\$ 4,462,240</u>	<u>\$ 4,313,598</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Jacobsville TIF Projects	Melzer Trust	Evansville Community Trust	Berry Plastics	American Gen Project 2010	Recovery Grant	Rental Registry
Cash and investments - beginning	\$ 3,417,168	\$ 50,002	\$ 12,854	\$ 2,210	\$ 3,303	\$ 2,917	\$ 1,548
Receipts:							
Taxes	1,863,267	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	27,628	-
Charges for services	-	-	-	-	-	-	21,172
Utility fees	-	-	-	-	-	-	-
Other receipts	7,461	-	24	514,149	238,448	67,949	24,690
Total receipts	1,870,728	-	24	514,149	238,448	95,577	45,862
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	18,392	-
Other services and charges	748,500	-	-	256,967	3,304	5,327	46,249
Debt service - principal and interest	38,642	-	-	259,392	238,447	-	-
Capital outlay	-	-	-	-	-	20,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	787,142	-	-	516,359	241,751	43,719	46,249
Excess (deficiency) of receipts over disbursements	1,083,586	-	24	(2,210)	(3,303)	51,858	(387)
Cash and investments - ending	\$ 4,500,754	\$ 50,002	\$ 12,878	\$ -	\$ -	\$ 54,775	\$ 1,161

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Evansville Park 12 Sinking	Evansville Park Refunding 2010	Arena Bond	IDHS Hazard Mitigation Grant	Downtown Hotel/Convention	IU Medical Center	Eville Economic Dev 14 Const - Haier
Cash and investments - beginning	\$ 18	\$ 545,382	\$ 8,377,609	\$ -	\$ 788,797	\$ 7,352,206	\$ 1,277,491
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	3,599	-	-	-
Charges for services	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,563,351	1,084,480	17,077,559	-	507	12,162,395	7,044,520
Total receipts	1,563,351	1,084,480	17,077,559	3,599	507	12,162,395	7,044,520
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	1	545,381	-	-	607,232	14,317,052	1,200,219
Debt service - principal and interest	1,563,352	545,385	8,379,228	-	453	201,520	6,933,442
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	9,151,330	-	-	-	-
Total disbursements	1,563,353	1,090,766	17,530,558	-	607,685	14,518,572	8,133,661
Excess (deficiency) of receipts over disbursements	(2)	(6,286)	(452,999)	3,599	(607,178)	(2,356,177)	(1,089,141)
Cash and investments - ending	\$ 16	\$ 539,096	\$ 7,924,610	\$ 3,599	\$ 181,619	\$ 4,996,029	\$ 188,350

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Redevelopment- Victory	Arts District	Berry Plastics 2011	2015 Economic Development Refunding	Convention Hotel 2015A	IU Medical School Bond 2015C	IU Medical School Bond 2015D
Cash and investments - beginning	\$ 1,778	\$ (2,508)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	129,954	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	11,387,714	11,232,325	9,500,636	12,046,538
Total receipts	<u>-</u>	<u>129,954</u>	<u>-</u>	<u>11,387,714</u>	<u>11,232,325</u>	<u>9,500,636</u>	<u>12,046,538</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	657,015	37,897	-	3,628,887	1,674,507	103,685	5,434,128
Debt service - principal and interest	-	-	6,005	522,552	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>657,015</u>	<u>37,897</u>	<u>6,005</u>	<u>4,151,439</u>	<u>1,674,507</u>	<u>103,685</u>	<u>5,434,128</u>
Excess (deficiency) of receipts over disbursements	<u>(657,015)</u>	<u>92,057</u>	<u>(6,005)</u>	<u>7,236,275</u>	<u>9,557,818</u>	<u>9,396,951</u>	<u>6,612,410</u>
Cash and investments - ending	<u>\$ (655,237)</u>	<u>\$ 89,549</u>	<u>\$ (6,005)</u>	<u>\$ 7,236,275</u>	<u>\$ 9,557,818</u>	<u>\$ 9,396,951</u>	<u>\$ 6,612,410</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Economic Dev Sinking 2015A	Donations	Fire Donation	Miscellaneous Grant	Law Enforcement	Golf Course	Local County Option Income Tax
Cash and investments - beginning	\$ -	\$ 6,716	\$ -	\$ 1,471,580	\$ 79,879	\$ (338,391)	\$ 7,710,707
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	60,863	-	-
Intergovernmental receipts	-	-	-	164,270	-	-	15,048,709
Charges for services	-	852	-	6,500	60,029	1,267,654	550
Utility fees	-	-	-	-	-	-	-
Other receipts	17	81,214	-	83,128	72,224	2,247	110,019
Total receipts	17	82,066	-	253,898	193,116	1,269,901	15,159,278
Disbursements:							
Personal services	-	-	-	37,647	-	742,185	218,538
Supplies	-	3,116	-	-	5,483	205,581	389,124
Other services and charges	-	37,424	-	632,082	127,257	511,917	7,979,481
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	1,064,545
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	7,124,537
Total disbursements	-	40,540	-	669,729	132,740	1,459,683	16,776,225
Excess (deficiency) of receipts over disbursements	17	41,526	-	(415,831)	60,376	(189,782)	(1,616,947)
Cash and investments - ending	\$ 17	\$ 48,242	\$ -	\$ 1,055,749	\$ 140,255	\$ (528,173)	\$ 6,093,760

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Greenway Project	Sports Non-Reverting	Zoo Animal Revolving	Rental Rehab	Certified Tech Park	EDA Revolving Loan Fund	Home Admin Investment Trust
Cash and investments - beginning	\$ 927,791	\$ (124,975)	\$ 9,938	\$ 73,250	\$ 8,350	\$ 870,289	\$ 5,721
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	4,391	-	-	-	-	-	672,773
Charges for services	-	226,592	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	581	-	-	-	122	3,428
Total receipts	<u>4,391</u>	<u>227,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>676,201</u>
Disbursements:							
Personal services	-	237,053	-	-	-	-	-
Supplies	-	10,043	-	-	-	-	998
Other services and charges	-	74,132	-	26	8,350	91	587,252
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	95,936	-	5,453	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	142	-	-	-	-	-
Total disbursements	<u>95,936</u>	<u>321,370</u>	<u>5,453</u>	<u>26</u>	<u>8,350</u>	<u>91</u>	<u>588,250</u>
Excess (deficiency) of receipts over disbursements	<u>(91,545)</u>	<u>(94,197)</u>	<u>(5,453)</u>	<u>(26)</u>	<u>(8,350)</u>	<u>31</u>	<u>87,951</u>
Cash and investments - ending	<u>\$ 836,246</u>	<u>\$ (219,172)</u>	<u>\$ 4,485</u>	<u>\$ 73,224</u>	<u>\$ -</u>	<u>\$ 870,320</u>	<u>\$ 93,672</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Community Dev Block Grant	Old Post Office	Economic Development Loan	Emergency Shelter Grant	Building Code Books	Bicycle License Revolving	Sidewalk Program
Cash and investments - beginning	\$ (19,188)	\$ 53,015	\$ 795,556	\$ (58,218)	\$ 2,603	\$ 3,761	\$ 324,233
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	2,511,282	-	-	203,986	-	-	-
Charges for services	81,723	-	-	-	-	-	43,653
Utility fees	-	-	-	-	-	-	-
Other receipts	75,103	-	179,921	-	-	-	-
Total receipts	<u>2,668,108</u>	<u>-</u>	<u>179,921</u>	<u>203,986</u>	<u>-</u>	<u>-</u>	<u>43,653</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	2,181,514	-	37,384	200,853	-	-	494
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	115,900	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	500,000	-	-	-	-	-	300,000
Total disbursements	<u>2,681,514</u>	<u>-</u>	<u>153,284</u>	<u>200,853</u>	<u>-</u>	<u>-</u>	<u>300,494</u>
Excess (deficiency) of receipts over disbursements	<u>(13,406)</u>	<u>-</u>	<u>26,637</u>	<u>3,133</u>	<u>-</u>	<u>-</u>	<u>(256,841)</u>
Cash and investments - ending	<u>\$ (32,594)</u>	<u>\$ 53,015</u>	<u>\$ 822,193</u>	<u>\$ (55,085)</u>	<u>\$ 2,603</u>	<u>\$ 3,761</u>	<u>\$ 67,392</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	ERC Capital Non Reverting	Housing Trust	HUD Fair Housing	Equal Emp Opportunity Commission	Master TIF Projects	Food And Beverage Tax Distribution	Locust Hill Perpetual Care
Cash and investments - beginning	\$ 582,392	\$ 42,886	\$ 116,936	\$ 193,428	\$ 3,490,818	\$ -	\$ 135,563
Receipts:							
Taxes	-	-	-	-	6,768,596	1,130,484	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	57,225	66,850	-	-	-
Charges for services	-	-	-	-	-	-	1,869
Utility fees	-	-	-	-	-	-	-
Other receipts	1,051,529	3,500	-	-	2,307,518	-	-
Total receipts	<u>1,051,529</u>	<u>3,500</u>	<u>57,225</u>	<u>66,850</u>	<u>9,076,114</u>	<u>1,130,484</u>	<u>1,869</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	245,274	1	15,516	39,021	1,850,509	-	-
Debt service - principal and interest	-	-	-	-	1,767,960	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	8,056	8,056	3,569,007	466,888	-
Total disbursements	<u>245,274</u>	<u>1</u>	<u>23,572</u>	<u>47,077</u>	<u>7,187,476</u>	<u>466,888</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>806,255</u>	<u>3,499</u>	<u>33,653</u>	<u>19,773</u>	<u>1,888,638</u>	<u>663,596</u>	<u>1,869</u>
Cash and investments - ending	<u>\$ 1,388,647</u>	<u>\$ 46,385</u>	<u>\$ 150,589</u>	<u>\$ 213,201</u>	<u>\$ 5,379,456</u>	<u>\$ 663,596</u>	<u>\$ 137,432</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Oakhill Perpetual Care	EMA Revolving Donation Fund	Coleman Trust	Mattie J Bayard Trust	RT Legler Trust	CDBG- City Bank Of Evansville	CDBG- EDA Revolving Loan Fifth Third
Cash and investments - beginning	\$ 732,878	\$ 2,567	\$ 12,043	\$ 6,102	\$ 2,305	\$ 253,874	\$ 679,568
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	10,859	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	37	19	7	432	448
Total receipts	10,859	-	37	19	7	432	448
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	584	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	7,770
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	81,183	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	81,767	-	-	-	-	-	7,770
Excess (deficiency) of receipts over disbursements	(70,908)	-	37	19	7	432	(7,322)
Cash and investments - ending	\$ 661,970	\$ 2,567	\$ 12,080	\$ 6,121	\$ 2,312	\$ 254,306	\$ 672,246

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Historic Preservation	Park District Bond Refunding 2010	TIF Redevelopment Bond	General Obligation #2	Sidewalk Improvement Bond	Redevelopment Arena Ban 2008	Unemployment
Cash and investments - beginning	\$ 5,350	\$ (12,832)	\$ 213,373	\$ 323,692	\$ 78,419	\$ 32,151	\$ 623,941
Receipts:							
Taxes	-	1,512,975	206,000	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	108,720	-	-	-	-	-
Charges for services	935	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	862	4,152,836	-	-	-	6,703
Total receipts	935	1,622,557	4,358,836	-	-	-	6,703
Disbursements:							
Personal services	-	-	-	-	-	-	8,349
Supplies	-	-	-	-	-	-	-
Other services and charges	70	1,000	831,873	25,000	-	32,151	5,670
Debt service - principal and interest	-	1,090,260	3,310,865	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	421,358	-	-	-	-
Total disbursements	70	1,091,260	4,564,096	25,000	-	32,151	14,019
Excess (deficiency) of receipts over disbursements	865	531,297	(205,260)	(25,000)	-	(32,151)	(7,316)
Cash and investments - ending	\$ 6,215	\$ 518,465	\$ 8,113	\$ 298,692	\$ 78,419	\$ -	\$ 616,625

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Workers Compensation	Liability	Hospitalization	Evansville Civil City Payroll	Accounts Receivable Clearing	Oakhill Lease Escrow	Sewer Bond
Cash and investments - beginning	\$ 5,927	\$ 1,315,820	\$ (680,089)	\$ 214,564	\$ (9,312)	\$ 5,377	\$ 7,313,434
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	199,536	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,143,785	2,492,592	25,190,643	31,492,447	265,774	-	16,405,406
Total receipts	<u>1,143,785</u>	<u>2,492,592</u>	<u>25,390,179</u>	<u>31,492,447</u>	<u>265,774</u>	<u>-</u>	<u>16,405,406</u>
Disbursements:							
Personal services	77,110	-	23,970,592	-	-	-	-
Supplies	1,159	-	164	-	72	-	-
Other services and charges	921,177	3,110,899	1,330,314	-	291,174	-	-
Debt service - principal and interest	-	-	-	-	-	-	14,755,267
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	139,077	31,489,578	-	-	-
Total disbursements	<u>999,446</u>	<u>3,110,899</u>	<u>25,440,147</u>	<u>31,489,578</u>	<u>291,246</u>	<u>-</u>	<u>14,755,267</u>
Excess (deficiency) of receipts over disbursements	<u>144,339</u>	<u>(618,307)</u>	<u>(49,968)</u>	<u>2,869</u>	<u>(25,472)</u>	<u>-</u>	<u>1,650,139</u>
Cash and investments - ending	<u>\$ 150,266</u>	<u>\$ 697,513</u>	<u>\$ (730,057)</u>	<u>\$ 217,433</u>	<u>\$ (34,784)</u>	<u>\$ 5,377</u>	<u>\$ 8,963,573</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Sewer Improvement Fund	Sewer Bond Construction	Sewer Reserve Fund	Sewer Payroll	Sewer Operating	Water Improvement Fund	Waterworks Payroll
Cash and investments - beginning	\$ 5,951,944	\$ 35,426,522	\$ 14,622,358	\$ 483,765	\$ 4,944,448	\$ 454,726	\$ 566,027
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Utility fees	-	-	-	-	50,197,595	-	-
Other receipts	5,302,968	32,480,972	865,959	2,805,828	558,368	424,804	3,593,312
Total receipts	<u>5,302,968</u>	<u>32,480,972</u>	<u>865,959</u>	<u>2,805,828</u>	<u>50,755,963</u>	<u>424,804</u>	<u>3,593,312</u>
Disbursements:							
Personal services	-	-	-	-	4,791,502	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	914	-	-
Debt service - principal and interest	-	66,827	-	-	-	-	-
Capital outlay	5,004,968	36,667,222	-	-	22,814	532,519	-
Utility operating expenses	-	-	-	-	22,138,192	-	-
Other disbursements	-	2,874,811	-	3,272,984	23,620,215	-	4,137,400
Total disbursements	<u>5,004,968</u>	<u>39,608,860</u>	<u>-</u>	<u>3,272,984</u>	<u>50,573,637</u>	<u>532,519</u>	<u>4,137,400</u>
Excess (deficiency) of receipts over disbursements	<u>298,000</u>	<u>(7,127,888)</u>	<u>865,959</u>	<u>(467,156)</u>	<u>182,326</u>	<u>(107,715)</u>	<u>(544,088)</u>
Cash and investments - ending	<u>\$ 6,249,944</u>	<u>\$ 28,298,634</u>	<u>\$ 15,488,317</u>	<u>\$ 16,609</u>	<u>\$ 5,126,774</u>	<u>\$ 347,011</u>	<u>\$ 21,939</u>

CITY OF EVANSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Waterworks Reserve	Water Utility- Operating	Water Utility- Bond & Int Sinking	Water Utility- Consumer Meter Deposit	Water Utility- Construction	Totals
Cash and investments - beginning	\$ 4,227,160	\$ 1,372,388	\$ 3,533,997	\$ 1,167,346	\$ 18,404,121	\$ 170,063,826
Receipts:						
Taxes	-	-	-	-	-	77,513,127
Licenses and permits	-	-	-	-	-	3,156,196
Intergovernmental receipts	-	-	-	-	-	43,820,931
Charges for services	-	-	-	-	-	26,007,803
Utility fees	-	28,262,066	-	419,955	-	78,879,616
Other receipts	118,804	3,975,348	6,888,506	-	1,666,754	265,268,553
Total receipts	118,804	32,237,414	6,888,506	419,955	1,666,754	494,646,226
Disbursements:						
Personal services	-	6,348,424	-	290,498	-	120,795,263
Supplies	-	-	-	-	-	5,416,634
Other services and charges	-	103,407	-	-	-	75,908,458
Debt service - principal and interest	-	-	10,331,552	-	94,394	51,708,176
Capital outlay	-	22,814	-	-	7,585,019	55,604,399
Utility operating expenses	-	14,354,700	-	165	-	36,493,057
Other disbursements	-	10,271,842	-	-	-	125,432,314
Total disbursements	-	31,101,187	10,331,552	290,663	7,679,413	471,358,301
Excess (deficiency) of receipts over disbursements	118,804	1,136,227	(3,443,046)	129,292	(6,012,659)	23,287,925
Cash and investments - ending	\$ 4,345,964	\$ 2,508,615	\$ 90,951	\$ 1,296,638	\$ 12,391,462	\$ 193,351,751

CITY OF EVANSVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 5,362,898	\$ 4,562,363
Waterworks	1,352,051	1,886,860
Governmental activities	25,779,502	13,689,813
Totals	\$ 32,494,451	\$ 20,139,036

CITY OF EVANSVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Evansville Local Improvement Bond Bank	Energy savings contract - Fire Dept.	\$ 23,991	8/4/2011	8/1/2026
Evansville Local Improvement Bond Bank	Energy savings contract - Transportation & Services Dept.	7,613	8/4/2011	8/1/2026
Evansville Local Improvement Bond Bank	Energy savings contract - Evansville Redevelopment Commission	35,118	8/4/2011	8/1/2021
Evansville Local Improvement Bond Bank	Energy savings contract - Dept. of Parks and Recreation	41,864	9/13/2011	8/1/2026
Evansville Local Improvement Bond Bank	Energy savings contract - City County Central Dispatch	7,678	9/30/2011	8/1/2026
Evansville Local Improvement Bond Bank	Fire Apparatus/Ferrara Igniter Quint	81,040	3/8/2011	2/1/2022
EVSC	Building @ 713 N. Governor St.	1	12/8/2008	12/31/2018
FH5	Building @ 917 W. Indiana St.	28,498	8/1/2013	7/31/2016
Inland Marine Inc.	Ohio River dock lease for LST Landing Ship Tank - WWII Historic Vessel	39,800	5/1/2005	4/30/2015
PNC Equipment Finance LLC	2 Fire Apparatus/Ferrara Intruder II	71,588	4/22/2009	4/22/2019
PNC Equipment Finance LLC	8 Fire vehicles	40,759	9/4/2012	10/15/2016
PNC Equipment Finance LLC	33 Police vehicles	252,897	9/4/2012	10/15/2016
SBC formerly Indiana Bell Telephone Co.	Maintain Utility Poles	247	6/22/1978	12/31/2050
Southern Railway Co.	Maintain 66 in. Storm Sewer Pipeline	780	6/2/1988	12/31/2050
Vectren Corp. formerly Sigecom	Attach and Equip Utility Poles	5,940	11/15/1978	12/31/2050
Total governmental activities		<u>637,814</u>		
Waterworks:				
Xerox	Xerox 9301 Copier (1 of 2)	2,715	3/30/2012	2/28/2017
Xerox	Xerox 9301 Copier (2 of 2)	2,715	1/27/2012	1/26/2017
Total Waterworks		<u>5,430</u>		
Total of annual lease payments		<u>\$ 643,244</u>		

CITY OF EVANSVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2015
(Continued)

Type	Description of Debt Purpose	Ending Principal Balance	Interest Due Within One Year
Governmental activities:			
General obligation bonds	Park District Refunding Bonds of 2010	\$ 5,430,000	\$ 1,086,515
General obligation bonds	Parks District Refunding Bonds 2012 (MPZ 2003)	9,305,000	1,572,500
Revenue bonds	Taxable Economic Development Revenue Bonds Series 2011 Berry Plastics Project)	20,425,000	910,000
Revenue bonds	Redevelopment Authority Lease Rental Revenue Bonds Series 2010B	116,620,000	8,203,713
Revenue bonds	Redevelopment District Tax Increment Revenue Bond Series 2014 Haier Project	1,500,000	62,663
Revenue bonds	Economic Development Revenue Bond Series 2015	10,305,000	1,384,538
Revenue bonds	Redevelopment Revenue Series 2015A Hotel Project	10,235,000	449,579
Notes and loans payable	Mead Johnson TIF Ban	229,910	229,910
Total governmental activities		<u>174,049,910</u>	<u>13,899,418</u>
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds Series 2011D (SRF)	1,212,000	40,342
Revenue bonds	Sewage Works Revenue Bonds Series 2011C (SRF)	3,240,000	265,188
Revenue bonds	Sewage Works Revenue Bonds Series 2010 B-1 (Taxable Build America Bonds - Direct Pay Option)	25,745,000	1,923,875
Revenue bonds	Sewage Works Revenue Bonds Series 2010A (SRF)	7,116,000	220,884
Revenue bonds	Sewage Works Revenue Bonds of 2009	27,726,498	780,115
Revenue bonds	Sewage Works Revenue Bonds of 2008 Series B (SRF)	13,328,000	1,274,493
Revenue bonds	Sewage Works Revenue Bonds of 2007 Series A	23,217,000	2,545,874
Revenue bonds	Sewage Works Replacement Revenue Bonds of 2004 (SRF)	4,489,000	494,484
Revenue bonds	Sewage Works Revenue Bond Series 2012 E	5,972,000	146,717
Revenue bonds	Sewage Works Bond Bank Bonds - 2013 B	29,255,000	1,806,250
Revenue bonds	Sewage Works Revenue Bond Series 2013 A	25,850,000	3,457,750
Revenue bonds	Sewage Works Revenue Bond Series 2014 A	7,509,000	572,220
Revenue bonds	Sewage Works Revenue Bond Series 2014 B	5,531,000	356,151
Revenue bonds	Sewage Works Revenue Bond Series 2014 C	25,255,000	1,736,719
Revenue bonds	Sewage Works Revenue Bond Series 2014 D	35,415,000	2,166,300
Total Wastewater		<u>240,860,498</u>	<u>17,787,362</u>
Waterworks:			
Revenue bonds	Waterworks District Refunding Bonds of 2014 B	19,625,000	2,358,650
Revenue bonds	Waterworks District Revenue Bonds of 2013 A	29,060,000	1,359,250
Revenue bonds	Waterworks District Revenue Bonds - 2013 B	15,500,000	677,231
Revenue bonds	Waterworks District Bonds Series 2008	31,645,000	2,443,791
Total Waterworks		<u>95,830,000</u>	<u>6,838,922</u>
Totals		<u>\$ 510,740,408</u>	<u>\$ 38,525,702</u>

CITY OF EVANSVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2015

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 19,808,481
Infrastructure	552,189,513
Buildings	155,058,492
Improvements other than buildings	40,608,223
Machinery, equipment, and vehicles	47,872,560
Construction in progress	39,098,169
Total governmental activities	854,635,438
Wastewater:	
Land	3,779,669
Infrastructure	200,460,175
Buildings	160,393,717
Improvements other than buildings	4,529,178
Machinery, equipment, and vehicles	13,076,537
Construction in progress	90,554,242
Total Wastewater	472,793,518
Waterworks:	
Land	432,435
Infrastructure	107,342,794
Buildings	39,465,269
Improvements other than buildings	1,866,475
Machinery, equipment, and vehicles	29,738,436
Construction in progress	23,887,922
Total Waterworks	202,733,331
Total capital assets	\$ 1,530,162,287

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF EVANSVILLE, VANDERBURGH COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Evansville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. The City's major federal programs are 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 each of the City's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each 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 each of its major federal programs for the year ended December 31, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 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 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.


Paul D. Joyce, CPA
State Examiner

October 25, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the City. The schedule and notes are presented as intended by the City.

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass- Through To Subrecipient	Total Federal Awards Expended
Department of Agriculture					
Cooperative Forestry Assistance Urban Forestry - UTREE	Indiana Department Of Natural Resources	10.664	E9-15-UTREE9	\$ -	\$ 4,600
Total - Department of Agriculture				-	4,600
Department of Commerce					
Economic Development Cluster Economic Adjustment Assistance DMD - EDA Revolving Loan Fund	Direct	11.307	61902232	-	790,510 (A)
Total - Economic Development Cluster				-	790,510
Total - Department of Commerce				-	790,510
Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants DMD-CDBG FY2013 DMD - CDBG FY 2014 DMD - CDBG FY2015	Direct	14.218 14.218 14.218	B-13-MC-18-0002 B-14-MC-18-0002 B-15-MC-18-0002	264,975 546,377 1,080,562	268,453 751,467 1,491,362
Total - Community Development Block Grants/Entitlement Grants				1,891,913	2,511,282
Emergency Solutions Grant Program DMD-FY2013 Emergency Solutions Grant DMD-FY2013 Emergency Solutions Grant DMD - FY2015 Emergency Solutions Grant Program	Direct	14.231 14.231 14.231	E-13-MC-18-0002 E-14-MC-18-0002 E-15-MC-18-0002	26,773 68,960 108,253	26,773 68,960 108,253
Total - Emergency Solutions Grant Program				203,986	203,986
HOME Investment Partnerships Program DMD-FY2010-Home Investment Partnerships Program DMD-FY2011-Home Investment Partnerships Program DMD-FY2009-Home Investment Partnerships Program DMD-FY2013-Home Investment Partnerships Program DMD - HOME-FY2014 DMD-FY2015-Home Investment Partnerships Program	Direct	14.239 14.239 14.239 14.239 14.239 14.239	M-10-MC-18-0201 M-11-MC-18-0201 M-12-MC-18-0201 M-13-MC-18-0201 M-14-MC-18-0201 M-15-MC-18-0201	90,010 30,303 353,313 114,936 60,843 6,512	90,010 36,779 363,692 114,936 60,843 6,512
Total - HOME Investment Partnerships Program				655,918	672,772
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants DMD-EDI Special Project	Direct	14.251	B-09-SP-IN-0112	-	14,492
Neighborhood Stabilization Program (Recovery Act Funded) DMD-FY2008- Neighborhood Stabilization Program	Direct	14.256	B-08-MN-18-0003	-	92,052
Fair Housing Assistance Program_State and Local Sponsorship of 2015 Annual Human Rights Dinner	Indiana Civil Rights Commission	14.401	258FFY12-13FHAP	-	500
Fair Housing Initiatives Program HR - FF205K135016 HR - FF205K155016	Direct	14.408 14.408	FF205K135016 FF205K155016	- -	13,750 43,475
Total - Fair Housing Initiatives Program				-	57,225
Total - Department of Housing and Urban Development				2,751,817	3,552,309
Department of Justice					
Supervised Visitation, Safe Havens for Children DMD-Safe Haven	Direct	16.527	2012-CW-AX-K01510	95,857	129,692
Missing Children's Assistance EPD - ICAC FY2012; 2011-MC-CX-K005 EPD-ICAC-FY2013; 2011-MC-CX-K005	Indiana State Police	16.543 16.543	2011-MC-CX-K005 2011-MC-CX-K005	- -	1,730 6,366
Total - Missing Children's Assistance				-	8,096
Edward Byrne Memorial Justice Assistance Grant Program EPD-JAG; 2012-DJ-BX-0733 EPD-JAG 2013-DJ-BX-0733 EPD - JAG FY2014; 2014-DJ-BX-0486	Direct	16.738 16.738 16.738	2012-DJ-BX-1130 2013-DJ-BX-0733 2014-DJ-BX-0486	7,028 3,188 7,857	7,028 10,936 32,788
Total - Edward Byrne Memorial Justice Assistance Grant Program				18,073	50,752
Total - Department of Justice				113,930	188,540

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass- Through To Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department Of Transportation				
EWSU-DES 0015020		20.205	DES 0015020	-	1,502,758
ENG; DES 0100574 Ped. Overpass		20.205	DES 0100574	-	84,838
ENG. DES 0100574 Ped. Overpass PE		20.205	DES 0100574	-	26,786
ENG - DES 0710494-Oak Hill Rd Row		20.205	DES 0710494	-	9,102
ENG - DES 0710494-Oak Hill Rd CE Inspections		20.205	DES 0710494	-	40,112
ENG -DES 1006024-Washington And Weinbach Row		20.205	DES 1006024	-	324,000
ENG - DES 1006024 - Washington Ave And Weinbach Intersection Improvement		20.205	DES 1006024	-	9,000
ENG - DES 1006031 - Sigh Upgrades		20.205	DES 1006031	-	51,660
Parks-Greenway		20.205	DES 1006083	-	467
Parks-Greenway		20.205	DES 1006085	-	3,924
ENG - DES 1173696 Tekoppel Safe Routes To School CE		20.205	DES 1173696	-	1,196
ENG - DES 1297334; Fulton & Ohio St Signal Modernization CE		20.205	DES 1297334	-	12,967
ENG - DES 1297336		20.205	DES 1297336	-	36,228
ENG- DES 1383064 Covert Ave Road Diet US 41 To Warrick Co Line		20.205	DES 1383064	-	168,817
ENG- DES 1383065 - Weinbach Ave Road DIET		20.205	DES 1383065	-	79,594
ENG-DES 1383066 Washington-2nd-Parrott Sts		20.205	DES 1383066	-	154,228
ENG - DES1006080-Lincolnd Ave To Newburgh Rc		20.205	DES1006080	-	114
Total - Highway Planning and Construction				-	2,505,791
Total - Highway Planning and Construction Cluster				-	2,505,791
<u>Federal Transit Cluster</u>					
Federal Transit_Formula Grants	Direct				
METS 5307 Grant		20.507	IN-90-0684	-	1,719,448
METS - IN-90-X623		20.507	IN-90-X623	-	253,333
METS - IN-90-X631		20.507	IN-90-X631	-	8,827
METS - IN-90-X647		20.507	IN-90-X647	-	98,098
METS - IN-90-X665		20.507	IN-90-X665	-	440,910
METS - IN-95-X049		20.507	IN-95-X049	-	173,606
Total - Federal Transit_Formula Grants				-	2,694,222
Total - Federal Transit Cluster				-	2,694,222
<u>Highway Safety Cluster</u>					
State and Community Highway Safety	Vanderburgh County				
EPD - Operation Pullover; D3-15-9020		20.600	D3-15-9020	-	21,988
National Priority Safety Programs	Vanderburgh County				
EPD - Operation Pullover; D3-15-8924		20.616	D3-15-8924	-	115,869
EPD -2015 Rural Demonstration Project; DE-15-9928		20.616	D3-15-9928	-	8,610
EPD - High Visibility Enforcement Grant; D3-15-9954		20.616	D3-15-9954	-	4,362
Total - National Priority Safety Programs				-	128,841
Total - Highway Safety Cluster				-	150,829
Total - Department of Transportation				-	5,350,842
<u>Equal Employment Opportunity Commission</u>					
Employment Discrimination_Title VII of the Civil Rights Act of 1964	Direct				
HR - EEC45010C0041		30.001	EEC45010C0041	-	65,850
HR - EECFPIND15103753-EEOC		30.001	EECFPIND15103753	-	1,000
Total - Employment Discrimination_Title VII of the Civil Rights Act of 1964				-	66,850
Total - Equal Employment Opportunity Commission				-	66,850
<u>Environmental Protection Agency</u>					
Clean Water State Revolving Fund Cluster					
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority				
EWSU-SRF2014D		66.458	WW14218214	-	27,135,965
Total - Clean Water State Revolving Fund Cluster				-	27,135,965
Total - Environmental Protection Agency				-	27,135,965

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass- Through To Subrecipient	Total Federal Awards Expended
<u>Department of Health and Human Services</u>					
Substance Abuse and Mental Health Services_Projects of Regional and National Significance EPD - Has Your Stuff Been Tested - 15LE08	Substance Abuse Council Of Vanderburgh County	93.243	15LE08	-	3,000
Total - Department of Health and Human Services				-	3,000
<u>Department of Homeland Security</u>					
Hazard Mitigation Grant BLDG COMM - C44P-3-326B	Indiana Department Of Homeland Security	97.039	C44P-3-326B	-	3,599
Emergency Management Performance Grants EMA - C44P-5-080B EMA - C44P-5-764B	Vanderburgh County	97.042	C44P-5-080B	-	60,657
Total - Emergency Management Performance Grants				-	37,462
Assistance to Firefighters Grant EFD-AFG Fitness	Direct	97.044	EMW-2014-FO-2210	-	2,000
Port Security Grant Program EFD- EMW-2014-PU-00284-S01	Direct	97.056	EMW-2014-PU-00284-S01	-	35,684
Homeland Security Grant Program EFD - EMW-2014-SS-0138	Indiana Department Of Homeland Security	97.067	EMW-2014-SS-0138	-	2,778
Total - Department of Homeland Security				-	142,180
Total federal awards expended				<u>\$2,865,747</u>	<u>\$ 37,234,796</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

(A) Calculation of Economic Adjustment Assistance Federal Expenditures:	
Balance of Outstanding Revolving Loan Funds (RLF) at 12/31/15	\$ -
Revolving Loan Fund (RLF) Cash and Investment Balance at 12/31/15	870,320
Unpaid principal of all loans written off during 2015	<u>183,693</u>
Total Calculation Basis	\$ 1,054,013
Multiplied by Original Federal Share of Revolving Loan Funds (RLF)	<u>75%</u>
Amount Reported in Schedule of Expenditures of Federal Awards	<u>\$ 790,510</u>

CITY OF EVANSVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2015. The information in the SEFA 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*. Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. *Summary of Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Economic Development Cluster	Unmodified
Clean Water State Revolving Fund Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$1,114,904

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2015-001 - INTERNAL CONTROLS OVER BANK ACCOUNT RECONCILIATIONS

Condition

The City had designed adequate policies or procedures to ensure that bank reconciliations were accurate and complete; however, the City did not properly implement those controls. Three employees in the Controller's office prepared the City bank reconciliations. The City's policy is for the City Controller to review the bank reconciliations each month to verify their accuracy. Documentation of the reviews were not presented for audit. There was no evidence of segregation of duties, such as an oversight, review, or approval process.

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Cause

The City did not properly implement the controls and maintain documentation of the review of the reconcilements.

Effect

The failure to establish and implement controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the City at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



City of Evansville
Office of the Controller
CIVIC CENTER COMPLEX, Room 300
ONE N. W. MARTIN LUTHER KING JR. BLVD.
EVANSVILLE, IN 47708

Lloyd Winnecke, Mayor

Russell Lloyd Jr. CPA, Controller

October 25, 2016

Indiana State Board of Accounts
302 W. Washington St. Room E-418
Indianapolis, IN 46204-2765

CORRECTIVE ACTION PLAN FOR 2015 FEDERAL AWARDS

Section II – Financial Statement Findings

FINDING 2015-001 - INTERNAL CONTROLS OVER BANK ACCOUNT RECONCILIATIONS

Contact Person Responsible for Corrective Action: Russell Lloyd, Jr. CPA, Controller
Contact Phone Number: 812-436-4919

Views of Responsible Official:

While the City concurs with this finding; in fact the Controller does review the bank reconciliations but did not always mark, initial or sign off to indicate the monthly bank reconciliations were reviewed. The Controller closely monitors bank balances daily within the duties of cash management and inquires responsible staff for transactions, balance changes and exceptions.

Description of Corrective Action Plan:

The City will employ additional internal controls to supervise bank account monthly reconciliations with the goal of making it easier to implement monitoring and spot balance changes and exception items. The Controller or Deputy Controller will sign off on a bank reconciliation summary monthly report listing critical data from the bank recs as needed.

In the last two years the City, Water and Wastewater Utilities (the Utilities) have used Tyler Technology Inc. MUNIS financial software treasury funds cash management and bank reconciliation system features to improve system performance to an excellent level. The City and Utilities have implemented numerous procedural enhancements and adjustments to the treasury and bank system including additional internal controls adding segregation of duties and supervisory approval of general ledger transactions and cash bank accounts.

The City will continue to review internal controls over the treasury cash management and bank reconciliation system looking for additional system improvements. The Controller and Deputy Controller will start monitoring bank account reconciliations using the new report immediately.

Anticipated Completion Date: October 31, 2016

Russell J. [Signature] CPA
(Signature)

CONTROLLER
(Title)

10-25-16
(Date)

OTHER REPORTS

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