

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

FINANCIAL STATEMENT AND FEDERAL
SINGLE AUDIT REPORT
OF

CITY OF KOKOMO
HOWARD COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
11/03/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Randall J. Morris	01-01-16 to 12-31-18
Mayor	Gregory Goodnight	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Randy McKay	01-01-16 to 12-31-18
President of the Common Council	Robert Hayes, Sr.	01-01-16 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF KOKOMO, HOWARD COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Kokomo (City), which comprises the financial position and results of operations for the year ended December 31, 2016, 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 (IC 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 from 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 to 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, 2016.

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, 2016, 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 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 September 27, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

September 27, 2018



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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 KOKOMO, HOWARD 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 Kokomo (City), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 27, 2018, 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 City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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)

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 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*.

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

September 27, 2018

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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 KOKOMO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments			Cash and Investments
	01-01-16	Receipts	Disbursements	
General	\$ 13,580,550	\$ 43,095,956	\$ 39,728,840	\$ 16,947,666
Motor Vehicle Highway	3,860,375	3,732,226	4,192,543	3,400,058
Local Road And Street	524,994	514,126	660,552	378,568
Aviation	736,929	442,553	496,225	683,257
Economic Development Operating	202,538	3,414,333	2,298,016	1,318,855
Building Demolition	43,470	7,425	-	50,895
Plan Commission	487,127	492,649	357,216	622,560
Community Development	-	300,754	300,754	-
Law Enforcement Continuing Education	259,439	85,894	5,852	339,481
Parks And Recreation	1,883,676	3,672,746	3,463,519	2,092,903
Rainy Day	5,119	421	1	5,539
Levy Excess	89,985	-	-	89,985
Cumulative Capital Improvement	425,138	147,984	-	573,122
Health Insurance	147,016	9,899,932	9,945,444	101,504
Police Pension	574,616	3,406,765	2,896,399	1,084,982
Fire Pension	934,039	4,361,644	3,749,532	1,546,151
Markland and Park	1,970	72,842	128,416	(53,604)
Washington & Lafountain	-	95,480	52,973	42,507
PO-212 ICAC 4/1/2011- 3/31/2013	620	-	-	620
AI-19 Road Construction	16,150	-	3,404	12,746
FEMA-21 Thermal Imaging Camera	400	-	-	400
AI-20 Runway 5-23 phase 5	9,833	-	-	9,833
Neighborhood Stabilization Prog-3	49,049	-	-	49,049
PO-912 PO-99	10,849	-	-	10,849
PO215 ICAC 7/1/14- 6/30/15	-	10,978	10,978	-
AI-21 Extend Runway 5-23 Phase 6	32,756	336,163	367,367	1,552
LOCAL-Local Match for FTA Grant	35,030	90,586	72	125,544
LOC13-Local Match for FTA13	24,994	11,668	31,563	5,099
FTA15- 2015 Grant IN-90-X677	-	1,205,742	1,205,742	-
LOC15-Local Match for FTA15FTA12A	109,805	22,325	132,130	-
DWISE-2012 DollarWise Summer Youth	4,000	-	-	4,000
Brownfield Grant	11	168,901	168,899	13
POD-5 Citizen Police Academy	10	-	-	10
Redevelopment Commission- NonTIF	87,680	-	-	87,680
PO-14 Local Bomb Squad	1,361	-	-	1,361
PAD4 - Summer Concert Donation	8,137	-	-	8,137
POD-6 Prosecutor Annual Distribution	3,850	28,000	27,578	4,272
VOCA14-2014 Grant	-	2,510	2,510	-
NICKEL- Preliminary Engineering/ Eng Inspection	-	49,818	76,504	(26,686)
PO315 DJ-BX-0412 2015 BG	10,000	7,096	17,096	-
PO314-2014 BG	-	14,000	-	14,000
PO916-DEA Overtime Reimbursement 2015-2016	-	15,006	15,006	-
PO915-DEA Overtime Reimbursement 2015	-	1,177	1,177	-
PO214 ICAC Grant 7/1/2013- 6/30/2014	-	1,696	1,696	-
SHSP16- Haz Mat Detection Equipment	-	496,750	496,750	-
WalMart Local Grant	1,000	-	996	4
AI22 Extend Runway & Taxiway Phase 7	-	261,297	261,297	-
FTA14-2014 Grant IN-90-X649	-	5,899	5,899	-
LOC14A-Local Match for Flex FTA-5310-2014	55,420	-	34,397	21,023
Child Advocacy Grant	-	9,177	9,177	-
FTA14A FLEX FTA-5310-2014	-	137,593	137,593	-
OCRA- Howard Convention Visitor Bureau	-	178,921	178,921	-
MLK- Dr MLK Memorial Comm	7	54,501	54,500	8
TIF1- Redevelopment Comm Downtown TIF	14,819	-	-	14,819
TIF- Redevelopment Comm West-Side Expansion	326,222	475,909	380,000	422,131
Economic Development Commission	598,984	2,154,900	2,656,664	97,220
Payment in Lieu of Sidewalk	10,000	-	-	10,000
AI23 Analyze Runway 14-32 5-23	-	52,887	51,349	1,538
Blight Elimination Program	66	872,806	856,357	16,515
Brownfield Revolving Loan	-	26,461	26,461	-
Police Equitable Sharing	18,525	21,397	3,072	36,850
AI24 Taxiway C & D Rehabilitation	-	247,100	236,485	10,615
PO415 Nonmotorist Safety Grant	-	6,719	6,719	-
PO416 Motorcycle High Visibility Enforcement	-	7,926	7,926	-
PO116 Equipment (Evidence Locker) Grant	-	17,250	17,250	-
PO216 ICAC 7/1/2015- 6/30/2016	-	9,024	9,102	(78)
HLPARK Rebuild Highland Park	-	60,085	-	60,085

CITY OF KOKOMO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
PAD5 Park & Recreation Foundation	-	92	-	92
TIF3- North Main Street	-	29,695	-	29,695
TIF4- South East Side	-	903,120	363,650	539,470
LOIT Special Distribution	-	1,078,532	650,000	428,532
Community Crossing Grant	-	650,000	575,450	74,550
MVH- Rainy Day Restricted	-	1,000,000	-	1,000,000
VOCA15 2015-2016 Grant	-	34,738	34,738	-
MRKD22 Markland & SR22	-	139,403	100,530	38,873
FTA12A 2012 IN-95-X043	-	3,364	3,364	-
FTA16 2016 IN-2016-034-00	-	55,630	55,630	-
FTA13 2013 IN-90-X641	-	100,000	100,000	-
Traveler Settlement - Dixon Site	-	1,543,625	21,229	1,522,396
Redevelopment Commission	484,028	246,850	715,974	14,904
Cemetery Operating	492,882	347,458	455,260	385,080
Se-1 10% of State-PMTF	192,804	77,942	-	270,746
Se-1 Area 5 and State PMTF	20,800	50,702	61,686	9,816
Rehab Appersonway/ Jackson Park	600	-	-	600
Rotary Fuel	58,655	266,200	251,870	72,985
Court Drug Restitution	12,741	560	2,616	10,685
Dad-1 Early Learning Center Donations	3,483	-	-	3,483
Fid-1 Fire Donations	7,490	833	3,203	5,120
Pod-1 Police Donations	12,897	12,623	11,222	14,298
Pod-2 Police DARE Donations	1,340	-	-	1,340
Sed-1 Senior Citizens Donations	19,994	1,934	2,097	19,831
Sed-2 Senior Center Activities Donation	57,596	9,868	-	67,464
Cad-1 Miscellaneous Donations	1,313	1,450	1,163	1,600
Haynes Museum Donation	25,655	3,460	766	28,349
Pad-1 Park and Dog Walk	57,369	19,112	3,981	72,500
Kod-1 Aquatic Center Donations	27,741	1,750	160	29,331
Pad-3 Park and Dog Walk	3,146	-	-	3,146
Pad-2 Park - Highland Donations	2,954	689	812	2,831
Pod-3 Police - K9 Donations	2,927	11,666	14,267	326
FEMA-15	770	-	-	770
PO-4 PO-7 Operation Pull Over	-	24,021	24,021	-
PO-6 DUI Grant	-	9,830	9,830	-
PO-5 Bullet Proof Vest Grant	1,642	4,132	5,852	(78)
Tr-1 Handicapped Transportation	49,265	-	-	49,265
Mayor's Handicapped & Mental Health Council	1,575	-	149	1,426
Continuing Thoroughfare	59,099	-	-	59,099
Special Revenue - Kgov	508	-	150	358
Howard County Local Coordinating Council	6,335	-	-	6,335
FTA Transit Center	151,423	63,002	34,175	180,250
Special Revenue- Barrett Law Surplus	14,757	35,427	147	50,037
Special Revenue- Barrett Law Revolving	186,948	136	113,372	73,712
Certified Technology Park	-	174,875	174,875	-
USDA Small Business RLF Program	75,569	10,960	-	86,529
Dixon	8,178	-	-	8,178
Energy Grant	5	-	-	5
Special Revenue - Other	166,492	4,500	-	170,992
Payroll	760,816	12,297,476	12,313,474	744,818
Cemetery Trust	3,171	3	80	3,094
Ked-1 Kokomo Economic Development	23,222	-	-	23,222
EDA Revolving Loan Fund	572,047	52,172	215	624,004
LCC-4	1,186	-	-	1,186
UPI Trust Fund	198	-	-	198
Wastewater Utility- Barrett Law Surplus	38,198	6,042	-	44,240
Wastewater Utility- Operating	10,827,715	12,742,775	22,070,255	1,500,235
Wastewater Utility- Bond and Interest	282,251	1,231,585	282,251	1,231,585
Wastewater Utility- Depreciation/ Improvement	2,243,851	7,382,014	741,850	8,884,015
Sewer Improvements	725,625	-	725,625	-
Wastewater Utility- Debt Reserve	1,331,899	-	389,524	942,375
Wastewater Utility- Extension & Betterment	53,843	188,750	242,593	-
Totals	\$ 44,259,562	\$ 121,624,994	\$ 116,327,025	\$ 49,557,531

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

CITY OF KOKOMO
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, wastewater, 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. Amounts received from 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, county economic development income tax, boat and trailer excise tax and other taxes that are set by the City.

Licenses and permits. 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, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT
(Continued)

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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, park rental fees, swimming pool receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

Other receipts. 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but 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. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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 KOKOMO
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 KOKOMO
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 KOKOMO
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. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the City were not received by December 31, 2016.

Note 8. Holding Corporation

The City has entered into a lease with Kokomo Community Development Corporation (the lessor) for the financing of a new Sports Stadium. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments made during the year 2016 totaled \$942,000.

Note 9. Subsequent Event

On April 24, 2017, the Common Council adopted ordinance No. 6859 authorizing the issuance of sewage works revenue bonds for various utility projects. The City of Kokomo issued the Sewage Works Revenue Bonds, series 2017 on July 26, 2017, in the amount of \$20,610,000.

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OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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 KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General	Motor Vehicle Highway	Local Road And Street	Aviation	Economic Development Operating
Cash and investments - beginning	\$ 13,580,550	\$ 3,860,375	\$ 524,994	\$ 736,929	\$ 202,538
Receipts:					
Taxes	30,358,338	951,674	-	195,816	-
Licenses and permits	128,463	-	-	-	-
Intergovernmental receipts	11,465,442	2,643,378	514,126	10,534	2,169,701
Charges for services	397,427	109,060	-	191,988	-
Fines and forfeits	231,471	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	514,815	28,114	-	44,215	1,244,632
Total receipts	<u>43,095,956</u>	<u>3,732,226</u>	<u>514,126</u>	<u>442,553</u>	<u>3,414,333</u>
Disbursements:					
Personal services	27,275,557	761,538	-	271,312	-
Supplies	1,449,348	862,093	-	44,247	-
Other services and charges	8,311,984	1,332,392	660,552	161,488	1,453,214
Debt service - principal and interest	-	-	-	-	291,147
Capital outlay	1,191,951	236,520	-	19,178	453,755
Utility operating expenses	-	-	-	-	-
Other disbursements	1,500,000	1,000,000	-	-	99,900
Total disbursements	<u>39,728,840</u>	<u>4,192,543</u>	<u>660,552</u>	<u>496,225</u>	<u>2,298,016</u>
Excess (deficiency) of receipts over disbursements	<u>3,367,116</u>	<u>(460,317)</u>	<u>(146,426)</u>	<u>(53,672)</u>	<u>1,116,317</u>
Cash and investments - ending	<u>\$ 16,947,666</u>	<u>\$ 3,400,058</u>	<u>\$ 378,568</u>	<u>\$ 683,257</u>	<u>\$ 1,318,855</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Building Demolition	Plan Commission	Community Development	Law Enforcement Continuing Education	Parks And Recreation
Cash and investments - beginning	\$ 43,470	\$ 487,127	\$ -	\$ 259,439	\$ 1,883,676
Receipts:					
Taxes	-	236,127	-	-	3,049,465
Licenses and permits	-	86,681	-	55,490	-
Intergovernmental receipts	-	12,700	300,754	-	183,198
Charges for services	7,425	157,141	-	23,713	336,753
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	6,691	103,330
Total receipts	<u>7,425</u>	<u>492,649</u>	<u>300,754</u>	<u>85,894</u>	<u>3,672,746</u>
Disbursements:					
Personal services	-	297,437	-	-	1,793,780
Supplies	-	5,119	-	5,852	367,477
Other services and charges	-	50,293	300,754	-	868,752
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	4,367	-	-	358,510
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	75,000
Total disbursements	<u>-</u>	<u>357,216</u>	<u>300,754</u>	<u>5,852</u>	<u>3,463,519</u>
Excess (deficiency) of receipts over disbursements	<u>7,425</u>	<u>135,433</u>	<u>-</u>	<u>80,042</u>	<u>209,227</u>
Cash and investments - ending	<u>\$ 50,895</u>	<u>\$ 622,560</u>	<u>\$ -</u>	<u>\$ 339,481</u>	<u>\$ 2,092,903</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Rainy Day	Levy Excess	Cumulative Capital Improvement	Health Insurance	Police Pension
Cash and investments - beginning	\$ 5,119	\$ 89,985	\$ 425,138	\$ 147,016	\$ 574,616
Receipts:					
Taxes	-	-	-	-	867,637
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	147,984	-	2,539,128
Charges for services	-	-	-	9,000	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	421	-	-	9,890,932	-
Total receipts	421	-	147,984	9,899,932	3,406,765
Disbursements:					
Personal services	-	-	-	1,639	468,818
Supplies	-	-	-	937,180	-
Other services and charges	1	-	-	9,003,676	2,427,581
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	2,949	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	1	-	-	9,945,444	2,896,399
Excess (deficiency) of receipts over disbursements	420	-	147,984	(45,512)	510,366
Cash and investments - ending	\$ 5,539	\$ 89,985	\$ 573,122	\$ 101,504	\$ 1,084,982

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Fire Pension	Markland and Park	Washington & Lafountain	PO-212 ICAC 4/1/2011- 3/31/2013	AI-19 Road Construction
Cash and investments - beginning	\$ 934,039	\$ 1,970	\$ -	\$ 620	\$ 16,150
Receipts:					
Taxes	710,186	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	3,651,458	72,842	23,074	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	72,406	-	-
Total receipts	<u>4,361,644</u>	<u>72,842</u>	<u>95,480</u>	<u>-</u>	<u>-</u>
Disbursements:					
Personal services	9,738	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	3,739,794	128,416	52,973	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	3,404
Total disbursements	<u>3,749,532</u>	<u>128,416</u>	<u>52,973</u>	<u>-</u>	<u>3,404</u>
Excess (deficiency) of receipts over disbursements	<u>612,112</u>	<u>(55,574)</u>	<u>42,507</u>	<u>-</u>	<u>(3,404)</u>
Cash and investments - ending	<u>\$ 1,546,151</u>	<u>\$ (53,604)</u>	<u>\$ 42,507</u>	<u>\$ 620</u>	<u>\$ 12,746</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	FEMA-21 Thermal Imaging Camera	AI-20 Runway 5-23 phase 5	Neighborhood Stabilization Prog-3	PO-912 PO-99	PO215 ICAC 7/1/14- 6/30/15
Cash and investments - beginning	\$ 400	\$ 9,833	\$ 49,049	\$ 10,849	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	10,978
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	-	-	10,978
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	8,107
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	2,456
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	415
Total disbursements	-	-	-	-	10,978
Excess (deficiency) of receipts over disbursements	-	-	-	-	-
Cash and investments - ending	\$ 400	\$ 9,833	\$ 49,049	\$ 10,849	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	AI-21 Extend Runway 5-23 Phase 6	LOCAL-Local Match for FTA Grant	LOC13-Local Match for FTA13	FTA15- 2015 Grant IN-90-X677	LOC15-Local Match for FTA15FTA12A
Cash and investments - beginning	\$ 32,756	\$ 35,030	\$ 24,994	\$ -	\$ 109,805
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	335,049	-	-	1,205,742	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	1,114	90,586	11,668	-	22,325
Total receipts	336,163	90,586	11,668	1,205,742	22,325
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	367,367	72	-	564,742	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	31,563	641,000	132,130
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	367,367	72	31,563	1,205,742	132,130
Excess (deficiency) of receipts over disbursements	(31,204)	90,514	(19,895)	-	(109,805)
Cash and investments - ending	\$ 1,552	\$ 125,544	\$ 5,099	\$ -	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	DWISE-2012 DollarWise Summer Youth	Brownfield Grant	POD-5 Citizen Police Academy	Redevelopment Commission- NonTIF	PO-14 Local Bomb Squad
Cash and investments - beginning	\$ 4,000	\$ 11	\$ 10	\$ 87,680	\$ 1,361
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	168,899	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	2	-	-	-
Total receipts	-	168,901	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	168,899	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	168,899	-	-	-
Excess (deficiency) of receipts over disbursements	-	2	-	-	-
Cash and investments - ending	\$ 4,000	\$ 13	\$ 10	\$ 87,680	\$ 1,361

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PAD4 - Summer Concert Donation	POD-6 Prosecutor Annual Distribution	VOCA14-2014 Grant	NICKEL- Preliminary Engineering/ Eng Inspection	PO315 DJ-BX-0412 2015 BG
Cash and investments - beginning	\$ 8,137	\$ 3,850	\$ -	\$ -	\$ 10,000
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	2,510	49,818	7,096
Charges for services	-	28,000	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	28,000	2,510	49,818	7,096
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	27,578	2,510	31,363	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	45,141	17,096
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	27,578	2,510	76,504	17,096
Excess (deficiency) of receipts over disbursements	-	422	-	(26,686)	(10,000)
Cash and investments - ending	\$ 8,137	\$ 4,272	\$ -	\$ (26,686)	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PO314-2014 BG	PO916-DEA Overtime Reimbursement 2015-2016	PO915-DEA Overtime Reimbursement 2015	PO214 ICAC Grant 7/1/2013- 6/30/2014	SHSP16- Haz Mat Detection Equipment
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	14,000	15,006	1,177	1,696	451,591
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	45,159
Total receipts	14,000	15,006	1,177	1,696	496,750
Disbursements:					
Personal services	-	15,006	1,177	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	496,750
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	1,696	-
Total disbursements	-	15,006	1,177	1,696	496,750
Excess (deficiency) of receipts over disbursements	14,000	-	-	-	-
Cash and investments - ending	\$ 14,000	\$ -	\$ -	\$ -	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	WalMart Local Grant	AI22 Extend Runway & Taxiway Phase 7	FTA14-2014 Grant IN-90-X649	LOC14A-Local Match for Flex FTA-5310-2014	Child Advocacy Grant
Cash and investments - beginning	\$ 1,000	\$ -	\$ -	\$ 55,420	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	257,893	5,899	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	3,404	-	-	9,177
Total receipts	-	261,297	5,899	-	9,177
Disbursements:					
Personal services	-	-	-	-	-
Supplies	996	-	-	-	7,910
Other services and charges	-	261,297	-	-	395
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	5,899	34,397	872
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	996	261,297	5,899	34,397	9,177
Excess (deficiency) of receipts over disbursements	(996)	-	-	(34,397)	-
Cash and investments - ending	\$ 4	\$ -	\$ -	\$ 21,023	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	FTA14A FLEX FTA-5310-2014	OCRA- Howard Convention Visitor Bureau	MLK- Dr MLK Memorial Comm	TIF1- Redevelopment Comm Downtown TIF	TIF- Redevelopment Comm West-Side Expansion
Cash and investments - beginning	\$ -	\$ -	\$ 7	\$ 14,819	\$ 326,222
Receipts:					
Taxes	-	-	-	-	475,909
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	137,593	-	-	-	-
Charges for services	-	150,000	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	28,921	54,501	-	-
Total receipts	137,593	178,921	54,501	-	475,909
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	178,921	54,500	-	330,000
Debt service - principal and interest	-	-	-	-	-
Capital outlay	137,593	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	50,000
Total disbursements	137,593	178,921	54,500	-	380,000
Excess (deficiency) of receipts over disbursements	-	-	1	-	95,909
Cash and investments - ending	\$ -	\$ -	\$ 8	\$ 14,819	\$ 422,131

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Economic Development Commission	Payment in Lieu of Sidewalk	AI23 Analyze Runway 14-32 5-23	Blight Elimination Program	Brownfield Revolving Loan
Cash and investments - beginning	\$ 598,984	\$ 10,000	\$ -	\$ 66	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	52,887	872,122	26,461
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	2,154,900	-	-	684	-
Total receipts	2,154,900	-	52,887	872,806	26,461
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	620	-
Other services and charges	2,656,664	-	50,235	855,600	26,461
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	1,114	137	-
Total disbursements	2,656,664	-	51,349	856,357	26,461
Excess (deficiency) of receipts over disbursements	(501,764)	-	1,538	16,449	-
Cash and investments - ending	\$ 97,220	\$ 10,000	\$ 1,538	\$ 16,515	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Police Equitable Sharing	AI24 Taxiway C & D Rehabilitation	PO415 Nonmotorist Safety Grant	PO416 Motorcycle High Visibility Enforcement	PO116 Equipment (Evidence Locker) Grant
Cash and investments - beginning	\$ 18,525	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	212,836	6,719	7,926	17,250
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	21,397	34,264	-	-	-
Total receipts	21,397	247,100	6,719	7,926	17,250
Disbursements:					
Personal services	-	-	3,585	7,926	-
Supplies	3,072	-	-	-	-
Other services and charges	-	236,485	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	3,134	-	17,250
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	3,072	236,485	6,719	7,926	17,250
Excess (deficiency) of receipts over disbursements	18,325	10,615	-	-	-
Cash and investments - ending	\$ 36,850	\$ 10,615	\$ -	\$ -	\$ -

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PO216 ICAC 7/1/2015- 6/30/2016	HLPARK Rebuild Highland Park	PAD5 Park & Recreation Foundation	TIF3- North Main Street	TIF4- South East Side
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	29,695	903,120
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	9,024	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	60,085	92	-	-
Total receipts	<u>9,024</u>	<u>60,085</u>	<u>92</u>	<u>29,695</u>	<u>903,120</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	1,612	-	-	-	-
Other services and charges	1,334	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	6,156	-	-	-	363,650
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>9,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,650</u>
Excess (deficiency) of receipts over disbursements	<u>(78)</u>	<u>60,085</u>	<u>92</u>	<u>29,695</u>	<u>539,470</u>
Cash and investments - ending	<u>\$ (78)</u>	<u>\$ 60,085</u>	<u>\$ 92</u>	<u>\$ 29,695</u>	<u>\$ 539,470</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	LOIT Special Distribution	Community Crossing Grant	MVH- Rainy Day Restricted	VOCA15 2015-2016 Grant	MRKD22 Markland & SR22
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	1,078,532	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	29,738	69,403
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	650,000	1,000,000	5,000	70,000
Total receipts	<u>1,078,532</u>	<u>650,000</u>	<u>1,000,000</u>	<u>34,738</u>	<u>139,403</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	575,450	-	34,738	100,530
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	650,000	-	-	-	-
Total disbursements	<u>650,000</u>	<u>575,450</u>	<u>-</u>	<u>34,738</u>	<u>100,530</u>
Excess (deficiency) of receipts over disbursements	<u>428,532</u>	<u>74,550</u>	<u>1,000,000</u>	<u>-</u>	<u>38,873</u>
Cash and investments - ending	<u>\$ 428,532</u>	<u>\$ 74,550</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 38,873</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	FTA12A 2012 IN-95-X043	FTA16 2016 IN-2016-034-00	FTA13 2013 IN-90-X641	Traveler Settlement - Dixon Site	Redevelopment Commission
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 484,028
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	3,364	55,630	100,000	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	1,543,625	246,850
Total receipts	3,364	55,630	100,000	1,543,625	246,850
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	18,444	-	21,229	235,974
Debt service - principal and interest	-	-	-	-	-
Capital outlay	3,364	37,186	100,000	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	480,000
Total disbursements	3,364	55,630	100,000	21,229	715,974
Excess (deficiency) of receipts over disbursements	-	-	-	1,522,396	(469,124)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,522,396	\$ 14,904

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Cemetery Operating	Se-1 10% of State-PMTF	Se-1 Area 5 and State PMTF	Rehab Appersonway/ Jackson Park	Rotary Fuel
Cash and investments - beginning	\$ 492,882	\$ 192,804	\$ 20,800	\$ 600	\$ 58,655
Receipts:					
Taxes	236,122	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	12,700	-	27,390	-	-
Charges for services	98,636	-	-	-	266,200
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	77,942	23,312	-	-
Total receipts	347,458	77,942	50,702	-	266,200
Disbursements:					
Personal services	383,260	-	-	-	-
Supplies	22,617	-	29,493	-	204,099
Other services and charges	46,594	-	32,193	-	3,576
Debt service - principal and interest	-	-	-	-	-
Capital outlay	2,789	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	44,195
Total disbursements	455,260	-	61,686	-	251,870
Excess (deficiency) of receipts over disbursements	(107,802)	77,942	(10,984)	-	14,330
Cash and investments - ending	\$ 385,080	\$ 270,746	\$ 9,816	\$ 600	\$ 72,985

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Court Drug Restitution	Dad-1 Early Learning Center Donations	Fid-1 Fire Donations	Pod-1 Police Donations	Pod-2 Police DARE Donations
Cash and investments - beginning	\$ 12,741	\$ 3,483	\$ 7,490	\$ 12,897	\$ 1,340
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	560	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	833	12,623	-
Total receipts	560	-	833	12,623	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	5,513	-
Other services and charges	2,616	-	3,203	5,709	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	2,616	-	3,203	11,222	-
Excess (deficiency) of receipts over disbursements	(2,056)	-	(2,370)	1,401	-
Cash and investments - ending	\$ 10,685	\$ 3,483	\$ 5,120	\$ 14,298	\$ 1,340

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Sed-1 Senior Citizens Donations	Sed-2 Senior Center Activities Donation	Cad-1 Miscellaneous Donations	Haynes Museum Donation	Pad-1 Park and Dog Walk
Cash and investments - beginning	\$ 19,994	\$ 57,596	\$ 1,313	\$ 25,655	\$ 57,369
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	1,934	9,868	1,450	3,460	19,112
Total receipts	1,934	9,868	1,450	3,460	19,112
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	1,163	766	3,981
Other services and charges	2,097	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	2,097	-	1,163	766	3,981
Excess (deficiency) of receipts over disbursements	(163)	9,868	287	2,694	15,131
Cash and investments - ending	\$ 19,831	\$ 67,464	\$ 1,600	\$ 28,349	\$ 72,500

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Kod-1 Aquatic Center Donations	Pad-3 Park and Dog Walk	Pad-2 Park - Highland Donations	Pod-3 Police - K9 Donations	FEMA-15
Cash and investments - beginning	\$ 27,741	\$ 3,146	\$ 2,954	\$ 2,927	\$ 770
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	1,750	-	689	11,666	-
Total receipts	1,750	-	689	11,666	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	160	-	812	-	-
Other services and charges	-	-	-	14,267	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	160	-	812	14,267	-
Excess (deficiency) of receipts over disbursements	1,590	-	(123)	(2,601)	-
Cash and investments - ending	\$ 29,331	\$ 3,146	\$ 2,831	\$ 326	\$ 770

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PO-4 PO-7 Operation Pull Over	PO-6 DUI Grant	PO-5 Bullet Proof Vest Grant	Tr-1 Handicapped Transportation	Mayor's Handicapped & Mental Health Council
Cash and investments - beginning	\$ -	\$ -	\$ 1,642	\$ 49,265	\$ 1,575
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	24,021	9,830	4,132	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	24,021	9,830	4,132	-	-
Disbursements:					
Personal services	24,021	9,830	-	-	-
Supplies	-	-	5,852	-	149
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	24,021	9,830	5,852	-	149
Excess (deficiency) of receipts over disbursements	-	-	(1,720)	-	(149)
Cash and investments - ending	\$ -	\$ -	\$ (78)	\$ 49,265	\$ 1,426

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Continuing Thoroughfare	Special Revenue - Kgov	Howard County Local Coordinating Council	FTA Transit Center	Special Revenue- Barrett Law Surplus
Cash and investments - beginning	\$ 59,099	\$ 508	\$ 6,335	\$ 151,423	\$ 14,757
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	63,002	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	35,427
Total receipts	-	-	-	63,002	35,427
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	150	-	4,057	-
Other services and charges	-	-	-	25,923	147
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	4,195	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	150	-	34,175	147
Excess (deficiency) of receipts over disbursements	-	(150)	-	28,827	35,280
Cash and investments - ending	\$ 59,099	\$ 358	\$ 6,335	\$ 180,250	\$ 50,037

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Special Revenue- Barrett Law Revolving	Certified Technology Park	USDA Small Business RLF Program	Dixon	Energy Grant
Cash and investments - beginning	\$ 186,948	\$ -	\$ 75,569	\$ 8,178	\$ 5
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	174,875	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	136	-	10,960	-	-
Total receipts	136	174,875	10,960	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	113,372	174,875	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	113,372	174,875	-	-	-
Excess (deficiency) of receipts over disbursements	(113,236)	-	10,960	-	-
Cash and investments - ending	\$ 73,712	\$ -	\$ 86,529	\$ 8,178	\$ 5

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Special Revenue - Other	Payroll	Cemetery Trust	Ked-1 Kokomo Economic Development	EDA Revolving Loan Fund
Cash and investments - beginning	\$ 166,492	\$ 760,816	\$ 3,171	\$ 23,222	\$ 572,047
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	4,500	12,297,476	3	-	52,172
Total receipts	4,500	12,297,476	3	-	52,172
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	80	-	-
Other services and charges	-	-	-	-	215
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	12,313,474	-	-	-
Total disbursements	-	12,313,474	80	-	215
Excess (deficiency) of receipts over disbursements	4,500	(15,998)	(77)	-	51,957
Cash and investments - ending	\$ 170,992	\$ 744,818	\$ 3,094	\$ 23,222	\$ 624,004

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	LCC-4	UPI Trust Fund	Wastewater Utility- Barrett Law Surplus	Wastewater Utility- Operating	Wastewater Utility- Bond and Interest
Cash and investments - beginning	\$ 1,186	\$ 198	\$ 38,198	\$ 10,827,715	\$ 282,251
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	6,000	11,850,085	-
Penalties	-	-	-	348,798	-
Other receipts	-	-	42	543,892	1,231,585
Total receipts	-	-	6,042	12,742,775	1,231,585
Disbursements:					
Personal services	-	-	-	4,159,135	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	166,102	-
Debt service - principal and interest	-	-	-	3,102,887	-
Capital outlay	-	-	-	975,306	-
Utility operating expenses	-	-	-	5,923,783	-
Other disbursements	-	-	-	7,743,042	282,251
Total disbursements	-	-	-	22,070,255	282,251
Excess (deficiency) of receipts over disbursements	-	-	6,042	(9,327,480)	949,334
Cash and investments - ending	\$ 1,186	\$ 198	\$ 44,240	\$ 1,500,235	\$ 1,231,585

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Wastewater Utility- Depreciation/ Improvement	Sewer Improvements	Wastewater Utility- Debt Reserve	Wastewater Utility- Extension & Betterment	Totals
Cash and investments - beginning	\$ 2,243,851	\$ 725,625	\$ 1,331,899	\$ 53,843	\$ 44,259,562
Receipts:					
Taxes	-	-	-	-	39,092,621
Licenses and permits	-	-	-	-	270,634
Intergovernmental receipts	-	-	-	-	28,115,574
Charges for services	-	-	-	-	1,838,345
Fines and forfeits	-	-	-	-	232,031
Utility fees	-	-	-	188,750	12,044,835
Penalties	-	-	-	-	348,798
Other receipts	7,382,014	-	-	-	39,682,156
Total receipts	7,382,014	-	-	188,750	121,624,994
Disbursements:					
Personal services	-	-	-	-	35,483,759
Supplies	-	-	-	-	3,964,418
Other services and charges	-	-	-	-	35,891,654
Debt service - principal and interest	-	-	-	-	3,394,034
Capital outlay	719,527	-	-	-	6,044,684
Utility operating expenses	-	-	-	817	5,924,600
Other disbursements	22,323	725,625	389,524	241,776	25,623,876
Total disbursements	741,850	725,625	389,524	242,593	116,327,025
Excess (deficiency) of receipts over disbursements	6,640,164	(725,625)	(389,524)	(53,843)	5,297,969
Cash and investments - ending	\$ 8,884,015	\$ -	\$ 942,375	\$ -	\$ 49,557,531

CITY OF KOKOMO
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 133,999	\$ 1,297,535
Governmental activities	<u>610,477</u>	<u>324,571</u>
Totals	<u>\$ 744,476</u>	<u>\$ 1,622,106</u>

CITY OF KOKOMO
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Kokomo Community Development Corporation	EDIT 2014C Sport Stadium & Flood Mitigation	\$ 938,000	1/15/2015	7/15/2029
Total of annual lease payments		<u>\$ 938,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	EDIT 2015 Rev Bond - YMCA	\$ 3,060,000	\$ 257,774
Revenue bonds	EDIT 2016 Rev Bond Series B - Apartment	4,700,000	176,250
Revenue bonds	TIF 2016 Rev Bond Series A - Apartment	<u>3,400,000</u>	<u>92,537</u>
Total governmental activities		<u>11,160,000</u>	<u>526,561</u>
Wastewater:			
Revenue bonds	WWU 2012 Refunding (Retired SRF I and SRF II Bond)	8,100,000	1,827,437
Revenue bonds	WWU 2014 Refunding (Retired WWU 2005 Revenue Bond)	8,180,000	920,000
Revenue bonds	WWU 2016 Refunding (Retired WWU 2008 Revenue Bond)	<u>3,680,000</u>	<u>258,084</u>
Total Wastewater		<u>19,960,000</u>	<u>3,005,521</u>
Totals		<u>\$ 31,120,000</u>	<u>\$ 3,532,082</u>

CITY OF KOKOMO
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2016

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 21,108,646
Infrastructure	93,133,935
Buildings	22,028,665
Improvements other than buildings	4,110,485
Machinery, equipment, and vehicles	<u>27,095,413</u>
Total governmental activities	<u>167,477,144</u>
Wastewater:	
Land	142,228
Infrastructure	93,076,536
Buildings	19,284,536
Improvements other than buildings	903,766
Machinery, equipment, and vehicles	20,702,942
Construction in progress	<u>1,585,324</u>
Total Wastewater	<u>135,695,332</u>
Total capital assets	<u>\$ 303,172,476</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CITY OF KOKOMO, HOWARD COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Kokomo'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, 2016. 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, 2016.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, which we consider to be a material weakness.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

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

September 27, 2018

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 KOKOMO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

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	Passed Through to Subrecipient	Total Federal Awards Expended
Department of Agriculture					
Urban and Community Forestry Program DNR14 2014 Urban Tree	Indiana Department of Natural Resources	10.675	EDS #E9-15-UTREE6	\$ -	\$ 13,436
Total - Department of Agriculture				-	13,436
Department of Commerce					
Economic Development Cluster Economic Adjustment Assistance EDA Revolving Loan	Direct Grant	11.307		-	1,143,729
Total - Department of Commerce				-	1,143,729
Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants HUD CDBG 2014 HUD-CDBG 2015 HUD CDBG 2016	Direct Grant	14.218	B14-MC-18-0014 B15-MC-18-0014 B16-MC-18-0014	- 39,896 12,570	13,204 213,498 74,053
Total - Department of Housing and Urban Development				52,467	300,755
Department of Justice					
Missing Children's Assistance PO-214 ICAC PO-215 ICAC PO-216 ICAC	Indiana Criminal Justice Institute	16.543	2011-MC-CX-K005 2014-MC-FX-K018 2014-MC-FX-K018	- - -	1,694 10,978 9,024
Total - Missing Children's Assistance				-	21,696
Crime Victim Assistance VOCA 2014 Grant VOCA 2015 Grant	Indiana Criminal Justice Institute	16.575	2014-VA-GX-0062 2014-VA-GX-0062	- -	2,510 29,738
Total - Crime Victim Assistance				-	32,248
Bulletproof Vest Partnership Program Bulletproof vest 50/50 partnership PO-5	Direct Grant	16.607	FY2014	-	4,132
Edward Byrne Memorial Justice Assistance Grant Program PO315 Block Grant 2015 PO116 KPD Evidence Locker	Direct Grant Indiana Criminal Justice Institute	16.738	2015-DJ-BX-0412 EDS# D3-16-10774	- -	17,096 17,250
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	34,346
Total - Department of Justice				-	92,422
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction MARKLAND & PARK Nickel Plate Trail- Prelim Eng and Inspection Eng Lincoln Preliminary Engineering MARKLAND & SR 22 Wayfinding Signage	Indiana Department of Transportation	20.205	DES# 1006003 DES# 1172473 DES# 1401818 DES# 1401820 EDES# A249-13-320673	- - - - -	153,705 49,818 23,074 69,403 20,928
Total - Highway Planning and Construction Cluster				-	316,928
Federal Transit Cluster					
Federal Transit Capital Investment Grants Federal Transit Formula Grants Federal Transit Formula Grant 2013 Federal Transit Formula Grant 2014 Federal Transit Formula Grant 2015 Federal Transit Grant Federal Transit Formula Grant 2016	Indiana Department of Transportation Direct Grant	20.500 20.507	800160001 IN-90-X641-00 IN-90-X649-00 IN-90-X677-00 IN-95-X043-00 IN-2016-034-00	- - - - - -	2,382 100,000 5,899 1,205,742 3,364 55,630
Total - Federal Transit Formula Grants				-	1,370,635
Total - Federal Transit Cluster				-	1,373,017

CITY OF KOKOMO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

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	Passed Through to Subrecipient	Total Federal Awards Expended
Transit Services Programs Cluster Enhanced Mobility of Seniors and Individuals with Disabilities Federal Transit Flex Grant 2014 SECTION 5310	Indiana Department of Transportation	20.513	EDS# 15320067	-	134,615
Highway Safety Cluster State and Community Highway Safety Operation Pull Over Enforcement Grant	Indiana Criminal Justice Institute	20.600	Grant ID 4243	-	24,021
Alcohol Impaired Driving Countermeasures Incentive Grants I PO416 Motorcycle High Visibility Enforcement Grant PO-6 DUJ-Task Force	Indiana Criminal Justice Institute Howard County	20.601	EDS# D3-16-10914 FY2016	- -	7,926 9,830
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				-	17,756
Occupant Protection Incentive Grants PO415 Nonmotorist Safety	Indiana Criminal Justice Institute	20.602	EDS# D3-16-10262	-	6,719
Total - Highway Safety Cluster				-	48,496
Airport Improvement Program AI-21 Extend Runway 5-23 Phase 6 AI-22 Extend Runway & Taxiway Phase 7 AI-23 Runway Pavement Analysis 5-23 and 14-32 AI-24 Taxiway C & D Rehabilitation	Direct Grant	20.106	3-18-0044-21 3-18-0044-22 3-18-0044-23 3-18-0044-24	- - - -	330,630 248,232 45,387 212,836
Total - Airport Improvement Program				-	837,085
Total - Department of Transportation				-	2,710,141
<u>Environmental Protection Agency</u> Brownfields Assessment and Cleanup Cooperative Agreements Brownfield Grant Brownfield Grant Brownfield Revolving Loan	Direct Grant	66.818	BF-00E01157 BF-00E01545 BF-00E01364	- - -	52,502 116,397 26,461
Total - Environmental Protection Agency				-	195,360
<u>Department of Energy</u> State Energy Program Wastewater Treatment Plant Grant-Centrifuge Project	Indiana Office of Energy Development	81.041	BU7-16-WTP-0004	-	84,458
Total - Department of Energy				-	84,458
<u>Department of Health and Human Services</u> Aging Cluster Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers Title III part B Area 5	Area Five on Aging and Community Services, Inc.	93.044	2015/2016	-	27,390
Total - Department of Health and Human Services				-	27,390
<u>Department of Homeland Security</u> Assistance to Firefighters Grant FEMA22	Direct Grant	97.044	EMW-2015-FO-01607	-	451,591
Total - Department of Homeland Security				-	451,591
Total federal awards expended				\$ 52,467	\$ 5,019,282

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

CITY OF KOKOMO
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, 2016. 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* (Uniform Guidance). 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 minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Calculation of Economic Development Cluster Expenditures on the SEFA

The reported expenditures were calculated as follows in accordance with guidance by the grantor:

Revolving Loan Fund (RLF):		
Outstanding loans as of December 31, 2016	\$ 644,574	
Cash and Investments as of December 31, 2016	624,004	
Administrative expenses paid out of RLF income during 2016	215	
Unpaid principal on loans written off during 2016	<u>256,941</u>	
Subtotal		1,525,734
Calculation of Federal Participation Rate (FPR):		
Original grant	500,000	
Original match (In-Kind)	<u>167,000</u>	
Subtotal	<u>667,000</u>	
FPR - Original grant awarded divided by total including original match		<u>74.9625%</u>
Expenditures reported on the SEFA		<u><u>\$ 1,143,728</u></u>

CITY OF KOKOMO
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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that is required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
20.106	Economic Development Cluster	Unmodified
97.044	Airport Improvement Program	Unmodified
	Assistance to Firefighters Grant	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001

Subject: Airport Improvement Program - Cash Management
 Federal Agency: Department of Transportation
 Federal Program: Airport Improvement Program
 CFDA Number: 20.106
 Federal Award Numbers and Years (or Other Identifying Number): 3-18-0044-21, 3-18-0044-22
 Compliance Requirement: Cash Management
 Audit Findings: Material Weakness, Other Matters

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

Condition

The City did not have an effective system of control in place over cash management for the Airport Improvement Program during the audit period to prevent, or detect and correct, noncompliance from occurring.

The City received \$250,754 from the Department of Transportation on October 13, 2016, to pay costs related to this grant, but the City did not make payment of program costs until November 23, 2016.

Context

The failure of controls and noncompliance were limited to this instance.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.305 Payment, Subpart (b) states in part:

"For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Cash Management compliance requirement.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Randall J. Morris, Controller
Contact Phone Number: (765) 456-7450

Status of Audit Finding:

The City of Kokomo has implemented an internal control to provide oversight and review of the customer accounts adjustments.

While it is difficult to have a segregation of duties in a small office, steps have been taken to prevent one person from having both access to assets and responsibility for maintaining the accountability of those assets.

The controls are implemented in October 2016 after the completion of the 2014 and 2015 field work audit.

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2014
Federal Grantor Agency: Department of Commerce
Contact Person Responsible for Corrective Action: Randall J. Morris, Controller
Contact Phone Number: (765) 456-7450

Status of Audit Finding:


The City of Kokomo has implemented an internal control to provide oversight, review and approval of the semi-annual calculations of capital utilization. This control was implemented in October 2016 after the completion of the 2014 and 2015 field work audit.

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2015
Federal Grantor Agency: Department of Transportation
Contact Person Responsible for Corrective Action: Randall J. Morris, Controller
Contact Phone Number: (765) 456-7450

Status of Audit Finding:

As of October 15, 2016 the City of Kokomo has implemented an internal control where the consultant has to report to the airport board at its monthly meeting that the consultant was receiving the weekly payrolls from the contractors and that the payrolls are in compliance with the wage rate requirements.



(Signature)

Controller ✓

(Title)

7/30/18

(Date)



CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action:
Contact Phone Number:

Randall J. Morris, Controller
(765) 456-7450

Description of Corrective Action Plan: The city was aware of this internal control weakness and additional controls have been put in place to ensure that the disbursements are paid within 3 business days of the receipt of FAA payments.

Completion Date: Dec 1, 2016

A handwritten signature in black ink, appearing to read 'Randall J. Morris', written over a horizontal line.

Randall J. Morris
City Controller, City of Kokomo

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/>.