

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

ANNUAL FINANCIAL REPORT

2010

CITY OF KOKOMO

HOWARD COUNTY, INDIANA



FILED
06/14/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	James J. Brannon	01-01-08 to 12-31-11
Mayor	Gregory Goodnight	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	James J. Brannon	01-01-08 to 12-31-11
President of the Common Council	John M. Kennedy	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Christopher Cooper	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statement of the City of Kokomo (City), for the year ended December 31, 2010. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the 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 includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

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, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 23, 2011, 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 and should be considered in assessing the results of our audit.

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 the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt 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.

This report is intended solely for the information and use of the City's management, common council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 23, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statement of the City of Kokomo (City), for the year ended December 31, 2010, and have issued our report thereon dated May 23, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

This report is intended solely for the information and use of the City's management, common council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 23, 2011

FINANCIAL STATEMENT(S)

CITY OF KOKOMO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 5,907,649	\$ 31,495,981	\$ 33,567,408	\$ 3,836,222
Redevelopment Commission	-	25,201	12,987	12,214
Motor Vehicle Highway	1,198,143	3,051,031	2,916,938	1,332,236
Local Road And Street	485,284	463,094	400,000	548,378
Cemetery Operating	77,848	372,329	363,542	86,635
Aviation	218,553	524,736	511,929	231,360
Economic Development Operating	2,513,782	1,971,856	2,755,970	1,729,668
Building Demolition	14,851	6,779	-	21,630
Plan Commission	162,446	241,864	295,689	108,621
Community Development	13,928	1,198,934	1,182,972	29,890
Law Enforcement Continuing Ed	86,635	41,685	21,173	107,147
Parks And Recreation	759,545	2,450,274	2,645,289	564,530
Rainy Day	-	846,790	91,448	755,342
Levy Excess	-	93,090	-	93,090
Local Government Grant Se-1	-	58,626	24,222	34,404
Local Government Area 5 And State Pmtf Se-1	74,629	85,228	157,542	2,315
Rehab Appersonway/Jackson Park	-	955	-	955
Rotary Fuel	78,772	322,568	356,114	45,226
Court Drug Restitution Cdr	51,836	759	20,985	31,610
Early Learning Ctr Dad-1	3,483	-	-	3,483
Emergency Management Emd-1	10,782	13,040	14,747	9,075
Fire Fid-1	2,057	2,010	3,229	838
Arson Dog Fid-2	394	-	394	-
Police Pod-1	120	1,130	7	1,243
Dare Pod-2	4,405	-	-	4,405
Senior Citizen Center Sed-1	23,236	3,061	2,592	23,705
Senior Citizen Activitiessed-2	12,114	7,390	4,284	15,220
Miscellaneous General Cad-1	1,514	6,500	1,500	6,514
Haynes Museum Hmd-1	7,945	3,036	2,000	8,981
Park Pad-1	33,459	18,573	9,387	42,645
Aquatic Center Kod-1	32,457	3,273	32,424	3,306
Dog Park Pad-3	91	-	20	71
Park Vending Machine Pad-2	27	892	586	333
K9 Pod-3	710	6,895	163	7,442
Airport Improvement Ai-08 To Ai-12	3,322	-	-	3,322
Acquired Land Right Of Way Ai-14	40,530	84,923	121,444	4,009
Apron Reconstruction Ai-15	390	-	-	390
Land Acquisition Ai-16	5,674	44,021	45,150	4,545
Flood Hazard Mitigation Fema-15	770	-	-	770
Other Grants Po-14, Po-26, Po-Lcc	1,122	-	-	1,122
Explosive Mitigation Eq Po-28B, Po-29B	-	28,840	32,340	(3,500)
Block Grant 2007 Po-37	1	-	1	-
Block Grant 2008 Po-38	3,179	-	2,648	531
Operation Pullover Po-4, Po-7	(5,447)	26,594	24,509	(3,362)
DUI Grant PO-6	(1,132)	10,186	9,785	(731)
Bulletproof Vest Po-5	-	1,760	1,760	-
Transportation Tr-1	49,265	-	-	49,265
Grants Mayors Council Ma-1, Ma-3	3,339	-	210	3,129
Runway Extension Planning Ai-13	(109)	-	-	(109)
Continuing Throughfare	55,909	-	-	55,909
Special Revenue - Kgov	3,283	246	1,300	2,229

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

CITY OF KOKOMO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Local Solicitation Po-89 Gr#09-Sb-B9-2231	-	120,509	120,509	-
Block Grant 2009 Po-39	42,926	-	40,865	2,061
Internet Crimes Against Children Po-25, Po-28, Po-28D, Po-29A	(7,425)	20,738	22,543	(9,230)
Byrne Grant 2009 Po-99	(22,893)	25,894	-	3,001
Howard Co Local Coor Council	6,335	-	-	6,335
Fta-Arra Stimulus Fund	-	1,000,206	1,000,206	-
Fta-Transit Center	-	32,160	13,333	18,827
Cops Hiring Recovery Program	300,000	157,664	541,047	(83,383)
Neighborhood Stabilization Program	86	2,134,043	2,003,697	130,432
Cdbg-Recovery	-	21,331	21,331	-
Special Revenue-Barrett Law Surplus	165,244	30,336	415	195,165
Special Revenue-Barrett Law Revlvg	18,100	109	-	18,209
Certified Technology Park	-	501,976	501,976	-
Usda Small Bus Rif Program	2,651	159,492	120,024	42,119
Creek Enclosure Ai-17	-	1,804,700	1,808,785	(4,085)
Stream Mitigation Ai-18	-	1,142,085	1,120,055	22,030
Pulse Oxymeter Fema-8	-	45,448	44,920	528
Staffing For Adequate Fire & Emergency Response Grants- SAFER	-	-	199,783	(199,783)
Mobile Radios Fema-9	-	304,118	304,548	(430)
Federal Transit Grants Fta-10 In-90-X596	-	864,708	864,775	(67)
Federal Transit Grants Fta-10A In-90-X027	-	96,080	96,080	-
Federal Transit Grants Fta-8 In-90-X553	-	30,050	30,050	-
Federal Transit Grants Fta-9 In-90-X576	-	264,222	264,222	-
Dixon Road Phase 5	-	70,043	-	70,043
Auto Defibrator Po-110	-	36,159	36,159	-
Byrne Grant Po-910	-	25,895	39,060	(13,165)
Internet Crimes Against Children Po-210	-	14,752	14,796	(44)
Fed Grants #10-Energy Grant	-	214,616	214,611	5
Special Revenue - Other	136,292	4,950	-	141,242
Cumulative Capital Improvement	752,686	135,017	277,290	610,413
2010 Edit Revenue Bond	-	1,000,000	15,520	984,480
Health Insurance	2,620,775	8,573,406	8,828,884	2,365,297
Police Pension	1,976,055	2,683,179	2,772,818	1,886,416
Fire Pension	2,847,472	4,058,715	4,248,419	2,657,768
Payroll	1,172,185	150,504	-	1,322,689
Cemetery Trust	3,633	22	43	3,612
Kokomo Economic Development Ked-1	23,222	-	-	23,222
Eda Revolving Loan Fund	940,884	123,117	583,778	480,223
Community Drug Foundation Lcc-4	1,186	-	-	1,186
Technology Development Fund	-	180,000	180,000	-
Upi Trust Fund	198	-	-	198
Wastewater Utility-Operating	6,955,626	14,199,377	11,937,672	9,217,331
Wastewater Utility-Deprec/Improve	2,214,833	8,609	-	2,223,442
2005 And 2008 Revenue Bonds	148,683	99	148,782	-
Sewer Improvements	1,000,000	-	-	1,000,000
Wastewater Utility-Debt Reserve	1,614,150	-	-	1,614,150
Wastewater Utility-Ext & Betterment	1,775,202	73,600	81,834	1,766,968
Totals	<u>\$ 36,624,897</u>	<u>\$ 83,822,079</u>	<u>\$ 84,133,518</u>	<u>\$ 36,313,458</u>

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

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT(S)

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(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution 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.

Fines and forfeits which include receipts derived 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 which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are 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 statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services 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: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include 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.

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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

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 KOKOMO
NOTES TO FINANCIAL STATEMENT(S)
(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, 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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent 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 PERF 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.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

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

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 Public Employees' Retirement Fund 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 Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

CITY OF KOKOMO
NOTES TO FINANCIAL STATEMENT(S)
(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 Employees' Retirement Plan (PERF) 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.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Kokomo's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Redevelopment Commission	Motor Vehicle Highway	Local Road And Street	Cemetery Operating	Aviation	Economic Development Operating
Cash and investments - beginning	\$ 5,907,649	\$ -	\$ 1,198,143	\$ 485,284	\$ 77,848	\$ 218,553	\$ 2,513,782
Receipts:							
Taxes	22,110,568	-	1,144,806	-	276,098	279,802	-
Licenses and permits	60,572	-	-	-	-	-	-
Intergovernmental	8,312,624	-	1,867,230	421,510	18,512	18,760	1,945,962
Charges for services	650,085	-	7,559	41,584	77,719	226,174	-
Fines and forfeits	74,725	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	287,407	25,201	31,436	-	-	-	25,894
Total receipts	31,495,981	25,201	3,051,031	463,094	372,329	524,736	1,971,856
Disbursements:							
Personal services	26,291,755	-	625,783	-	304,416	313,338	-
Supplies	1,117,749	-	1,079,810	-	20,214	39,696	-
Other services and charges	2,687,356	12,987	806,369	400,000	29,397	158,895	2,003,574
Debt service - principal and interest	2,077,016	-	-	-	-	-	-
Capital outlay	1,390,337	-	404,976	-	9,515	-	752,396
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,195	-	-	-	-	-	-
Total disbursements	33,567,408	12,987	2,916,938	400,000	363,542	511,929	2,755,970
Excess (deficiency) of receipts over disbursements	(2,071,427)	12,214	134,093	63,094	8,787	12,807	(784,114)
Cash and investments - ending	<u>\$ 3,836,222</u>	<u>\$ 12,214</u>	<u>\$ 1,332,236</u>	<u>\$ 548,378</u>	<u>\$ 86,635</u>	<u>\$ 231,360</u>	<u>\$ 1,729,668</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Building Demolition	Plan Commission	Community Development	Law Enforcement Continuing Ed	Parks And Recreation	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 14,851	\$ 162,446	\$ 13,928	\$ 86,635	\$ 759,545	\$ -	\$ -
Receipts:							
Taxes	-	85,230	-	-	1,931,009	-	-
Licenses and permits	-	30,835	-	18,100	-	-	-
Intergovernmental	-	5,715	1,198,934	-	129,459	835,044	-
Charges for services	3,583	115,958	-	12,847	360,405	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,196	4,126	-	10,738	29,401	11,746	93,090
Total receipts	6,779	241,864	1,198,934	41,685	2,450,274	846,790	93,090
Disbursements:							
Personal services	-	276,886	163,467	-	1,663,365	-	-
Supplies	-	2,485	3,478	21,143	269,755	28	-
Other services and charges	-	15,581	1,016,027	30	500,766	19	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	737	-	-	211,403	91,401	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	295,689	1,182,972	21,173	2,645,289	91,448	-
Excess (deficiency) of receipts over disbursements	6,779	(53,825)	15,962	20,512	(195,015)	755,342	93,090
Cash and investments - ending	<u>\$ 21,630</u>	<u>\$ 108,621</u>	<u>\$ 29,890</u>	<u>\$ 107,147</u>	<u>\$ 564,530</u>	<u>\$ 755,342</u>	<u>\$ 93,090</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Local Government Grant Se-1	Local Government Area 5 and State PMTF Se-1	Rehab Appersonway/Jackson Park	Rotary Fuel	Court Drug Restitution Cdr	Early Learning Ctr Dad-1	Emergency Management Emd-1
Cash and investments - beginning	\$ -	\$ 74,629	\$ -	\$ 78,772	\$ 51,836	\$ 3,483	\$ 10,782
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	78,976	-	-	-	-	-
Charges for services	-	-	-	322,568	-	-	-
Fines and forfeits	-	-	-	-	759	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	58,626	6,252	955	-	-	-	13,040
Total receipts	58,626	85,228	955	322,568	759	-	13,040
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	21,757	-	274,813	15,467	-	13,907
Other services and charges	14,954	48,340	-	81,301	1,158	-	840
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	9,268	28,820	-	-	4,360	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	58,625	-	-	-	-	-
Total disbursements	24,222	157,542	-	356,114	20,985	-	14,747
Excess (deficiency) of receipts over disbursements	34,404	(72,314)	955	(33,546)	(20,226)	-	(1,707)
Cash and investments - ending	<u>\$ 34,404</u>	<u>\$ 2,315</u>	<u>\$ 955</u>	<u>\$ 45,226</u>	<u>\$ 31,610</u>	<u>\$ 3,483</u>	<u>\$ 9,075</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fire Fid-1	Arson Dog Fid-2	Police Pod-1	Dare Pod-2	Senior Citizen Center Sed-1	Senior Citizen Activitiessed-2	Miscellaneous General Cad-1
Cash and investments - beginning	\$ 2,057	\$ 394	\$ 120	\$ 4,405	\$ 23,236	\$ 12,114	\$ 1,514
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,010	-	1,130	-	3,061	7,390	6,500
Total receipts	<u>2,010</u>	<u>-</u>	<u>1,130</u>	<u>-</u>	<u>3,061</u>	<u>7,390</u>	<u>6,500</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	7	-	-	4,284	1,500
Other services and charges	3,229	394	-	-	2,592	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,229</u>	<u>394</u>	<u>7</u>	<u>-</u>	<u>2,592</u>	<u>4,284</u>	<u>1,500</u>
Excess (deficiency) of receipts over disbursements	<u>(1,219)</u>	<u>(394)</u>	<u>1,123</u>	<u>-</u>	<u>469</u>	<u>3,106</u>	<u>5,000</u>
Cash and investments - ending	<u>\$ 838</u>	<u>\$ -</u>	<u>\$ 1,243</u>	<u>\$ 4,405</u>	<u>\$ 23,705</u>	<u>\$ 15,220</u>	<u>\$ 6,514</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Haynes Museum Hmd-1	Park Pad-1	Aquatic Center Kod-1	Dog Park Pad-3	Park Vending Machine Pad-2	K9 Pod-3	Airport Improvement Ai-08 To Ai-12
Cash and investments - beginning	\$ 7,945	\$ 33,459	\$ 32,457	\$ 91	\$ 27	\$ 710	\$ 3,322
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,036	18,573	3,273	-	892	6,895	-
Total receipts	<u>3,036</u>	<u>18,573</u>	<u>3,273</u>	<u>-</u>	<u>892</u>	<u>6,895</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	9,287	-	-	586	163	-
Other services and charges	2,000	100	93	20	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	32,331	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,000</u>	<u>9,387</u>	<u>32,424</u>	<u>20</u>	<u>586</u>	<u>163</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,036</u>	<u>9,186</u>	<u>(29,151)</u>	<u>(20)</u>	<u>306</u>	<u>6,732</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,981</u>	<u>\$ 42,645</u>	<u>\$ 3,306</u>	<u>\$ 71</u>	<u>\$ 333</u>	<u>\$ 7,442</u>	<u>\$ 3,322</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Acquired Land Right Of Way Ai-14	Apron Reconstruction Ai-15	Land Acquisition Ai-16	Flood Hazard Mitigation Fema-15	Other Grants Po-14, Po-26, Po-Lcc	Explosive Mitigation Eq Po-28B, Po-29B	Block Grant 2007 Po-37
Cash and investments - beginning	\$ 40,530	\$ 390	\$ 5,674	\$ 770	\$ 1,122	\$ -	\$ 1
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	84,923	-	44,021	-	-	28,840	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>84,923</u>	<u>-</u>	<u>44,021</u>	<u>-</u>	<u>-</u>	<u>28,840</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	13,209	-	45,150	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	74,700	-	-	-	-	32,340	1
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	33,535	-	-	-	-	-	-
Total disbursements	<u>121,444</u>	<u>-</u>	<u>45,150</u>	<u>-</u>	<u>-</u>	<u>32,340</u>	<u>1</u>
Excess (deficiency) of receipts over disbursements	<u>(36,521)</u>	<u>-</u>	<u>(1,129)</u>	<u>-</u>	<u>-</u>	<u>(3,500)</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 4,009</u>	<u>\$ 390</u>	<u>\$ 4,545</u>	<u>\$ 770</u>	<u>\$ 1,122</u>	<u>\$ (3,500)</u>	<u>\$ -</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Block Grant 2008 Po-38	Operation Pullover Po-4, Po-7	DUI Grant Po-6	Bulletproof Vest Po-5	Transportation Tr-1	Grants Mayors Council Ma-1, Ma-3	Runway Extension Planning Ai-13
Cash and investments - beginning	\$ 3,179	\$ (5,447)	\$ (1,132)	\$ -	\$ 49,265	\$ 3,339	\$ (109)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	26,594	10,186	1,760	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>26,594</u>	<u>10,186</u>	<u>1,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	24,509	9,785	-	-	-	-
Supplies	-	-	-	1,760	-	-	-
Other services and charges	-	-	-	-	-	210	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,648	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,648</u>	<u>24,509</u>	<u>9,785</u>	<u>1,760</u>	<u>-</u>	<u>210</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,648)</u>	<u>2,085</u>	<u>401</u>	<u>-</u>	<u>-</u>	<u>(210)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 531</u>	<u>\$ (3,362)</u>	<u>\$ (731)</u>	<u>\$ -</u>	<u>\$ 49,265</u>	<u>\$ 3,129</u>	<u>\$ (109)</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Continuing Throughfare	Special Revenue - Kgov	Local Solicitation Po-89 Gr#09-Sb-B9-2231	Block Grant 2009 Po-39	Internet Crimes Against Children Po-25, Po-28 Po-28D, Po-29A	Byrne Grant 2009 Po-99	Howard Co Local Coor Council
Cash and investments - beginning	\$ 55,909	\$ 3,283	\$ -	\$ 42,926	\$ (7,425)	\$ (22,893)	\$ 6,335
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	120,509	-	20,738	25,894	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	246	-	-	-	-	-
Total receipts	-	246	120,509	-	20,738	25,894	-
Disbursements:							
Personal services	-	-	-	-	4,371	-	-
Supplies	-	1,112	-	35	590	-	-
Other services and charges	-	-	-	3,798	1,565	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	188	120,509	37,032	16,017	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	1,300	120,509	40,865	22,543	-	-
Excess (deficiency) of receipts over disbursements	-	(1,054)	-	(40,865)	(1,805)	25,894	-
Cash and investments - ending	\$ 55,909	\$ 2,229	\$ -	\$ 2,061	\$ (9,230)	\$ 3,001	\$ 6,335

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fta-Arra Stimulus Fund	Fta-Transit Center	Cops Hiring Recovery Program	Neighborhood Stabilization Program	Cdbg-Recovery	Special Revenue-Barrett Law Surplus	Special Revenue-Barrett Law Revlvg
Cash and investments - beginning	\$ -	\$ -	\$ 300,000	\$ 86	\$ -	\$ 165,244	\$ 18,100
Receipts:							
Taxes	-	-	-	-	-	29,212	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,000,206	-	157,664	1,684,190	21,331	-	-
Charges for services	-	32,160	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	449,853	-	1,124	109
Total receipts	1,000,206	32,160	157,664	2,134,043	21,331	30,336	109
Disbursements:							
Personal services	-	-	278,677	-	-	-	-
Supplies	-	287	-	442	-	-	-
Other services and charges	310,000	13,046	262,370	2,003,255	21,331	415	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	690,206	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	1,000,206	13,333	541,047	2,003,697	21,331	415	-
Excess (deficiency) of receipts over disbursements	-	18,827	(383,383)	130,346	-	29,921	109
Cash and investments - ending	<u>\$ -</u>	<u>\$ 18,827</u>	<u>\$ (83,383)</u>	<u>\$ 130,432</u>	<u>\$ -</u>	<u>\$ 195,165</u>	<u>\$ 18,209</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Certified Technology Park	Usda Small Bus Rlf Program	Creek Enclosure Ai-17	Stream Mitigation Ai-18	Pulse Oxymeter Fema-8	Staffing for Adequate Fire & Emergency Response Grants SAFER
Cash and investments - beginning	\$ -	\$ 2,651	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	501,976	150,000	1,804,700	1,142,085	45,448	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	9,492	-	-	-	-
Total receipts	501,976	159,492	1,804,700	1,142,085	45,448	-
Disbursements:						
Personal services	-	-	-	-	-	199,783
Supplies	-	-	-	-	-	-
Other services and charges	501,976	120,024	131,313	82,759	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	1,677,472	1,037,296	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	44,920	-
Total disbursements	501,976	120,024	1,808,785	1,120,055	44,920	199,783
Excess (deficiency) of receipts over disbursements	-	39,468	(4,085)	22,030	528	(199,783)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 42,119</u>	<u>\$ (4,085)</u>	<u>\$ 22,030</u>	<u>\$ 528</u>	<u>\$ (199,783)</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Mobile Radios Fema-9	Federal Transit Grants Fta-10 In-90-X596	Federal Transit Grants Fta-10A In-90-X027	Federal Transit Grants Fta-8 In-90-X553	Federal Transit Grants Fta-9 In-90-X576	Dixon Road Phase 5
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	304,118	864,708	96,080	30,050	264,222	70,043
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	304,118	864,708	96,080	30,050	264,222	70,043
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	675,625	-	-	157,804	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	304,548	189,150	96,080	30,050	106,418	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	304,548	864,775	96,080	30,050	264,222	-
Excess (deficiency) of receipts over disbursements	(430)	(67)	-	-	-	70,043
Cash and investments - ending	<u>\$ (430)</u>	<u>\$ (67)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,043</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Auto Defibrillator Po-110	Byrne Grant Po-910	Internet Crimes Against Children Po-210	Fed Grants #10-Energy Grant	Special Revenue - Other	Cumulative Capital Improvement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 136,292	\$ 752,686
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	36,159	25,895	14,752	214,600	-	135,017
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	16	4,950	-
Total receipts	36,159	25,895	14,752	214,616	4,950	135,017
Disbursements:						
Personal services	-	26,330	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	12,730	3,312	214,611	-	167,322
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	36,159	-	11,484	-	-	109,968
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	36,159	39,060	14,796	214,611	-	277,290
Excess (deficiency) of receipts over disbursements	-	(13,165)	(44)	5	4,950	(142,273)
Cash and investments - ending	<u>\$ -</u>	<u>\$ (13,165)</u>	<u>\$ (44)</u>	<u>\$ 5</u>	<u>\$ 141,242</u>	<u>\$ 610,413</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	2010 Edit					
	Revenue	Health	Police	Fire	Payroll	Cemetery
	Bond	Insurance	Pension	Pension		Trust
Cash and investments - beginning	\$ -	\$ 2,620,775	\$ 1,976,055	\$ 2,847,472	\$ 1,172,185	\$ 3,633
Receipts:						
Taxes	-	-	312,705	372,042	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	2,366,615	3,680,885	-	-
Charges for services	-	8,520,692	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,000,000	52,714	3,859	5,788	150,504	22
Total receipts	<u>1,000,000</u>	<u>8,573,406</u>	<u>2,683,179</u>	<u>4,058,715</u>	<u>150,504</u>	<u>22</u>
Disbursements:						
Personal services	-	-	2,756,327	4,237,547	-	-
Supplies	-	-	-	-	-	-
Other services and charges	15,520	-	16,491	10,872	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	8,828,884	-	-	-	43
Total disbursements	<u>15,520</u>	<u>8,828,884</u>	<u>2,772,818</u>	<u>4,248,419</u>	<u>-</u>	<u>43</u>
Excess (deficiency) of receipts over disbursements	<u>984,480</u>	<u>(255,478)</u>	<u>(89,639)</u>	<u>(189,704)</u>	<u>150,504</u>	<u>(21)</u>
Cash and investments - ending	<u>\$ 984,480</u>	<u>\$ 2,365,297</u>	<u>\$ 1,886,416</u>	<u>\$ 2,657,768</u>	<u>\$ 1,322,689</u>	<u>\$ 3,612</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Kokomo Economic Development Ked-1	Eda Revolving Loan Fund	Community Drug Foundation Lcc-4	Technology Development Fund	Upi Trust Fund	Wastewater Utility-Operating
Cash and investments - beginning	\$ 23,222	\$ 940,884	\$ 1,186	\$ -	\$ 198	\$ 6,955,626
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	13,516,730
Penalties	-	-	-	-	-	247,458
Other receipts	-	123,117	-	180,000	-	435,189
Total receipts	-	123,117	-	180,000	-	14,199,377
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	3,212,848
Capital outlay	-	-	-	-	-	256,286
Utility operating expenses	-	-	-	-	-	8,115,644
Other disbursements	-	583,778	-	180,000	-	352,894
Total disbursements	-	583,778	-	180,000	-	11,937,672
Excess (deficiency) of receipts over disbursements	-	(460,661)	-	-	-	2,261,705
Cash and investments - ending	<u>\$ 23,222</u>	<u>\$ 480,223</u>	<u>\$ 1,186</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ 9,217,331</u>

CITY OF KOKOMO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wastewater Utility-Deprec/Improve	2005 And 2008 Revenue Bonds	Sewer Improvements	Wastewater Utility-Debt Reserve	Wastewater Utility-Ext & Betterment	Totals
Cash and investments - beginning	\$ 2,214,833	\$ 148,683	\$ 1,000,000	\$ 1,614,150	\$ 1,775,202	\$ 36,624,897
Receipts:						
Taxes	-	-	-	-	-	26,541,472
Licenses and permits	-	-	-	-	-	109,507
Intergovernmental	-	-	-	-	-	29,806,935
Charges for services	-	-	-	-	-	10,371,334
Fines and forfeits	-	-	-	-	-	75,484
Utility fees	8,609	-	-	-	-	13,525,339
Penalties	-	-	-	-	-	247,458
Other receipts	-	99	-	-	73,600	3,144,550
Total receipts	8,609	99	-	-	73,600	83,822,079
Disbursements:						
Personal services	-	-	-	-	-	37,176,339
Supplies	-	-	-	-	-	2,900,355
Other services and charges	-	-	-	-	-	12,570,730
Debt service - principal and interest	-	-	-	-	-	5,289,864
Capital outlay	-	-	-	-	-	7,764,096
Utility operating expenses	-	-	-	-	81,834	8,197,478
Other disbursements	-	148,782	-	-	-	10,234,656
Total disbursements	-	148,782	-	-	81,834	84,133,518
Excess (deficiency) of receipts over disbursements	8,609	(148,683)	-	-	(8,234)	(311,439)
Cash and investments - ending	<u>\$ 2,223,442</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,614,150</u>	<u>\$ 1,766,968</u>	<u>\$ 36,313,458</u>

CITY OF KOKOMO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 20,743,920
Infrastructure	88,779,194
Buildings	17,190,275
Improvements other than buildings	3,772,012
Machinery and equipment	19,167,183
Construction in progress	<u>3,725,370</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>153,377,954</u></u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 122,849
Buildings	19,108,998
Infrastructure	90,084,418
Improvements other than buildings	903,766
Machinery and equipment	<u>20,191,827</u>
 Total business-type activities capital assets	 \$ <u><u>130,411,858</u></u>

CITY OF KOKOMO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire Truck	\$ 81,206	\$ 81,206
Packers and Totes	160,106	160,106
Milling Machines	24,335	24,335
Fire Ambulance	31,611	31,611
Bonds payable:		
EDIT Revenue Bonds	1,000,000	133,694
General obligation bonds:		
Park bonds	<u>1,110,000</u>	<u>770,000</u>
Total governmental activities debt	<u>\$ 2,407,258</u>	<u>\$ 1,200,952</u>
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
2005 Revenue Bonds - CSD Elim Projects	\$ 10,815,000	\$ 937,432
2008 Revenue Bonds - CSD Elim Projects	4,825,000	354,090
SRF I Revolving Loan	10,980,000	1,311,163
SRF II Revolving Loan	<u>6,005,000</u>	<u>616,588</u>
Total business-type activities debt	<u>\$ 32,625,000</u>	<u>\$ 3,219,273</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Kokomo (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management, common council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 23, 2011

CITY OF KOKOMO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct grant			
Cooperative Forestry Assistance 2009 Make Your Trees Count	10.664	FY 2009	\$ <u>8,000</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct grant			
CDBG Entitlement Grant Cluster			
Community Development Block Grants/Entitlement Grants	14.218		
		B08-MC-18-0014	64,351
		B09-MC-18-0014	523,590
		B10-MC-18-0014	595,030
		B08-MC-18-0008	<u>1,553,844</u>
Total for program			<u>2,736,815</u>
ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	B09-MY-18-0014	<u>21,331</u>
Total for federal grantor agency			<u>2,758,146</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass Through Indiana Criminal Justice Institute			
Missing Children's Assistance	16.543		
Internet Crimes Against Children		09-SN-B9-K0514	17,449
		08-MC-CX-K0006	<u>14,795</u>
Total for program			<u>32,244</u>
Edward Bryne Memorial Formula Grant Program	16.579	09-DJ--024	<u>39,059</u>
Bulletproof Vest Partnership Program	16.607	FY2010	<u>1,760</u>
ARRA - Public Safety Partnership and Community Policing Grants	16.710	2009RKWX0342	<u>274,986</u>
Edward Bryne Memorial Justice Assistance Grant Program	16.738		
		2008-DJ-BX-0191	2,649
		BG-2009-DJ-BX-1163	40,866
		2010-DJ-BX-0809	<u>36,159</u>
Total for program			<u>79,674</u>
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-2213	<u>120,509</u>
Total for federal grantor agency			<u>548,232</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct grant			
Airport Improvement Program	20.106		
		3-18-0044-14	87,909
		3-18-0044-16	45,150
		3-18-0044-17	1,718,346
		3-18-0044-18	<u>1,081,401</u>
Total for program			<u>2,932,806</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF KOKOMO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION (continued)</u>			
Federal Transit Cluster			
Federal Transit_Formula Grants	20.507		
		IN-90X-553-00	30,050
		IN-90X-576-00	264,222
		IN-90X-596-00	834,775
		IN-95X-027-00	96,080
ARRA - Federal Transit_Formula Grants	20.507	FY 2010	<u>1,000,206</u>
Total for Cluster			<u>2,225,333</u>
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster			
ARRA - Highway Planning and Construction	20.205	K0270040 0710963	58,212 <u>48,000</u>
Total for Cluster			<u>106,212</u>
Highway Safety Cluster			
State and Community Highway Safety	20.600	FY2010	9,785
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	PT-10-04-04-11	<u>24,509</u>
Total for Cluster			<u>34,294</u>
Total for federal grantor agency			<u>5,298,645</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	10-1-09 to 2-28-10	<u>214,600</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass Through Indiana Department of Homeland Security Assistance to Firefighters Grant	97.044		
		EMW-2009-FO-11342	40,428
		EMW-2009-FR-00359	<u>243,638</u>
Total for program			<u>284,066</u>
State Homeland Security Program (SHSP)	97.073	C44P-9-803A	<u>32,340</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2009-FH-00292	<u>199,783</u>
Total for federal grantor agency			<u>516,189</u>
Total federal awards expended			<u>\$ 9,343,812</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF KOKOMO
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Kokomo (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2010:

Program Title	Federal CFDA Number	2010
Federal Transit_Formula Grants	20.507	\$ 996,505

CITY OF KOKOMO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement(s):

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.507	CDBG Entitlement Grants Cluster Federal Transit Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF KOKOMO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF KOKOMO
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2011, with James J. Brannon, Controller; Gregory Goodnight, Mayor; Thu Caven, Assistant Controller; John M. Kennedy, President of the Common Council; Randy Morris, Director of Operations; and Donnie Haworth, Council member. Our audit disclosed no material items that warrant comment at this time.