

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

KOKOMO-HOWARD COUNTY GOVERNMENTAL  
COORDINATING COUNCIL  
HOWARD COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
10/13/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Larry Ives	01-01-04 to 12-31-06
Treasurer	Glen Boise	01-01-04 to 12-31-06
President of the Board	Matthew McKillip	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KOKOMO-HOWARD COUNTY GOVERNMENTAL  
COORDINATING COUNCIL, HOWARD COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Kokomo-Howard County Governmental Coordinating Council (Council), for the period of January 1, 2004 to December 31, 2005. The Council's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Council for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 13, 2006

KOKOMO-HOWARD COUNTY GOVERNMENTAL COORDINATING COUNCIL  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 As Of And For The Years Ended December 31, 2004 And 2005

	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>
Governmental Fund: General	\$ <u>153,702</u>	\$ <u>774,660</u>	\$ <u>733,403</u>	\$ <u>194,959</u>
	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Fund: General	\$ <u>194,959</u>	\$ <u>914,830</u>	\$ <u>955,361</u>	\$ <u>154,428</u>

The accompanying notes are an integral part of the schedules.

KOKOMO-HOWARD COUNTY GOVERNMENTAL COORDINATING COUNCIL  
NOTES TO SCHEDULES

Note 1. Introduction

The Council was established pursuant to an agreement between the City of Kokomo and the Board of County Commissioners of Howard County. The agreement established a City-County legal governmental entity whose purpose is to operate a continuing, cooperative and comprehensive planning effort relating to transportation planning and any other governmental functions where joint cooperation is necessary and desired.

Note 2. Fund Accounting

The Council uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the Council 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.

KOKOMO-HOWARD COUNTY GOVERNMENTAL COORDINATING COUNCIL  
NOTES TO SCHEDULES  
(Continued)

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Council employees are included in the Howard County pension plan with the Public Employees' Retirement Fund.

The Council contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 Council 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% 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

Funding Policy and Annual Pension Cost

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

KOKOMO-HOWARD COUNTY GOVERNMENTAL COORDINATING COUNCIL  
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The Kokomo-Howard County Governmental Coordinating Council is using computer programs to generate all accounting records. The resulting forms and reports are not replicas of prescribed or approved forms and have not been approved by the State Board of Accounts. The following is a listing of prescribed or approved forms not in use by the Kokomo-Howard County Governmental Coordinating Council:

<u>Form Number</u>	<u>Form Name</u>
358	Ledger of Receipts, Disbursements and Balances
211	Capital Assets Ledger

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The Council did not record all capital asset additions and disposals to their records. When the Council purchases or disposes of a capital asset, the cost of the asset should be recorded in the records, as an addition or a deletion.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

KOKOMO-HOWARD COUNTY GOVERNMENTAL COORDINATING COUNCIL  
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2006, with Glen Boise, Treasurer; Larry Ives, Director; and Earlene Cooper, Office Manager. The officials concurred with our findings.