

B37771

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

EXAMINATION REPORT  
OF

KOKOMO - HOWARD COUNTY GOVERNMENTAL  
COORDINATING COUNCIL  
HOWARD COUNTY, INDIANA

January 1, 2008 to December 31, 2009



**FILED**  
11/10/2010



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Examination Results and Comments:	
Prescribed Forms .....	7
Penalties, Interest, and Other Charges .....	7
Condition of Records .....	8
Compensation and Benefits .....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Larry Ives	01-01-08 to 12-31-10
Treasurer	Glen Boise	01-01-08 to 12-31-10
Chairman of the Policy Board	Gregory Goodnight	01-01-08 to 12-31-10



**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  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Kokomo - Howard County Governmental Coordinating Council (Council), for the period of January 1, 2008 to December 31, 2009. The Council's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Council for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 15, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Fund: General	<u>\$ 161,366</u>	<u>\$ 1,033,413</u>	<u>\$ 1,045,995</u>	<u>\$ 148,784</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Fund: General	<u>\$ 148,784</u>	<u>\$ 1,365,185</u>	<u>\$ 1,398,705</u>	<u>\$ 115,264</u>

The accompanying notes are an integral part of the financial information.

KOKOMO - HOWARD COUNTY GOVERNMENTAL  
COORDINATING COUNCIL  
NOTES TO FINANCIAL INFORMATION

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 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 FINANCIAL INFORMATION  
(Continued)

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

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 (Council) is using a computer program 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 prescribed or approved form is not in use by the Council:

Form Number	Form Name
358	Ledger of Receipts, Disbursements and Balances

All governmental units are required by law to use the forms prescribed by this department; however, if it is desirable to use a different form or to have a prescribed form modified to conform for computer applications, a letter and three copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed into use, other than a prescribed form, without prior approval. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PENALTIES, INTEREST AND OTHER CHARGES

Bank overdraft charges were paid as noted below:

Source	Amount	Years
Bank Overdraft	\$ 206.00	2008
Bank Overdraft	186.50	2009

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

KOKOMO - HOWARD COUNTY GOVERNMENTAL  
COORDINATING COUNCIL  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CONDITION OF RECORDS

The following items relating to the recordkeeping were present during our period of audit:

- (1) Monthly reconcilements of the record balances to depository balances during the two year period were not retained for audit.

At the close of each month the ledger balances in the respective funds shall be reconciled with the bank balance and a record thereof maintained on the reverse side of the bank statement or in a separate record. The following is an illustration of a bank reconciliation. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 21)

- (2) There were a number of posting errors. These posting errors included money market account activity not being posted and receipts and disbursements not posted in the correct amounts.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

- (3) Some receipts were not deposited in a timely manner.

IC 5-13-6-1 requires all public funds shall be deposited not later than the business day following the receipt of funds on business days of the depository. The statute also provides public funds deposited shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 15)

COMPENSATION AND BENEFITS

Unit personnel received payment for compensatory time during 2009 which was not included on the salary ordinance or resolution.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 14)

KOKOMO - HOWARD COUNTY GOVERNMENTAL  
COORDINATING COUNCIL  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2010, with Larry Ives, Director; Glen Boise, Treasurer; and Leigha Brown, Office Manager.