

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF KINGSFORD HEIGHTS

LAPORTE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
02/20/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rosalie A. Jacobs	01-01-08 to 12-31-15
President of the Town Council	Evelyn Ballinger	01-01-10 to 12-31-13
Superintendent of Water Utility	Timothy Lindewald	01-01-10 to 12-31-13
Superintendent of Wastewater Utility	Henry Ruiz	01-01-10 to 12-31-13
Superintendent of Electric Utility	Jason Cox	01-01-10 to 12-31-13



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF KINGSFORD HEIGHTS, LAPORTE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Kingsford Heights (Town), for the period of January 1, 2010 to December 31, 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules 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 statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 28, 2013

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FINANCIAL STATEMENTS

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

TOWN OF KINGSFORD HEIGHTS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 92,277	\$ 211,343	\$ 228,159	\$ 75,461
Motor Vehicle Highway	150,387	40,118	37,984	152,521
Local Road And Street	53,822	17,513	6,836	64,499
Law Enforcement Continuing Ed	5,620	2,978	360	8,238
Parks And Recreation	48,940	9,628	2,046	56,522
Rainy Day	8,245	-	-	8,245
Major Moves Construction	117,781	-	56,300	61,481
Community Center Operating	4,640	3,737	1,685	6,692
Community Center Deposit	800	1,150	1,350	600
Community Improvement Fund	422,543	6,004	-	428,547
Cumulative Capital Imprv Cigarette Tax	11,483	4,329	-	15,812
Cumulative Capital Development	20,584	4,723	3,750	21,557
Co Economic Development Income Tax	76,146	24,108	22,060	78,194
Payroll	-	384,334	384,334	-
Electric Utility- Operating	707,742	643,290	575,939	775,093
Electric Utility- Customer Deposit	93,898	18,649	14,427	98,120
Electric Utility- Construction	7,836	-	1,634	6,202
Trans Services Fund	102,113	-	-	102,113
Change Fund & Petty Cash	600	-	-	600
Wastewater Utility- Operating	212,326	196,225	197,526	211,025
Wastewater Utility- Bond And Interest	26,637	39,160	39,510	26,287
Garbage Collection Fund	10,564	73,649	68,943	15,270
Wastewater Utility- Debt Reserve	44,250	-	-	44,250
Water Utility- Operating	72,972	271,022	267,998	75,996
Water Utility- Debt Reserve	53,424	-	-	53,424
Totals	<u>\$ 2,345,630</u>	<u>\$ 1,951,960</u>	<u>\$ 1,910,841</u>	<u>\$ 2,386,749</u>

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

TOWN OF KINGSFORD HEIGHTS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 75,461	\$ 218,338	\$ 236,978	\$ 56,821
Motor Vehicle Highway	152,521	40,901	32,578	160,844
Local Road And Street	64,499	16,944	4,910	76,533
Law Enforcement Continuing Ed	8,238	270	655	7,853
Parks And Recreation	56,522	19,549	3,931	72,140
Rainy Day	8,245	-	-	8,245
Major Moves Construction	61,481	-	-	61,481
Cumulative Capital Imprv Cigarette Tax	15,812	4,323	-	20,135
Cumulative Capital Development	21,557	4,354	-	25,911
Co Economic Development Income Tax	78,194	17,839	-	96,033
Community Center Operating	6,692	3,232	2,366	7,558
Community Center Deposit	600	1,400	1,800	200
Community Improvement Fund	428,547	5,600	26	434,121
Payroll	-	397,461	397,461	-
Electric Utility- Operating	775,093	639,597	698,663	716,027
Electric Utility- Customer Deposit	98,120	19,350	17,875	99,595
Electric Utility- Construction	6,202	-	-	6,202
Trans Services Fund	102,113	-	-	102,113
Change Fund & Petty Cash	600	-	-	600
Wastewater Utility- Operating	211,025	199,216	221,238	189,003
Wastewater Utility- Bond And Interest	26,287	42,903	38,670	30,520
Garbage Collection Fund	15,270	73,802	71,392	17,680
Wastewater Utility- Debt Reserve	44,250	-	-	44,250
Water Utility- Operating	75,996	290,119	278,217	87,898
Water Utility- Debt Reserve	53,424	-	-	53,424
Totals	<u>\$ 2,386,749</u>	<u>\$ 1,995,198</u>	<u>\$ 2,006,760</u>	<u>\$ 2,375,187</u>

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

TOWN OF KINGSFORD HEIGHTS
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council 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, trash, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

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 Town.

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.

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,

TOWN OF KINGSFORD HEIGHTS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Penalties which include fees received for late payments.

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 Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

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

TOWN OF KINGSFORD HEIGHTS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

F. Interfund Transfers

The Town 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 Town. 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 Town. 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 Town 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 Town 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 Town 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.

TOWN OF KINGSFORD HEIGHTS
NOTES TO FINANCIAL STATEMENTS
(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 Town 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 Town 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 Town 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.

Note 6. Pension Plan

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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town 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
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF KINGSFORD HEIGHTS
NOTES TO FINANCIAL STATEMENTS
(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.

Note 7. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on March 4, 2009.

Wastewater Utility

The current rate structure was approved by the Town Council on July 1, 2002.

Electric Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on May 11, 2000.

Note 8. Subsequent Events

A. *Property Taxes*

LaPorte County is behind in getting approved assessment amounts for county-wide properties. This has caused the County to bill property owners based on "provisional" tax bills until "reconciled" tax bills can be established. The County has distributed collections for 2010 pay 2011 property tax bills in January 2013 and has established a February 14, 2013 due date for final payment from taxpayers. The County is expecting to settle these taxes to governmental units by March 2013. It is unknown when a settlement of reconciling bills for the 2011 pay 2012 property tax bills will be made. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the units of government within the County. It is undetermined how much property tax collections the Town will receive once all the reconciliation bills have been collected and distributed.

B. *Rate Structure*

The Town Council approved a two-phase increase of the Wastewater Utility's rate structure. The first phase took place on October 1, 2012. The second phase will take place on October 1, 2013.

C. *Wastewater Treatment Project*

The Town was approved on November 20, 2012, by the State of Indiana (State) and the Office of Community and Rural Affairs to enter into a grant agreement, which will enable the State to make a grant from the federal Community Development Block Grant Program in the amount of \$500,000. The funds are to be used exclusively for the project to upgrade the Town's Wastewater Treatment Plant and must be completed by March 31, 2014.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

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

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Parks And Recreation	Rainy Day	Major Moves Construction
Cash and investments - beginning	\$ 92,277	\$ 150,387	\$ 53,822	\$ 5,620	\$ 48,940	\$ 8,245	\$ 117,781
Receipts:							
Taxes	102,760	-	-	-	7,447	-	-
Licenses and permits	3,769	-	-	730	-	-	-
Intergovernmental	81,211	40,018	17,513	-	1,207	-	-
Charges for services	9,352	100	-	-	25	-	-
Fines and forfeits	1,564	-	-	2,248	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	12,687	-	-	-	949	-	-
Total receipts	<u>211,343</u>	<u>40,118</u>	<u>17,513</u>	<u>2,978</u>	<u>9,628</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	115,841	14,032	-	-	-	-	-
Supplies	12,673	10,407	-	360	1,605	-	-
Other services and charges	98,363	13,545	6,836	-	441	-	56,300
Debt service - principal and interest	1,282	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>228,159</u>	<u>37,984</u>	<u>6,836</u>	<u>360</u>	<u>2,046</u>	<u>-</u>	<u>56,300</u>
Excess (deficiency) of receipts over disbursements	<u>(16,816)</u>	<u>2,134</u>	<u>10,677</u>	<u>2,618</u>	<u>7,582</u>	<u>-</u>	<u>(56,300)</u>
Cash and investments - ending	<u>\$ 75,461</u>	<u>\$ 152,521</u>	<u>\$ 64,499</u>	<u>\$ 8,238</u>	<u>\$ 56,522</u>	<u>\$ 8,245</u>	<u>\$ 61,481</u>

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

	Community Center Operating	Community Center Deposit	Community Improvement Fund	Cumulative Capital Imprv Cigarette Tax	Cumulative Capital Development	Co Economic Development Income Tax	Payroll
Cash and investments - beginning	\$ 4,640	\$ 800	\$ 422,543	\$ 11,483	\$ 20,584	\$ 76,146	\$ -
Receipts:							
Taxes	-	-	-	-	4,064	-	-
Licenses and permits	-	-	-	75	-	-	-
Intergovernmental	-	-	-	4,254	659	24,108	-
Charges for services	1,410	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,327	1,150	6,004	-	-	-	384,334
Total receipts	<u>3,737</u>	<u>1,150</u>	<u>6,004</u>	<u>4,329</u>	<u>4,723</u>	<u>24,108</u>	<u>384,334</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,245	-	-	-	-	-	-
Other services and charges	440	-	-	-	-	16,460	-
Debt service - principal and interest	-	-	-	-	-	5,600	-
Capital outlay	-	-	-	-	3,750	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	1,350	-	-	-	-	384,334
Total disbursements	<u>1,685</u>	<u>1,350</u>	<u>-</u>	<u>-</u>	<u>3,750</u>	<u>22,060</u>	<u>384,334</u>
Excess (deficiency) of receipts over disbursements	<u>2,052</u>	<u>(200)</u>	<u>6,004</u>	<u>4,329</u>	<u>973</u>	<u>2,048</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,692</u>	<u>\$ 600</u>	<u>\$ 428,547</u>	<u>\$ 15,812</u>	<u>\$ 21,557</u>	<u>\$ 78,194</u>	<u>\$ -</u>

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

	Electric Utility- Operating	Electric Utility- Customer Deposit	Electric Utility- Construction	Trans Services Fund	Change Fund & Petty Cash	Wastewater Utility- Operating
Cash and investments - beginning	\$ 707,742	\$ 93,898	\$ 7,836	\$ 102,113	\$ 600	\$ 212,326
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	595,282	-	-	-	-	12,373
Penalties	6,222	-	-	-	-	-
Other receipts	41,786	18,649	-	-	-	183,852
Total receipts	<u>643,290</u>	<u>18,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,225</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	377,066	-	-	-	-	1,564
Utility operating expenses	154,175	14,427	-	-	-	147,845
Other disbursements	44,698	-	1,634	-	-	48,117
Total disbursements	<u>575,939</u>	<u>14,427</u>	<u>1,634</u>	<u>-</u>	<u>-</u>	<u>197,526</u>
Excess (deficiency) of receipts over disbursements	<u>67,351</u>	<u>4,222</u>	<u>(1,634)</u>	<u>-</u>	<u>-</u>	<u>(1,301)</u>
Cash and investments - ending	<u>\$ 775,093</u>	<u>\$ 98,120</u>	<u>\$ 6,202</u>	<u>\$ 102,113</u>	<u>\$ 600</u>	<u>\$ 211,025</u>

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

	Wastewater Utility- Bond And Interest	Garbage Collection Fund	Wastewater Utility- Debt Reserve	Water Utility- Operating	Water Utility- Debt Reserve	Totals
Cash and investments - beginning	\$ 26,637	\$ 10,564	\$ 44,250	\$ 72,972	\$ 53,424	\$ 2,345,630
Receipts:						
Taxes	-	-	-	-	-	114,271
Licenses and permits	-	-	-	-	-	4,574
Intergovernmental	-	-	-	-	-	168,970
Charges for services	-	-	-	-	-	10,887
Fines and forfeits	-	-	-	-	-	3,812
Utility fees	-	73,649	-	19,216	-	700,520
Penalties	-	-	-	14,397	-	20,619
Other receipts	39,160	-	-	237,409	-	928,307
Total receipts	<u>39,160</u>	<u>73,649</u>	<u>-</u>	<u>271,022</u>	<u>-</u>	<u>1,951,960</u>
Disbursements:						
Personal services	-	-	-	-	-	129,873
Supplies	-	-	-	-	-	26,290
Other services and charges	-	-	-	-	-	192,385
Debt service - principal and interest	19,510	-	-	22,830	-	49,222
Capital outlay	-	-	-	1,286	-	383,666
Utility operating expenses	20,000	68,943	-	196,249	-	601,639
Other disbursements	-	-	-	47,633	-	527,766
Total disbursements	<u>39,510</u>	<u>68,943</u>	<u>-</u>	<u>267,998</u>	<u>-</u>	<u>1,910,841</u>
Excess (deficiency) of receipts over disbursements	<u>(350)</u>	<u>4,706</u>	<u>-</u>	<u>3,024</u>	<u>-</u>	<u>41,119</u>
Cash and investments - ending	<u>\$ 26,287</u>	<u>\$ 15,270</u>	<u>\$ 44,250</u>	<u>\$ 75,996</u>	<u>\$ 53,424</u>	<u>\$ 2,386,749</u>

TOWN OF KINGSFORD HEIGHTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Parks And Recreation	Rainy Day	Major Moves Construction
Cash and investments - beginning	\$ 75,461	\$ 152,521	\$ 64,499	\$ 8,238	\$ 56,522	\$ 8,245	\$ 61,481
Receipts:							
Taxes	109,890	-	-	-	7,946	-	-
Licenses and permits	4,377	-	-	240	-	-	-
Intergovernmental	89,937	40,420	16,944	-	1,241	-	-
Charges for services	7,464	390	-	-	130	-	-
Fines and forfeits	515	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	6,155	91	-	30	10,232	-	-
Total receipts	<u>218,338</u>	<u>40,901</u>	<u>16,944</u>	<u>270</u>	<u>19,549</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	123,375	12,132	-	-	-	-	-
Supplies	14,284	7,749	4,910	-	3,138	-	-
Other services and charges	99,319	12,697	-	655	793	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>236,978</u>	<u>32,578</u>	<u>4,910</u>	<u>655</u>	<u>3,931</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(18,640)</u>	<u>8,323</u>	<u>12,034</u>	<u>(385)</u>	<u>15,618</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 56,821</u>	<u>\$ 160,844</u>	<u>\$ 76,533</u>	<u>\$ 7,853</u>	<u>\$ 72,140</u>	<u>\$ 8,245</u>	<u>\$ 61,481</u>

TOWN OF KINGSFORD HEIGHTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cumulative Capital Imprv Cigarette Tax	Cumulative Capital Development	Co Economic Development Income Tax	Community Center Operating	Community Center Deposit	Community Improvement Fund	Payroll
Cash and investments - beginning	\$ 15,812	\$ 21,557	\$ 78,194	\$ 6,692	\$ 600	\$ 428,547	\$ -
Receipts:							
Taxes	-	3,722	-	-	-	-	-
Licenses and permits	150	-	-	-	-	-	-
Intergovernmental	4,173	632	17,839	-	-	-	-
Charges for services	-	-	-	1,350	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	1,882	1,400	5,600	397,461
Total receipts	4,323	4,354	17,839	3,232	1,400	5,600	397,461
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	1,541	-	-	-
Other services and charges	-	-	-	825	-	26	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	1,800	-	397,461
Total disbursements	-	-	-	2,366	1,800	26	397,461
Excess (deficiency) of receipts over disbursements	4,323	4,354	17,839	866	(400)	5,574	-
Cash and investments - ending	\$ 20,135	\$ 25,911	\$ 96,033	\$ 7,558	\$ 200	\$ 434,121	\$ -

TOWN OF KINGSFORD HEIGHTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Electric Utility- Operating	Electric Utility- Customer Deposit	Electric Utility- Construction	Trans Services Fund	Change Fund & Petty Cash	Wastewater Utility- Operating
Cash and investments - beginning	\$ 775,093	\$ 98,120	\$ 6,202	\$ 102,113	\$ 600	\$ 211,025
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	601,630	-	-	-	-	190,425
Penalties	6,034	-	-	-	-	8,088
Other receipts	31,933	19,350	-	-	-	703
Total receipts	<u>639,597</u>	<u>19,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,216</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	53,976	-	-	-	-	5,482
Utility operating expenses	572,480	-	-	-	-	169,853
Other disbursements	72,207	17,875	-	-	-	45,903
Total disbursements	<u>698,663</u>	<u>17,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,238</u>
Excess (deficiency) of receipts over disbursements	<u>(59,066)</u>	<u>1,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,022)</u>
Cash and investments - ending	<u>\$ 716,027</u>	<u>\$ 99,595</u>	<u>\$ 6,202</u>	<u>\$ 102,113</u>	<u>\$ 600</u>	<u>\$ 189,003</u>

TOWN OF KINGSFORD HEIGHTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wastewater Utility- Bond And Interest	Garbage Collection Fund	Wastewater Utility- Debt Reserve	Water Utility- Operating	Water Utility- Debt Reserve	Totals
Cash and investments - beginning	\$ 26,287	\$ 15,270	\$ 44,250	\$ 75,996	\$ 53,424	\$ 2,386,749
Receipts:						
Taxes	-	-	-	-	-	121,558
Licenses and permits	-	-	-	-	-	4,767
Intergovernmental	-	-	-	-	-	171,186
Charges for services	-	-	-	-	-	9,334
Fines and forfeits	-	-	-	-	-	515
Utility fees	-	73,802	-	269,427	-	1,135,284
Penalties	-	-	-	3,191	-	17,313
Other receipts	42,903	-	-	17,501	-	535,241
Total receipts	42,903	73,802	-	290,119	-	1,995,198
Disbursements:						
Personal services	-	-	-	-	-	135,507
Supplies	-	-	-	-	-	31,622
Other services and charges	-	-	-	-	-	114,315
Debt service - principal and interest	38,670	-	-	53,424	-	92,094
Capital outlay	-	-	-	17,200	-	76,658
Utility operating expenses	-	66,392	-	169,718	-	978,443
Other disbursements	-	5,000	-	37,875	-	578,121
Total disbursements	38,670	71,392	-	278,217	-	2,006,760
Excess (deficiency) of receipts over disbursements	4,233	2,410	-	11,902	-	(11,562)
Cash and investments - ending	\$ 30,520	\$ 17,680	\$ 44,250	\$ 87,898	\$ 53,424	\$ 2,375,187

TOWN OF KINGSFORD HEIGHTS
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 3,237	\$ 50,000
Electric	709	2,072
Wastewater	1,316	4,149
Water	1,106	1,631
Totals	\$ 6,368	\$ 57,852

TOWN OF KINGSFORD HEIGHTS
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater: Revenue bonds	Re-Finance & Re-Hab	\$ 375,000	\$ 43,250
Water: Revenue bonds	Re-Hab	348,313	53,424
Totals		<u>\$ 723,313</u>	<u>\$ 96,674</u>

TOWN OF KINGSFORD HEIGHTS
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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

	Ending Balance
Governmental activities:	
Buildings	\$ 597,838
Improvements other than buildings	226,385
Machinery, equipment, and vehicles	231,550
Total governmental activities	1,055,773
Electric:	
Land	2,000
Buildings	132,000
Machinery, equipment, and vehicles	725,117
Total Electric	859,117
Wastewater:	
Land	1,500
Buildings	188,500
Improvements other than buildings	618,900
Machinery, equipment, and vehicles	1,610,721
Total Wastewater	2,419,621
Water:	
Land	3,000
Buildings	460,000
Improvements other than buildings	466,300
Machinery, equipment, and vehicles	722,062
Total Water	1,651,362
Total capital assets	\$ 5,985,873

TOWN OF KINGSFORD HEIGHTS
EXIT CONFERENCE

The contents of this report were discussed on January 28, 2013, with Rosalie A. Jacobs, Clerk-Treasurer, and Jeana Blake, Vice President of the Town Council. Our examination disclosed no material items that warrant comment at this time.