

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF KOUTS

PORTER COUNTY, INDIANA

January 1, 2010 to December 31, 2012



**FILED**  
06/27/2013



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	6-8
Notes to Financial Statements .....	9-12
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	14-31
Schedules of Payables and Receivables .....	32
Schedules of Leases and Debt.....	33
Schedules of Capital Assets .....	34
Examination Results and Comments:	
Penalties, Interest, and Other Charges .....	35
Moving Traffic Citations Issued by the Town.....	35
Overdrawn Fund Balances .....	36
Advance Payments.....	36
Delinquent Accounts Receivable.....	36
Exit Conference.....	37
Official Response .....	38-40
Summary of Charges .....	41

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Gregory S. Frame Laurie Tribble	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	David Brooks Tim Jones	01-01-10 to 12-31-10 01-01-11 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF KOUTS, PORTER COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Kouts (Town), for the period of January 1, 2010 to December 31, 2012. 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.

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, 2012.

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, 2012, 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, Schedules of Payables and Receivables, Schedules of Leases and Debt, and Schedules 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.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response and, accordingly, we express no opinion on it.

Bruce Hartman  
State Examiner

February 19, 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 KOUTS  
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	\$ 97,614	\$ 439,143	\$ 439,102	\$ 97,655
Motor Vehicle Highway	9,919	74,869	72,882	11,906
Local Road and Street	(125)	19,392	16,403	2,864
Continuing Education	11,885	3,458	4,947	10,396
Riverboat	51,470	10,626	1,796	60,300
Park	4,804	11,365	9,997	6,172
Rainy Day	143,611	65,695	14,953	194,353
Levy Excess	-	997	-	997
Major Moves	167,470	30,203	-	197,673
Cumulative Capital Development	69,735	19,046	61,231	27,550
Cumulative Fire	147,453	15,877	-	163,330
CEDIT	163,152	124,942	155,897	132,197
Cumulative Capital Improvement	23,616	4,995	1,138	27,473
Storm Water	388,125	102,222	14,842	475,505
Petty Cash	100	161	161	100
Town Donation	597	-	71	526
Park Donation	139	-	-	139
Police Donation	3,973	2,836	1,123	5,686
Centennial Townwide Celebrations	956	-	-	956
Debt Service Redevelopment	6,291	63,293	58,051	11,533
Net Pay	-	227,012	227,012	-
Miscellaneous Deductions	-	5,535	5,535	-
Federal Tax	-	61,547	61,547	-
State Tax	-	11,519	10,588	931
Pension	-	7,105	7,101	4
Sewer Operating	812,792	402,584	532,827	682,549
Sewer Depreciation	22,510	-	-	22,510
Sewer Bond and Interest	137,016	150,000	147,956	139,060
Water Operating	(29,454)	889,961	852,003	8,504
Water Consumer Deposit	61,652	5,816	5,711	61,757
Tower Painting	25,825	9,000	-	34,825
Drinking Water Debt Reserve	25,175	-	-	25,175
Drinking Water SRF	28,757	24,000	22,825	29,932
Water State Road 8 and 49	-	35,409	35,409	-
Leaf	727	36,233	29,700	7,260
Park Deposit	1,000	900	900	1,000
Garbage	4,293	102,822	105,485	1,630
Totals	<u>\$ 2,381,078</u>	<u>\$ 2,958,563</u>	<u>\$ 2,897,193</u>	<u>\$ 2,442,448</u>

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

TOWN OF KOUTS  
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	\$ 97,655	\$ 421,709	\$ 450,043	\$ 69,321
Motor Vehicle Highway	11,906	68,876	71,414	9,368
Local Road and Street	2,864	20,589	21,538	1,915
Continuing Education	10,396	4,120	4,536	9,980
Riverboat	60,300	11,026	48,130	23,196
Park	6,172	6,964	6,303	6,833
Rainy Day	194,353	-	-	194,353
Levy Excess	997	-	997	-
Major Moves	197,673	202	-	197,875
Cumulative Capital Development	27,550	5,548	22,580	10,518
Cumulative Fire	163,330	5,563	155,000	13,893
CEDIT	132,197	149,859	152,869	129,187
Cumulative Capital Improvement	27,473	4,876	2,282	30,067
Storm Water	475,505	102,736	4,324	573,917
Petty Cash	100	173	173	100
Town Donation	526	-	-	526
Park Donation	139	-	96	43
Police Donation	5,686	1,100	725	6,061
Centennial Townwide Celebrations	956	1	-	957
Debt Service Redevelopment	11,533	51,974	61,435	2,072
Net Pay	-	241,235	241,235	-
Miscellaneous Deductions	-	5,206	5,206	-
Federal Tax	-	65,659	65,659	-
State Tax	931	11,950	11,871	1,010
Pension	4	7,260	7,264	-
Sewer Operating	682,549	382,590	552,458	512,681
Sewer Depreciation	22,510	-	-	22,510
Sewer Bond and Interest	139,060	150,000	148,991	140,069
Water Operating	8,504	860,184	824,758	43,930
Water Consumer Deposit	61,757	6,194	4,062	63,889
Tower Painting	34,825	9,000	-	43,825
Drinking Water Debt Reserve	25,175	-	-	25,175
Drinking Water SRF	29,932	24,000	23,300	30,632
Leaf	7,260	34,599	29,900	11,959
Park Deposit	1,000	700	700	1,000
Garbage	1,630	106,138	108,213	(445)
<b>Totals</b>	<b>\$ 2,442,448</b>	<b>\$ 2,760,031</b>	<b>\$ 3,026,062</b>	<b>\$ 2,176,417</b>

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

TOWN OF KOUTS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 69,321	\$ 399,161	\$ 465,516	\$ 2,966
Motor Vehicle Highway	9,368	89,648	76,082	22,934
Local Road and Street	1,915	19,665	20,227	1,353
Continuing Education	9,980	3,087	4,316	8,751
Riverboat	23,196	11,131	7,380	26,947
Park	6,833	11,470	7,980	10,323
Rainy Day	194,353	-	-	194,353
Major Moves	197,875	179	-	198,054
Cumulative Capital Development	10,518	5,779	8,953	7,344
Cumulative Fire	13,893	5,780	14,532	5,141
CEDIT	129,187	168,395	42,829	254,753
Cumulative Capital Improvement	30,067	4,984	3,088	31,963
Storm Water	573,917	104,451	5,613	672,755
Petty Cash	100	160	160	100
Town Donation	526	-	13	513
Park Donation	43	-	-	43
Police Donation	6,061	1,750	5,115	2,696
Centennial Townwide Celebrations	957	-	-	957
Debt Service Redevelopment	2,072	57,127	59,685	(486)
Net Pay	-	208,967	208,967	-
Miscellaneous Deductions	-	5,483	5,483	-
Federal Tax	-	56,480	56,480	-
State Tax	1,010	10,492	11,502	-
Pension	-	4,115	4,115	-
Sewer Operating	512,681	394,195	529,931	376,945
Sewer Depreciation	22,510	-	-	22,510
Sewer Bond and Interest	140,069	150,000	144,951	145,118
Water Operating	43,930	940,951	843,271	141,610
Water Consumer Deposit	63,889	6,856	5,723	65,022
Tower Painting	43,825	9,000	-	52,825
Drinking Water Debt Reserve	25,175	-	-	25,175
Drinking Water SRF	30,632	24,000	23,740	30,892
Leaf	11,959	35,575	27,567	19,967
Park Deposit	1,000	750	700	1,050
Garbage	(445)	114,404	112,400	1,559
Totals	<u>\$ 2,176,417</u>	<u>\$ 2,844,035</u>	<u>\$ 2,696,319</u>	<u>\$ 2,324,133</u>

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

TOWN OF KOUTS  
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, gas, storm water, trash, aviation, 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 include 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, county economic development income tax, boat and trailer excise 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 KOUTS  
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, recycling fees, dog pound 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 include 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.

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

TOWN OF KOUTS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 KOUTS  
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. *Combined Funds***

Funds related to payroll were reported individually in the current financial statements but were combined into one fund for the prior financial statements.

## 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/](http://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 KOUTS  
 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	Continuing Education	Riverboat	Park	Rainy Day
Cash and investments - beginning	\$ 97,614	\$ 9,919	\$ (125)	\$ 11,885	\$ 51,470	\$ 4,804	\$ 143,611
Receipts:							
Taxes	247,440	24,356	-	-	-	8,586	-
Licenses and permits	7,438	-	-	610	-	-	-
Intergovernmental	32,220	49,482	19,392	-	10,626	1,175	65,695
Charges for services	78,346	-	-	422	-	-	-
Fines and forfeits	38,646	-	-	641	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	35,053	1,031	-	1,785	-	1,604	-
Total receipts	<u>439,143</u>	<u>74,869</u>	<u>19,392</u>	<u>3,458</u>	<u>10,626</u>	<u>11,365</u>	<u>65,695</u>
Disbursements:							
Personal services	282,606	3,389	-	835	-	842	-
Supplies	22,750	9,865	-	-	-	2,046	-
Other services and charges	133,746	43,461	-	4,112	1,796	2,856	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	16,167	16,403	-	-	4,253	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	14,953
Total disbursements	<u>439,102</u>	<u>72,882</u>	<u>16,403</u>	<u>4,947</u>	<u>1,796</u>	<u>9,997</u>	<u>14,953</u>
Excess (deficiency) of receipts over disbursements	<u>41</u>	<u>1,987</u>	<u>2,989</u>	<u>(1,489)</u>	<u>8,830</u>	<u>1,368</u>	<u>50,742</u>
Cash and investments - ending	<u>\$ 97,655</u>	<u>\$ 11,906</u>	<u>\$ 2,864</u>	<u>\$ 10,396</u>	<u>\$ 60,300</u>	<u>\$ 6,172</u>	<u>\$ 194,353</u>

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

	Levy Excess	Major Moves	Cumulative Capital Development	Cumulative Fire	CEDIT	Cumulative Capital Improvement	Storm Water
Cash and investments - beginning	\$ -	\$ 167,470	\$ 69,735	\$ 147,453	\$ 163,152	\$ 23,616	\$ 388,125
Receipts:							
Taxes	-	-	16,733	13,930	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	2,279	1,304	124,908	4,995	-
Charges for services	-	-	-	-	-	-	102,103
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	997	30,203	34	643	34	-	119
Total receipts	997	30,203	19,046	15,877	124,942	4,995	102,222
Disbursements:							
Personal services	-	-	-	-	-	-	130
Supplies	-	-	-	-	-	-	374
Other services and charges	-	-	-	-	40,882	-	14,338
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	61,231	-	115,015	1,138	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	61,231	-	155,897	1,138	14,842
Excess (deficiency) of receipts over disbursements	997	30,203	(42,185)	15,877	(30,955)	3,857	87,380
Cash and investments - ending	\$ 997	\$ 197,673	\$ 27,550	\$ 163,330	\$ 132,197	\$ 27,473	\$ 475,505

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

	Petty Cash	Town Donation	Park Donation	Police Donation	Centennial Townwide Celebrations	Debt Service Redevelopment
Cash and investments - beginning	\$ 100	\$ 597	\$ 139	\$ 3,973	\$ 956	\$ 6,291
Receipts:						
Taxes	-	-	-	-	-	55,720
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	7,573
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	161	-	-	2,836	-	-
Total receipts	161	-	-	2,836	-	63,293
Disbursements:						
Personal services	-	-	-	560	-	-
Supplies	161	71	-	538	-	-
Other services and charges	-	-	-	25	-	-
Debt service - principal and interest	-	-	-	-	-	58,051
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	161	71	-	1,123	-	58,051
Excess (deficiency) of receipts over disbursements	-	(71)	-	1,713	-	5,242
Cash and investments - ending	\$ 100	\$ 526	\$ 139	\$ 5,686	\$ 956	\$ 11,533

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

	Net Pay	Miscellaneous Deductions	Federal Tax	State Tax	Pension	Sewer Operating
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 812,792
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	383,377
Other receipts	227,012	5,535	61,547	11,519	7,105	19,207
Total receipts	<u>227,012</u>	<u>5,535</u>	<u>61,547</u>	<u>11,519</u>	<u>7,105</u>	<u>402,584</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	352,962
Other disbursements	227,012	5,535	61,547	10,588	7,101	179,865
Total disbursements	<u>227,012</u>	<u>5,535</u>	<u>61,547</u>	<u>10,588</u>	<u>7,101</u>	<u>532,827</u>
Excess (deficiency) of receipts over disbursements	-	-	-	931	4	(130,243)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 931</u>	<u>\$ 4</u>	<u>\$ 682,549</u>

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

	Sewer Depreciation	Sewer Bond and Interest	Water Operating	Water Consumer Deposit	Tower Painting	Drinking Water Debt Reserve
Cash and investments - beginning	\$ 22,510	\$ 137,016	\$ (29,454)	\$ 61,652	\$ 25,825	\$ 25,175
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	858,745	-	-	-
Other receipts	-	150,000	31,216	5,816	9,000	-
Total receipts	-	150,000	889,961	5,816	9,000	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	147,956	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	199,238	-	-	-
Other disbursements	-	-	652,765	5,711	-	-
Total disbursements	-	147,956	852,003	5,711	-	-
Excess (deficiency) of receipts over disbursements	-	2,044	37,958	105	9,000	-
Cash and investments - ending	\$ 22,510	\$ 139,060	\$ 8,504	\$ 61,757	\$ 34,825	\$ 25,175

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

	Drinking Water SRF	Water State Road 8 and 49	Leaf	Park Deposit	Garbage	Totals
Cash and investments - beginning	\$ 28,757	\$ -	\$ 727	\$ 1,000	\$ 4,293	\$ 2,381,078
Receipts:						
Taxes	-	-	-	-	-	366,765
Licenses and permits	-	-	-	-	-	8,048
Intergovernmental	-	35,409	-	-	-	355,058
Charges for services	-	-	-	-	102,822	283,693
Fines and forfeits	-	-	-	-	-	39,287
Utility fees	-	-	-	-	-	1,242,122
Other receipts	24,000	-	36,233	900	-	663,590
Total receipts	<u>24,000</u>	<u>35,409</u>	<u>36,233</u>	<u>900</u>	<u>102,822</u>	<u>2,958,563</u>
Disbursements:						
Personal services	-	-	-	-	-	288,362
Supplies	-	-	-	-	-	35,805
Other services and charges	-	-	29,700	-	102,339	373,255
Debt service - principal and interest	22,825	-	-	-	-	228,832
Capital outlay	-	-	-	-	-	214,207
Utility operating expenses	-	-	-	-	-	552,200
Other disbursements	-	35,409	-	900	3,146	1,204,532
Total disbursements	<u>22,825</u>	<u>35,409</u>	<u>29,700</u>	<u>900</u>	<u>105,485</u>	<u>2,897,193</u>
Excess (deficiency) of receipts over disbursements	<u>1,175</u>	<u>-</u>	<u>6,533</u>	<u>-</u>	<u>(2,663)</u>	<u>61,370</u>
Cash and investments - ending	<u>\$ 29,932</u>	<u>\$ -</u>	<u>\$ 7,260</u>	<u>\$ 1,000</u>	<u>\$ 1,630</u>	<u>\$ 2,442,448</u>

TOWN OF KOUTS  
 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	Continuing Education	Riverboat	Park	Rainy Day
Cash and investments - beginning	\$ 97,655	\$ 11,906	\$ 2,864	\$ 10,396	\$ 60,300	\$ 6,172	\$ 194,353
Receipts:							
Taxes	228,939	20,827	-	-	-	5,400	-
Licenses and permits	8,484	-	-	660	-	-	-
Intergovernmental	72,689	47,843	20,589	-	10,626	634	-
Charges for services	49,206	-	-	1,529	-	880	-
Fines and forfeits	43,543	-	-	-	400	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	18,848	206	-	1,931	-	50	-
Total receipts	<u>421,709</u>	<u>68,876</u>	<u>20,589</u>	<u>4,120</u>	<u>11,026</u>	<u>6,964</u>	<u>-</u>
Disbursements:							
Personal services	289,052	3,485	-	300	-	863	-
Supplies	28,250	5,501	-	950	-	1,648	-
Other services and charges	132,741	47,428	-	2,032	-	2,890	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	15,000	21,538	-	22,038	902	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	1,254	26,092	-	-
Total disbursements	<u>450,043</u>	<u>71,414</u>	<u>21,538</u>	<u>4,536</u>	<u>48,130</u>	<u>6,303</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(28,334)</u>	<u>(2,538)</u>	<u>(949)</u>	<u>(416)</u>	<u>(37,104)</u>	<u>661</u>	<u>-</u>
Cash and investments - ending	<u>\$ 69,321</u>	<u>\$ 9,368</u>	<u>\$ 1,915</u>	<u>\$ 9,980</u>	<u>\$ 23,196</u>	<u>\$ 6,833</u>	<u>\$ 194,353</u>

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

	Levy Excess	Major Moves	Cumulative Capital Development	Cumulative Fire	CEDIT	Cumulative Capital Improvement
Cash and investments - beginning	\$ 997	\$ 197,673	\$ 27,550	\$ 163,330	\$ 132,197	\$ 27,473
Receipts:						
Taxes	-	-	4,937	4,937	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	580	580	99,825	4,876
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	202	31	46	50,034	-
Total receipts	-	202	5,548	5,563	149,859	4,876
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	9,493	2,282
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	135,625	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	997	-	22,580	155,000	7,751	-
Total disbursements	997	-	22,580	155,000	152,869	2,282
Excess (deficiency) of receipts over disbursements	(997)	202	(17,032)	(149,437)	(3,010)	2,594
Cash and investments - ending	\$ -	\$ 197,875	\$ 10,518	\$ 13,893	\$ 129,187	\$ 30,067

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

	Storm Water	Petty Cash	Town Donation	Park Donation	Police Donation	Centennial Townwide Celebrations
Cash and investments - beginning	\$ 475,505	\$ 100	\$ 526	\$ 139	\$ 5,686	\$ 956
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	102,618	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	118	173	-	-	1,100	1
Total receipts	<u>102,736</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1</u>
Disbursements:						
Personal services	181	-	-	-	-	-
Supplies	143	-	-	96	725	-
Other services and charges	4,000	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	173	-	-	-	-
Total disbursements	<u>4,324</u>	<u>173</u>	<u>-</u>	<u>96</u>	<u>725</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>98,412</u>	<u>-</u>	<u>-</u>	<u>(96)</u>	<u>375</u>	<u>1</u>
Cash and investments - ending	<u>\$ 573,917</u>	<u>\$ 100</u>	<u>\$ 526</u>	<u>\$ 43</u>	<u>\$ 6,061</u>	<u>\$ 957</u>

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

	Debt Service Redevelopment	Net Pay	Miscellaneous Deductions	Federal Tax	State Tax	Pension
Cash and investments - beginning	\$ 11,533	\$ -	\$ -	\$ -	\$ 931	\$ 4
Receipts:						
Taxes	46,514	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,460	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	241,235	5,206	65,659	11,950	7,260
Total receipts	<u>51,974</u>	<u>241,235</u>	<u>5,206</u>	<u>65,659</u>	<u>11,950</u>	<u>7,260</u>
Disbursements:						
Personal services	-	241,235	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	61,435	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	5,206	65,659	11,871	7,264
Total disbursements	<u>61,435</u>	<u>241,235</u>	<u>5,206</u>	<u>65,659</u>	<u>11,871</u>	<u>7,264</u>
Excess (deficiency) of receipts over disbursements	<u>(9,461)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79</u>	<u>(4)</u>
Cash and investments - ending	<u>\$ 2,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,010</u>	<u>\$ -</u>

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

	Sewer Operating	Sewer Depreciation	Sewer Bond and Interest	Water Operating	Water Consumer Deposit	Tower Painting
Cash and investments - beginning	\$ 682,549	\$ 22,510	\$ 139,060	\$ 8,504	\$ 61,757	\$ 34,825
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	369,502	-	-	850,325	-	-
Other receipts	13,088	-	150,000	9,859	6,194	9,000
Total receipts	382,590	-	150,000	860,184	6,194	9,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	371,801	-	-	171,902	-	-
Other disbursements	180,657	-	148,991	652,856	4,062	-
Total disbursements	552,458	-	148,991	824,758	4,062	-
Excess (deficiency) of receipts over disbursements	(169,868)	-	1,009	35,426	2,132	9,000
Cash and investments - ending	\$ 512,681	\$ 22,510	\$ 140,069	\$ 43,930	\$ 63,889	\$ 43,825

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

	Drinking Water Debt Reserve	Drinking Water SRF	Leaf	Park Deposit	Garbage	Totals
Cash and investments - beginning	\$ 25,175	\$ 29,932	\$ 7,260	\$ 1,000	\$ 1,630	\$ 2,442,448
Receipts:						
Taxes	-	-	-	-	-	311,554
Licenses and permits	-	-	-	-	-	9,144
Intergovernmental	-	-	-	-	-	263,702
Charges for services	-	-	34,599	-	106,138	294,970
Fines and forfeits	-	-	-	-	-	43,943
Utility fees	-	-	-	-	-	1,219,827
Other receipts	-	24,000	-	700	-	616,891
Total receipts	-	24,000	34,599	700	106,138	2,760,031
Disbursements:						
Personal services	-	-	-	-	-	535,116
Supplies	-	-	-	-	-	37,313
Other services and charges	-	-	29,900	-	108,213	338,979
Debt service - principal and interest	-	-	-	-	-	61,435
Capital outlay	-	-	-	-	-	195,103
Utility operating expenses	-	-	-	-	-	543,703
Other disbursements	-	23,300	-	700	-	1,314,413
Total disbursements	-	23,300	29,900	700	108,213	3,026,062
Excess (deficiency) of receipts over disbursements	-	700	4,699	-	(2,075)	(266,031)
Cash and investments - ending	\$ 25,175	\$ 30,632	\$ 11,959	\$ 1,000	\$ (445)	\$ 2,176,417

TOWN OF KOUTS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road and Street	Continuing Education	Riverboat	Park
Cash and investments - beginning	\$ 69,321	\$ 9,368	\$ 1,915	\$ 9,980	\$ 23,196	\$ 6,833
Receipts:						
Taxes	202,948	36,186	-	-	-	7,979
Licenses and permits	6,344	-	-	1,140	-	-
Intergovernmental	30,550	53,456	19,665	-	11,131	956
Charges for services	72,822	-	-	875	-	940
Fines and forfeits	3,892	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	82,605	6	-	1,072	-	1,595
Total receipts	<u>399,161</u>	<u>89,648</u>	<u>19,665</u>	<u>3,087</u>	<u>11,131</u>	<u>11,470</u>
Disbursements:						
Personal services	273,610	3,512	-	300	-	2,424
Supplies	27,934	7,682	-	788	-	355
Other services and charges	142,559	43,019	-	595	7,380	5,121
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	21,413	21,869	20,227	2,633	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	80
Total disbursements	<u>465,516</u>	<u>76,082</u>	<u>20,227</u>	<u>4,316</u>	<u>7,380</u>	<u>7,980</u>
Excess (deficiency) of receipts over disbursements	<u>(66,355)</u>	<u>13,566</u>	<u>(562)</u>	<u>(1,229)</u>	<u>3,751</u>	<u>3,490</u>
Cash and investments - ending	<u>\$ 2,966</u>	<u>\$ 22,934</u>	<u>\$ 1,353</u>	<u>\$ 8,751</u>	<u>\$ 26,947</u>	<u>\$ 10,323</u>

TOWN OF KOUTS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Rainy Day	Major Moves	Cumulative Capital Development	Cumulative Fire	CEDIT	Cumulative Capital Improvement
Cash and investments - beginning	\$ 194,353	\$ 197,875	\$ 10,518	\$ 13,893	\$ 129,187	\$ 30,067
Receipts:						
Taxes	-	-	5,158	5,158	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	618	618	133,668	4,984
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	179	3	4	34,727	-
Total receipts	-	179	5,779	5,780	168,395	4,984
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	16
Other services and charges	-	-	-	-	3,830	3,072
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	8,953	14,532	29,230	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	9,769	-
Total disbursements	-	-	8,953	14,532	42,829	3,088
Excess (deficiency) of receipts over disbursements	-	179	(3,174)	(8,752)	125,566	1,896
Cash and investments - ending	\$ 194,353	\$ 198,054	\$ 7,344	\$ 5,141	\$ 254,753	\$ 31,963

TOWN OF KOUTS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Storm Water	Petty Cash	Town Donation	Park Donation	Police Donation	Centennial Townwide Celebrations
Cash and investments - beginning	\$ 573,917	\$ 100	\$ 526	\$ 43	\$ 6,061	\$ 957
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	104,346	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	105	160	-	-	1,750	-
Total receipts	104,451	160	-	-	1,750	-
Disbursements:						
Personal services	65	-	-	-	-	-
Supplies	390	-	13	-	503	-
Other services and charges	5,158	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	160	-	-	4,612	-
Total disbursements	5,613	160	13	-	5,115	-
Excess (deficiency) of receipts over disbursements	98,838	-	(13)	-	(3,365)	-
Cash and investments - ending	\$ 672,755	\$ 100	\$ 513	\$ 43	\$ 2,696	\$ 957

TOWN OF KOUTS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Debt Service Redevelopment	Net Pay	Miscellaneous Deductions	Federal Tax	State Tax	Pension
Cash and investments - beginning	\$ 2,072	\$ -	\$ -	\$ -	\$ 1,010	\$ -
Receipts:						
Taxes	51,015	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	6,112	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	208,967	5,483	56,480	10,492	4,115
Total receipts	<u>57,127</u>	<u>208,967</u>	<u>5,483</u>	<u>56,480</u>	<u>10,492</u>	<u>4,115</u>
Disbursements:						
Personal services	-	208,967	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	59,685	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	5,483	56,480	11,502	4,115
Total disbursements	<u>59,685</u>	<u>208,967</u>	<u>5,483</u>	<u>56,480</u>	<u>11,502</u>	<u>4,115</u>
Excess (deficiency) of receipts over disbursements	<u>(2,558)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,010)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (486)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF KOUTS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Sewer Operating	Sewer Depreciation	Sewer Bond and Interest	Water Operating	Water Consumer Deposit	Tower Painting
Cash and investments - beginning	\$ 512,681	\$ 22,510	\$ 140,069	\$ 43,930	\$ 63,889	\$ 43,825
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	383,113	-	-	893,265	-	-
Other receipts	11,082	-	150,000	47,686	6,856	9,000
Total receipts	394,195	-	150,000	940,951	6,856	9,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	379,931	-	-	167,832	47	-
Other disbursements	150,000	-	144,951	675,439	5,676	-
Total disbursements	529,931	-	144,951	843,271	5,723	-
Excess (deficiency) of receipts over disbursements	(135,736)	-	5,049	97,680	1,133	9,000
Cash and investments - ending	\$ 376,945	\$ 22,510	\$ 145,118	\$ 141,610	\$ 65,022	\$ 52,825

TOWN OF KOUTS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Drinking Water Debt Reserve	Drinking Water SRF	Leaf	Park Deposit	Garbage	Totals
Cash and investments - beginning	\$ 25,175	\$ 30,632	\$ 11,959	\$ 1,000	\$ (445)	\$ 2,176,417
Receipts:						
Taxes	-	-	-	-	-	308,444
Licenses and permits	-	-	-	-	-	7,484
Intergovernmental	-	-	-	-	-	261,758
Charges for services	-	-	35,575	750	114,404	329,712
Fines and forfeits	-	-	-	-	-	3,892
Utility fees	-	-	-	-	-	1,276,378
Other receipts	-	24,000	-	-	-	656,367
Total receipts	-	24,000	35,575	750	114,404	2,844,035
Disbursements:						
Personal services	-	-	-	-	-	488,878
Supplies	-	-	-	-	-	37,681
Other services and charges	-	-	27,567	-	109,998	348,299
Debt service - principal and interest	-	-	-	-	-	59,685
Capital outlay	-	-	-	-	-	118,857
Utility operating expenses	-	-	-	-	-	547,810
Other disbursements	-	23,740	-	700	2,402	1,095,109
Total disbursements	-	23,740	27,567	700	112,400	2,696,319
Excess (deficiency) of receipts over disbursements	-	260	8,008	50	2,004	147,716
Cash and investments - ending	\$ 25,175	\$ 30,892	\$ 19,967	\$ 1,050	\$ 1,559	\$ 2,324,133

TOWN OF KOUTS  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 8,189	\$ -
Water	5,918	2,687
Drazer Park	47	-
Garbage	9,155	1,862
Sewer	<u>7,965</u>	<u>15,206</u>
Totals	<u>\$ 31,274</u>	<u>\$ 19,755</u>

TOWN OF KOUTS  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: IKON	Ricoh MPC2051	\$ 835	10-01-12	09-30-16
Total of annual lease payments		<u>\$ 835</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	Redevelopment District Special Taxing District Bonds Series 2005	\$ 235,000	\$ 55,990
Sewer: Notes and loans payable	SRF DEPRECIATION FUND	111,194	38,781
Notes and loans payable	SRF LOAN 1994	<u>305,000</u>	<u>109,150</u>
Total Sewer		<u>416,194</u>	<u>147,931</u>
Water: Notes and loans payable	SRF LOAN -WELL HEAD	<u>175,585</u>	<u>23,145</u>
Totals		<u>\$ 826,779</u>	<u>\$ 227,066</u>

TOWN OF KOUTS  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2012

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:	
Land	\$ 1,122,662
Infrastructure	2,974,359
Buildings	209,489
Improvements other than buildings	459,628
Machinery, equipment, and vehicles	296,620
Total governmental activities	5,062,758
 Sewer:	
Infrastructure	765,775
Buildings	358,540
Improvements other than buildings	1,631,284
Machinery, equipment, and vehicles	587,945
Books and other	3,937
Total Sewer	3,347,481
 Water:	
Infrastructure	1,153,157
Buildings	8,000
Improvements other than buildings	714,200
Machinery, equipment, and vehicles	110,002
Total Water	1,985,359
 Total capital assets	\$ 10,395,598

TOWN OF KOUTS  
EXAMINATION RESULTS AND COMMENTS

***PENALTIES, INTEREST, AND OTHER CHARGES***

Penalties and interest totaling \$603.45 were incurred by the Town and paid to the Indiana Department of Revenue as noted below for the tax year 2008.

<u>Date Paid</u>	<u>Type</u>	<u>Assessment</u>	<u>Description</u>	<u>Amount</u>
03-16-10	Utilities Receipts Tax	2008	Inadequate Estimate Payments	<u>\$ 603.45</u>

A similar comment was included in prior Report B33352. We requested Gregory S. Frame, former Clerk-Treasurer, to reimburse the Town \$603.45 for the penalties and interest paid to Indiana Department of Revenue. Gregory S. Frame, former Clerk-Treasurer, reimbursed the Town \$603.45 on May 31, 2013, Receipt No. 23458. (See Summary of Charges, page 41)

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 Cities and Towns, Chapter 7)

***MOVING TRAFFIC CITATIONS ISSUED BY THE TOWN***

The Town is processing a majority of the moving traffic violations as ordinance violations and collecting the related fines in the Clerk-Treasurer's office. The fine established by the Town for any moving traffic violations is \$85. Prior to November of 2011 it was \$60. The fines were receipted into the General Fund of the Town. These fines do not agree to the fines established in the Indiana Code which specifically governs the disposition of fines and fees for the moving traffic violations.

In 2011, the Town collected approximately \$42,000 in fines for an estimated 680 moving traffic violations (tickets). In 2012, the Town collected approximately \$31,000 in fines for an estimated 365 moving traffic violations (tickets). The majority of the tickets issued were for exceeding the speed limit. The tickets that are processed at the Town are not reported to the Bureau of Motor Vehicles (BMV). A similar comment was in prior Reports B28798, B33352, and B37835.

IC 36-1-6-3(c) states that an ordinance defining a moving traffic violation may not be enforced in an ordinance violations bureau. Moving traffic violations must be enforced in accordance with IC 34-28-5 which requires such cases to be heard in any circuit, superior, county, city, or town court or traffic violations bureau designated by these courts. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September, 2012)

Indiana Code 34-28-5-1-(b) states in part: "An action to enforce a statute defining an infraction shall be brought in the name of the State of Indiana by the prosecuting attorney for the judicial circuit in which the infraction allegedly took place."

TOWN OF KOUTS  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***OVERDRAWN FUND BALANCES***

The Garbage Fund was overdrawn in 2011 by \$445 and the Debt Service Redevelopment Fund was overdrawn in 2012 by \$486.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***ADVANCE PAYMENTS***

Town employees are paid on the 15<sup>th</sup> and 30<sup>th</sup> of each month. The compensation paid includes compensation for work performed on the date the check is issued. If the 15<sup>th</sup> or 30<sup>th</sup> falls on a weekend or a Monday, holiday checks are issued the Friday before. This results in compensation being paid in advance. This mainly affects police officers who work on the weekends and holidays.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-7-3-1 states: "(a) Public officers may not draw or receive their salaries in advance."

***DELINQUENT ACCOUNTS RECEIVABLE***

The Town has established a shutoff policy for delinquent customers. The policy states "that all bills are due and payable on or before the date set forth on the bill; and that if any bill is not paid by or before the twentieth of the month of the second billing, a third bill will be mailed containing a cutoff notice that if the bill is not paid within ten days of the mailing of the third bill, service will be discontinued for nonpayment . . ." The Water Utility was not adhering to their policy by failing to discontinue service to customers ten days after the cutoff notice.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF KOUTS  
EXIT CONFERENCE

The contents of this report were discussed on February 19, 2013, with Laurie Tribble, Clerk-Treasurer, and Tim Jones, President of the Town Council. The Official Response has been made a part of this report and may be found on pages 38 through 40.

A copy of the comments was sent certified mail to Gregory S. Frame, former Clerk-Treasurer, on February 19, 2013.

# Town of Kouts

210 South Main Street, P.O. Box 693

Kouts, IN 46347

219-766-3312/Fax: 219-766-3029

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February 20, 2013

Indiana State Board of Accounts  
Porter County Government Building  
155 Indiana Ave  
Valparaiso, IN 46383

**RE: OFFICIAL RESPONSE**

Dear State Board:

Attached to this letter is an official response from the Town of Kouts regarding comments on of Ordinance Violation Bureau to be inserted in our Annual audit report.

Sincerely,



Laurie Tribble  
Clerk-Treasurer



*SCHWERD, FRYMAN & TORRENGA, LLP*

ATTORNEYS AT LAW

1158 LINCOLNWAY, SUITE 2  
VALPARAISO, IN 46385

ROBERT M. SCHWERD  
BENJAMIN D. FRYMAN  
BRENT A. TORRENGA

PHONE: (219) 841-5683  
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INFO@SFTLAWYERS.COM

February 14, 2013

Laurie Tribble, Clerk-Treasurer  
**Town of Kouts**  
210 S. Main Street  
Kouts, IN 46347

RE: State Board of Accounts

Dear Ms. Tribble:

In response to your comments that the auditor for the State Board of Accounts takes the position that the Town is assessing fines for speeding and other moving violations improperly. This conclusion on the part of the auditor is based on the auditor's interpretation of I.C. 34-28-5 and I.C. 33-6-3. Under these statutes, the auditor's position is that state law requires that all moving violation cases (whether brought under state statute or town ordinance) be heard in a circuit, superior, county, city or town court or traffic violations bureau designated by one of these courts and that a moving traffic violation may not be brought before or disposed of by a town violations bureau pursuant to an enabling ordinance.

After reviewing I.C. 34-28-5 and I.C. 33-6-3, it is my opinion that the State Board of Accounts on this matter is incorrect. Contrary to the audit comment, I.C. 34-28-5 makes no mention of a specific jurisdiction for moving traffic violations. In Section 1 of this statute, sub-section (a) provides that an action to enforce a statute defining an infraction (e.g. speeding) shall be brought in the name of the State of Indiana by the prosecuting attorney for the judicial circuit for which the infraction took place. Obviously sub-section (a) contemplates that statutory law (state statute) enforcement by prosecuting attorneys will occur in one of these courts. However, sub-section (b) of Section 1 of this statute specifies that an action to enforce an ordinance shall be brought in the name of the municipal corporation. Sub-section (b) does not provide that the action will be prosecuted by a prosecuting attorney and, like all municipal ordinance violations, can be prosecuted by the town attorney. Sub-section (b) also does not require that the enforcement of an ordinance be brought in a circuit, superior, county, city or town court or traffic violations bureau designated by one of these courts. Since the Town of Kouts has specifically created a Violations Bureau as permitted by I.C. 33-6-3, these town ordinance violations, including moving violations such as speeding, may be brought before the Violations Bureau and resolved at that level without the necessity of being filed in one of the courts enumerated by the auditor's comment.

LAKE COUNTY OFFICE:

907 RIDGE RD, SUITE 3, MUNSTER, IN 46321  
PHONE: (219) 227-5801 FACSIMILE: (219) 227-5802

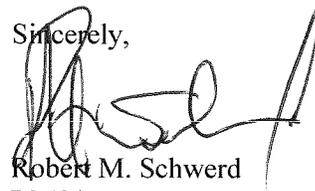
Of course, if the ordinance violation is not resolved in a timely fashion through the use of a town violation bureau, the matter would then be referred to one of the above-mentioned courts.

The Kouts Violation Bureau Ordinance complies with the state law in that it lists a number of ordinance violations which may be handled through the creation of the Violations Bureau. Those violations include traffic moving violations. Nowhere in I.C. 33-6-3 is it suggested that ordinance violations involving moving traffic violations may not be handled through a Town Violations Bureau.

The Town of Kouts has ordinances with respect to moving traffic violations on its town roads and the disposition of those ordinance violations before the Town Violations Bureau is permitted, and indeed contemplated, by the creation of the violation bureau statute. For that reason, it is my opinion that I.C. 34-28-5-1 (b) in combination with I.C. 33-6-3 and the Kouts Ordinance creating the Violations Bureau, specifying the infractions which may be handled by that bureau, permit the Town of Kouts to dispose of traffic moving violations on town roads, through the Violations Bureau of the Town.

Please feel free to provide the auditor with a copy of this opinion. If further discussion or review of this matter is needed, please call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'RMS', with a long horizontal flourish extending to the right.

Robert M. Schwerd  
RMS/sat

TOWN OF KOUTS  
 PORTER COUNTY  
 SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Gregory S. Frame, former Clerk-Treasurer:			
Penalties, Interest, and Other			
Charges, page 35	\$ 603.45	\$	\$
Reimbursed by Gregory S. Frame,			
Check No. 1053435, Receipt No. 23458,			
on May 31, 2013	<u>                    </u>	<u>603.45</u>	<u>-</u>
Totals	<u>\$ 603.45</u>	<u>\$ 603.45</u>	<u>\$ -</u>