TOWN OF KEVIN

KEVIN, MONTANA

REPORT ON AGREED-UPON PROCEDURES
AS OF
JUNE 30, 2014

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Douglas Wilson & Company, P.C.

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Since 1913

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the, Montana, (the Government) and the State of Montana, solely to perform a financial review of the Government as of and for the year ended June 30, 2014, as required by Section 2-7-503, MCA. The Government's management is responsible for the financial statements, compliance with the specified requirements and internal control over compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the State of Montana, as required by Section 2-7-503, MCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1) We obtained the Government's annual financial report required to be prepared by State law (MCA 7-6-611), and we determined whether:

   - The financial statements internally balance and reconcile, and agree to the Government's underlying accounting records, and

   - Beginning net position and fund balance amounts reported on the government-wide and fund financial statements agree to related ending net position and fund balance amounts on prior-year financial statements.

   Findings resulting from these procedures are disclosed in finding number 1 in Schedule C.

2) We determined whether the Government performed reconciliations, on a monthly basis, of total cash and investments per the accounting records with deposits and investments held in financial institutions.

   We found no exceptions as a result of this procedure.

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3) We determined whether the Government has a policy requiring that its cash receipts be deposited intact on a timely (at least weekly) basis with a financial institution, and verified that, for several selected weeks throughout the year, deposits were made per this policy.

Findings resulting from this procedure are disclosed in finding number 2 in Schedule C.

4) We determined whether the Government maintained documentation of capital assets and related schedules of depreciation, and that this documentation supports the amount of net capital assets and depreciation expense recorded in the accounting records.

Findings resulting from this procedure are disclosed in finding number 3 in Schedule C.

5) We determined whether the Government maintained documentation for all long-term liabilities recorded in the accounting records, including but not limited to bonds, notes and loans, capital leases, compensated absences, and judgments.

We found no exceptions as a result of these procedures.

6) We examined general journal entries prepared during the year, and verified that:

- All adjustments to the fund balance and net position accounts, including prior period adjustments, were supported by explanatory documentation and approved by the governing body, and

- All transfers made were allowable under State law. (MCA 7-6-613)

We found no exceptions as a result of these procedures.

7) Through inquiry of members of the governing body and through observation of supporting documentation, we determined whether the governing body received and reviewed the following on a monthly basis:

- A report comparing budgeted revenues and budgeted appropriations with the year-to-date actual revenues and actual expenditures,

- A copy of the bank reconciliation for all deposits/investments,

- A report of cash balances, receipts and disbursements, as required by MCA 7-6-612,

- Supporting documentation for all expenditures/expenses, as required by MCA 7-6-4301.

Findings resulting from these procedures are disclosed in finding number 4 in Schedule C.

8) We identified all claims in excess of $80,000, and determined whether any contracts for the purchase of vehicles, machinery, equipment, supplies, construction, repair or maintenance in excess of that amount were let to the lowest responsible bidder after advertisement for bids, as required by MCA 7-5-4302, and we determined whether the bidding process was documented in the minutes of governing body meetings.

The Government had no contract for purchase that met this criteria.

9) We verified that:

- The final budget was adopted by resolution, as required by MCA 7-6-4030;
- The "Tax Levy Requirements Schedule" in the Government's budget document was accurately prepared, and cash reserves were (1) within the statutory limitations (MCA 7-6-4034) and (2) not negative (MCA 7-6-4030(2));
- If applicable, any amendments to the final budget were adopted as required by MCA 7-6-4031; and
- Total expenditures for each governmental fund did not exceed the budgeted appropriations for the fund (i.e., final budget as legally amended), as required by MCA 7-6-4005 and 7-6-4033.

We found no exceptions as a result of these procedures.

10) We obtained the following documents and performed the following procedures related to property tax levies:
We obtained:

- Copies of the Government's worksheets for the "Determination of Tax Revenue and Mill Levy Limitations Under MCA 15-10-420" for the current (FY2014) and prior year (hereafter referred to as "Determination Worksheets");
- A copy of the Department of Revenue's 2013 Certified Taxable Valuation Form for the Government (hereafter referred to as "DOR Form");
- The Government's Budget Resolution(s) for FY2014;
- For the County's agency fund for the Government, a detailed ledger query or other detailed trial balance report for the FY2014 period (hereafter referred to as "County Report").

a. We verified that all applicable elements from the DOR Form were transferred appropriately to the FY2014 Determination Worksheet(s).

b. We verified that all applicable elements from the DOR Form were transferred appropriately to the FY2014 Determination Worksheet(s).

c. We verified that the first line (prior year authorized revenue) of the FY2014 Determination Worksheet(s) was equal to the last line of the prior year's Determination Worksheet (authorized tax revenue).

d. We compared the "Authorized mill levy" from the FY2014 Determination Worksheet(s) to the actual mills levied per the Budget Resolution(s) and determined whether the mills actually levied were in compliance with the tax levy limitations of MCA 15-10-420.

e. If the actual mills levied exceeded the Determination Worksheets' authorized mill levy, we verified that the excess represented additional levies authorized by voters (MCA 15-10-425), mills exempted by statute (MCA 15-10-420(9)), and/or mill authority carried forward from previous years (MCA 15-10-420(1)(b), and we verified that the Town had documentation to

f. Tax revenue verification: We multiplied the Government's taxable valuation with the total mills levied, compared the results of this calculation with total property tax revenue recorded in the accounting records, and noted any variances of 5% or greater. (Note: Local vehicle option taxes and tax penalty/interest, if any, should be excluded from total property tax revenue for purposes of this comparison.)

g. Taxes receivable verification: We verified that total taxes receivable in the Government's accounting records agree to the total taxes receivable in the County Report.

Findings resulting from this procedure are disclosed in finding number 5 in Schedule C.

11) For any single source of revenue that the Government received with specific terms/conditions for its receipt and use (e.g., grants, State allocations) and that represented 25% or greater of total revenues for the fiscal year, we reviewed the terms/conditions of that revenue source and verified that the Government complied with those terms/conditions.

We found no exceptions as a result of these procedures.

Accompanying are the following schedules:

Schedules A.1. and A.2. present the Government's government-wide Statement of Net Position and Statement of Activities as of and for the fiscal year ended June 30, 2014.

Schedules B.1 through B.5 present the Government's governmental, proprietary and fiduciary fund statements, as applicable, as of and for the fiscal year ended June 30, 2014.

Schedule C presents findings and recommendations resulting from performing the above agreed-upon procedures.

We were not engaged to, and did not conduct an examination or audit, the objective of which would be the expression of an opinion on the accounting records, specified accounts and transactions, or on compliance or effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Town of Kevin, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than these specified parties.

Douglas Wilson + Company, P.C

Great Falls, Montana
October 20, 2014

TOWN OF KEVIN
STATEMENT OF NET POSITION
FISCAL YEAR ENDING JUNE 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total		
ASSETS					
Cash and cash equivalents	(4,169.05)	(3,899.83)	(8,068.88)		
Investments	53,274.05	19,316.69	72,590.74		
Petty Cash	100.00	0.00	100.00		
Restricted Assets:					
Cash and cash equivalents	0.00	5,330.00	5,330.00		
Investments (at fair value)	0.00	39,197.12	39,197.12		
Taxes/Assessments Receivable - (net of allowance for uncollectibles)	0.00	0.00	0.00		
Accounts/other receivables - (net of allowance for uncollectibles)	0.00	4,028.70	4,028.70		109,148.98
Internal Balances	0.00	0.00	0.00		
Due from other governments	0.00	34,250.95	34,250.95		
Prepaid expense	0.00	0.00	0.00		
Inventories	0.00	0.00	0.00		
Other debits	0.00	0.00	0.00		
Capital assets not being depreciated					
Land	0.00	300.00	300.00		
Construction in progress	0.00	2,236,993.83	2,236,993.83		
Capital assets being depreciated (net of accumulated depreciation)	0.00	1,434,981.90	1,434,981.90		
Total Assets	49,205.00	3,770,499.36	3,819,704.36	0.00	109,148.98
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources	0.00	0.00	0.00		
Deferred Outflows of Resources	0.00	0.00	0.00		
Total Deferred Outflows of Resources	0.00	0.00	0.00	0.00	0.00
LIABILITIES					
Accounts payable and other current liabilities	0.00	39,580.95	39,580.95		
Matured bonds and interest payable	0.00	0.00	0.00		
Due to other governments	0.00	0.00	0.00		
Revenues collected in advance	0.00	0.00	0.00		
Contracts/Loans/Notes Payable	0.00	0.00	0.00		
Noncurrent liabilities:					
Due within one year	0.00	22,403.36	22,403.36		
Due in more than one year	0.00	333,549.48	333,549.48		
Total Liabilities	0.00	395,533.79	395,533.79	0.00	0.00
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	0.00	0.00	0.00		
Deferred Inflows of Tax Resources	0.00	0.00	0.00		
Total Deferred Inflows of Resources	0.00	0.00	0.00	0.00	0.00
NET POSITION					
Net Investment in Capital Assets	0.00	3,338,726.25	3,338,726.25		
Restricted for:	0.00		0.00		
Debt Service			0.00		
Bond Indenture Requirements		0.00	0.00		
General Government			0.00		
Public Safety			0.00		
Public Works			0.00		
Public Health			0.00		
Culture/Recreation			0.00		
Economic Development			0.00		
Other:			0.00		
Non-spendable (other than Perm Fund)	0.00		0.00		
Permanent Fund principal			0.00		
Unrestricted	49,205.00	36,239.32	85,444.32		
Total Net Position	49,205.00	3,374,965.57	3,424,170.57	0.00	0.00
Balance check (should equal zero):	0.00	0.00	0.00		

TOWN OF KEVIN
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services, Fines, Forfeitures, etc.	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units	
Primary government:									
Governmental activities:									
General government	42,048.51	0.00	0.00	0.00	(42,048.51)		(42,048.51)		
Public safety	1,304.00	0.00	0.00	0.00	(1,304.00)		(1,304.00)		
Public works	8,322.93	0.00	0.00	0.00	(8,322.93)		(8,322.93)		
Public health	0.00	0.00	0.00	0.00	0.00		0.00		
Social and economic services	0.00	0.00	0.00	0.00	0.00		0.00		
Culture and recreation	619.10	0.00	0.00	0.00	(619.10)		(619.10)		
Housing/Community Development	0.00	0.00	0.00	0.00	0.00		0.00		
Conservation of Natural Resources	0.00	0.00	0.00	0.00	0.00		0.00		
Interest on long-term debt	0.00	0.00	0.00	0.00	0.00		0.00		
Miscellaneous	5,610.00	0.00	0.00	0.00	(5,610.00)		(5,610.00)		
Unallocated costs	0.00				0.00		0.00		
Total governmental activities	57,904.54	0.00	0.00	0.00	(57,904.54)		(57,904.54)		
Business-type activities:									
Hospital									
Water	66,666.31	53,229.60				0.00	0.00		
Sewer	17,116.04	22,238.86				(13,436.71)	(13,436.71)		
Solid Waste/Landfill	23,917.48	28,299.67				5,122.82	5,122.82		
Ambulance						4,382.19	4,382.19		
Airport						0.00	0.00		
Gas/Electric	0.00					0.00	0.00		
						0.00	0.00		
Total business-type activities	107,699.83	103,768.13	0.00	0.00	0.00	(3,931.70)	(3,931.70)		
Total primary government	165,604.37	103,768.13	0.00	0.00	(57,904.54)	(3,931.70)	(61,836.24)		
Component Units:									
Total component units	0.00	0.00	0.00	0.00				0.00	0.00
General revenues:									
Property taxes					39,545.75	0.00	39,545.75		
Local option taxes					0.00		0.00		
Licenses and permits					5.00		5.00		
Unrestricted Federal/State shared revenues					31,052.30	393,312.74	424,365.04		
Unrestricted grants and contributions					0.00		0.00		
Unrestricted investment earnings					129.19	196.20	325.39		
Miscellaneous					3,654.36	(3,542.35)	112.01		
Gain on sale of capital assets					0.00	0.00	0.00		
Transfers					0.00	0.00	0.00		
Special/Extraordinary items					0.00	0.00	0.00		
							0.00		
Total general revenues and transfers					74,386.60	389,966.59	464,353.19	0.00	0.00
Change in net position					16,482.06	386,034.89	402,516.95	0.00	0.00
Total net position - July 1, 2013 as previously reported					32,722.94	2,993,759.88	3,026,482.82		
Prior period adjustments					0.00	(4,829.20)	(4,829.20)		
Total net position - July 1, 2013 as restated					32,722.94	2,988,930.68	3,021,653.62		
Total net position - June 30, 2014					49,205.00	3,374,965.57	3,424,170.57	0.00	0.00

Schedule A.2

Schedule B.1

TOWN OF KEVIN
BALANCE SHEET
GOVERNMENTAL FUNDS
FISCAL YEAR ENDING JUNE 30, 2014

Account Number	Description	Fund #1000 General	Major Funds Fund #2820 Fuel Tax Appropriation	Fund # Fund Name	Other Governmental Funds	Total Governmental Funds
	ASSETS					
101000	Cash and cash equivalents	(3,807.48)	(361.57)		0.00	(4,169.05)
103000	Petty cash	100.00			0.00	100.00
101100	Investments	45,226.33	8,047.72		0.00	53,274.05
	Restricted Assets:					
102200	Cash and cash equivalents				0.00	0.00
102300	Investments				0.00	0.00
106000	Valuation of investments to fair value				0.00	0.00
110000	Tax/assessment receivable (net of allowance for uncollectibles)				0.00	0.00
120000	Accounts/other receivables - (net of allowance for uncollectibles)				0.00	0.00
131000	Due from other funds				0.00	0.00
132000	Due from other governments				0.00	0.00
133000	Advances to other funds				0.00	0.00
140000	Prepaid expense				0.00	0.00
150000	Inventories				0.00	0.00
170000	Other debits				0.00	0.00
	Total Assets	41,518.85	7,686.15	0.00	0.00	49,205.00
	DEFERRED OUTFLOWS OF RESOURCES					
190000	Deferred Outflows of Resources				0.00	0.00
19xxxx	Deferred Outflows of Resources				0.00	0.00
	Total Deferred Outflows of Resources	0.00	0.00	0.00	0.00	0.00
	LIABILITIES					
201000	Warrants payable				0.00	0.00
202100	Accounts payable				0.00	0.00
203100	Judgments payable				0.00	0.00
204000	Contracts/loans/notes payable				0.00	0.00
205200	Matured interest payable				0.00	0.00
206100	Other accrued payables				0.00	0.00
211000	Due to other funds				0.00	0.00
212000	Due to other governments				0.00	0.00
214000	Deposits payable				0.00	0.00
216000	Revenues collected in advance				0.00	0.00
233000	Advances from other funds				0.00	0.00
	Total Liabilities	0.00	0.00	0.00	0.00	0.00
	DEFERRED INFLOWS OF RESOURCES					
220000	Deferred Inflows of Resources				0.00	0.00
223000	Deferred Inflows of Tax Revenues				0.00	0.00
	Total Deferred Inflows of Resources	0.00	0.00	0.00	0.00	0.00
	FUND BALANCES:					
250100	Non-spendable				0.00	0.00
	Inventory					0.00
250200	Restricted				0.00	0.00
	General government					0.00
	Public Safety					0.00
	Public Works					0.00
	Culture and Recreation					0.00
	Other: (input explanation					0.00
260100	Committed				0.00	0.00
	General government					0.00
	Public Safety					0.00
	Public Works					0.00
	Culture and Recreation					0.00
	Other: (input explanation					0.00
260200	Assigned				0.00	0.00
						0.00
						0.00
						0.00
271000	Unassigned	41,518.85	7,686.15		0.00	49,205.00
	Total Fund Balances	41,518.85	7,686.15	0.00	0.00	49,205.00
	Total Liabilities, Deferred Inflows of Resources and Fund Balances	41,518.85	7,686.15	0.00	0.00	
	Balance check (Should equal zero):	*0.00*	*0.00*	*0.00*	*0.00*	
	Amounts reported for governmental activities in the statement of net position are different because:					
	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					0.00
	Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred omf;pws of resources in the funds.					0.00
	Internal service funds are used by management to charge the costs of providing services within the government. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position.					
	Current assets				0.00	
	Accounts payable				0.00	
	Net amount allocated to business-type/external activities				0.00	0.00
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					0.00
	Net position of governmental activities					49,205.00

TOWN OF KEVIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDING JUNE 30, 2014

Account Number	Description	Fund #1000 General	Fund #2820 Fuel Tax Appropriation	Fund # Fund Name	Fund # Fund Name	Fund # Fund Name	Fund # Fund Name	Fund # Fund Name	Fund # Fund Name	Other Governmental Funds	Total Governmental Funds
			Major Funds								
	REVENUES										
310000/ 363000	Taxes/assessments	39,545.75								0.00	39,545.75
320000	Licenses and permits	5.00								0.00	5.00
330000	Intergovernmental revenues	21,360.99	9,691.31							0.00	31,052.30
340000	Charges for services	0.00								0.00	0.00
350000	Fines and forfeitures	0.00								0.00	0.00
360000	Miscellaneous	3,404.21	250.15							0.00	3,654.36
370000	Investment and royalty earnings	110.08	19.11							0.00	129.19
											0.00
	Total Revenues	64,426.03	9,960.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74,386.60
	EXPENDITURES										
	Current:										
410000	General government	42,048.51								0.00	42,048.51
420000	Public safety	1,304.00								0.00	1,304.00
430000	Public works	0.00	8,322.93							0.00	8,322.93
440000	Public health	0.00								0.00	0.00
450000	Social and economic services	0.00								0.00	0.00
460000	Culture and recreation	619.10								0.00	619.10
470000	Housing and community development	0.00								0.00	0.00
480000	Conservation of natural resources	0.00								0.00	0.00
490000	Debt Service:										
	Principal	0.00								0.00	0.00
	Interest	0.00								0.00	0.00
											0.00
	Capital outlay	0.00								0.00	0.00
500000	Internal Services										0.00
510000	Miscellaneous	5,610.00								0.00	5,610.00
	Total Expenditures	49,581.61	8,322.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57,904.54
	Excess of revenues (under) expenditures	14,844.42	1,637.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,482.06
	OTHER FINANCING SOURCES (USES):										
381010/40	Bonds issued	0.00								0.00	0.00
381010/40	Discount on bonds issued	0.00								0.00	0.00
381050	Inception of capital lease	0.00								0.00	0.00
381070	Notes/loans/intercap issued	0.00								0.00	0.00
382010	Sale of capital assets	0.00								0.00	0.00
383000	Transfers In	0.00								0.00	0.00
521000	Transfers out (Enter as negative)	0.00								0.00	0.00
384000	Special items - revenue	0.00								0.00	0.00
385000	Extraordinary items - revenue	0.00								0.00	0.00
524000	Special items - expenditure (Negative)	0.00								0.00	0.00
525000	Extraordinary items - expenditure (Negativ	0.00								0.00	0.00
	Total other financing sources (uses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Net change in fund balances	14,844.42	1,637.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,482.06
	Fund balances - July 1, 2013 as previously reported	26,674.43	6,048.51							0.00	32,722.94
	Prior period adjustments	0.00	0.00							0.00	0.00
	Fund balances - July 1, 2013 as restated	26,674.43	6,048.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,722.94
	Fund balances - June 30, 2014	41,518.85	7,686.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,205.00

Schedule B.2

TOWN OF KEVIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDING JUNE 30, 2014

Account Number	Description	Business-type Activities: Major Enterprise Funds 5210 Water	5310 Sewer	5410 Refuse	5710 Gas	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service
	ASSETS							
	Current Assets							
101000	Cash and cash equivalents	(2,086.94)	(998.93)	(831.05)	17.09	0.00	(3,899.83)	0.00
103000	Petty cash					0.00	0.00	0.00
101100	Investments (at fair value)	941.20	4,135.43	14,240.06		0.00	19,316.69	0.00
110000	Tax/assessment receivable (net of allowance for uncollectibles)					0.00	0.00	0.00
120000	Accounts/other receivables - (net of allowance for uncollectibles)	1,808.61	997.48	1,206.67	15.94	0.00	4,028.70	0.00
131000	Due from other funds			5,493.28		0.00	5,493.28	0.00
132000	Due from other governments	34,250.95				0.00	34,250.95	0.00
141000	Prepaid expense					0.00	0.00	0.00
150000	Inventories					0.00	0.00	0.00
	Total Current Assets	34,913.82	4,133.98	20,108.96	33.03	0.00	59,189.79	0.00
	Noncurrent Assets							
	Restricted Assets:							
102200	Cash and cash equivalents	3,453.00	1,472.00		405.00	0.00	5,330.00	0.00
102300	Investments	30,533.11	5,768.74	2,895.27		0.00	39,197.12	0.00
133000	Advances to other funds					0.00	0.00	0.00
170000	Other debits					0.00	0.00	0.00
180000	Capital assets:							
	Land	100.00	200.00			0.00	300.00	0.00
	Construction in progress	2,236,993.83				0.00	2,236,993.83	0.00
	Buildings		3,000.00			0.00	3,000.00	0.00
	Improvements other than buildings	454,580.71	128,600.30			0.00	583,181.01	0.00
	Machinery and equipment	8,320.88	664.79	46,141.05		0.00	55,126.72	0.00
	Infrastructure (utility systems)		793,674.17			0.00	793,674.17	0.00
	Less: accumulated depreciation					0.00	0.00	0.00
	Capital assets - net of accumulated depreciation	2,699,995.42	926,139.26	46,141.05	0.00	0.00	3,672,275.73	0.00
	Total Noncurrent Assets	2,733,981.53	933,380.00	49,036.32	405.00	0.00	3,716,802.85	0.00
	Total Assets	2,768,895.35	937,513.98	69,145.28	438.03	0.00	3,775,992.64	0.00
	DEFERRED OUTFLOWS OF RESOURCES							
190000	Deferred Outflows of Resources					0.00	0.00	0.00
						0.00	0.00	0.00
	Total Deferred Outflows of Resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	LIABILITIES							
	Current Liabilities							
202100	Accounts payable	34,250.95				0.00	34,250.95	0.00
203100	Judgments payable					0.00	0.00	0.00
204000	Contracts/loans/notes payable					0.00	0.00	0.00
205200	Matured interest payable					0.00	0.00	0.00
206100	Other accrued payables	17,458.36	4,945.00			0.00	22,403.36	0.00
209100	Compensated absences					0.00	0.00	0.00
211000	Due to other funds	5,493.28				0.00	5,493.28	0.00
212000	Due to other governments					0.00	0.00	0.00
214000	Deposits payable	3,453.00	1,472.00		405.00	0.00	5,330.00	0.00
216000	Revenues collected in advance					0.00	0.00	0.00
	Total Current Liabilities	60,655.59	6,417.00	0.00	405.00	0.00	67,477.59	0.00
	Noncurrent Liabilities							
231000	Bonds payable	240,000.00	42,000.00			0.00	282,000.00	0.00
233000	Advance from other funds					0.00	0.00	0.00
234000	Judgments payable					0.00	0.00	0.00
235000	Contracts/loans/notes payable	35,208.48		16,341.00		0.00	51,549.48	0.00
236000	Closure/postclosure care costs					0.00	0.00	0.00
238000	OPEB Liability					0.00	0.00	0.00
239000	Compensated absences					0.00	0.00	0.00
	Total Noncurrent Liabilities	275,208.48	42,000.00	16,341.00	0.00	0.00	333,549.48	0.00
	Total Liabilities	335,864.07	48,417.00	16,341.00	405.00	0.00	401,027.07	0.00
	DEFERRED INFLOWS OF RESOURCES							
220000	Deferred Inflows of Resources					0.00	0.00	0.00
22xxxx	Deferred Inflows of Resources					0.00	0.00	0.00
	Total Deferred Inflows of Resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	NET POSITION							
	Net Investmentment in Capital Assets	2,424,786.94	884,139.26	29,800.05	0.00	0.00	3,338,726.25	0.00
	Restricted for:							
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	
						0.00	0.00	
	Unrestricted	8,244.34	4,957.72	23,004.23	33.03	0.00	36,239.32	0.00
	Total Net Position	2,433,031.28	889,096.98	52,804.28	33.03	0.00	3,374,965.57	0.00
	Balance check (Should equal zero):	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*		
			Reconciliation to government-wide statement of net position:					
			Adjustment to reflect the consolidations of internal service funds activities related to enterprise funds					
			Net position of business-type activities				3,374,965.57	

TOWN OF KEVIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDING JUNE 30, 2014

Account Number	Description	Business-type Activities: Major Enterprise Funds 5210 Water	5310 Sewer	5410 Refuse	5710 Gas	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service
	OPERATING REVENUES							
340000	Charges for services	52,398.50	21,773.10	28,299.67		0.00	102,471.27	0.00
360000	Miscellaneous revenues	831.10	465.76			0.00	1,296.86	0.00
363000	Special assessments					0.00	0.00	0.00
						0.00	0.00	
	Total Operating Revenues	53,229.60	22,238.86	28,299.67	0.00	0.00	103,768.13	0.00
	OPERATING EXPENSES							
100	Personal services	7,980.55	7,889.13	8,178.71		0.00	24,048.39	0.00
200	Supplies	13,074.88	3,094.97	4,377.64		0.00	20,547.49	0.00
300	Purchased services	45,135.55	6,131.94	11,361.13		0.00	62,628.62	0.00
400	Building materials					0.00	0.00	0.00
500	Fixed charges	414.20				0.00	414.20	0.00
810	Loss/Bad debt expense	61.13				0.00	61.13	0.00
830	Depreciation					0.00	0.00	0.00
						0.00	0.00	
	Total Operating Expenses	66,666.31	17,116.04	23,917.48	0.00	0.00	107,699.83	0.00
	Operating Income (Loss)	(13,436.71)	5,122.82	4,382.19	0.00	0.00	(3,931.70)	0.00
	NONOPERATING REVENUES (EXPENSES)							
310000	Taxes/assessment revenue					0.00	0.00	0.00
320000	Licenses/permits revenue					0.00	0.00	0.00
330000	Intergovernmental revenue	393,312.74				0.00	393,312.74	0.00
371000	Interest revenue	41.92	10.08	144.20		0.00	196.20	0.00
382030	Gain/Loss on Sale of Capital Assets (Loss is negative)					0.00	0.00	0.00
490000	Debt service interest expense (Enter as negative)	(2,036.33)	(1,293.75)	(212.27)		0.00	(3,542.35)	0.00
384000	Special items - revenue					0.00	0.00	0.00
385000	Extraordinary items - revenue					0.00	0.00	0.00
524000	Special items - expense (enter as negative)					0.00	0.00	0.00
525000	Extraordinary items - expense (enter as negative)					0.00	0.00	0.00
	Total Non-Operating Revenues (Expenses)	391,318.33	(1,283.67)	(68.07)	0.00	0.00	389,966.59	0.00
	Income (Loss) before contributions and transfers	377,881.62	3,839.15	4,314.12	0.00	0.00	386,034.89	0.00
	Capital contributions					0.00	0.00	0.00
	Transfers in (out)					0.00	0.00	0.00
	Change in net position	377,881.62	3,839.15	4,314.12	0.00	0.00	386,034.89	0.00
	Total net position - July 1, 2013 as previously reported	2,057,645.13	886,068.41	50,013.31	33.03	0.00	2,993,759.88	0.00
	Prior period adjustments	(2,495.47)	(810.58)	(1,523.15)		0.00	(4,829.20)	0.00
	Total net position - July 1, 2013 as restated	2,055,149.66	885,257.83	48,490.16	33.03	0.00	2,988,930.68	0.00
	Total net position - June 30, 2014	2,433,031.28	889,096.98	52,804.28	33.03	0.00	3,374,965.57	0.00

Reconciliation to government-wide statement of activities:
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net position of business-type activities 386,034.89

TOWN OF KEVIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDING JUNE 30, 2014

	Business-type Activities						Governmental Activities
	Major Enterprise Funds				Nonmajor		
Description	5210 Water	5310 Sewer	5410 Refuse	5710 Gas	Enterprise Funds	Totals	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	53,229.60	22,238.86	28,299.67	0.00	0.00	103,768.13	0.00
Cash paid to suppliers	(58,685.76)	(9,226.91)	(15,738.77)	0.00	0.00	(83,651.44)	0.00
Cash paid to employees	(7,980.55)	(7,889.13)	(8,178.71)	0.00	0.00	(24,048.39)	0.00
Cash received from interfund services provided					0.00	0.00	0.00
Cash paid for interfund services used					0.00	0.00	0.00
Net cash provided (used) by operating activities	(13,436.71)	5,122.82	4,382.19	0.00	0.00	(3,931.70)	0.00
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from (to) other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances from (to) other funds					0.00	0.00	0.00
Subsidies from taxes and other governments	393,312.74	0.00	0.00	0.00	0.00	393,312.74	0.00
Net cash provided (used) by capital and related financing activities	393,312.74	0.00	0.00	0.00	0.00	393,312.74	0.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from debt					0.00	0.00	0.00
Capital contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchases/acquisition/construction of capital assets					0.00	0.00	0.00
Principal on debt (Enter as a negative)					0.00	0.00	0.00
Interest paid on debt (Negative)	(2,036.33)	(1,293.75)	(212.27)	0.00	0.00	(3,542.35)	0.00
Capital lease down payment					0.00	0.00	0.00
Proceeds from sales of capital assets					0.00	0.00	0.00
Net cash provided (used) by capital and related financing activities	(2,036.33)	(1,293.75)	(212.27)	0.00	0.00	(3,542.35)	0.00
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales of investments					0.00	0.00	0.00
Purchase of investments (Enter as negative)					0.00	0.00	0.00
Interest earnings	41.92	10.08	144.20	0.00	0.00	196.20	0.00
Net cash provided (used) by investing activities	41.92	10.08	144.20	0.00	0.00	196.20	0.00
Net increase (decrease) in cash and cash equivalents	377,881.62	3,839.15	4,314.12	0.00	0.00	386,034.89	0.00
Cash and cash equivalents - July 1, 2013	2,055,149.66	885,257.83	48,490.16	33.03	0.00	2,988,930.68	0.00
Cash and cash equivalents - June 30, 2014	2,433,031.28	889,096.98	52,804.28	33.03	0.00	3,374,965.57	0.00
Reconciliation of operating income to net cash provided (used by operating activities:							
Operating income	(13,436.71)	5,122.82	4,382.19	0.00	0.00	(3,931.70)	0.00
Adjustments to reconcile operating income to net cash provided (used) by operating activities							
Depreciation expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Increase) Decrease in accounts receivable					0.00	0.00	0.00
(Increase) Decrease in intergovernmental receivables					0.00	0.00	0.00
(Increase) Decrease in due from other funds					0.00	0.00	0.00
Increase in allowance for uncollectible accounts					0.00	0.00	0.00
(Increase) decrease in inventories					0.00	0.00	0.00
(Increase) decrease in prepaid items					0.00	0.00	0.00
Increase (decrease) in customer deposits					0.00	0.00	0.00
Increase (decrease) in accounts payable					0.00	0.00	0.00
Increase (decrease) in compensated absences pay.					0.00	0.00	0.00
Increase (decrease) in intergovernmental payables					0.00	0.00	0.00
Increase (decrease) in due to other funds					0.00	0.00	0.00
Total adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash provided (used) by operating activities	(13,436.71)	5,122.82	4,382.19	0.00	0.00	(3,931.70)	0.00
Noncash investing, capital, and financing activities:							
Borrowing under capital lease					0.00	0.00	0.00
Contributions of capital assets from government					0.00	0.00	0.00
Purchase of equipment on account					0.00	0.00	0.00
Increase in fair value of investments					0.00	0.00	0.00
Capital asset trade-ins					0.00	0.00	0.00

Schedule C
Findings and Recommendations

1. The annual financial report does not properly report receivables. Specifically the receivables do not include those charges that relate to June but billed in July and taxes receivable per the County report are not included in receivables. Cash per the County report is also not included in the annual financial report. We recommend that the Town clerk become familiar with all items that need to be reported on the annual financial report and include them in the appropriate balances.

2. The Town does not have a policy requiring its cash receipts be deposited intact on a timely basis at least weekly. The Town does deposit its cash receipts at least weekly. We recommend that a formal policy be adopted.

3. There is no depreciation schedule maintained for capital assets and there is no documentation of capital assets more than three years old. We recommend that the Town maintain adequate records to support all capital assets acquisitions.

4. The governing body does not review a report comparing budgeted revenues and appropriations with the year-to-date actual revenues and actual expenditures. We recommend that a budget to actual comparison report be presented and reviewed at each Town Council meeting.

5. The taxes receivable per the County's agency fund report are not recorded in the Town's records or the annual financial report. We recommend that the taxes receivable per the County report be included in the Town's annual financial report.