

ACCOUNTANT'S AUDIT REPORT
TOWN OF VELMA

JUNE 30, 2011

BY



Town of Velma
Velma, Oklahoma
Year Ended June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Town of Velma
Velma, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Velma, Oklahoma (the Town), as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 3, the Town prepares its financial statements on the modified cash basis for governmental activities and the modified accrual basis for the enterprise fund and which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities (modified cash basis), the business-type activities (modified accrual basis), each major fund, and the aggregate remaining fund information of the Town of Velma, as of June 30 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year than ended in conformity with the basis of accounting described in Note 3.

The budgetary comparison information and related notes are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. The Schedule of Revenue, Expenditures and Changes in Fund Balance for the Special Revenue Funds are other supplemental information. Such information has been subjected to the

auditing procedures applied in the examination of the basic financial statements, and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2011, on our consideration of the Town of Velma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Certified Public Accountants

December 14, 2011

Town of Velma
Velma, Oklahoma
Statement of Net Assets
(Modified Accrual Basis)
June 30, 2011

	Primary Government		
	Governmental Activities	Business Type Activities	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 108,822	\$ 74,665	\$ 183,487
Investments	145,111	30,120	175,231
Capital Assets	748,712	46,517	795,229
Accumulated Depreciation	(392,366)	(35,600)	(427,966)
Total Assets	610,279	115,702	725,981
<u>Liabilities</u>			
Note Payable	23,390	0	23,390
Payroll Taxes Payable	4,385	0	4,385
Retirement Payable	1,260	0	1,260
Total Liabilities	29,035	0	29,035
<u>Net assets</u>			
Invested in Capital, Net of Related Debt	356,346	10,917	367,263
Unreserved	224,898	104,785	329,683
Total Net Assets	\$ 581,244	\$ 115,702	\$ 696,946

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Statement of Activities
(Modified Accrual Basis)
Year Ended June 30, 2011

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 220,615	\$ 612	\$ 0	\$ 0	\$ (220,003)	\$ 0	\$ (220,003)
Public Safety	460,838	7,668	57,529	213,750	(181,891)	0	(181,891)
Cemetery	29,103	18,002	0	0	(11,101)	0	(11,101)
Street and Public Works	90,137	0	0	0	(90,137)	0	(90,137)
Culture and Recreation	21,724	9,561	0	0	(12,163)	0	(12,163)
Total Governmental Activities	822,417	35,843	57,529	213,750	(515,295)	0	(515,295)
Business Type Activities:							
Garbage	99,095	130,403					
Total Business Type Activities	99,095	130,403	0	0	(515,295)	31,308	(483,987)
Total Primary Government	\$ 921,512	\$ 166,246	\$ 57,529	\$ 0	(515,295)	31,308	(483,987)

General Revenue

Taxes:		
Sales & Use Taxes	413,392	0
Tobacco Tax	5,770	0
Franchise Taxes	16,753	0
Alcoholic Beverage Tax	2,812	0
Vehicle Tax	4,750	0
Gasoline Tax	1,286	0
Investment Income	1,182	298
Miscellaneous	30,707	0
Transfers	0	0
Total General Revenue	476,652	298
Change in Net Assets	(38,643)	31,606
Net Assets, June 30, 2010	619,887	84,096
Net Assets, June 30, 2011	\$ 581,244	\$ 115,702
		\$ 696,946

Please see accompanying notes to the financial statements.

**Town of Velma
Velma, Oklahoma
Balance Sheet
(Modified Cash Basis)
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 14,032	\$ 94,790	\$ 108,822
Investments	<u>145,111</u>	<u>0</u>	<u>145,111</u>
 Total Assets	 <u>\$ 159,143</u>	 <u>\$ 94,790</u>	 <u>\$ 253,933</u>
<u>Liabilities and Fund Balances</u>			
Note Payable	\$ 23,390	\$ 0	\$ 23,390
Retirement Payable	1,260	0	1,260
Payroll Taxes Payable	<u>4,385</u>	<u>0</u>	<u>4,385</u>
 Total Liabilities	 <u>29,035</u>	 <u>0</u>	 <u>29,035</u>
 Fund Balances			
Unreserved	<u>130,108</u>	<u>94,790</u>	224,898
 Total Liabilities and Fund Balances	 <u>\$ 159,143</u>	 <u>\$ 94,790</u>	

Reconciliation to Statement of Net Assets

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities of \$748,712, Net of Accumulated Depreciation of \$392,366, are not financial resources and, therefore, are not reported in the funds.

	<u>356,346</u>
<u>Net Assets of Governmental Activities</u>	<u>\$ 581,244</u>

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Governmental Funds
Year Ended June 30, 2011

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenue</u>			
Taxes	\$ 437,881	\$ 6,882	\$ 444,763
Charges for Services	612	9,561	10,173
Fines and Forfeitures	6,686	982	7,668
Cemetery Revenue	0	18,002	18,002
Contributions	150	52,982	53,132
Investment Income	1,182	0	1,182
Reimbursement	21,876	0	21,876
Miscellaneous	3,048	5,783	8,831
Total Revenue	471,435	94,192	565,627
<u>Expenditures</u>			
General Government:			
General Government	176,809	0	176,809
Clerk-Treasurer	20,926	0	20,926
Municipal Court	2,536	0	2,536
Public Safety:			
Police	83,196	5,153	88,349
Ambulance	30,871	2,614	33,485
Fire	29,291	41,216	70,507
Emergency Management	23	0	23
Cemetery:			
Cemetery	26,156	263	26,419
Street and Public Works:			
Streets	80,980	845	81,825
Culture and Recreation:			
Swimming Pool	10,615	9,106	19,721
Parks	0	0	0
Total Expenditures	461,403	59,197	520,600
<u>Revenue Over (Under) Expenditures</u>	10,032	34,995	45,027
<u>Other Financing Sources (Uses)</u>			
Grant Revenue	0	218,147	218,147
Grant Expenditures	0	(225,978)	(225,978)
Transfers In	11,034	22,500	33,534
Transfers Out	0	(33,534)	(33,534)
Total Other Financing Sources (Uses)	11,034	(18,865)	(7,831)
<u>Net Changes in Fund Balance</u>	21,066	16,130	37,196
<u>Fund Balance, June 30, 2010</u>	109,042	78,660	187,702
<u>Fund Balance, June 30, 2011</u>	<u>\$ 130,108</u>	<u>\$ 94,790</u>	<u>\$ 224,898</u>

Please see accompanying notes to financial statements.

Town of Velma
Velma, Oklahoma
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Governmental Funds
Year Ended June 30, 2011

Reconciliation to the Statement of Activities

Net Changes in Fund Balances - Total Governmental Funds \$ 37,196

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report Capital Outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the useful life of the assets.

Capital Assets Purchase Capitalized	0
Depreciation Expense	(75,839)
	(75,839)
Change in Net Assets of Governmental Activities	\$ (38,643)
	(38,643)

Please see accompanying notes to financial statements.

Town of Velma
Velma, Oklahoma
Velma Public Works Authority
Enterprise Fund
Statement of Net Assets
(Modified Accrual Basis)
Year Ended June 30, 2011

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 74,665
Investments	<u>30,120</u>

Total Current Assets \$ 104,785

Noncurrent Assets:

Capital Assets	46,517
Accumulated Depreciation	<u>(35,600)</u>

Total Noncurrent Assets 10,917

Total Assets \$ 115,702

LIABILITIES

Current Liabilities	<u>\$ 0</u>
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Total Liabilities \$ 0

Net Assets

Invested in Capital Assets, Net of Related Debt	10,917
Unreserved	<u>104,785</u>

Total Net Assets 115,702

Total Net Assets and Liabilities \$ 115,702

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Velma Public Works Authority
Enterprise Fund
Statement of Revenue, Expense, and Changes in Fund Net Assets
(Modified Accrual Basis)
Year Ended June 30, 2011

Operating Revenue

Garbage Revenue Charges	\$ 130,403	
Miscellaneous Revenue	<u>0</u>	
Total Operating Revenue		\$ 130,403

Operating Expense

Garbage Service Expense	90,903	
Depreciation	3,001	
Office Supplies and Expense	2,798	
Utilities	1,351	
Telephone	742	
Miscellaneous Expense	<u>300</u>	
Total Operating Expense		<u>99,095</u>

Net Operating Income (Loss) 31,308

Nonoperating Revenue (Expense)

Interest Income	298	
Transfers	<u>0</u>	
Net Nonoperating Revenue (Expense)		<u>298</u>

Net Revenue (Loss) 31,606

Total Net Assets, June 30, 2010 84,096

Total Net Assets, June 30, 2011 \$ 115,702

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Velma Public Works Authority
Statement of Cash Flows
Enterprise Fund
(Modified Accrual Basis)
Year Ended June 30, 2011

Reconciliation of Operating Income (Loss) to Net Cash

Provided by Operating Activities

Net Income		\$ 31,606
Adjustments to Reconcile Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation Expense	\$ 3,001	
Increase (Decrease) in Accounts Payable	<u>0</u>	
		<u>3,001</u>
Net Cash Provided by Operating Activities		\$ 34,607

Cash Flows from Capital and Related Financing Activities

Purchase of Capital Assets		<u>(2,395)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		<u>(2,395)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 32,212

Cash and Cash Equivalents, June 30, 2010 42,453

Cash and Cash Equivalents, June 30, 2011 \$ 74,665

Cash Flows from Operating Activities

Receipts from Customers		130,403
Payments for Garbage Service		(90,903)
Payments to Suppliers		<u>(4,893)</u>
Net Cash Provided by Operating Activities		<u>\$ 34,607</u>

Please see accompanying notes to the financial statements.

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1 - Summary of Significant Accounting Policies

For financial reporting purposes the Town of Velma, Oklahoma (the Town), includes all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive or legislative branches. Control by or dependence on the Town was determined on the basis of oversight responsibility, scope of public service, and special financing relationships. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Based on an overall evaluation of the foregoing criteria, the Velma Public Works Authority (the Authority) is included in the Town's annual report. The Authority is a public trust created under Title 60 of the Oklahoma Statutes. The Town is sole beneficiary of the trust which was organized to provide utility services to the residents of the Town. The Authority's governing body is the current members of the Town's Board of Trustees. The Authority is accounted for as the Town's Enterprise Fund in these financial statements.

Note 2 - Fund Accounting

The accounts of the Town are organized on a basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the financial statements and are classified as governmental, proprietary and fiduciary fund types. The following fund types are used by the Town.

1. Governmental Fund Types

(a) General Fund

The General Fund is the primary operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in the General Fund.

(b) Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue resources that are legally or administratively restricted to expenditures for specific purposes.

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

The Town's current Special Revenue Funds include:

Street and Alley Fund
Firefighters Fund
Law Enforcement Officers Training Fund
Police Reserve Fund
First Responders Fund
Swimming Pool Fund
Cemetery Care Fund

2. Proprietary Fund Types

(c) Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The Velma Public Works Authority is accounted for as the Town's Enterprise Fund.

Note 3 - Basis of Accounting

The Town uses the modified cash basis of accounting for its governmental funds for preparing its financial statements. Generally accepted accounting principles would require the Town to use the accrual basis of accounting and to report its assets and infrastructures in its financial statements. The Town has elected to not follow generally accepted accounting principles and to continue to use the modified cash basis of accounting.

Basis of accounting refers to the time when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurement made, regardless of the measurement focus applied.

The accounting records of the Enterprise Fund are kept on a modified accrual basis of accounting, under which customer revenues are recorded when measurable and billable, other revenues are recorded when received, and expenses are recorded when the liability is incurred. Uncollectible accounts receivable are charged to provision for bad debts at the time the accounts are estimated to be uncollectible, based upon an age analysis of the accounts.

If the books of the governmental fund types were maintained on the basis of accounting required by generally accepted accounting principles, revenues would be recorded when susceptible to accrual (i.e. both measurable and available) and expenditures would be recorded when the current fund liability is incurred. If the books of the proprietary fund types were maintained on the basis of accounting required by generally accepted accounting principles, revenues would be recognized when earned and expenses would be recorded when the liability is incurred.

The modified cash basis of accounting is an acceptable method of accounting under the budgetary laws of the State of Oklahoma.

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 4 - Reserves of Fund Equity

Reserves are recorded to signify that a portion of the fund equity is legally segregated for future use or is not available for appropriation or expenditure.

Note 5 - Fixed Assets

Prior year expenditures for property and equipment of governmental fund types were recorded as fund expenditures; however, no detailed fixed asset records were maintained for such assets still in service.

Beginning in the year 2004/2005, in accordance with Governmental Accounting Standards Board Statement No. 34, the Town reports capital assets resulting from cash transactions and reports depreciation where appropriate.

	Fixed Assets	Accumulated Depreciation
Balance, July 1, 2010	\$ 748,712	\$ 316,527
Additions	0	75,839
Total	748,712	392,366
Disposals	0	0
Balance, June 30, 2011	\$ 748,712	\$ 392,366

Depreciation rates were applied as follows:

Buildings and Streets	2.50% - 5.00%
Equipment	10.0% - 20.0%

Depreciation for the current year was \$75,839.

Certain fixed assets acquired by the Enterprise Fund have been capitalized as property and equipment within the Fund, and contain a provision for depreciation expense. Depreciation has been provided over the estimated useful lives using the straight-line method.

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Changes in fixed assets of the Enterprise Fund during the year ended June 30, 2011, were as follows:

	Fixed Assets	Accumulated Depreciation
Balance, July 1, 2010	\$ 44,122	\$ 32,599
Additions	2,395	3,001
Total	46,517	35,600
Disposals	0	0
 Balance, June 30, 2011	 \$ 46,517	 \$ 35,600

Depreciation rates were applied as follows:

Machinery and Equipment 14.0% - 25.0%

Depreciation for the current year was \$3,001, which was charged to current operations.

The Town and Authority have adopted a capitalization policy of recording only items costing \$750 or more per unit for depreciation purposes.

Note 6 - Deposits, Investments and Collateral

- A. Oklahoma statutes generally provide for investment of excess funds in the following:
1. Direct obligations of the United States Government.
 2. Certificates of deposit of savings and loan associations, banks, and trust companies when the certificates of deposit are secured by acceptable collateral.
 3. Savings accounts or savings certificates of savings and loan associations, banks, and trust companies, to the extent that the accounts or certificates are fully insured by the Federal Government.
 4. Negotiable certificates of deposits, prime bankers acceptance, prime commercial paper and repurchase agreements with certain limitations. Any investments in these instruments must be fully collateralized in investments specified in paragraphs 1 through 3 above.
- B. Public trusts, such as the Velma Public Works Authority, may invest funds as directed by the trustees. The limitations noted above do not apply.
- C. The Oklahoma statutes generally provide that collateral to secure deposits of public funds must be:

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

1. U.S. Treasury bonds, notes or certificates.
2. State of Oklahoma bonds, notes or certificates.
3. Bonds issued by any county in Oklahoma.
4. Bonds issued by any school district or board of education in Oklahoma.
5. Bonds issued by any city or town where an ad valorem tax levy is pledged to the payment.
6. A surety bond.

Note 7 - Lease Contracts

The Town leases the land upon which the fire department building is situated from the Velma-Alma Public School. The lease is an annual lease with an automatic renewal provision unless terminated by written notice. In lieu of money rent, the Town provides ambulance service to the school at all high school home football games.

Note 8 - Inventories

The Town records materials and supplies inventory as expenditures at the time the inventory is purchased and at year-end such inventories are not considered material in amount. Therefore, no inventory balances for materials and supplies not yet consumed are reported in the basic financial statements.

Note 9 - Budgetary Accounting and Control

The Town's budgetary accounting and control procedures are discussed in the notes to supplementary information.

Note 10 - Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) to be cash equivalents.

Certificates of deposit and other time deposits with a maturity or availability date of 90 days or less are considered cash equivalents.

Cash and Cash Equivalents as of June 30, 2011 are as follows:

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Cash on Hand:			
General Fund	\$	232	
Velma Public Works Authority		144	\$ 376
<hr/>			
Citizens Bank, Velma, Oklahoma			
Firefighters Fund - Checking			20,854
Street and Alley Fund - Checking			17,871
General Fund - Checking			13,450
Swimming Pool Fund - Checking			10,896
Cemetery Care Fund			9,841
First Responders Fund - Checking			22,160
Police Cash Fund - Checking			2,758
General Fund - Special Savings			350
LEOT Fund - Checking			38
Grant Fund-Checking			10,372
Velma Public Works Authority - Checking			70,482
Velma Public Works Authority - Special			4,039
<hr/>			
Total	\$		<u>183,487</u>

Note 11 - Investments

Investments are stated at cost which approximates market. During the current year the Town had no investments other than time deposit cash accounts. Certificates of Deposit include the following:

General Fund:

Number	Maturity Date	Interest Rate	Current Value	Total
9003	10/04/11	0.85%	\$ 8,001	
100094	09/27/12	0.85%	2,000	
100121	01/02/12	0.85%	2,000	
100147	03/05/12	0.75%	2,000	
100159	04/01/12	0.75%	2,000	
100530	08/03/11	0.50%	84,110	
100536	08/25/11	0.50%	45,000	\$ 145,111
<hr/>				

Velma Public Works Authority:

8539	10/5/2011	0.85%	30,120	30,120
<hr/>				
Total				<u>\$ 175,231</u>

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 12 - Compensated Absences

Under personnel policies, the Town and Authority employees are granted vacation and sick leave in varying amounts. In addition, the employees are allowed to accumulate up to 12 days sick leave. In the event of termination, an employee is not paid for accumulated sick leave. Vacation must be taken each year. The Town records compensated absence costs at the time the claim is paid. At June 30, 2011, the Town and the Authority had a combined unrecorded compensated absence liability of approximately \$11,368.

Note 13 - Pension

Effective January 1, 1996, the Town sponsored an employee retirement plan through the Oklahoma Municipal Retirement System. Employees of the Authority are included in the plan. Eligible employees include all regular, full-time employees except any policemen, firemen, and any other employees covered under a state retirement system. Eligible employees must be less than age 60 at date of hire. All eligible employees are required to participate in the plan as a condition of employment. Employees are fully vested in the plan after five (5) years of vesting service. Benefits are computed at 1.125% of final average compensation multiplied by the number of years of credited service. Final average compensation is the average of the five highest consecutive annual salaries out of the last ten calendar years of service. Normal retirement age is age 65 or completion of vesting service, if later.

The pension benefit obligation, which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The pension benefit obligation of expected benefits as computed by Dean and Company, Consulting Actuaries, was as follows:

Actuarial Liability	\$	196,572
Value of Assets Available for Benefits at 12/31/10		180,200
Underfunded Pension Benefit Obligation		16,372
Contributions 1/1/11-6/30/11		(7,108)
Underfunded Pension Benefit Obligation (Adjusted)	\$	9,264

Plan contributions for the year 2010/2011 were 9.87% of gross payroll of eligible employees; 3.00% from employees through payroll deductions, and 6.87% employer matching contributions. The total pension cost for the last three years is as follows:

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

	Employee	Employer	Total
6/30/09	4,037.92	9,650.68	\$ 13,688.60
6/30/10	6,196.58	14,190.10	20,386.68
6/30/11	4,713.29	10,862.16	15,575.45
Total	\$ 14,947.79	\$ 34,702.94	\$ 49,650.73

The covered payroll for the period 7/1/10-6/30/11 was approximately \$157,111.

The actuarial report can be obtained from:

Dean Actuaries, LLC
5646 Milton Street, Suite 210
Dallas, Texas 75206

The town also makes voluntary contributions for its volunteer firemen to the State Firefighters Pension Fund. The cost of contributions for the year ended June 30, 2011 was \$1,440.

Note 14 - General Long-Term Debt

The Authority was liable under a long-term loan agreement with Republic First National. The balance under the original contract was \$88,500.00, payable in 4 annual installments of \$24,340. The principal balance on June 30, 2011, was \$23,390.

Changes in long-term debt during the year were as follows:

Balance as of 06/30/10	\$ 45,866
Principal Payments	22,476
Balance 6/30/11	\$ 23,390

Note 15 - Insurance and Bond Coverage of Contingencies

The Town and the Authority carry the following insurance coverage as protection against possible loss contingencies:

- Workers Compensation and Employer Liability
- Comprehensive General & Auto Liability
- Buildings and Contents Property Damage
- Automobile Physical Damage
- Equipment Physical Damage
- Fire Equipment Liability and Physical Damage
- Fire Vehicle Liability
- Public Official Position Bonds

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 16 - Public Entity Risk Pool

The Oklahoma Municipal Assurance Group Workers' Compensation Plan (the Plan) became effective October 1, 1984. The purpose of the Plan is to provide workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities including obtaining contract agreements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the Plan year. A plan year normally begins at 12:01 a.m. July 1, in any year and ends at Midnight June 30, of the following calendar year. The Plan, or its designated agent, has a right to audit at all reasonable times such books and records of the participant as necessary to determine the monies owed for benefits provided to the municipality or its employees.

A municipality may apply and enter into agreement with the Plan to participate in the coverages and services that the Plan offers as outlined above. Upon acceptance into the Plan, a participant has the responsibility to pay fees set by the Plan and to pay those fees from funds appropriated for that purpose according to the established payment schedule. In addition, a participant in the Plan is responsible for complying with all requirements of the Oklahoma Workers' Compensation Act. Participants have a right to the return of a Loss Funds set aside for claims, which have not been paid out as benefits.

The following list of funds is being held by the Group for your municipality. These funds represent both current and past plan year participation with the Loss Fund balances in respect to your workers' compensation retention. CompSource Oklahoma provides coverage in excess of these respective retention levels so each participant's liability for claim losses is limited to these retention levels. Failure of CompSource Oklahoma to honor its obligation could result in losses to the Plan. However, OMAG's evaluation of the financial condition of CompSource Oklahoma indicates that CompSource Oklahoma is presently sound and will be able to meet its contractual obligations.

MLPP Premium Due	\$14,580
MPPP Premium Due	5,953
Loss Fund Available:	
Year 2009	3,540
Year 2010	2,552

Town of Velma
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 17 -Net Working Capital Summary

The net working capital of the Enterprise Fund is summarized as follows:

	<u>6/30/10</u>	<u>6/30/11</u>	<u>Change</u>
Current Assets (Excluding Restricted Cash Accounts)	<u>\$ 72,573</u>	<u>\$ 104,785</u>	<u>\$ 32,212</u>
Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Net Working Capital	<u><u>\$ 72,573</u></u>	<u><u>\$ 104,785</u></u>	<u><u>\$ 32,212</u></u>

Note 18 – Personnel

Officials of the Town at June 30, 2011 were:

Shawn Enloe, Mayor
Bruce Lynn, Vice Mayor
Mike Allred, Trustee
Clyde Womack, Trustee
Robert McNeill, Trustee
Jalelah Roberts, Clerk-Treasurer
Tammy Selby, Secretary
Ron Stakem, Town Attorney



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Town of Velma
Velma, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Velma, Oklahoma (the Town), as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management and regulatory authorities and is not intended to be and should not be used by anyone other than these specified parties.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Certified Public Accountants

December 14, 2011

Town of Velma
Velma, Oklahoma
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	<u>Budget Amount</u>		<u>Actual</u>	<u>(Over) Under Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenue</u>				
Sales and Use Tax	\$ 278,891	\$ 278,891	\$ 276,442	\$ 2,449
Sales Tax - Ambulance	78,021	78,021	82,678	(4,657)
Sales Tax - Emergency	53,451	53,451	54,272	(821)
Franchise Tax	12,932	12,932	15,907	(2,975)
Ambulance Revenue	500	500	0	500
Tobacco Tax	4,742	4,742	5,770	(1,028)
Court Fines	9,000	9,000	6,686	2,314
Cemetery Revenue	9,300	9,300	0	9,300
Miscellaneous Revenue	8,800	8,800	3,048	5,752
Interest Earned	1,550	1,550	1,182	368
Alcohol Beverage Tax	3,017	3,017	2,812	205
Pool Revenue	2,900	2,900	0	2,900
Permits	175	175	612	(437)
Reimbursements	0	0	21,876	(21,876)
Dues, Donations, Fund Raising	18,552	18,552	150	18,402
Total Revenue	481,831	481,831	471,435	10,396
<u>Expenditures</u>				
Town Clerk - Treasurer:				
Personal Services	7,690	7,690	20,756	(13,066)
Other Services and Charges	1,500	1,500	170	1,330
Total	9,190	9,190	20,926	(11,736)
Municipal Court:				
Other Services and Charges	2,000	2,000	2,536	(536)
Police Department:				
Personal Services	71,590	71,590	66,317	5,273
Materials and Supplies	4,840	4,840	6,789	(1,949)
Other Services and Charges	12,500	12,500	6,420	6,080
Repairs and Maintenance	1,200	1,200	3,670	(2,470)
Capital Outlay	3,250	3,250	0	3,250
Total	\$ 93,380	\$ 93,380	\$ 83,196	\$ 10,184

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

<u>Expenditures (Continued)</u>	<u>Budget Amount</u>		<u>Actual</u>	<u>(Over) Under Budget</u>
	<u>Original</u>	<u>Final</u>		
Fire Department:				
Materials and Supplies	\$ 15,500	\$ 15,500	\$ 10,890	\$ 4,610
Capital Outlay	3,500	3,500	0	3,500
Repairs and Maintenance	2,150	2,150	16,411	(14,261)
Other Services and Charges	1,200	1,200	1,990	(790)
Personal Services	2,066	2,066	0	2,066
Total	24,416	24,416	29,291	(4,875)
Street Department:				
Personal Services	55,164	55,164	67,625	(12,461)
Materials and Supplies	8,325	8,325	10,697	(2,372)
Repairs and Maintenance	2,588	2,588	2,096	492
Other Services and Charges	2,500	2,500	562	1,938
Capital Outlay	1,750	1,750	0	1,750
Total	70,327	70,327	80,980	(10,653)
Park Department:				
Capital Outlay	1,500	1,500	0	1,500
Materials and Supplies	500	500	0	500
Repairs and Maintenance	500	500	0	500
Other Services and Charges	2,350	2,350	0	2,350
Total	4,850	4,850	0	4,850
Ambulance Department:				
Personal Services	42,970	42,970	12,653	30,317
Capital Outlay	12,840	12,840	0	12,840
Other Services and Charges	19,850	19,850	9,733	10,117
Materials and Supplies	8,525	8,525	6,567	1,958
Repairs and Maintenance	1,250	1,250	1,918	(668)
Total	85,435	85,435	30,871	54,564
Emergency Management Department:				
Capital Outlay	1,500	1,500	0	1,500
Materials and Supplies	460	460	23	437
Repairs and Maintenance	100	100	0	100
Other Services and Charges	580	580	0	580
Total	2,640	2,640	23	2,617
Cemetery Department:				
Personal Services	23,194	23,194	26,087	(2,893)
Repairs and Maintenance	1,520	1,520	0	1,520
Materials and Supplies	100	100	69	31
Other Services and Charges	1,280	1,280	0	1,280
Capital Outlay	0	0	0	0
Total	\$ 26,094	\$ 26,094	\$ 26,156	\$ (62)

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

<u>Expenditures (Continued)</u>	<u>Budget Amount</u>		<u>Actual</u>	<u>(Over) Under Budget</u>
	<u>Original</u>	<u>Final</u>		
Pool Department:				
Personal Services	\$ 4,210	\$ 4,210	\$ 3,983	\$ 227
Materials and Supplies	1,500	1,500	4,636	(3,136)
Repairs and Maintenance	42	42	1,421	(1,379)
Other Services and Charges	1,800	1,800	575	1,225
Capital Outlay	0	0	0	0
Total	<u>7,552</u>	<u>7,552</u>	<u>10,615</u>	<u>(3,063)</u>
General Government:				
Other Services and Charges	124,393	124,393	135,346	(10,953)
Personal Services	38,150	38,150	35,666	2,484
Materials and Supplies	2,850	2,850	3,062	(212)
Repairs and Maintenance	500	500	2,735	(2,235)
Capital Outlay	0	0	0	0
Total	<u>165,893</u>	<u>165,893</u>	<u>176,809</u>	<u>(10,916)</u>
Total Expenditures	<u>491,777</u>	<u>491,777</u>	<u>461,403</u>	<u>30,374</u>
<u>Revenue Over (Under) Expenditures</u>	(9,946)	(9,946)	10,032	19,978
<u>Other Financing Sources (Uses)</u>				
Transfer Out	0	0	11,034	(11,034)
Transfer In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>11,034</u>	<u>(11,034)</u>
<u>Revenue and Other Sources Over (Under) Expenditures and Other Uses</u>	(9,946)	(9,946)	21,066	(31,012)
<u>Fund Balance, June 30, 2010</u>	<u>9,946</u>	<u>9,946</u>	<u>109,042</u>	<u>(99,096)</u>
<u>Fund Balance, June 30, 2011</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>130,108</u>	<u>\$ (130,108)</u>

Please see accompanying notes to the financial statements.

Town of Velma
Notes to Required Supplemental Information
Year Ended June 30, 2011

Note 1 - Notes to Required Supplemental Information

The Town's annual operating budget represents appropriations as authorized by the Governing Board in accordance with the provisions of the Oklahoma statutes.

The Town operates under the guidelines of the "Municipal Budget Act" which allows the Governing Board to prepare its budgets based upon its estimated revenue. In addition, revisions may be made to the budget throughout the year as authorized by the Governing Board. The legal level of control of the budget is the expenditure category. The expenditure categories required by the applicable state statutes are:

1. Personal Services
2. Materials and Supplies
3. Repairs and Maintenance
4. Other Services and Charges
5. Capital Outlays

It is the Town's policy that all appropriations lapse at the end of the fiscal year.

The Town prepares an annual operating budget for its General Fund and Special Revenue Funds. The operating budgets of the grants cover the period designated in the grant documents. The Town prepares its annual operating budget on the modified cash basis of accounting, the same basis used to account for actual revenues and expenditures.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Balance Sheet
(Modified Cash Basis)
June 30, 2011

	<u>Street and Alley Fund</u>	<u>Firefighters Fund</u>	<u>L.E.O.T. Fund</u>	<u>Police Reserve Fund</u>	<u>First Responders Fund</u>	<u>Cemetery Care Fund</u>	<u>Swimming Pool</u>	<u>Grant Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>									
Cash in Bank	\$ 17,871	\$ 20,854	\$ 38	\$ 2,758	\$ 22,160	\$ 9,841	\$ 10,896	\$ 10,372	\$ 94,790
Due from Other Funds	0	0	0	0	0	0	0	0	0
Total Assets	<u>\$ 17,871</u>	<u>\$ 20,854</u>	<u>\$ 38</u>	<u>\$ 2,758</u>	<u>\$ 22,160</u>	<u>\$ 9,841</u>	<u>\$ 10,896</u>	<u>\$ 10,372</u>	<u>\$ 94,790</u>
<u>Liabilities</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fund Equity</u>									
Fund Balance:									
Unreserved	17,871	20,854	38	2,758	22,160	9,841	10,896	10,372	94,790
Total Liabilities and Fund Equity	<u>\$ 17,871</u>	<u>\$ 20,854</u>	<u>\$ 38</u>	<u>\$ 2,758</u>	<u>\$ 22,160</u>	<u>\$ 9,841</u>	<u>\$ 10,896</u>	<u>\$ 10,372</u>	<u>\$ 94,790</u>

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma

Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Year Ended June 30, 2011

	Street and Alley Fund	Firefighters Fund	L.E.O.T. Fund	Police Reserve Fund	First Responders Fund	Grant Fund	Cemetery Care Fund	Swimming Pool	Total Nonmajor Governmental Funds
Revenue									
Cemetery Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,002	\$ 0	\$ 18,002
Contributions and Fund Raising (Net)	0	27,029	0	2,604	23,349	0	0	0	52,982
Gasoline Tax	1,286	0	0	0	0	0	0	0	1,286
Franchise Tax	846	0	0	0	0	0	0	0	846
Grant Income	0	4,397	0	0	0	213,750	0	0	218,147
Misc Revenue	0	2,352	0	3,191	215	0	25	0	5,783
Police Fines	0	0	982	0	0	0	0	0	982
Pool Revenue	0	0	0	0	0	0	0	9,561	9,561
Transfer In	0	0	0	0	0	22,500	0	0	22,500
Vehicle Tax	4,750	0	0	0	0	0	0	0	4,750
Total Revenue	6,882	33,778	982	5,795	23,564	236,250	18,027	9,561	334,839
Expenditures									
Materials and Supplies	38	18,501	0	0	1,171	4,078	0	2,046	25,834
Personal Services	0	0	0	0	0	0	0	5,898	5,898
Other Services and Charges	0	8,774	1,172	3,908	1,443	0	263	808	16,368
Repairs & Maintenance	807	13,941	0	73	0	0	0	354	15,175
Capital Outlay	0	0	0	0	0	221,900	0	0	221,900
Transfer Out	6,037	11,250	0	0	458	0	15,789	0	33,534
Total Expenditures	6,882	52,466	1,172	3,981	3,072	225,978	16,052	9,106	318,709
Revenue Over (Under) Expenditures	0	(18,688)	(190)	1,814	20,492	10,272	1,975	455	16,130
Fund Balance, June 30, 2010	17,871	39,542	228	944	1,668	100	7,866	10,441	78,660
Fund Balance, June 30, 2011	\$ 17,871	\$ 20,854	\$ 38	\$ 2,758	\$ 22,160	\$ 10,372	\$ 9,841	\$ 10,896	\$ 94,790

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	Street and Alley Fund			(Over) Under Budget
	Original Budget	Final Budget	Actual	
<u>Revenue</u>				
Gasoline Tax	\$ 0	\$ 0	\$ 1,286	\$ (1,286)
Vehicle Tax	0	0	4,750	(4,750)
Franchise Tax	0	0	846	(846)
Total Revenue	0	0	6,882	(6,882)
<u>Expenditures</u>				
Materials and Supplies	8,250	8,250	38	8,212
Repairs & Maintenance	9,720	9,720	807	8,913
Transfer Out	0	0	6,037	(6,037)
Total Expenditures	17,970	17,970	6,882	11,088
<u>Revenue Over (Under) Expenditures</u>	(17,970)	(17,970)	0	(17,970)
<u>Fund Balance, June 30, 2010</u>	17,970	17,970	17,781	189
<u>Fund Balance, June 30, 2011</u>	\$ 0	\$ 0	\$ 17,781	\$ (17,781)

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	Firefighters Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Contributions and Fund Raising (Net)	\$ 26,000	\$ 26,000	\$ 27,029	\$ (1,029)
Grant Revenue	0	0	4,397	(4,397)
Miscellaneous Revenue	500	500	2,352	(1,852)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	26,500	26,500	33,778	(7,278)
<u>Expenditures</u>				
Materials and Supplies	38,000	38,000	18,501	19,499
Other Services and Charges	5,500	5,500	8,774	(3,274)
Repairs and Maintenance	15,250	15,250	13,941	1,309
Capital Outlay	93,292	93,292	0	93,292
Transfer Out	0	0	11,250	(11,250)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	152,042	152,042	52,466	99,576
<u>Revenue Over (Under) Expenditures</u>	(125,542)	(125,542)	(18,688)	(106,854)
<u>Fund Balance, June 30, 2010</u>	125,542	125,542	39,542	86,000
<u>Fund Balance, June 30, 2011</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,854</u>	<u>\$ (20,854)</u>

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	<u>Law Enforcement Officers Training Fund</u>		
	<u>(1) Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Police Fines	\$ 982	\$ 982	\$ 0
<u>Expenditures</u>			
Other Services and Charges	<u>1,172</u>	<u>1,172</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	(190)	(190)	0
<u>Fund Balance, June 30, 2010</u>	<u>190</u>	<u>228</u>	<u>(38)</u>
<u>Fund Balance, June 30, 2011</u>	<u>\$ 0</u>	<u>\$ 38</u>	<u>\$ (38)</u>

(1) No designated budget.

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	Police Reserve Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Contributions and Fund Raising	\$ 1,100	\$ 1,100	\$ 2,604	\$ (1,504)
Miscellaneous Revenue	3,100	3,100	3,191	(91)
Total Revenue	4,200	4,200	5,795	(1,595)
<u>Expenditures</u>				
Repairs & Maintenance	355	355	73	282
Other Services and Charges	4,750	4,750	3,908	842
Total Expenditures	5,105	5,105	3,981	1,124
Revenue Over (Under) Expenditures	(905)	(905)	1,814	(2,719)
<u>Fund Balance, June 30, 2010</u>	905	905	944	(39)
<u>Fund Balance, June 30, 2011</u>	\$ 0	\$ 0	\$ 2,758	\$ (2,758)

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	First Responders Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Contributions and Fund Raising	\$ 750	\$ 750	\$ 23,349	\$ (22,599)
Miscellaneous Revenue	0	0	215	(215)
Total Revenue	750	750	23,564	(22,814)
<u>Expenditures</u>				
Materials and Supplies	0	0	1,171	(1,171)
Other Services and Charges	3,572	3,572	1,443	2,129
Transfer Out	0	0	458	(458)
Total Expenditures	3,572	3,572	3,072	500
<u>Revenue Over (Under) Expenditures</u>	(2,822)	(2,822)	20,492	(23,314)
<u>Fund Balance, June 30, 2010</u>	2,822	2,822	1,668	1,154
<u>Fund Balance, June 30, 2011</u>	\$ 0	\$ 0	\$ 22,160	\$ (22,160)

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	Cemetery Care Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Contributions and Fund Raising	\$ 600	\$ 600	\$ 0	\$ 600
Miscellaneous Revenue	0	0	25	(25)
Cemetery Revenue	1,000	1,000	18,002	(17,002)
Total Revenue	1,600	1,600	18,027	(16,427)
<u>Expenditures</u>				
Other Services & Charges	0	0	263	(263)
Capital Outlay	9,609	9,609	0	9,609
Transfer Out	0	0	15,789	(15,789)
Total Expenditures	9,609	9,609	16,052	(6,443)
<u>Revenue Over (Under) Expenditures</u>	(8,009)	(8,009)	1,975	(9,984)
<u>Fund Balance, June 30, 2010</u>	8,009	8,009	7,866	143
<u>Fund Balance, June 30, 2011</u>	\$ 0	\$ 0	\$ 9,841	\$ (9,841)

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2011

	Swimming Pool Fund		
	(1) Budget	Actual	(Over) Under Budget
<u>Revenue</u>			
Pool Revenue	\$ 9,561	\$ 9,561	\$ 0
Miscellaneous Revenue	0	0	0
	9,561	9,561	0
<u>Expenditures</u>			
Materials and Supplies	2,046	2,046	0
Personal Services	5,898	5,898	
Other Services and Charges	808	808	
Repairs & Maintenance	354	354	0
	9,106	9,106	0
<u>Revenue Over (Under) Expenditures</u>	455	455	0
<u>Fund Balance, June 30, 2010</u>	(455)	10,441	(10,896)
<u>Fund Balance, June 30, 2011</u>	\$ 0	10,896	\$ (10,896)

(1) No designated budget.

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
FEMA Firefighters Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Federal Grant	\$ 213,750	\$ 213,750	\$ 0
Local Funds	<u>11,250</u>	<u>22,500</u>	<u>(11,250)</u>
Total Revenues	225,000	236,250	(11,250)
<u>Expenditures</u>			
Equipment	<u>225,000</u>	<u>225,978</u>	<u>(978)</u>
Total Expenditures	<u>225,000</u>	<u>225,978</u>	<u>(978)</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 10,272</u>	<u>\$ (10,272)</u>

Grant: EMW-20090FV-03857

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
OK Department of Agriculture
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2011

	Budget	Current Year	(Over) Under Budget
<u>Revenue</u>			
State Grant	\$ 4,398	\$ 4,398	\$ 0
<u>Expenditures</u>			
Fire Department Supplies	4,398	4,398	0
Total Expenditures	4,398	4,398	0
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 0	\$ 0

Please see accompanying notes to the financial statements.

Town of Velma
Velma, Oklahoma
Wal-Mart Foundation Grant
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Local Funds	\$ 1,500	\$ 1,500	\$ 0
<u>Expenditures</u>			
Fire Department Supplies	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.