AUDIT REPORT

TOWN OF STRINGTOWN, OKLAHOMA

JUNE 30, 2013

KERSHAW CPA & ASSOCIATES, PC

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TOWN OF STRINGTOWN, OKLAHOMA
JUNE 30, 2013

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TOWN OF STRINGTOWN, OKLAHOMA
TOWN OFFICIALS
JUNE 30, 2013

BOARD OF TRUSTEES

MAYOR	CHESTER EDGE
TRUSTEE	SONNY RICHARDS
TRUSTEE	RANDY HARRIS

TOWN CLERK/TREASURER

SUSIE MOORE

KERSHAW CPA & ASSOCIATES, PC

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Stringtown, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Stringtown, Oklahoma, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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, and in accordance with Oklahoma Statutes. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting

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estimates made, by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stringtown, Oklahoma, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles general accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Stringtown, Oklahoma has implemented the general provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34. However, the Town has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) that the GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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Supplementary and Other Information

The introductory and other supplementary sections listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Town. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2013, on our consideration of the Town of Stringtown'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering Town of Stringtown's internal control over financial reporting and compliance.

Kershaw CPA & Associates, P.C.

Kershaw CPA & Associates, PC

November 25, 2013

EXHIBIT A

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	2013 Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 323,477	$ 198,284	$ 521,761
Accounts Receivable	11,900	25,606	37,506
Due to (from) Funds	1,735	-	1,735
Total Current Assets	337,112	223,890	561,002
Capital Assets:			
Land, and improvements	-	2,046,213	2,046,213
Other Capital Assets	1,331,890	157,450	1,489,340
Less: Accumulated Depreciation	(696,164)	(1,523,434)	(2,219,598)
Total Capital Assets	635,726	680,229	1,315,955
TOTAL ASSETS	972,838	904,119	1,876,957
LIABILITIES			
Current Liabilities:			
Accounts Payable	24,261	7,915	32,176
Unearned Traffic Bonds	14,460	-	14,460
Other Payable	-	23,340	23,340
Current Portion of Long-Term Debt	-	1,916	1,916
Total Current Liabilities	38,721	33,171	71,892
Long-Term Liabilities:			
Notes Payable	-	45,056	45,056
Capital Lease	-	-	-
Less: Current Portion of Long-Term Debt	-	(1,916)	(1,916)
Total Long-Term Liabilities	-	43,140	43,140
TOTAL LIABILITIES	38,721	76,311	115,032
NET POSITION			
Net investment in capital assets	635,726	635,173	1,270,899
Restricted for:			
Debt Service	-	-	-
Other Purposes	-	4,116	4,116
Unrestricted	298,391	188,519	486,910
TOTAL NET POSITION	$ 934,117	$ 827,808	$ 1,761,925

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT B

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses)/ Revenue
Governmental activities:					
General Government	$ 143,951	$ -	$ 44,350	$ -	$ (99,601)
Police Protection	290,790	483,646	-	-	192,856
Fire Protection	46,898	-	5,534	-	(41,364)
Highways & Streets	60,293	-	-	-	(60,293)
Total Governmental Activities	541,932	483,646	49,884	-	(8,402)
Business-type activities:					
Water	195,797	229,779	-	-	33,982
Sanitation	35,945	39,175	-	-	3,230
Sewer	17,753	16,329	-	-	(1,424)
Misc. Business-type activities	58,488	10,862	-	-	(47,626)
Total Business-type Activities	307,983	296,145	-	-	(11,838)
Total	$ 849,915	$ 779,791	$ 49,884	$ -	$ (20,240)

Changes in Net Position:

	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	$ (8,402)	$ (11,838)	$ (20,240)
General revenues:			
Taxes:			
Franchise	12,235	-	12,235
Licenses	232	-	232
SODA Reimbursements	4,225	-	4,225
Intergovernmental:		-	-
Alcohol Beverage Tax	12,102	-	12,102
Gasoline Excise Tax	750	-	750
Motor Vehicle Tax	3,140	-	3,140
Cigarette Tax	899	-	899
Sales Tax	66,368	-	66,368
Interest Income	428	101	529
Miscellaneous Income	2,667	-	2,667
Transfers	-	-	-
Total general revenues & transfers	103,046	101	103,147
Sale of Assets	-	-	-
Changes in net position	94,644	(11,737)	82,907
Net position - beginning	839,473	839,545	1,679,018
Net position - prior year adjustment	-	-	-
Net position - ending	$ 934,117	$ 827,808	$ 1,761,925

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT C

TOWN OF STRINGTOWN, OKLAHOMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 271,073	$ 52,404	$ 323,477
Accounts Receivable	11,496	404	11,900
Due to (from) Funds	25,989	(24,254)	1,735
TOTAL ASSETS	$ 308,558	$ 28,554	$ 337,112
LIABILITIES & FUND EQUITY			
LIABILITIES:			
Accounts Payable	$ 24,261	$ -	$ 24,261
Unearned Traffic Bonds	14,460	-	14,460
TOTAL LIABILITIES	38,721	-	38,721
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	-	6,986	6,986
Committed	-	-	-
Assigned	70,860	8,023	78,883
Unassigned	198,977	13,545	212,522
TOTAL FUND BALANCES	269,837	28,554	298,391
TOTAL LIABILITIES AND FUND BALANCES	$ 308,558	$ 28,554	

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities of $1,331,890, net of accumulated depreciation of $696,164, are not financial resources and, therefore, are not reported in the funds.	635,726
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds.	-
Net Position of Governmental Activities	$ 934,117

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT D

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes:			
Franchise	$ 12,235	$ -	12,235
Fines	483,646	-	483,646
Licenses	232	-	232
SODA Reimbursements	4,225	-	4,225
Intergovernmental:			
Alcohol Beverage Tax	12,102	-	12,102
Gasoline Excise Tax	-	750	750
Motor Vehicle Tax	-	3,140	3,140
Cigarette Tax	899	-	899
Sales Taxes	66,368	-	66,368
Grants	44,350	5,534	49,884
Miscellaneous Income	826	1,841	2,667
Interest Income	344	84	428
TOTAL REVENUES	625,227	11,349	636,576
EXPENDITURES:			
Current:			
General Government	136,034	-	136,034
Police Protection	266,293	20	266,313
Fire Protection	19,572	-	19,572
Highways & Streets	58,284	-	58,284
Capital Outlay	100,854	29,340	130,194
TOTAL EXPENDITURES	581,037	29,360	610,397
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	44,190	(18,011)	26,179
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Capital Debt Proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Sale of Asset	-	-	-
NET CHANGES IN FUND BALANCES	44,190	(18,011)	26,179
FUND BALANCE - BEGINNING OF YEAR	225,647	46,565	272,212
FUND BALANCE - PRIOR YEAR ADJUSTMENT	-	-	-
FUND BALANCE - END OF YEAR	$ 269,837	$ 28,554	298,391

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT D (CONTINUED)

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Reconciliation to Statement of Activities:		
Net change in fund balances - total governmental funds	**$**	**26,179**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Capital debt obligation principal payments		**-**
Issuance of new capital debt obligations is recorded as capital debt proceeds in the governmental funds, but the proceeds create long-term liabilities in the Statement of Net Position:		
Capital Debt Proceeds		**-**
Transfers of Water Distribution System to Stringtown Public Works Authority, Paid for with CDBG funds in the last two years and not requiring use of current financial resources		**-**
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		**130,194**
Depreciation expense		
General Government		**(7,917)**
Police Protection		**(24,477)**
Fire Protection		**(27,326)**
Highways & Streets		**(2,009)**
Basis in Assets Sold		**-**
Change in Net Position of Governmental Activities	**$**	**94,644**

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT E

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

	Stringtown Public Works Authority Enterprise Fund June 30, 2013
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 198,284
Accounts Receivable	25,606
Total Current Assets	223,890
Capital Assets:	
Land, and improvements	2,046,213
Other capital assets	157,450
Less: Accumulated Depreciation	(1,523,434)
Total Capital Assets	680,229
TOTAL ASSETS	904,119
LIABILITIES & NET POSITION:	
Current Liabilities:	
Accounts Payable	7,915
Other Payable	23,340
Current Portion of Long-Term Debt	1,916
Total Current Liabilities	33,171
Noncurrent Liabilities:	
Notes Payable	45,056
Less: Current Portion of Long-Term Debt	(1,916)
Total Noncurrent Liabilities	43,140
TOTAL LIABILITIES	76,311
NET POSITION:	
Net investment in capital assets	635,173
Restricted for debt service	-
Restricted for other purposes	4,116
Unrestricted	188,519
TOTAL NET POSITION	$ 827,808

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT F

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Stringtown Public Works Authority Enterprise Fund June 30, 2013
OPERATING REVENUES:	
Charges for Services:	
Water Sales	$ 229,779
Sanitation Fees	39,175
Sewer Fees	16,329
Penalties	9,247
Miscellaneous Income	1,615
TOTAL OPERATING REVENUES	296,145
OPERATING EXPENSES:	
Water	195,797
Sanitation	35,945
Sewer	17,753
Miscellaneous	-
Depreciation	56,191
TOTAL OPERATING EXPENSES	305,686
NET OPERATING INCOME (LOSS)	(9,541)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	101
Interest Expense	(2,297)
Sale of Assets	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,196)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(11,737)
Capital Contributions	-
Transfers in	-
Transfers out	-
CHANGE IN NET POSITION	(11,737)
TOTAL NET POSITION - BEGINNING	839,545
TOTAL NET POSITION - ENDING	$ 827,808

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT G

TOWN OF STRINGTOWN, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

		2013
Net Cash Flows from Operating Activities:		
Cash Receipts from Customers	$	300,332
Other Cash Receipts		1,196
Payments to Suppliers for Goods & Services		(189,504)
Payments to Employees and Laborers		(55,926)
Net Cash Provided (Used) by Operating Activities		56,098
Net Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds		-
Transfers from other funds		-
Net Cash Provided (Used) by Non-Capital Financing Activities		-
Net Cash Flows from Capital & Related Financing Activities:		
Capital grant received for construction/purchase of capital assets		-
Additions to Capital Assets		(21,014)
Proceeds from sale of Capital Assets		-
Loan Proceeds Received		-
Principal paid on Notes Payable		(1,814)
Interest Expense		(2,302)
Net Cash Provided (Used) by Capital & Related Financing Activities		(25,130)
Net Cash Flows from Investing Activities:		
Interest Income		101
Net Cash Provided (Used) by Investing Activities		101
Net Increase (Decrease) in Cash and Cash Equivalents		31,069
Cash & Cash Equivalents, Beginning of Year		167,215
Cash & Cash Equivalents, Prior Year Adjustment		-
Cash & Cash Equivalents, End of Year	$	198,284
Reconciliation of operating income (loss) to net cash provided operating activities:		
Operating Income (Loss)	$	(9,541)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation Expense		56,191
(Increase)Decrease in Accounts Receivable		3,183
Increase(Decrease) in Other Payables		4,020
Increase(Decrease) in Accounts Payable		2,245
Net Cash Provided (Used) by Operating Activities	$	56,098

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Town of Stringtown, Oklahoma, are summarized below.

A. FINANCIAL REPORTING ENTITY

The Town's financial reporting entity is comprised of the following:

Primary Government:	Town of Stringtown
Blended Component Units:	Stringtown Public Works Authority (SPWA)

PRIMARY GOVERNMENT

The reporting entity includes the primary government of the Town of Stringtown, Oklahoma (the Town) and its component unit, Stringtown Public Works Authority (the Authority). Financial information for the Stringtown Public Works Authority is blended with the financial information of the Town of Stringtown as an enterprise fund. The Board of Trustees of the Town and the Authority are identical in membership. The Authority operates water and sewer services of the town. The Town does not have component units other than the Authority.

BLENDED COMPONENT UNITS

A blended component unit is a separate legal entity for which the elected officials of the primary government are financially accountable and that meets the blended component unit criteria. A blended component unit meets at least one of the following criteria: (a) the blended component unit's governing body is the same or substantially the same as the Town Council, and there is a financial benefit or burden relationship with the Town, or Town management has operational responsibility for the component unit; (b) the component unit provides services entirely or almost entirely to the Town; or (c) the component unit's debt is expected to be repaid entirely or almost entirely with resources of the Town. The blended component unit's funds are blended into those of the Town by appropriate fund type to constitute the primary government presentation. Based on the foregoing criteria, the financial statements of the following component units are blended into the accompanying financial statements:

Stringtown Public Works Authority. The SPWA is a separate legal entity from the Town, and is not governed by the same constitutional and statutory requirements applicable to the Town. However, for financial reporting purposes the Authority reports revenues, expenditures and related assets and obligations using the same basis of accounting as the Town.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type and two broad fund categories as follows:

GOVERNMENTAL FUND TYPES

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

(Street & Alley Fund, Drug Fund, Volunteer Fire Fund, Dare Fund, and CDBG)

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUND TYPES

Proprietary funds are accounted for using the economic resources measurement focus: the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheets.

C. BASIS OF ACCOUNTING

The Town uses the accrual basis of accounting for governmental fund types. The accrual basis of accounting recognizes revenues when both measurable and available. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

D. BUDGETARY DATA

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

The Statement of Revenues Collected, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund, Street & Alley Fund, D.A.R.E. Fund, Drug Fund, CDBG Fund and Volunteer Fire Fund present comparisons of legally adopted budgets with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Unused appropriations of annually budgeted funds lapse at the end of the year.

E. FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

For the purposes of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

ACCOUNTS RECEIVABLE

The Town and Authority have accrued amounts using the basis of accounting notes in 1(C). The Town has accrued certain taxes to be received in July 2013 as accounts receivable. The Authority has accrued amounts due as of June 30, 2013 as a result of its operation of the water and sewer system. The Authority has not reduced the accounts receivable by an allowance for doubtful accounts because it believes the ultimate amount received will be materially similar to the amount accrued.

CAPITAL ASSETS

The capitalization threshold has been set at $500.00. Assets purchased by the Town or PWA are recorded as assets at cost or if contributed property at the estimated fair market value at the time of contribution. Repairs and maintenance cost are recorded as expenses. The sale or disposition of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Assets are depreciated over their useful lives of 5 to 40 years using the straight-line method.

NET POSITION/FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net position is classified and displayed in three components:

1. Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. Restricted — Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the Town's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

- Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

- Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board.
- Unassigned - Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Government does not have a formal minimum fund balance policy.

There are no major special revenue funds for the current year. All special revenue funds are considered non-major.

F. REVENUES, EXPENDITURES AND EXPENSES

Property Tax

For the year ended June 30, 2013, the Town levied no property tax. Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and court-assessed judgments.

Expenditures/Expenses

For purposes of the combined operating statements, expenditures/expenses are classified as follows:

Governmental Fund Types	-By Character: Current (further classified by activity)Capital Outlay
Proprietary Fund Types	-By Operating and Non-Operating

Governmental fund types report expenditures of financial resources. Proprietary fund types normally report expenses relating to use of economic resources.

G. USE OF ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles requirements management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Town and its component units are subject to various federal, state, and local laws and contractual regulations.

Deficit Fund Balance or Retained Earnings

As indicated in the financial statements, there are no fund balance or retained earnings deficits for the Authority for this fiscal year.

Excess of Expenditures Over Appropriations

The Town's total charges to appropriations did not exceed budgeted amounts.

NOTE 3 - DEPOSITS, INVESTMENTS AND COLLATERAL

Custodial Credit Risk

At June 30, 2013, the Town held deposits of approximately $521,761 at financial institutions. The Town's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the Town or by its agent in the Town's name.

Investment Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The Town has no policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
d. County, municipal or school Town tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school Town.
e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.

Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

NOTE 4 - RESTRICTED ASSETS

The loan agreement between USDA Rural Development and Stringtown Public Works Authority requires a reserve account be maintained with monthly contributions of $34.30 until the balance equals total principal and interest payments for one year. The current reserve requirement balance is $4,116.00. At June 30, 2013, the reserve balance was $4,116.00.

Any expenditures from the reserve account require prior written approval from the lending agency.

NOTE 5 - PROPERTY AND EQUIPMENT

Governmental Activities:

Capital Assets of the Town are depreciated over the useful life of the asset using the straight-line method. Estimated useful lives are from 5 to 40 years.

Capital asset activity, for the fiscal year ended June 30, 2013, was as follows:

	Balance 7-1-12	Additions	Deductions	Balance 6-30-13
Administrative Capital Assets	$ 307,966	$ 43,832	$ -	$ 351,798
Police Dept. Capital Assets	247,255	45,345	-	292,600
Fire Dept. Capital Assets	623,813	16,727	-	640,540
Street & Alley Capital Assets	22,662	24,290	-	46,952
Subtotal	1,201,696	130,194	-	1,331,890
Less: Accumulated Depreciation	(634,435)	(61,729)	-	(696,164)
Net Capital Assets	$ 567,261	$ 68,465	$ -	$ 635,726

Depreciation expense for the year ended June 30, 2013, aggregating $61,729, has been computed on assets with a cost basis totaling $1,331,890.

The additions for the year included a storm shelter for $43,832, 2012 Tahoe for $35,500, radios for $9,845, defibrillator for $1,050, building remodel fire department for $15,677, tractor for $15,200, mower for $3,240 and a brush hog for $5,580 totaling $130,194.

The Town of Stringtown receives utility reimbursement of $350.00 for eleven months and $375.00 for one month from SODA.

Business-Type Activities:

Property and equipment of the Authority is depreciated over the useful life of the asset using the straight-line method. Estimated useful lives are: system facilities 40 years and equipment 5 to 10 years.

Capital asset activity, for the fiscal year ended June 30, 2013, was as follows:

	Balance 7-1-12	Additions	Deductions	Balance 6-30-13
Land & Improvements	$ 2,046,213	$ -	$ -	$ 2,046,213
Other Capital Assets	136,436	21,014	-	157,450
Subtotal	2,182,649	21,014	-	2,203,663
Less: Accumulated Depreciation	(1,467,243)	(56,191)	-	(1,523,434)
Net Capital Assets	$ 715,406	$ (35,177)	$ -	$ 680,229

Depreciation expense for the year ended June 30, 2013,

aggregating $56,191.00, has been computed on assets with a cost basis totaling $2,203,663.

The additions for the year included a tractor for $17,500, mower for $3,000 and computer for $514, totaling $21,014.

NOTE 6 - ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Accumulated unpaid vacation and sick leave benefits have not been shown as a liability in the financial statements. The Town's position is that any accrued benefits are not significant and would not materially affect the financial statements.

NOTE 7 - PENSION PLAN

1. Employee Pension Plan (Other Than Firemen)

   The Town of Stringtown provides pension benefits for all of its full-time employees through a joint contributory, defined contribution plan in the state-wide Oklahoma Municipal Retirement System (OMRS), an agent multiple-employer public employee retirement system. The plan is a 403(B) defined contribution plan. The Town of Stringtown's volunteer firemen are covered by a separate pension plan (see note below); therefore, they are not included in the Oklahoma Municipal Retirement System plans.

   The Town withheld 5.0% of gross wages from the employees payroll check and matched it at 5.0% for the year ended June 30, 2013. In addition to the 5.0% withheld from gross wages, the employees are permitted to contribute an additional amount up to an additional 5.0%.

2. Volunteer Firemen's Pension Plan

   All of the Town's Voluntary Firemen are covered by the firemen's pension plan. This contributory plan is operated as a part of the Oklahoma Firefighters Pension and Retirement Fund and is administered by the Oklahoma Firefighters Pension and Retirement Board.

NOTE 8 - COMPONENT UNIT

Stringtown Public Works Authority is a "Public Trust" created under a special Oklahoma Law. The Trust is a vehicle used to obtain financing for water and sewer projects. The Trust is a self-supporting entity, but is considered to be a component unit

of the Town of Stringtown. The Town of Stringtown incurs no liability in the case of default on loans obtained by the Trust.

NOTE 9 - LONG-TERM DEBT

USDA Rural Development (RD)

The Trust is indebted to Rural Development under the terms of an installment note which is collateralized by the Trust's distribution facilities and a pledge of revenues of the Trust. The note is payable in monthly installments of $343.00 at an interest rate of 5.0% for forty years.

Changes in Long-Term Debt:

	2012	Additions	Retirements	2013
Note Payable - USDA RD	$ 46,870	$ -	$ (1,814)	$ 45,056
Total Long-Term Debt	46,870	-	(1,814)	45,056

Debt Services Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of June 30, 2013, are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 1,916	$ 2,200	$ 4,116
2015	2,005	2,112	4,116
2016	2,107	2,009	4,116
2017	2,215	1,901	4,116
2018	2,328	1,788	4,116
2019-2023	13,554	7,026	20,580
2024-2028	17,395	3,185	20,580
2029	3,537	4,199	7,736
Total	$ 45,056	$ 24,420	$ 69,476

NOTE 10 - GOVERNMENTAL FUND BALANCES

Town of Stringtown
Disclosure of Fund Balances Reported on Balance Sheet
For Fiscal Year Ending June 30, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES:			
Restricted for:			
Road Maintenance	-	6,986	6,986
Assigned to:			
Fire Department	1,404	-	1,404
Police & Fire	69,456	-	69,456
Other purposes	-	8,023	8,023
Unassigned	198,977	13,545	212,522
Total	$ 269,837	$ 28,554	$ 298,391

NOTE 11 - RISK MANAGEMENT

The Town's risk management of loss consists of commercial insurance for property and liability losses, employees' bonds for employee dishonesty, and worker's compensation through the State Insurance Fund. There have been no significant reductions in insurance coverage during the year ended June 30, 2013.

NOTE 12 - SUBSEQUENT EVENTS

The Town did not have any subsequent events through November 25, 2013, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2013.

EXHIBIT H

TOWN OF STRINGTOWN, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 225,647	$ 225,647	$ 225,647	$ -
Resources (Inflows):				
Taxes:				
Franchise Tax	12,950	12,950	12,235	(715)
Fines	394,400	394,400	483,646	89,246
Licenses	110	110	232	122
Intergovernmental:				
Alcoholic Beverage Tax	9,250	9,250	12,102	2,852
Gasoline Excise Tax	-	-	-	-
Motor Vehicle Tax	-	-	-	-
Cigarette Tax	1,350	1,350	899	(451)
Sales Tax	58,300	58,300	44,245	(14,055)
Sales Tax - County	29,150	29,150	22,123	(7,027)
Grants	-	-	44,350	44,350
Miscellaneous Income	8,770	8,770	5,051	(3,719)
Interest Income	-	-	344	344
Sale of Assets	-	-	-	-
Amounts available for appropriation	739,927	739,927	850,874	110,947
Charges to Appropriations (Outflows):				
General Government	164,550	164,550	136,034	28,516
Police Protection	323,059	323,059	266,293	56,766
Fire Protection	18,000	18,000	19,572	(1,572)
Highways & Streets	50,998	50,998	58,284	(7,286)
Capital Outlay	183,320	183,320	100,854	82,466
Transfers	-	-	-	-
Total Charges to Appropriations	739,927	739,927	581,037	158,890
Prior Year Adjustments to Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	-	-	269,837	269,837

Unaudited

EXHIBIT I

TOWN OF STRINGTOWN, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 46,565	$ 46,565	$ 46,565	$ -
Resources (Inflows):				
Taxes:				
Franchise Tax	-	-	-	-
Intergovernmental:				
Alcoholic Beverage Tax	-	-	-	-
Gasoline Excise Tax	-	-	750	750
Motor Vehicle Tax	-	-	3,140	3,140
Grants	3,960	3,960	5,534	1,574
Miscellaneous Income	-	-	1,841	1,841
Interest Income	-	-	84	84
Amounts available for appropriation	50,525	50,525	57,914	7,389
Charges to Appropriations (Outflows):				
General Government	-	-	-	-
Police Protection	8,152	8,152	20	8,132
Fire Protection	-	-	-	-
Highways & Streets	-	-	-	-
Capital Outlay	42,373	42,373	29,340	13,033
Transfers	-	-	-	-
Total Charges to Appropriations	50,525	50,525	29,360	21,165
Prior Year Adjustments to Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	-	-	28,554	28,554

Unaudited

TOWN OF STRINGTOWN, OKLAHOMA
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2013

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

The Statement of Revenues Collected, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund, Street & Alley Fund, D.A.R.E. Fund, Drug Fund, CDBG Fund and Volunteer Fire Fund present comparisons of legally adopted budgets with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Unused appropriations of annually budgeted funds lapse at the end of the year

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

To the Town Council
Town of Stringtown, Oklahoma

We have audited, in accordance with the 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, and in accordance with Oklahoma Statutes, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stringtown, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Stringtown, Oklahoma's basic financial statements, and have issued our report thereon dated November 25, 2013. The Town of Stringtown, Oklahoma has implemented the general provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, except that the Town did not present the required MD&A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Stringtown's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stringtown's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Stringtown's internal control.

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 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material

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weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings that we consider to be significant deficiencies. Those deficiencies are listed as Items 13-01 and 13-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Stringtown's financial statements are free of material misstatement, we performed tests of 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 one instance of noncompliance that is required to be reported under Government Auditing Standards, which is included in the Schedule of Findings as Item 13-03. The results of our tests disclosed no instances of other matters that are required to be reported under Government Auditing Standards.

Town of Stringtown's Response to Findings

Town of Stringtown's response to the findings identified in our audit is described in the accompanying Schedule of Findings. Town of Stringtown's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kershaw CPA & Associates, P.C.

Kershaw CPA & Associates, PC

November 25, 2013

INTERNAL CONTROL FINDINGS:

Item 13-01: Segregation of Duties

Criteria: A good system of internal control requires a proper segregation of duties to prevent one person from being in a position to authorize, execute, and record the same transaction. The segregation of duties is important to have adequate control over financial assets.

Condition: The Town has the same employees performing work normally segregated between two or more employees, including recording cash receipts and disbursements, maintaining the general ledger and payroll. Due to the size of the Town's major areas of internal control, that would be prevalent in a larger Town, such segregation of duties is not available for this size operation. Duties are concentrated in the hands of a few individuals, who are responsible for all phases of the accounting functions. Because of this lack of division of responsibility, internal control is determined to be weak, and in some instances, non-existent.

Cause/Effect: Due to the limited number of personnel, a breach of internal controls could occur and not be detected in the normal course of operations.

Recommendation: The Board should continue to be actively involved in the operations of the organization.

Response: At this time, it is not economically feasible for the Town to hire additional employees. Therefore, direct oversight of incompatible activities by members of the Board can provide the necessary control.

Item 13-01: Accounts Receivable (PWA)

Criteria: Internal control refers to the methods and procedures used to provide reasonable assurance regarding the achievement of objectives in the following categories: Safeguarding assets, Ensuring validity of financial records and reports, Promoting adherence to policies, procedures, regulations and laws, and Promoting effectiveness and efficiency of operations. Internal control also refers to how an entity processes, summarizes and records the financial transactions. In general terms, internal controls are simply good business practices.

Condition: The billing program does not provide an adequate accounting record of accounts receivable. The beginning balance plus charges less payments does not equal the ending balance, nor can it be easily reconciled.

Cause/Effect: The financial statements may contain misstatements and omit financial information and the Authority could incur a loss from unpaid and misstated fees.

Recommendation: We recommend that the Authority personnel seek advice from their software vendor to provide training on the timing of printing reports and on the reports necessary to provide accountability of accounts receivable.

Response: The Town is aware of the problem and is taking corrective action.

COMPLIANCE FINDINGS:

Item 13-03: Purchase Order Law

Criteria: Purchase order law requires that purchases or contracts be encumbered against a designated appropriation account prior to/or at the time the commitment is made.

Condition: Currently, purchase orders are being encumbered after commitment and prior to the expenditure of funds.

Cause/Effect: This may lead to expenditures exceeding appropriations at the end of the year.

Recommendation: We recommend that an encumbrance log be established and the purchase order law procedures be followed in the encumbering and expending of funds.

Response: At this time, it is not economically feasible or possible for the Town to maintain such a log.

EXHIBIT J

TOWN OF STRINGTOWN, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS					Total Nonmajor Governmental Funds
	Street & Alley Fund	Drug Fund	Fire Fund	D.A.R.E. Fund	CDBG Fund	
ASSETS						
Cash and cash equivalents	$ 30,836	$ 556	$ 13,545	$ 7,467	$ -	$ 52,404
Accounts Receivable	404	-	-	-	-	404
TOTAL ASSETS	$ 31,240	$ 556	$ 13,545	$ 7,467	$ -	$ 52,808
LIABILITIES & FUND EQUITY						
LIABILITIES:						
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to General Fund	24,254	-	-	-	-	24,254
Due to Drug Fund	-	(300)	-	300	-	-
TOTAL LIABILITIES	24,254	(300)	-	300	-	24,254
FUND BALANCES:						
Nonspendable	-	-	-	-	-	-
Restricted	6,986	-	-	-	-	6,986
Committed	-	-	-	-	-	-
Assigned	-	856	-	7,167	-	8,023
Unassigned	-	-	13,545	-	-	13,545
TOTAL FUND BALANCES	6,986	856	13,545	7,167	-	28,554
TOTAL LIABILITIES AND FUND BALANCES	$ 31,240	$ 556	$ 13,545	$ 7,467	$ -	$ 52,808

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT K

TOWN OF STRINGTOWN, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS					Total Nonmajor Governmental Funds
	Street & Alley Fund	Drug Fund	Fire Fund	D.A.R.E. Fund	CDBG Fund	
REVENUES:						
Taxes:						
Franchise Tax	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental:						
Alcoholic Beverage Tax	-	-	-	-	-	-
Gasoline Excise Tax	750	-	-	-	-	750
Motor Vehicle Tax	3,140	-	-	-	-	3,140
Grants	-	-	5,534	-	-	5,534
Miscellaneous Income	351	-	1,490	-	-	1,841
Interest Income	62	7	-	15	-	84
TOTAL REVENUES	4,303	7	7,024	15	-	11,349
EXPENDITURES:						
Current:						
Public Safety	-	20	-	-	-	20
Fire Protection	-	-	-	-	-	-
Highways & Streets	-	-	-	-	-	-
Capital Outlay	24,290	4,000	1,050	-	-	29,340
TOTAL EXPENDITURES	24,290	4,020	1,050	-	-	29,360
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,987)	(4,013)	5,974	15	-	(18,011)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Capital Debt Proceeds	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGES IN FUND BALANCES	(19,987)	(4,013)	5,974	15	-	(18,011)
FUND BALANCE - BEGINNING OF YEAR	26,973	4,869	7,571	7,152	-	46,565
FUND BALANCE - PRIOR YEAR ADJUSTMENT	-	-	-	-	-	-
FUND BALANCE - END OF YEAR	$ 6,986	$ 856	$ 13,545	$ 7,167	$ -	$ 28,554

See Accountant's Audit Report & Notes Which Accompany These Financial Statements