

**ANNUAL FINANCIAL REPORT**  
**TOWN OF BEAVER, OKLAHOMA**  
**(INCLUDING THE BEAVER PWA)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**TOWN OF BEAVER  
BEAVER COUNTY, OKLAHOMA  
FOR THE YEAR ENDED JUNE 30, 2012**

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**CITY OF NICOMA PARK  
OKLAHOMA COUNTY, OKLAHOMA  
FOR THE YEAR ENDED JUNE 30, 2012**

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**INDEPENDENT AUDITOR'S REPORT**

Town Council  
Town of Beaver  
Beaver, Oklahoma

**Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Beaver, Oklahoma (the Town), as of and for the year ended June 30, 2012, 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 the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the presentation 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. 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 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.

#### **Basis for Qualified Opinion**

As discussed in Note 1, to the financial statements, the Town has not maintained complete capital asset records to support the historical cost of past capital asset purchases. Accounting principles generally accepted in the United States of America require that capital assets be recorded at historical cost net of accumulated depreciation. Documentation supporting historical cost was not readily available for our review. Also, the Town has elected to not report depreciation on these capital assets. The amount by which this departure would affect assets, net position, and expenses of the Governmental and Business-Type Activities is not readily determinable.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Beaver, Oklahoma, as of June 30, 2012 and the respective changes in modified cash basis financial position and where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

#### **Basis of Accounting**

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### **Other Matters**

##### **Supplementary and Other Information**

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) and the GASB has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied by us, in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2013 on our consideration of the Town'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 in considering the Town's internal control over financial reporting and compliance.

*Putnam & Company*

Putnam & Company, PLLC  
December 20, 2013

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

**TOWN OF BEAVER, OKLAHOMA**  
**INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY**  
**STATEMENT OF NET ASSETS--MODIFIED CASH BASIS**  
**JUNE 30, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	1,078,063	285,035	1,363,098
<b>CURRENT LIABILITIES</b>			
Warrants Outstanding	\$73,815		73,815
Refundable Meter Deposits		7,255	7,255
Long-Term Debt--Current Portion		76,897	76,897
<b>Total Current Liabilities</b>	<b>73,815</b>	<b>84,152</b>	<b>157,967</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Debt--Non-Current Portion		202,455	202,455
<b>TOTAL LIABILITIES</b>	<b>73,815</b>	<b>286,607</b>	<b>360,422</b>
<b>NET ASSETS</b>			
Unrestricted	1,004,248	(1,572)	1,002,676
<b>TOTAL NET ASSETS</b>	<b>1,004,248</b>	<b>(1,572)</b>	<b>1,002,676</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,078,063</b>	<b>285,035</b>	<b>1,363,098</b>

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

**TOWN OF BEAVER, OKLAHOMA  
INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY  
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

FUNCTIONS/PROGRAMS:	Expenses	Program Revenue		Net (Expense) Revenue
		Charges For Services	Operating Grants	
Governmental Activities Town of Beaver	\$821,033	9,068	233,638	(578,327)
Business-Type Activities Beaver Public Works Authority	738,515	658,462		(80,053)
Total Primary Government	\$1,559,548	667,530	233,638	(658,380)

CHANGES IN NET ASSETS:	Primary Government		
	Governmental Activities	Business Type Activities	Total
Net (Expense) Revenue	(\$578,327)	(80,053)	(658,380)
General Revenue			
Sales Taxes	367,900		367,900
Other Taxes	174,286		174,286
Interest	5,467	3,500	8,967
Other Income	203,885	35,715	239,600
Total General Revenue	173,211	(40,838)	132,373
Transfers--In (Out)	0	(10,789)	(10,789)
Change in Net Assets	173,211	(51,627)	121,584
Net Assets--Beginning	831,037	50,055	881,092
Net Assets--Ending	\$1,004,248	(1,572)	1,002,676

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

## **FUND FINANCIAL STATEMENTS**

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINED BALANCE SHEET - MODIFIED CASH BASIS - ALL FUND TYPES  
JUNE 30, 2012**

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)
	General	Special Revenue	Capital Projects	Internal Service	Enterprise Fund	Trust and Agency	
<b>ASSETS</b>							
Cash, including time deposits	\$531,957	229,320	83	308,310	277,780	15,648	1,363,098
Total Assets	<u>\$531,957</u>	<u>229,320</u>	<u>83</u>	<u>308,310</u>	<u>277,780</u>	<u>15,648</u>	<u>1,363,098</u>
<b>LIABILITIES</b>							
Warrants Outstanding	\$45,205	2,163		26,337		110	73,815
Refundable Meter Deposits						7,255	7,255
OWRB Notes Payable					279,352		279,352
Total Liabilities	<u>45,205</u>	<u>2,163</u>	<u>0</u>	<u>26,337</u>	<u>279,352</u>	<u>7,365</u>	<u>360,422</u>
<b>FUND EQUITY</b>							
Fund Balance--Unreserved	486,752	227,157	83	281,973		8,283	1,004,248
Retained Earnings--Unreserved					(1,572)		(1,572)
Total Fund Equity	<u>486,752</u>	<u>227,157</u>	<u>83</u>	<u>281,973</u>	<u>(1,572)</u>	<u>8,283</u>	<u>1,002,676</u>
Total Liabilities and Fund Equity	<u>\$531,957</u>	<u>229,320</u>	<u>83</u>	<u>308,310</u>	<u>277,780</u>	<u>15,648</u>	<u>1,363,098</u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA**  
**(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)
	General	Special Revenue	Capital Projects	Trust and Agency	
<b>REVENUES:</b>					
Taxes	\$542,186				542,186
Licenses and permits	648				648
Intergovernmental	109,634	14,188			123,822
Charges for Services		7,932			7,932
Fines and Forfeitures	12,669			1,774	14,443
State Grants					0
Interest	3,832	1,600	2	33	5,467
State Reimbursements		21,320			21,320
Grant Income			192,423		192,423
Miscellaneous	28,330	57,212			85,542
<b>Total Revenues</b>	<b>697,299</b>	<b>102,252</b>	<b>192,425</b>	<b>1,807</b>	<b>993,783</b>
<b>EXPENDITURES:</b>					
Salaries Department	113,949				113,949
Office Administration	28,948				28,948
General Government	104,910				104,910
Park Department	20,458				20,458
Legal Department					0
Police Department	133,486				133,486
Fire Department	13,763				13,763
Street Department	138,156				138,156
Personal Services		29,900			29,900
Maintenance and Operations		38,526		1,589	40,115
Capital Outlay		5,100	192,428		197,528
<b>Total Expenditures</b>	<b>553,670</b>	<b>73,526</b>	<b>192,428</b>	<b>1,589</b>	<b>821,213</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES:</b>	<b>143,629</b>	<b>28,726</b>	<b>(3)</b>	<b>218</b>	<b>172,570</b>
<b>OTHER FINANCING SOURCES (USES):</b>				<b>6,980</b>	<b>6,980</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):</b>	<b>143,629</b>	<b>28,726</b>	<b>(3)</b>	<b>7,198</b>	<b>179,550</b>
Fund Balance, Beginning of Year	343,123	198,431	86	1,085	542,725
<b>Fund Balance, End of Year</b>	<b>\$486,752</b>	<b>227,157</b>	<b>83</b>	<b>8,283</b>	<b>722,275</b>

See accompanying letter and notes to financial statements.

**TOWN OF BEAVER, OKLAHOMA**  
**INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original / Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES:</b>			
Taxes	337,892	542,186	204,294
Licenses and Permits	866	648	(218)
Intergovernmental	90,686	109,634	18,948
Fines and Forfeitures	14,051	12,669	(1,382)
Interest	1,772	3,832	2,060
Miscellaneous	43,878	28,330	(15,548)
<b>Total Revenues</b>	<b>489,145</b>	<b>697,299</b>	<b>208,154</b>
<b>EXPENDITURES :</b>			
Personal Services	272,651	187,378	85,273
Maintenance and Operations	478,117	309,500	168,617
Capital Outlay	81,500	56,792	24,708
<b>Total Expenditures</b>	<b>832,268</b>	<b>553,670</b>	<b>278,598</b>
Revenues Over/(Under) Expenditures	(343,123)	143,629	486,752
<b>OTHER FINANCING SOURCES/(USES):</b>			
Transfers Among Funds			0
Deobligation of Prior Year Funds			0
<b>Total Other Financing Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(343,123)	143,629	486,752
Fund Balance, Beginning of Year	343,123	343,123	0
<b>Fund Balance, End of Year</b>	<b>0</b>	<b>486,752</b>	<b>486,752</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

THE TOWN OF BEAVER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Town of Beaver, Oklahoma relating to the funds included in the financial statements conform to generally accepted accounting principles of state and local governments, except as noted below. The following represents the more significant accounting and reporting policies and practices of the Town:

(a) Reporting Entity

The Town of Beaver, for financial reporting purposes, includes funds and account groups over which the governing board exercises oversight authority.

**INCLUDED ENTITIES**

The Beaver Public Works Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 177-180.3, for the use and benefit of the Town of Beaver, Oklahoma. The Authority leases the existing water and sewer lines, wells and storage facilities of the Town and receives the revenues from their use.

(b) Fund Accounting

The accounts of the Town are organized on the basis of funds and a group of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The various funds are grouped by type in the financial statements in this report, as follows:

Governmental Fund Types

General Fund - The General Fund is the principal fund of the Town which accounts for all financial transactions not properly accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for revenues derived from specific taxes and other designated revenue sources.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt and related costs.

THE TOWN OF BEAVER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

(b) Fund Accounting (continued)

Proprietary Fund Types

Internal Service Fund – Internal Service Funds are used to account for the financing of goods or services that are provided by one department or fund to another department or fund on a cost reimbursement basis.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Fiduciary funds are trust or agency funds used to account for assets held by the Town in a trustee capacity or as an agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

(c) Basis of Accounting

The modified cash basis of accounting is followed. Revenues are recorded when received rather than when earned. Expenditures are basically recorded when paid, however, outstanding encumbrances, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation.

This method of accounting is a comprehensive basis of accounting which differs from the method required under generally accepted accounting principles. The Town has not implemented the new financial reporting model, as required by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

(d) Total (Memorandum Only)

The combined financial statements have "Total (Memorandum Only)" columns. These columns do not purport to present the consolidated financial position of the Town of Beaver, Oklahoma. All significant interfund transactions would be eliminated and other adjustments would be made in the preparation of consolidated financial statements.

THE TOWN OF BEAVER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

(e) Budget

The Town's budget represents appropriations originally authorized and any subsequent revisions that were officially adopted during the fiscal year. The Town's budget is also prepared under the modified cash basis of accounting. In accordance with Oklahoma law, all remaining unexpended appropriations lapse at year end.

(f) Compensated Absences

The Town records vacation and sick leave expenditures only at the time such leave is actually paid.

(2) **DEPOSITS, INVESTMENTS, AND COLLATERAL**

***Custodial Credit Risk*** - The Town's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Town must have a written collateral agreement.

At June 30, 2012, the Town was not exposed to custodial credit risk as defined above.

***Investment Credit Risk*** - The Town's investment policy limits investments to those allowed in state law applicable to municipalities 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 deposit 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.

THE TOWN OF BEAVER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

(2) **DEPOSITS, INVESTMENTS, AND COLLATERAL (continued)**

***Investment Credit Risk (continued)*** - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

***Investment Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The Town discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

***Concentration of Investment Credit Risk*** – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the Town (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The Town's investment policy requires diversification of investments.

At June 30, 2012, the Town had no concentration of credit risk as defined above.

(3) **LONG-TERM DEBT**

The only debt obligations of the Town at June 30, 2012, were those existing under lease purchase contracts. Under Oklahoma law, lease purchase contracts must be ratified and renewed on an annual basis in order to remain in effect.

(As discussed below, the Beaver Public Works Authority had additional outstanding long-term debt as of June 30, 2012.)

THE TOWN OF BEAVER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

(3) **LONG-TERM DEBT** (continued)

The Town of Beaver, through its Beaver Public Works Authority, has two (2) outstanding loans through the Oklahoma Water Resources Board:

OWRB-ORF 96-001 - Principal in the amount of \$190,038 outstanding at June 30, 2012. The loan matures on August 15, 2015, and bears interest at the rate of 2.934%.

OWRB-ORF 97-001 - Principal in the amount of \$89,314 outstanding at June 30, 2012. The loan matures on August 15, 2015, and bears interest at the rate of 3.043%.

A summary of the changes in general long-term debt is as follows:

Payable at June 30, 2011	\$ 354,016
Debt Retired	74,664
Debt Acquired	<u>                    </u>
Payable at June 30, 2012	\$ <u>279,352</u>

As reflected by Exhibit E-2, monthly transfers are made from the Public Works Authority's operating fund to a special reserve fund in order to insure the timely payment of these obligations.

(4) **PENSION AND RETIREMENT PLANS**

All firefighters participate in the Oklahoma Firefighters Pension and Retirement System. The Town contributes to this plan for each firefighter in accordance with Oklahoma Statutes.

The Town participates in the Oklahoma Public Employees Retirement System (OPERS) which provides coverage to substantially all full time employees not covered by the Oklahoma Firefighters Pension and Retirement System. Contributions are made by both the Town and its employees.

Historical trend information is presented in the annual reports for these retirement systems. This information is useful in assessing a pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

THE TOWN OF BEAVER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012

(5) **RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. Accordingly, the Town purchases commercial insurance to reduce its risk of loss. Also, all personnel responsible for custody of cash were bonded during the fiscal year.

(6) **COMMITMENTS AND CONTINGENT LIABILITIES**

The financial statements do not include any provision for loss contingencies resulting from litigation. Under applicable Oklahoma statutes, cities and towns generally establish a sinking fund to satisfy legal judgments rendered against them. Tax revenues are then specifically assessed for payment of these claims which have been reduced to judgment. Such claims are generally paid through these special tax assessments over a three (3) year period.

(7) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 20, 2013, which is the date the financial statements were available.

**OTHER SUPPLEMENTAL INFORMATION**

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
SCHEDULE OF REVENUE BY SOURCE--GENERAL FUND  
BUDGET AND ACTUAL - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>GENERAL FUND</b>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>TAXES</b>			
Sales Taxes	\$255,173	367,900	112,727
Franchise Taxes	43,664	50,307	6,643
Tobacco Tax	4,055	5,738	1,683
Use Taxes	35,000	118,241	83,241
<b>Total Taxes</b>	<u>337,892</u>	<u>542,186</u>	<u>204,294</u>
<b>LICENSES AND PERMITS</b>			
Occupational Licenses	0	140	140
Building Permits	866	508	(358)
<b>Total Licenses and Permits</b>	<u>866</u>	<u>648</u>	<u>(218)</u>
<b>INTERGOVERNMENTAL</b>			
Alcoholic Beverage Tax	90,686	109,634	18,948
<b>FINES AND FORFEITURES</b>			
Animal Control Fines	1,772	1,449	(323)
Police Fines	12,279	11,220	(1,059)
<b>Total Fines and Forfeitures</b>	<u>14,051</u>	<u>12,669</u>	<u>(1,382)</u>
<b>INTEREST</b>	<u>1,772</u>	<u>3,832</u>	<u>2,060</u>
<b>MISCELLANEOUS</b>			
Rents & Royalties	2,591	8,420	5,829
Reimbursements	8,446	18,121	9,675
District Court Restitution	0	962	962
Other - Miscellaneous	32,841	827	(32,014)
<b>Total Miscellaneous</b>	<u>43,878</u>	<u>28,330</u>	<u>(15,548)</u>
<b>TOTALS</b>	<u>\$489,145</u>	<u>697,299</u>	<u>208,154</u>

See accompanying letter and notes to financial statement.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
SCHEDULE OF EXPENDITURES BY CLASSIFICATION  
BUDGET AND ACTUAL - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE - FAVORABLE/ (UNFAVORABLE)</b>
Personal Services	\$272,651	187,378	85,273
Maintenance and Operation	478,117	309,500	168,617
Capital Outlay	81,500	56,792	24,708
<b>Total Expenditures</b>	<b>\$832,268</b>	<b>553,670</b>	<b>278,598</b>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA**  
**(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS - MODIFIED CASH BASIS**  
**JUNE 30, 2012**

	<u>AIRPORT FUND</u>	<u>STREET &amp; ALLEY FUND</u>	<u>FIREMEN'S FUND</u>	<u>BUS TRANSIT FUND</u>	<u>SUMMER RECREATION FUND</u>	<u>DOC MAINTENANCE FUND</u>	<u>POLICE GRANT FUND</u>	<u>ALICE NEWTON FUND</u>	<u>CHRISTMAS LIGHTING FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>										
Cash, Including Time Deposits	<u>\$5,608</u>	<u>169,305</u>	<u>30,207</u>	<u>3,852</u>	<u>9</u>	<u>1,265</u>	<u>0</u>	<u>18,973</u>	<u>101</u>	<u>229,320</u>
Total Assets	<u>\$5,608</u>	<u>169,305</u>	<u>30,207</u>	<u>3,852</u>	<u>9</u>	<u>1,265</u>	<u>0</u>	<u>18,973</u>	<u>101</u>	<u>229,320</u>
<u>LIABILITIES</u>										
Warrants Outstanding	<u>\$272</u>			<u>1,198</u>		<u>693</u>				<u>2,163</u>
Total Liabilities	<u>272</u>	<u>0</u>	<u>0</u>	<u>1,198</u>	<u>0</u>	<u>693</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,163</u>
<u>FUND BALANCE</u>										
Unreserved	<u>5,336</u>	<u>169,305</u>	<u>30,207</u>	<u>2,654</u>	<u>9</u>	<u>572</u>	<u>0</u>	<u>18,973</u>	<u>101</u>	<u>227,157</u>
Total Fund Balance	<u>5,336</u>	<u>169,305</u>	<u>30,207</u>	<u>2,654</u>	<u>9</u>	<u>572</u>	<u>0</u>	<u>18,973</u>	<u>101</u>	<u>227,157</u>
Total Liabilities and Fund Balance	<u>\$5,608</u>	<u>169,305</u>	<u>30,207</u>	<u>3,852</u>	<u>9</u>	<u>1,265</u>	<u>0</u>	<u>18,973</u>	<u>101</u>	<u>229,320</u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA**  
**(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**SPECIAL REVENUE FUNDS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	AIRPORT FUND	STREET AND ALLEY FUND	FIREMEN'S FUND	BUS TRANSIT FUND	SUMMER RECREATION FUND	DOC MAINTENANCE FUND	POLICE GRANT FUND	ALICE NEWTON FUND	CHRISTMAS LIGHTING FUND	TOTALS (Memorandum Only)
<b>REVENUES:</b>										
INTERGOVERNMENTAL										
Gasoline Excise Tax	\$0	3,586								3,586
Commercial Vehicle Tax		10,602								10,602
Total Intergovernmental	0	14,188	0	0	0	0	0	0	0	14,188
CHARGES FOR SERVICE										
Bus Fares				7,932						7,932
Total Charges for Service	0	0	0	7,932	0	0	0	0	0	7,932
INTEREST	40	1,260	251	1				48		1,600
STATE REIMBURSEMENTS				21,320						21,320
MISCELLANEOUS										
Donations			2,300	26			150			2,476
Rents & Royalties	8,019									8,019
Other	14,421	14,228	4,776	2,292		11,000				46,717
Total Miscellaneous	22,440	14,228	7,076	2,318	0	11,000	150	0	0	57,212
Total Revenues	22,480	29,676	7,327	31,571	0	11,000	150	48	0	102,252
<b>EXPENDITURES:</b>										
Personal Services				29,900						29,900
Maintenance and Operation	11,713	9,430	654	4,756		11,727	246			38,526
Capital Outlay	5,100									5,100
Total Expenditures	16,813	9,430	654	34,656	0	11,727	246	0	0	73,526
Excess of Revenues Over (Under) Expenditures	5,667	20,246	6,673	(3,085)	0	(727)	(96)	48	0	28,726
OTHER FINANCING SOURCES/(USES)										
Estopped Warrants										0
Total Other Financing Sources/(Uses)	0	0	0	0	0	0	0	0	0	0
Excess of Revenues Over (Under) Expenditures and Other Financing Sources/(Uses)	5,667	20,246	6,673	(3,085)	0	(727)	(96)	48	0	28,726
Fund Balance, Beginning of Year	(331)	149,059	23,534	5,739	9	1,299	96	18,925	101	198,431
Fund Balance, End of Year	\$5,336	169,305	30,207	2,654	9	572	0	18,973	101	227,157

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2012**

	<u>AIRPORT GRANT FUND</u>	<u>--TOTALS-- (Memorandum Only)</u>
<u>ASSETS</u>		
Cash, including time deposits	<u>\$83</u>	<u>83</u>
Total Assets	<u><u>\$83</u></u>	<u><u>83</u></u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Warrants Outstanding	<u>\$0</u>	<u>0</u>
Fund Balance:		
Unreserved	<u>83</u>	<u>83</u>
Total Liabilities and Fund Equity	<u><u>\$83</u></u>	<u><u>83</u></u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUNDS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	AIRPORT GRANT FUND	--TOTALS-- (Memorandum Only)
REVENUE:		
Grant Income	\$192,423	192,423
Interest Income	<u>2</u>	<u>2</u>
TOTAL REVENUES	<u>192,425</u>	<u>192,425</u>
EXPENDITURES:		
Grant Expenditures	192,423	192,423
Bank Service Charges	<u>5</u>	<u>5</u>
TOTAL EXPENDITURES	<u>192,428</u>	<u>192,428</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES:	<u>(3)</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES):		
Transfers	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES):	<u>0</u>	<u>0</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES):	<u>(3)</u>	<u>(3)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>86</u>	<u>86</u>
FUND BALANCE, END OF YEAR	<u><u>\$83</u></u>	<u><u>83</u></u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
INTERNAL SERVICE FUND  
JUNE 30, 2012**

	<u>CASH UTILITY FUND</u>
<u>ASSETS</u>	
Cash, including time deposits	<u>\$308,310</u>
 Total Assets	 <u><u>\$308,310</u></u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Warrants Outstanding	<u>\$26,337</u>
 Fund Balance:	
Unreserved	<u>281,973</u>
 Total Liabilities and Fund Equity	 <u><u>\$308,310</u></u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
INTERNAL SERVICE FUND - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>CASH UTILITY FUND</u>	<u>--TOTALS-- (Memorandum Only)</u>
<b>REVENUE:</b>		
Interest Income	\$1,626	\$1,626
Reimbursements	373,887	373,887
Grants & Contracts	1,322	1,322
Miscellaneous	39,027	39,027
<b>TOTAL REVENUES</b>	<u>415,862</u>	<u>415,862</u>
<b>EXPENDITURES:</b>		
Personal Services	373,330	373,330
Maintenance and Operation	48,871	48,871
<b>TOTAL EXPENDITURES</b>	<u>422,201</u>	<u>422,201</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES:</b>	<u>(6,339)</u>	<u>(6,339)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>288,312</u>	<u>288,312</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$281,973</u></u>	<u><u>\$281,973</u></u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
ENTERPRISE FUNDS  
JUNE 30, 2012**

	<u>ENTERPRISE FUNDS</u>		
<u>ASSETS</u>	BPWA OPERATING FUND	BPWA RESERVE FUND	--TOTALS-- (Memorandum Only)
Cash, including time deposits	\$178,332	99,448	277,780
Total Assets	\$178,332	99,448	277,780
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
OWRB Notes Payable	\$279,352	_____	279,352
Unreserved Retained Earnings	(101,020)	99,448	(1,572)
Total Liabilities and Fund Balance	\$178,332	99,448	277,780

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING STATEMENT OF REVENUE, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS - MODIFIED CASH BASIS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>ENTERPRISE FUNDS</u>		
	<u>BPWA OPERATING FUND</u>	<u>BPWA RESERVE FUND</u>	<u>--TOTALS-- (Memorandum Only)</u>
<b>REVENUE:</b>			
Water	\$357,692		357,692
Sewer	105,016		105,016
Trash	189,895		189,895
Penalties	7,340		7,340
Rural Charge	3,617		3,617
Meter Maid	1,203		1,203
Reconnect Fee	1,743		1,743
Utility Connect	499		499
Collections	130		130
Reimbursements	25,915		25,915
Miscellaneous	977		977
Return Check Charges	150		150
Interest Earned	3,500		3,500
<b>TOTAL REVENUE</b>	<u>697,677</u>	<u>0</u>	<u>697,677</u>
<b>EXPENSES:</b>			
Personal Services	362,653		362,653
Maintenance & Operation	328,891		328,891
Capital Outlay	46,971		46,971
<b>TOTAL EXPENSES</b>	<u>738,515</u>	<u>0</u>	<u>738,515</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(40,838)</u>	<u>0</u>	<u>(40,838)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers Among Funds	(87,000)	87,000	0
Reduction of Notes Payable	74,664	(74,664)	0
Interest and Fees		(10,789)	(10,789)
<b>TOTAL OTHER FINANCING SOURCES (USE)</b>	<u>(12,336)</u>	<u>1,547</u>	<u>(10,789)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>(53,174)</u>	<u>1,547</u>	<u>(51,627)</u>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<u>(47,846)</u>	<u>97,901</u>	<u>50,055</u>
<b>FUND EQUITY, END OF YEAR</b>	<u>(\$101,020)</u>	<u>99,448</u>	<u>(1,572)</u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
TRUST AND AGENCY FUND  
JUNE 30, 2012**

	<u>CLEET FUND</u>	<u>METER DEPOSIT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>ASSETS</u>			
Cash, including time deposits	<u>\$1,307</u>	<u>14,341</u>	<u>15,648</u>
Total Assets	<u>\$1,307</u>	<u>14,341</u>	<u>15,648</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	\$0	110	110
Refundable Meter Deposits		<u>7,255</u>	<u>7,255</u>
Total Liabilities	<u>0</u>	<u>7,365</u>	<u>7,365</u>
Fund Balance:			
Unreserved	<u>1,307</u>	<u>6,976</u>	<u>8,283</u>
Total Liabilities and Fund Equity	<u>\$1,307</u>	<u>14,341</u>	<u>15,648</u>

See accompanying letter and notes to financial statements.

**THE TOWN OF BEAVER, OKLAHOMA  
(INCLUDING THE BEAVER PUBLIC WORKS AUTHORITY)  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCE  
TRUST AND AGENCY FUND - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	CLEET FUND	METER DEPOSIT FUND	TOTAL (MEMORANDUM ONLY)
REVENUE:			
Police Fines	\$1,774		1,774
Interest Earned		33	33
Total Revenue	1,774	33	1,807
EXPENDITURES:			
Maintenance and Operation	1,552	37	1,589
Total Expenditures	1,552	37	1,589
REVENUE IN EXCESS OF EXPENDITURES	222	(4)	218
OTHER FINANCING SOURCES (USES):			
Meter Deposits Collected		6,259	6,259
Meter Deposits Refunded and Applied		(4,539)	(4,539)
Increase in Refundable Meter Deposits		5,260	5,260
TOTAL OTHER FINANCING SOURCES (USES):	0	6,980	6,980
REVENUE IN EXCESS OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) :	222	6,976	7,198
FUND BALANCE, BEGINNING OF YEAR	1,085	0	1,085
FUND BALANCE, END OF YEAR	\$1,307	6,976	8,283

See accompanying letter and notes to financial statements.

## **REQUIRED REPORTS**

**TOWN OF BEAVER, OKLAHOMA**  
**SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>CFDA Number</u>	<u>Program or Award Amount</u>	<u>Cash/ Beginning Balance at July 1, 2011</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>	<u>Cash/ Ending Balance at June 30, 2012</u>
Passed Through the OK Economic Develop. Assn.						
Rural Economic Action Plan						
Contract OEDA/REAP 102-08	11.300	\$49,999				0
Contract OEDA/REAP 102-10	11.300	56,460				0
Total		<u>106,459</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
US Department of Housing & Urban Development						
Passed Through the Oklahoma Department of Commerce						
Sidewalk Project--Contract CDBG 10 - 14120	14.228	56,460		6,341	6,341	0
Passed Through the Oklahoma Department of Transportation						
Sidewalk Project--Contract ODOT T-21		400,000		7,166	7,166	0
US Department of Transportation						
Federal Transit Authority						
Passed Through the Oklahoma Department of Transportation						
Rural Area Bus Transit Programs	20.509	21,320		21,320	21,320	0
US Department of Transportation						
Federal Aviation Administration						
Passed Through the Oklahoma Aeronautics Commission						
Runway Reconstruction Project 3-40-008-002-2010 and 3-40-008-003-2011	20.106	<u>192,423</u>		<u>192,423</u>	<u>192,423</u>	<u>0</u>
Total State and Federal Assistance		<u>726,663</u>	<u>0</u>	<u>227,250</u>	<u>227,250</u>	<u>0</u>

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

**Putnam & Company, PLLC**  
**Certified Public Accountants**  
169 E. 32<sup>nd</sup> Street  
Edmond, OK 73013  
Telephone (405) 348-3800  
Fax (405)348-7965

**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**

Town Council  
Town of Beaver  
Beaver, 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, the financial statements of the governmental activities, the business-type activities, each major fund of the Town of Beaver, Oklahoma, as of and for the year ended June 30, 2012, and the related notes to the financial statements, which collectively comprise the Town of Beaver's basic financial statements and have issued our report thereon dated December 20, 2013. The report on the Town was qualified due to the Town's use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Management Discussion and Analysis is not presented as required by the Governmental Accounting Standards Board.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Town of Beaver'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 opinions on financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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 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.

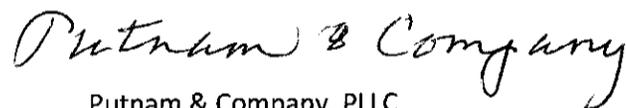
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material 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.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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.

#### **Purpose of this Report**

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or 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.



Putnam & Company, PLLC  
December 20, 2013

**MANAGEMENT LETTER AND COMMENTS**

**PUTNAM & COMPANY, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73013  
(405) 348-3800  
fax (405) 348-7965

December 20, 2013

Honorable Governing Board  
Town of Beaver, Oklahoma

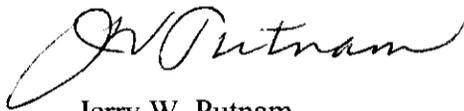
We have audited financial statements of the Town of Beaver, including the Beaver Public Works Authority, as of and for the year ended June 30, 2012, as listed in the table of contents, and have issued our report thereon dated December 20, 2013. As a part of our audit, we made a study and evaluation of the Town's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 20, 2013, on the financial statements of the Town of Beaver.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the attached recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam

PUTNAM & COMPANY, PLLC

**TOWN OF BEAVER  
BEAVER COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

1. Due to the limited size of the Town's staff, it is impossible to segregate all employee duties to preclude one individual from having complete control over entire financial transactions.
2. The Town maintains several funds, and each has a separate legal purpose. Although some of these funds are temporary in nature, we recommend that all funds should be accounted for in the Town's comprehensive accounting system. We noted that separate bank accounts were maintained for some Town funds, however, the transactions included in those bank accounts had to be manually combined with the Town's automated system for inclusion in this report.