

# TOWN OF CARNEGIE

June 30, 2011

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**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Carnegie  
Carnegie, Oklahoma

Trustees of the Carnegie Public Works Authority  
Carnegie, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Caddo County Clerk  
Anadarko, Oklahoma

Association of Southern Oklahoma Governments  
Duncan, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Carnegie and Public Trust, Carnegie, Oklahoma as of June 30, 2011 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Street & Alley Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of FEMA Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Carnegie Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2011. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cost basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and budget laws of the State of Oklahoma and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the

form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting and budget laws of the State of Oklahoma. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's change in fund balance, budgetary comparisons, revenue, expenses, and grant activity. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2011. Management of the Town of Carnegie is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements in Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### **Procedures and Findings**

As to the **Town of Carnegie** as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** No exceptions were found as a result of applying the procedure.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** No exceptions were found as a result of applying the procedure.

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

As to the **Carnegie Public Works Authority**, as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No exceptions were found as a result of applying the procedure.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

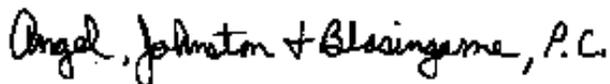
As to the **Town of Carnegie and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

**Findings:** No exceptions were found as a result of applying the procedure.

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

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



Angel, Johnston and Blasingame, P.C.  
January 23, 2012

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)

<b>TOWN:</b>	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balance</u>
General Fund	\$ 163,918	\$ 1,168,770	\$ 1,076,594	\$ 256,094
Street & Alley Fund	64,905	16,097	19,823	61,179
Fire Department Fund	12,398	13,416	19,008	6,807
Cemetery Care Fund	46,611	391	-	47,002
CDBG-CIP Fund	1	7,908	7,908	1
Capital Improvement Fund	3,046	15	-	3,062
REAP Grant Fund	1	19,064	19,064	1
Police Grant Fund	88	1,757	1,750	95
Library Grant Fund	1,355	8,372	7,379	2,349
Fema Grant Fund	6,669	72,430	17,531	61,569
Library Fund	1,340	701	555	1,485
Airport Fund	257	2,560	2,393	424
Airport Grant Fund	1	51,010	51,010	1
Cleet	-	-	-	-
<b>Town Subtotal</b>	<u>300,591</u>	<u>1,362,492</u>	<u>1,223,014</u>	<u>440,069</u>
<b>PUBLIC TRUST:</b>				
Public Works Authority Fund	182,259	309,059	315,807	175,510
Meter Fund	-	-	-	-
<b>Public Trust Subtotal</b>	<u>182,259</u>	<u>309,059</u>	<u>315,807</u>	<u>175,510</u>
<b>Overall Totals</b>	<u>\$ 482,849</u>	<u>\$ 1,671,551</u>	<u>\$ 1,538,821</u>	<u>\$ 615,579</u>

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**GENERAL FUND**

For the Fiscal Year Ended June 30, 2011  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 155,011	\$ 155,011	\$ 163,918	\$ (8,907)
<b>Revenues:</b>				
Sales tax	365,000	365,000	524,689	(159,689)
Use tax	21,000	21,000	38,422	(17,422)
Alcohol Beverage tax	14,000	14,000	14,522	(522)
Use/Sales tax-Hospital	129,000	129,000	-	129,000
Cigarette tax	7,000	7,000	7,613	(613)
Franchise tax	43,000	43,000	44,960	(1,960)
Police Fines	55,000	55,000	59,665	(4,665)
Ambulance tax	125,000	125,000	143,703	(18,703)
Fees	10,000	10,000	24,977	(14,977)
Licenses	1,600	1,600	1,447	153
Cemetery	3,100	3,100	2,579	521
Pool	25,000	25,000	25,913	(913)
Garbage	205,000	205,000	207,078	(2,078)
Grants	-	-	-	-
Interest	3,500	3,500	2,816	684
Rents	3,000	3,000	2,927	73
OEPIIC Insurance Reimbursement	27,000	27,000	34,916	(7,916)
Miscellaneous	15,000	15,000	7,729	7,271
<b>Total Revenues</b>	<u>1,052,200</u>	<u>1,052,200</u>	<u>1,143,956</u>	<u>(91,756)</u>
<b>Other Financing Sources:</b>				
Transfers from other funds	20,000	20,000	24,814	(4,814)
<b>Amounts available for appropriation</b>	<u>1,227,211</u>	<u>1,227,211</u>	<u>1,332,688</u>	<u>(105,477)</u>
<b>Charges to Appropriations:</b>				
Town Attorney	6,500	6,500	6,459	41
Cemetery	11,000	12,200	12,084	116
Court	2,900	2,910	2,897	13
Fire	33,800	35,290	34,263	1,028
Garbage	180,000	206,487	205,555	933
General Government	47,300	67,250	67,063	187
Library	17,000	17,000	16,241	759
Police	319,000	342,950	341,529	1,421
Parks	15,000	8,000	7,199	801
Pool	29,000	30,800	28,534	2,266
Hospital	130,000	142,000	140,785	1,215
Ambulance	150,000	148,000	143,703	4,297
Town Treasurer	5,400	5,400	5,366	34
Town Clerk	65,100	62,290	61,181	1,109
Street & Alley	1,300	1,700	756	944
<b>Total Expenditures</b>	<u>1,013,300</u>	<u>1,088,777</u>	<u>1,073,614</u>	<u>15,164</u>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	20,000	2,980	17,020
<b>Total Charges to Appropriations</b>	<u>1,013,300</u>	<u>1,108,777</u>	<u>1,076,594</u>	<u>32,183</u>
Unallocated Fund Balance	213,911.00	118,433.51	-	118,434
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,094</u>	<u>\$ (256,094)</u>

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**STREET & ALLEY FUND**  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 63,909	\$ 63,909	\$ 64,905	\$ (996)
<b>Revenues</b>	18,500	18,500	16,097	2,403
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	82,409	82,409	81,002	1,407
<b>Charges to Appropriations:</b>				
Personal Services	15,000	13,500	13,323	177
Maintenance & Operations	3,500	6,500	6,500	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Other	18,500	20,000	19,823	177
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	18,500	20,000	19,823	177
Unallocated Fund Balance	63,909	62,409	-	62,409
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 61,179	\$ (61,179)

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**CEMETERY CARE FUND**  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 46,606	\$ 46,606	\$ 46,611	\$ (5)
<b>Revenues</b>	1,530	1,530	391	1,139
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	48,136	48,136	47,002	1,134
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	1,000	1,000	-	1,000
Capital Outlay	3,000	3,000	-	3,000
Debt Service	-	-	-	-
Total Other	4,000	4,000	-	4,000
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	4,000	4,000	-	4,000
Unallocated Fund Balance	44,136	44,136	-	44,136
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 47,002	\$ (47,002)

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**FEMA FUND**  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 6,669	\$ 6,669	\$ 6,669	\$ (0)
<b>Revenues</b>	50	70,050	72,430	(2,380)
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	6,719	76,719	79,099	(2,380)
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	6,718	56,718	6,092	50,626
Capital Outlay	-	20,000	11,438	8,562
Debt Service	-	-	-	-
Total Other	6,718	76,718	17,531	59,187
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	6,718	76,718	17,531	59,187
Unallocated Fund Balance	1	1	-	1
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 61,569	\$ (61,569)

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**CARNEGIE PUBLIC WORKS AUTHORITY**  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)

**Operating Revenues:**

Charges for services:		
Water Revenue	\$	234,794
Sewer Revenue		60,452
Miscellaneous		5,253
Total Operating Revenue		<u>300,499</u>

**Operating Expenses:**

Personal Services		170,281
Maintenance and Operations		105,742
Total Operating Expenses		<u>276,022</u>

Operating Income (Loss)		<u>24,477</u>
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**Non-Operating Revenues (Expenses):**

Investment Income		2,690
Investment Expense		-
OEPIIC Insurance Reimbursement		3,870
Grants		-
Capital Outlay		(39,785)
Total Non-Operating Revenues (Expenses)		<u>(33,225)</u>

<b>Net Income (Loss) Before Contributions and Transfers</b>		(8,748)
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Capital Contributions		-
Transfers in		2,000
Transfers out		<u>-</u>

<b>Changes in Fund Balance</b>		(6,748)
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<b>Fund Balance - beginning</b>		<u>182,259</u>
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<b>Fund Balance - ending</b>	\$	<u><u>175,510</u></u>
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TOWN OF CARNEGIE AND PUBLIC TRUST  
Carnegie, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
<b>TOWN:</b>							
Department of Agriculture							
Fire Operations Grant - 2011	4,398	-	-	-	4,398	4,398	-
Association of South Central Oklahoma Governments							
REAP Grant Carnegie-08	45,000	26,300	26,300	-	19,064	19,064	-
FEMA							
PW-1718-DR-OK Flooding	12,013	12,013	10,113	1,900	-	-	1,900
PW-1883-DR-OK Ice Storm	102,485	-	102,485	(102,485)	72,165	5,936	(36,256)
Department of Commerce							
12675 CDBG 06	150,000	142,092	142,092	-	7,908	7,908	-
14242 CDBG 10	22,633	-	-	-	-	-	-
Department of Libraries							
State Aide 2010	4,176	3,758	2,734	1,024	418	1,442	-
State Aide 2010	3,720	-	-	-	3,348	2,733	615
IMLS Reference Grant	2,000	-	-	-	2,000	1,857	143
Department of Transportation							
Airport Grant 3-40-0014-001-2008	132,000	92,585	92,585	-	31,416	31,416	-
Airport Grant 3-40-0014-002-2009	525,158	467,389	467,389	-	18,614	18,614	-
Amo Leer Grant	2,500	-	-	-	2,500	1,347	1,153
LLEBG 2010 Bulletproof Vest Grant	1,750	-	1,750	(1,750)	1,750	-	-
<b>Town Subtotal</b>	<u>1,007,833</u>	<u>744,137</u>	<u>845,448</u>	<u>(101,311)</u>	<u>163,581</u>	<u>94,715</u>	<u>(32,445)</u>
<b>PUBLIC WORKS AUTHORITY:</b>							
<b>PWA Subtotal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 1,007,833</u>	<u>\$ 744,137</u>	<u>\$ 845,448</u>	<u>\$ (101,311)</u>	<u>\$ 163,581</u>	<u>\$ 94,715</u>	<u>\$ (32,445)</u>