

**CITY OF ANTLERS
PUSHMATAHA COUNTY, OKLAHOMA**

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2012**

*WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA*

**CITY OF ANTLERS
PUSHMATAHA COUNTY, OKLAHOMA
CITY COUNCIL AND OFFICERS**

Mike Burrage,
Mike Baggett
Roy E. Jackson
Madge Gentry
Jack Matthews, to August 29, 2011
Mike Riser, from October 3, 2011

Mayor
Councilmember
Councilmember
Councilmember
Councilmember

Joel Taylor
Jennie L. Simpson, Until May 2012

City Manager
City Clerk

Robin Bynum, as of May 7, 2012

City Clerk/Treasurer

CONTENTS

	<u>Page</u>
City officials	
Contents	
Independent auditors' report	
Statement of Net Assets	4
Statement of Activities	5
Balance Sheet	
Governmental Funds	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	
Governmental Funds	7
Statement of Net Assets	
Proprietary Funds	8
Statement of Revenues, Expenses, and Changes in Net Assets	
Proprietary Funds	9
Statement of Cash Flows	
Proprietary Funds	10
Notes to financial statements	
Auditors' report on internal control over financial reporting and on compliance and other matters based upon an audit of financial statements performed in accordance with government auditing standards	
Supplemental Information	
Budgetary Comparison – General Fund	

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT

121 SOUTH NOBLE ~ P.O. BOX 181
PHONE 580-623-5071
TOLL FREE (800)230-7672

WATONGA, OKLAHOMA 73772
FAX 580-623-5072
WGAUER@WHEELERBROTHERS.COM

INDEPENDENT AUDITOR'S REPORT

Honorable City Council
City of Antlers
Antlers, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Antlers, Oklahoma as of and for the fiscal year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Antlers, Oklahoma's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

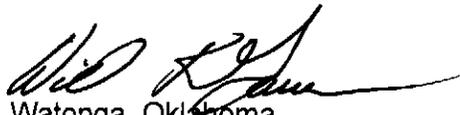
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Antlers, Oklahoma, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2012, on our consideration of the City of Antlers, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion (omitted) and analysis and budgetary comparison information on pages X through X be presented to supplement the basic financial statements. Such information, although not a 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 any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Antlers, Oklahoma's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Watonga, Oklahoma
August 31, 2013

CITY OF ANTLERS, OKLAHOMA
Statement of Net Assets
June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 400,368	\$ 315,827	\$ 716,195
Certificate of Deposit	-	65,261	65,261
Accounts Receivable	116,656	112,001	228,658
Total Current Assets	517,024	493,089	1,010,113
Non-current Assets:			
Restricted Cash	108,501	255,534	364,036
Certificate of Deposit-Restricted	-	229,808	229,808
Taxes Receivable	-	8,137	8,137
Capital Assets (Note 4)			
Land, infrastructure	71,722	504,667	576,389
Capital assets, net of depreciation	1,628,710	18,457,172	20,085,882
Total Non-Current Assets	1,808,933	19,455,319	21,264,252
Total Assets	2,325,957	19,948,408	22,274,366
LIABILITIES			
Current Portion of Long-Term Debt	-	152,220	152,220
Due to Other Funds/Governments	32,550	-	32,550
Due to Depositors	-	54,320	54,320
Compensated Absences	39,955	17,374	57,329
Total Current Liabilities	72,505	223,914	296,419
Long-term Liabilities (Note 6)	-	5,892,434	5,892,434
Less: Current Portion of Long-Term, Debt	-	(152,220)	(152,220)
Total Liabilities	72,505	5,964,128	6,036,633
NET ASSETS			
Invested in capital assets, net of related debt	1,700,432	13,069,405	14,769,837
Restricted	108,501	439,160	547,661
Unrestricted	444,520	475,715	920,235
Total Net Assets	\$ 2,253,453	\$ 13,984,280	\$ 16,237,733

See accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functional Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Governmental Activities:							
General Government	\$ 892,787	\$ 41,996	\$ -	\$ -	\$ (850,791)	\$ -	\$ (850,791)
Public Safety	1,536,499	664,873	73,644	66,851	(731,131)	-	(731,131)
Airport	450,739	22,495	-	384,739	(43,504)	-	(43,504)
Cemetery	29,907	8,424	-	-	(21,483)	-	(21,483)
Street and Alley	113,044	-	-	-	(113,044)	-	(113,044)
Culture, Parks and Recreation	75,969	10,418	-	192,989	127,438	-	127,438
Depreciation	116,499	-	-	-	(116,499)	-	(116,499)
Total governmental activities	3,215,444	748,206	73,644	644,579	(1,749,015)	-	(1,749,015)
Business-Type Activities:							
Water	780,913	780,913	-	-	-	-	-
Sewer	272,033	338,250	-	-	-	66,217	66,217
Sanitation	152,610	193,876	-	-	-	41,265	41,265
Depreciation	444,930	-	-	-	-	(444,930)	(444,930)
Administrative and Operations	66,062	-	-	-	-	(66,062)	(66,062)
Industrial Trust Authority	8,414	38,041	-	-	-	29,627	29,627
Total business-type activities	1,724,963	1,351,080	-	-	-	(373,883)	(373,883)
Total Primary Government	4,940,407	2,099,286	73,644	644,579	(1,749,015)	(373,883)	(2,122,898)
General Revenues:							
Taxes:							
Sales, Tobacco and Other Tax					1,139,916	92,359	1,232,276
Use Tax					63,761	-	63,761
EMS Authority					83,472	-	83,472
Franchise Tax					68,481	-	68,481
E-911 Taxes, Restricted for Public Safety					44,358	-	44,358
Investment Income					1,059	3,925	4,984
Miscellaneous					500,388	25,656	526,044
Transfers-Internal Activity					40,175	(40,175)	-
Total general revenues and transfers					1,941,610	81,766	2,023,376
Changes in Net Assets					192,595	(292,117)	(99,522)
Net Assets - Beginning					2,060,858	14,276,397	16,337,255
Net Assets - Ending					2,253,453	13,984,280	16,237,733

See accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
 STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 JUNE 30, 2012

	General Fund	Other Funds	Total
ASSETS			
Cash and cash equivalents	\$ 225,704	\$ 174,664	\$ 400,368
Accounts receivable	99,053	17,603	116,656
Total Unrestricted Assets	324,756	192,268	517,024
Restricted cash and cash equivalents	108,501	-	108,501
Capital Assets			
Land, inexhaustible assets and construction-in-process	-	-	-
Other capital assets, net of accumulated depreciation	108,501	-	108,501
Total Restricted Assets	433,258	192,268	625,525
Total Assets			
	32,550	-	32,550
LIABILITIES			
Due to Other Funds/Governmental Entities	-	-	-
Compensated Absences	-	-	-
Long-term debt	-	-	-
Due within one year	-	-	-
Due in more than one year	-	-	-
Total Liabilities	32,550	-	32,550
NET ASSETS			
Non-Spendable:			
Invested in Capital Assets, net of debt	-	-	-
Restricted			
Capital Outlay	-	60,935	60,935
Committed			
911 Fund	-	5,630	5,630
Cemetery Fund	-	3,278	3,278
Assigned			
Library	-	34,079	34,079
Street & Alley	-	87,603	87,603
Senior Citizens	-	743	743
General Fund - EMS/Fire/Ambulance	108,501	-	108,501
Unrestricted			
General Fund	292,207	-	292,207
Total Net Assets	400,708	192,268	592,976

Reconciliation to Statement of Net Assets:

Amount reported for governmental activities in the statement of net assets

Capital assets	1,700,432
Compensated Absences not accrued on fund statements	(39,955)
	\$ 2,253,453

See accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Public Works Authority		Industrial Authority	Total
	Water/Trash	Sewer		
ASSETS				
Cash and cash equivalents	\$ 226,404	\$ 69,275	\$ 20,148	\$ 315,827
Certificate of deposit	65,261	-	-	65,261
Accounts receivable	83,747	28,255	-	112,001
Total Unrestricted Assets	375,411	97,530	20,148	493,089
Cash in bank - restricted	97,046	158,488	-	255,534
Certificate of deposit - restricted	142,521	87,287	-	229,808
Taxes receivable	-	8,137	-	8,137
Capital Assets				
Land, inexhaustible assets and construction-in-process	49,637	-	455,030	504,667
Other capital assets, net of accumulated depreciation	13,707,695	3,615,771	1,133,706	18,457,172
Total Restricted Assets	13,996,899	3,869,684	1,588,736	19,455,319
Total Assets	14,372,311	3,967,214	1,608,884	19,948,408
LIABILITIES				
Current Portion of Long-Term Debt	92,021	37,008	23,191	152,220
Meter Deposit Liability	54,320	-	-	54,320
Compensated absences	-	-	-	-
Current Liabilities	146,341	37,008	23,191	206,540
Long-Term Debt				
Less: Current Portion of Long-Term Debt	3,231,998	2,426,774	233,662	5,892,434
Total Long-Term Liabilities	(92,021)	(37,008)	(23,191)	(152,220)
Total Liabilities	3,139,977	2,389,766	210,471	5,740,214
	3,286,318	2,426,774	233,662	5,946,754
NET ASSETS				
Invested in Capital Assets, net of debt	10,525,334	1,188,997	1,355,074	13,069,405
Restricted	185,247	263,913	-	439,160
Unrestricted	375,411	97,530	20,148	493,089
Total Net Assets	\$ 11,085,993	\$ 1,540,440	\$ 1,375,222	\$ 14,001,654

See accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Revenues:			
Taxes	\$ 1,208,397	\$ 200,479	\$ 1,408,876
Intergovernmental	698,803	21,527	720,330
Charges for services	645,173	-	645,173
Fines and forfeitures	20,877	22,432	43,309
Licenses and permits	2,540	-	2,540
Investment income	684	375	1,059
Miscellaneous	98,250	402,138	500,388
Total Revenues	<u>2,674,725</u>	<u>646,951</u>	<u>3,321,675</u>
Expenditures:			
Administration	76,345	-	76,345
City Clerk	82,702	-	82,702
Finance	36,732	-	36,732
Receipt Clerk	25,054	-	25,054
Police Department	350,849	-	350,849
Fire Department	582,312	-	582,312
EMS/Ambulance	54,284	-	54,284
Animal Control	4,239	-	4,239
Municipal Court	40,753	5,055	45,808
Public Safety	45,121	88,853	133,973
City Bus	551	-	551
Inmate	39,065	-	39,065
Airport:	427,679	23,059	450,739
Cemetery	16,333	13,574	29,907
Streets and Alley	-	113,044	113,044
Library	42,225	14,497	56,722
Swimming Pool	19,247	-	19,247
General Government	745,655	34,055	779,710
Senior Citizens Nutrition	4,562	52,618	57,180
Total Expenditures	<u>2,593,708</u>	<u>344,756</u>	<u>2,938,463</u>
Excess (deficiency) of revenues over expenditures	81,017	302,195	383,212
Other Financing Sources			
Transfers In	40,175	126,863	167,038
Transfers Out	103,880	485,615	589,496
Total Other Financing Sources	<u>(63,705)</u>	<u>(358,753)</u>	<u>(422,458)</u>
Net Changes in Fund Balances	17,312	(56,557)	(39,245)
Prior Period Adjustment	-	-	-
Fund Balance - Beginning	383,396	248,825	632,221
Fund Balance - Ending	<u>\$ 400,708</u>	<u>\$ 192,268</u>	<u>\$ 592,976</u>

Reconciliation to the Statement of Activities:

Net change in fund balances	(39,955)
Compensated Abscenses not accrued on fund statements	(39,955)
Governmental Funds reported as expenditures while activities report depreciation	
Capitalized purchases	349,049
Depreciation expense	(116,499)
Changes in Net Assets of Governmental Activities	<u>\$ 192,595</u>

See Accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
PROPRIETARY FUNDS

	Public Works Authority		Industrial Authority	Total
	Water/Trash	Sewer		
Revenues:				
Charges for services:				
Water	\$ 780,913	\$ -	\$ -	\$ 780,913
Sanitation	193,876	-	-	193,876
Sewer	-	338,250	-	338,250
Rental	-	-	37,800	37,800
Grant and other receipts	11,389	1,107	241	12,737
Total Revenues	<u>986,178</u>	<u>339,357</u>	<u>38,041</u>	<u>1,363,576</u>
Expenses:				
Administration and operations	66,062	-	-	66,062
Industrial Trust Expenditures	-	-	1,152	1,152
Water	637,541	-	-	637,541
Sewer	-	272,033	-	272,033
Sanitation	152,610	-	-	152,610
Depreciation	364,705	74,447	5,778	444,930
Total Expenses	<u>1,220,919</u>	<u>346,480</u>	<u>6,930</u>	<u>1,574,329</u>
Operating Income (Loss)	<u>(234,741)</u>	<u>(7,123)</u>	<u>31,111</u>	<u>(210,753)</u>
Non-operating revenues (expenses):				
Sales Tax	-	92,359	-	92,359
Investment Income	2,266	1,631	29	3,925
Interest expense	(135,334)	(106,257)	(1,484)	(243,075)
Grants Receipts	-	-	25,251	25,251
Total Non-operating Revenues (Expenses)	<u>(133,068)</u>	<u>(12,267)</u>	<u>23,796</u>	<u>(121,539)</u>
Net Income (Loss) before contributions and trans	(367,809)	(19,390)	54,907	(332,292)
Transfers in	-	-	-	-
Transfers out	40,175	-	-	40,175
Changes in Net Assets	(327,634)	(19,390)	54,907	(292,117)
Net Assets - Beginning	11,396,252	1,559,830	1,320,315	14,276,397
Net Assets - Ending	<u>\$ 11,068,618</u>	<u>\$ 1,540,440</u>	<u>\$ 1,375,222</u>	<u>\$ 13,984,280</u>

See Accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

	Public Works Authority		Line Improvement Fund	Total
	Water/Trash	Sewer		
Cash Flows from Operating Activities				
Receipts from customers	\$ 974,789	\$ 338,250	\$ 43,578	\$ 1,356,617
Other income	11,389	1,107	241	12,737
Payments to Suppliers	(675,427)	(220,094)	(6,930)	(902,451)
Payments to Employees	(177,388)	(50,451)	-	(227,840)
Net Cash Provided (Used) by Operating Activities	<u>133,363</u>	<u>68,812</u>	<u>36,889</u>	<u>239,063</u>
Cash Flows from Capital and Related Financing Activities				
Grant Receipts	-	-	25,251	25,251
Repayments of Principal from Loans	(39,989)	(37,026)	(22,466)	(99,481)
Interest Paid on Debt	(135,334)	(106,257)	(1,484)	(243,075)
Purchases of Capital Assets or Infrastructure	-	-	(27,501)	(27,501)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(175,323)</u>	<u>(143,283)</u>	<u>(26,200)</u>	<u>(344,806)</u>
Cash Flows from Investing Activities				
Investment Receipts	2,266	1,631	29	3,925
Transfers	(40,175)	-	-	(40,175)
Cash Flows provided (Used) by Investing Activities	<u>(37,909)</u>	<u>1,631</u>	<u>29</u>	<u>(36,250)</u>
Net Increase (Decrease) in Cash	(79,869)	(72,841)	10,718	(141,992)
Cash, Beginning of Fiscal Year	555,042	297,624	7,181	859,847
Total Cash, End of Year	<u>\$ 475,173</u>	<u>\$ 224,783</u>	<u>\$ 17,899</u>	<u>\$ 717,855</u>
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:				
Operating Loss	\$ (234,741)	\$ (7,123)	\$ 31,111	\$ (210,753)
Adjustments to reconcile Net Income to Net Cash				
Depreciation	364,705	74,447	5,778	444,930
Gain on Sale of Land	-	-	-	-
(Increase) Decrease in Accounts Receivable	5,958	1,488	-	7,446
Increase (Decrease) in Accrued Expenses	(2,559)	-	-	(2,559)
Net Cash Provided (Used) by Operating Activities	<u>\$ 133,363</u>	<u>\$ 68,812</u>	<u>\$ 36,889</u>	<u>\$ 239,064</u>

See Accompanying notes to the basic financial statements.

Notes to Financial Statements
City of Coalgate
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Coalgate, Oklahoma operates under a council-manager form of government with an elected five-member Council. In defining the reporting entity for financial reporting purposes, management has considered potential component units by applying criteria set forth in Statement 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," as amended by Statement 39 of the Governmental Accounting Standards Board, "Determining Whether Certain Organizations are Component Units."

Blended Component Unit—Coalgate Public Works Authority

The Coalgate Public Works Authority (PWA) was established by the Council as a Public Trust. The purpose of the Trust is to finance, develop, and operate the water, wastewater, and sanitation services or activities of the City of Coalgate.

Blended Component Unit—Industrial Park (Development) Authority

The Industrial Development Authority was developed to finance, develop and operate a city owned property to attract or retain existing business industry.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City of Antlers (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, internal service fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported typically reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized as soon as they are both received. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within by the end of the fiscal year, June 30. Expenditures generally are recorded when paid.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This includes the Ambulance and Emergency Management Services.

The capital improvement fund

The cemetery funds uses it receipts from charges for services for the maintenance and operation of the City's cemetery.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise fund consists of the activities of the Public Works Authority and the Industrial Trust Authority.

The City reports the following major enterprise fund:

The Public Works Authority fund accounts for the activities at the various water, wastewater, and sanitation services performed by the City.

The Industrial Trust Authority fund accounts for the receipts and expenditures to promote and retain commercial development.

The City applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARBs). As permitted by GASB No. 20, the City has elected not to follow subsequent private-sector guidance in its business-type activities and enterprise funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds and internal service fund are charges for services to customers. Operating expenses for the enterprise funds and the internal service fund include the cost of personnel, contractual services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets

1. Deposits and Investments

The City's and its component unit's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and readily convertible to cash.

The City has established a formal Investment Policy that governs the investment of all funds other than its permanent funds, private-purpose trust funds, and agency funds. Pursuant to its Investment Policy and applicable Oklahoma law, investments for the City and its component unit are reported at fair value. Additionally, investments are restricted or confined to Certificate of Deposits.

2. Receivables and Payables

The City does not record receivables or payables on the face of the basic financial statements. Interfund balances are recorded as due "due to/from other funds."

3. Inventories and prepaid items

The City does not maintain or record amounts on the basic financial statements for inventory or prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. All infrastructure, regardless of acquisition date, has been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No business-type activity interest was capitalized in the current period.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the assets' estimated useful lives ranging from 5 to 50 years.

Assets	Years
Buildings	45–50
Improvements other than buildings	20
Machinery and equipment	5–20
Vehicles	5–15
Intangibles	5–20
Infrastructure	20–50

See Figure No. 1 for detail of Capital Assets.

5. Compensated Absences

Under the terms of personnel policies and union contracts, vacation and sick leave (compensated absences) are granted in varying amounts according to length of service. Certain employees also earn compensatory time. A liability for vested or accumulated vacation, sick and compensatory leave is reported in governmental funds only if they have matured, for example, as a result of employee

resignations and retirements. All accumulated leave is accrued when incurred in the government-wide financial statements. Sick leave is valued based on the vesting method that calculates the amount of sick leave that is expected to become eligible for payout at termination.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

7. Fund Equity

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable—resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted—resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed—resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned—resources neither restricted nor committed for which a government has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes.

Unassigned—resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

8. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

9. New Pronouncements

Beginning with the fiscal year ended June 30, 2007, and continuing with these statements, the City has applied the provisions of Governmental Accounting Standards Board Statement 51. During the fiscal year ended June 30, 2011 the City has not adopted the provisions of Statements No. 45 and 54.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance—total governmental funds and net assets—governmental activities as reported in the government-wide statement of net assets.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$7,390,866 are as follows:

Capital assets, net	\$	7,420,886
Bond Payable		(30,000)
Net adjustment to increase fund balance—total governmental funds to arrive at net assets—governmental activities	\$	7,390,866

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances—total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$78,845 difference is as follows:

Capital outlay	\$ (426,363)
Capitalized assets	
Depreciation expense	(435,401)

Net adjustment to increase net changes in fund balances—total governmental
funds to arrive at changes in net assets of governmental activities

\$	192,595
----	---------

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget of the General Fund is legally adopted by the City Council through the passage of an appropriation resolve. There is a difference between the budgetary basis (Cash Basis) and generally accepted accounting principles (GAAP). The legal level of budgetary control is that level of expenditure authority that may not be exceeded or reassigned without the approval of the City Council. The City Charter gives the City Manager may at any time transfer any unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department or agency. Accordingly, the legal level of budgetary control is an office, department or agency. Historically, the appropriated budget for the General Fund is prepared by department or activity.

The accounting system is employed as a budgetary management control device to monitor the individual departments. The Council did not make any amended budgetary appropriations throughout the year.

All appropriations of the general fund lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered. Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as a designation of fund balances and do not constitute expenditures or liabilities. The commitments are re-appropriated and honored during the subsequent year.

The amounts reported as “Final Budgeted Amounts” on the Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual, for the General Fund, include the adopted budget as well as prior-year encumbrances, additional appropriations and transfers.

B. State statute prohibits the use of deficit spending. No council shall operate or approve encumbrances or expenditures that result in a fund deficit for the current or future years.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Primary government:

As of June 30, 2012, the primary government had the following investments:

Interest rate risk. The City does not currently have a policy regarding interest rate risk.

Credit risk. The City does not have a formal policy regarding credit risk. Oklahoma statutes authorize the City to invest only in certificates of deposits that are either guaranteed or fully collateralized by the financial institution that holds the deposits.

Custodial credit risk—deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it.

B. Receivables

The City record receivable that are primarily various taxes that will be received in July of the following fiscal year.

The PWA records the billings at the end of the month and the receivable are primarily the June billings for utility services.

D. Interfund Balances and Transfers

The composition of interfund balances as of June 30, 2012, is as follows. The due to/from balances result from receipts and disbursements being made through the General Fund cash accounts. These balances will be eliminated when cash transfers are made to the appropriate funds. The advances are interfund loans from the general fund.

Transfers:

Receiving Fund	Disbursing Fund	Amount
Cemetery Fund	General Fund	\$ 3,000
Capital Improvement Fund	General Fund	372,000
Public Works Authority	Line Improvement Fund	311,013
Capital Assets Transferred:		
Line Improvement Fund	Public Works Authority	483,360

E. Leases

The City has no operating or capital leases as of June 30, 2012 that are presented separately.

F. Long-Term Debt

Business-type long-term debt payable from net revenues generated by the utility resources pledged to the debt includes the following:

Notes Payable:

GOVERNMENTAL ACTIVITIES

General Obligation bonds payable in sinking fund or governmental type debt service fund;

General Obligation Bonds

\$285,000, 1992 street improvement bonds, due in annual Installments through June 30, 2013, interest rate at 7.0%.	\$ 30,000
--	-----------

BUSINESS-TYPE ACTIVITIES*Public Works Authority:*

2007 Revenue Bonds, secured by utility revenue

Payable in monthly installments with interest at 5.50%	\$ 2,305,000
--	--------------

Total Long-Term Debt	\$ 2,335,000
Less: Current Portion	<u>(65,000)</u>
Total Notes Payable	<u>\$ 2,270,000</u>

Notes Payable:

Maturities of Long-Term debt are as follows:	Total	Principle
June 30, 2013	389,484	152,220
June 30, 2014	339,234	105,288
June 30, 2015	339,234	108,751
June 30, 2016	339,234	112,367
June 30, 2017	339,234	116,140
June 30, 2018	339,234	120,080
June 30, 2019	339,234	118,982
June 30, 2020	334,026	122,235
June 30, 2021	332,984	126,716
June 30, 2022	332,984	118,060
June 30, 2023	319,651	116,276
June 30, 2024	312,984	121,373
June 30, 2025	312,984	122,887

June 30 2026	309,816	122,371
June 30, 2027	303,480	127,715
June 30, 2028	303,480	133,293
June 30, 2029	303,480	139,115
June 30, 2030	303,480	145,191
June 30, 2031	303,480	151,533
June 30, 2032	303,480	158,153
June 30, 2033	303,480	165,061
June 30, 2034	303,480	172,272
June 30, 2035	303,480	179,798
June 30, 2036	303,480	187,654
June 30, 2037	303,480	195,852
June 30, 2038	303,480	204,410
June 30, 2039	303,480	213,341
June 30, 2040	303,480	222,664
June 30, 2041	303,480	232,394
June 30, 2042	303,480	242,549
June 30, 2043	303,480	253,149
June 30, 2044	303,480	264,213
June 30, 2045	285,145	255,786
June 30, 2046	224,046	213,402
June 30, 2047	174,444	164,639
June 30, 2048	130,458	109,578
June 30, 2049	43,236	26,842

G. Short-Term Debt

The City did not issue or retire any short-term debt during the fiscal year and had none outstanding at June 30, 2012. The proprietary funds have a current portion of their long-term debt of \$35,500. The governmental funds have current bond payable of \$15,000.

H. Components of Fund Balances

Fund Balances are divided up into three categories; (1) Invested in capital assets, net of debt, (2) Restricted, and (3) Unrestricted.

The proprietary funds contain restricted cash amounts of \$47,632 for customer utility deposits and other for debt service covenants.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and other risks for which the City insurance. There have been no significant changes in insurance coverage during the past fiscal year. For the three fiscal years ended June 30, 2012, 2011 and 2010 there have been no settlements in excess of coverage.

The City belongs to the OKLAHOMA MUNICIPAL ASSURANCE GROUP (OMAG) for most of its municipal property and liability exposures.

For worker's compensation, the City and its related authorities participate in OMAG.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

At time there are various claims and suits brought against the City that arise in the normal course of the City's activities. In the opinion of counsel and Town management, the ultimate disposition of these various claims and suits will have no material effect on the financial position of the City.

C. Deferred Compensation Plan

The City offers no deferred compensation plan to its employees.

D. Defined Benefit Pension Plans

The City of Boise City on July 1, 1985 began contributing by ordinance a retirement fund and system designated the "Employee Retirement System of Boise City, Oklahoma" under authority granted by Oklahoma Statutes Title 11 § 48-101. The City participates with other cities in the Oklahoma Municipal Retirement System, which is a cost sharing, multiple-employer public employee retirement system (PERS).

The City has incurred the following expenditure for the last three years as it relates to this matter:

June 30, 2010	\$ 31,204
June 30, 2011	33,482
June 30, 2012	32,672

*Firefighters pension plan*Contributions required and contributions made

The City makes annual contributions to the pension plan equal to the amount required by state statutes. According to Title 11, O.S. 49-122 (C) cities are to contribute \$60.00 yearly to the Oklahoma Firefighters Pension and Retirement System for each active volunteer firefighter.

E. Other Post Employment Benefits

The City has no OPED as of June 30, 2012.

F. Overlapping Debt

The City has no overlapping debt as of June 30, 2012.

G. Quasi-Municipal Debt

The City does not have any debt or obligation that would be defined as Quasi-Municipal Debt, as of June 30, 2012.

H. Joint Venture

The City is not and has not entered into any joint ventures as of June 30, 2012.

I. Commitments

As of June 30, 2012, the City had various contractual commitments. No significant commitments are material to the financial position of the City.

J. Long-Term Receivables

The city has no long-term receivables as of June 30, 2012.

K. Subsequent Events

As of January 21, 2013, the issuance date of this report, no subsequent reports have occurred that effect the City or its financial statements as presented.

CITY OF ANTLERS, OKLAHOMA
Schedule of Changes in Capital Assets

Figure 1. Continuation of Notes to The Financial Statements

	July 1, 2011	Additions	Disposals	June 30, 2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 53,350	\$ 18,372	\$ -	\$ 71,722
Other inexhaustible assets	-	-	-	-
Construction in progress	76,371	-	76,371	-
Total capital assets not being depreciated	<u>129,721</u>	<u>18,372</u>	<u>76,371</u>	<u>71,722</u>
Other capital assets				
Buildings	1,701,659	285,576	-	1,987,234
Machinery and equipment	1,182,287	31,831	-	1,214,118
Improvements	26,526	87,906	-	114,432
Total other capital assets at historical costs	<u>2,910,471</u>	<u>405,312</u>	<u>-</u>	<u>3,315,784</u>
Less accumulated depreciation for:				
Buildings	775,493	56,722	-	832,215
Machinery and equipment	797,305	59,114	-	856,419
Improvements	2,520	663	-	3,183
Total accumulated depreciation	<u>1,575,318</u>	<u>116,499</u>	<u>-</u>	<u>1,691,817</u>
Other capital assets, net	<u>1,335,153</u>	<u>288,813</u>	<u>-</u>	<u>1,623,966</u>
Governmental activities capital assets, net	<u>\$ 1,464,874</u>	<u>\$ 307,185</u>	<u>\$ 76,371</u>	<u>\$ 1,695,688</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	504,667	-	-	504,667
Other	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>504,667</u>	<u>-</u>	<u>-</u>	<u>504,667</u>
Other capital assets				
Buildings	739,800	-	-	739,800
Ethanol Plant	115,553	-	-	115,553
Machinery and equipment	781,553	-	-	781,553
Improvements	18,770,720	27,501	-	18,798,221
Total other capital assets at historical costs	<u>20,407,626</u>	<u>27,501</u>	<u>-</u>	<u>20,435,127</u>
Less accumulated depreciation for:				
Buildings	352,901	24,660	-	377,561
Ethanol Plant	11,454	5,778	-	17,232
Machinery and equipment	614,427	39,078	-	653,505
Improvements	554,243	469,268	-	1,023,511
Total accumulated depreciation	<u>1,533,025</u>	<u>538,783</u>	<u>-</u>	<u>2,071,808</u>
Other capital assets, net	<u>18,874,601</u>	<u>(511,282)</u>	<u>-</u>	<u>18,363,319</u>
Business-type activities capital assets, net	<u>\$ 19,379,268</u>	<u>\$ (511,282)</u>	<u>\$ -</u>	<u>\$ 18,867,986</u>

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT

121 SOUTH NOBLE ~ P.O. BOX 181
PHONE 580-623-5071
TOLL FREE 800-230-7672

WATONGA, OKLAHOMA 73772
FAX 580-623-5072
WGAUER@WHEELERBROTHERS.COM

**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 City Council
City of Antlers, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Antlers, Oklahoma, as of and for the fiscal year ended June 30, 2012, which collectively comprise the City of Antlers, Oklahoma's basic financial statements and have issued our report thereon dated August 31, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of Antlers, Oklahoma, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Antlers, Oklahoma's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Antlers, Oklahoma's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Antlers, Oklahoma's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in

internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Antlers, Oklahoma'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items.

We noted certain matters that we reported to management of City of Antlers, Oklahoma, in a separate letter dated December 29, 2012.

City of Antlers, Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Antlers, Oklahoma's response and, accordingly, we express no opinion on it.

City of Antlers
August 31, 2013
Page 2

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.



Watonga, Oklahoma
August 31, 2013

SUPPLEMENTAL INFORMATION

CITY OF ANTLERS, OKLAHOMA
 Budgetary Comparison Schedule General Fund--Cash Basis
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 57,606	\$ 555,076	\$ 383,396	\$ (171,680)
Resources (Inflows):				
Taxes:				
Franchise Tax	60,335	70,749	68,481	(2,268)
Sales Tax	1,105,836	1,105,836	1,120,012	14,176
Occupation Tax	-	5,920	3,560	(2,360)
Tobacco Tax	15,737	15,737	16,344	607
Total Taxes	1,181,908	1,198,242	1,208,397	10,155
Intergovernmental:				
Alcoholic Beverage Tax	89,567	89,567	89,624	57
Payment in Lieu of Taxes	-	10,757	8,245	(2,512)
Grants	-	65,000	600,935	535,935
Investment Income	744	744	684	(60)
Miscellaneous Income				
Cemetery	8,191	8,191	8,424	233
Animal Control	1,146	1,146	1,070	(76)
Rental Receipts	525	525	100	(425)
Airport Receipts	21,686	22,619	22,495	(124)
Police Fines	28,647	28,647	19,234	(9,413)
Fire/EMS Receipts	655,066	655,066	645,173	(9,892)
Library Fines	2,823	2,823	1,643	(1,181)
Licenses and Permits	946	3,752	2,540	(1,212)
Swimming Pool	7,271	7,746	8,775	1,029
Rural Fire District	11,276	11,276	9,660	(1,616)
Insure Oklahoma	-	42,542	39,456	(3,086)
Miscellaneous	8,161	8,172	8,270	98
Other Financing Sources:				
Transfer from Other Funds	163	40,163	40,175	12
Amounts available for appropriations	<u>2,075,725</u>	<u>2,752,054</u>	<u>3,098,296</u>	<u>346,242</u>

CITY OF ANTLERS, OKLAHOMA
 Budgetary Comparison Schedule General Fund--Cash Basis
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration				
Personal Services	60,735	61,235	61,185	(50)
Maintenance and Operations	12,400	14,600	15,159	559
Capital Outlay	-	-	-	-
	<u>73,135</u>	<u>75,835</u>	<u>76,345</u>	<u>510</u>
City Clerk				
Personal Services	40,179	40,179	35,192	(4,987)
Maintenance and Operations	42,850	47,350	47,510	160
Capital Outlay	-	-	-	-
	<u>83,029</u>	<u>87,529</u>	<u>82,702</u>	<u>(4,827)</u>
Finance				
Personal Services	32,608	32,608	32,709	101
Maintenance and Operations	50	4,050	4,023	(27)
Capital Outlay	-	-	-	-
	<u>32,658</u>	<u>36,658</u>	<u>36,732</u>	<u>74</u>
Receipt Clerk				
Personal Services	23,929	25,279	25,054	(225)
Maintenance and Operations	-	-	-	-
	<u>23,929</u>	<u>25,279</u>	<u>25,054</u>	<u>(225)</u>
Police Department				
Personal Services	318,320	318,320	315,470	(2,850)
Maintenance and Operations	29,700	40,100	31,523	(8,577)
Capital Outlay	-	-	3,856	3,856
	<u>348,020</u>	<u>358,420</u>	<u>350,849</u>	<u>(7,571)</u>
Fire/EMS Department				
Personal Services	508,150	527,300	479,091	(48,209)
Maintenance and Operations	101,050	138,050	157,505	19,455
Capital Outlay	-	-	-	-
	<u>609,200</u>	<u>665,350</u>	<u>636,596</u>	<u>(28,754)</u>
Animal Control				
Personal Services	6,200	6,700	4,239	(2,461)
Maintenance and Operations	-	-	-	-
	<u>6,200</u>	<u>6,700</u>	<u>4,239</u>	<u>(2,461)</u>
Municipal Court				
Personal Services	41,878	41,878	40,753	(1,125)
Maintenance and Operations	-	-	-	-
	<u>41,878</u>	<u>41,878</u>	<u>40,753</u>	<u>(1,125)</u>
Building Inspection/Public Safety				
Personal Services	30,575	32,375	37,346	4,971
Maintenance and Operations	7,250	7,950	7,775	(175)
Capital Outlay	-	-	-	-
	<u>37,825</u>	<u>40,325</u>	<u>45,121</u>	<u>4,796</u>
City Bus Fund				
Personal Services	-	-	-	-
Maintenance and Operations	300	300	551	251
	<u>300</u>	<u>300</u>	<u>551</u>	<u>251</u>
Inmate Director				
Personal Services	30,466	30,716	31,256	540
Maintenance and Operations	6,700	8,900	7,809	(1,091)
	<u>37,166</u>	<u>39,616</u>	<u>39,065</u>	<u>(551)</u>

CITY OF ANTLERS, OKLAHOMA
 Budgetary Comparison Schedule General Fund--Cash Basis
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Airport				
Maintenance and Operations	36,355	43,855	33,152	(10,703)
Capital Outlay	-	396,348	394,527	(1,821)
	36,355	440,203	427,679	(12,523)
Cemetery				
Personal Services	11,550	11,650	12,199	549
Maintenance and Operations	5,300	5,300	4,134	(1,166)
Capital Outlay	-	-	-	-
	16,850	16,950	16,333	(617)
Library				
Personal Services	35,750	35,750	37,654	1,904
Maintenance and Operations	1,700	6,300	4,571	(1,729)
Capital Outlay	-	-	-	-
	37,450	42,050	42,225	175
Swimming Pool				
Personal Services	10,000	10,000	11,674	1,674
Maintenance and Operations	8,550	8,550	7,572	(978)
Capital Outlay	-	-	-	-
	18,550	18,550	19,247	697
General Government				
Workers Comp	12,000	12,000	16,604	4,604
Utilities/Street Lamps	13,000	13,000	13,895	895
Utilities/Park	8,500	8,500	8,228	(272)
Abatements	4,000	4,000	3,861	(139)
Park Maintenance	-	2,500	1,841	(659)
Cleaning Services	15,200	15,200	15,200	-
Tax Transfers	184,306	184,306	184,719	413
County Hospital	368,612	368,612	369,438	826
Building Maintenance	3,000	3,000	1,708	(1,292)
Sidewalks/Other Grants	60,000	116,851	116,851	-
Insure Oklahoma	-	20,000	13,311	(6,689)
	668,618	747,968	745,655	(2,313)
Seniors Citizens Nutrition				
Maintenance and Operations	4,562	4,562	4,562	-
Capital Outlay	-	-	-	-
	4,562	4,562	4,562	-
Other Financing Uses:				
Transfers to other funds	-	103,880	103,880	-
Total Charges to Appropriations	<u>2,075,725</u>	<u>2,752,054</u>	<u>2,697,588</u>	<u>(54,466)</u>
Ending Budgetary Fund Balance	<u>-</u>	<u>-</u>	<u>\$ 400,708</u>	<u>\$ 400,708</u>

CITY OF ANTLERS, OKLAHOMA
 STATEMENT OF NET ASSETS - COMBINING OF OTHER FUNDS
 GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Library Funds	Capital Outlay	911 Fund	Street & Alley	Health Supplement	Senior Nutrition	Cemetery Fund	Municipal Court Fund	Total Other Funds
ASSETS									
Cash and cash equivalents	\$ 34,079	\$ 55,283	\$ 5,630	\$ 75,652	\$ -	\$ 743	\$ 3,278	\$ -	\$ 174,664
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	-	5,653	-	11,951	-	-	-	-	17,603
Capital Assets	-	-	-	-	-	-	-	-	-
Land, inexhaustible assets and construction-in-process	-	-	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	-
Total Assets	34,079	60,935	5,630	87,603	-	743	3,278	-	192,268
LIABILITIES									
Accrued expenses	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-	-	-	-
Long-term debt	-	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	-	-	-	-	-
Due in more than one year	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-
NET ASSETS									
Invested in Capital Assets, net of debt	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Debt Service	34,079	60,935	5,630	87,603	-	743	3,278	-	192,268
Other	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-
Total Net Assets	34,079	60,935	5,630	87,603	-	743	3,278	-	192,268

See accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 COMBINED OTHER FUNDS

	Library	Capital Improvement	911 Fund	Street & Alley	Health Supplement	Senior Nutrition	Cemetery Fund	Municipal Court Fund	Total Other Funds
Revenues:									
Taxes	\$ -	\$ 63,761	\$ 44,358	\$ 92,360	\$ -	\$ -	\$ -	\$ -	\$ 200,479
Intergovernmental	-	-	-	21,527	-	-	-	-	21,527
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	22,432	22,432
Licenses and permits	-	-	-	-	-	-	-	-	-
Investment income	-	133	62	156	13	-	11	-	375
Miscellaneous	124,123	197,774	23,775	5,461	-	48,203	2,801	-	402,138
Total Revenues	124,123	261,668	68,195	119,505	13	48,203	2,812	22,432	646,951
Expenditures:									
City Clerk	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-
Police Department	-	-	-	-	-	-	-	-	-
Fire Department	-	-	-	-	-	-	-	-	-
EMS/Ambulance	-	-	-	-	-	-	-	-	-
Animal Control	-	-	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-	5,055	5,055
Public Safety	-	-	88,853	-	-	-	-	-	88,853
City Bus	-	-	-	-	-	-	-	-	-
Inmate	-	-	-	-	-	-	-	-	-
Airport:	-	23,059	-	-	-	-	-	-	23,059
Cemetery	-	-	-	-	-	-	13,574	-	13,574
Streets and Alley	-	-	-	113,044	-	-	-	-	113,044
Library	14,497	-	-	-	-	-	-	-	14,497
Swimming Pool	-	-	-	-	-	-	-	-	-
General Government	-	34,055	-	-	-	-	-	-	34,055
Senior Citizens Nutrition	-	1	-	-	-	52,617	-	-	52,618
Total Expenditures	14,497	57,116	88,853	113,044	-	52,617	13,574	5,055	344,756
Excess (deficiency) of revenues over expenditures	109,626	204,552	(20,658)	6,461	13	(4,414)	(10,762)	17,377	302,195
Other Financing Sources									
Transfers In	95,489	25,012	-	-	-	4,862	1,500	-	126,863
Transfers Out	199,018	237,288	6,921	-	25,012	-	-	17,377	485,615
Total Other Financing Sources	(103,529)	(212,276)	(6,921)	-	(25,012)	4,862	1,500	(17,377)	(358,753)
Net Changes in Fund Balances	6,097	(7,724)	(27,579)	6,461	(24,999)	448	(9,262)	-	(56,557)
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning	27,982	68,659	33,209	81,142	24,999	294	12,539	-	248,825
Fund Balance - Ending	\$ 34,079	\$ 60,935	\$ 5,630	\$ 87,603	\$ -	\$ 743	\$ 3,278	\$ -	\$ 192,268

See Accompanying notes to the basic financial statements.

CITY OF ANTLERS

PUSHMATAHA COUNTY, OKLAHOMA

EIN NUMBER: 43-1757115

DUNS NUMBER: 557582736

SINGLE AUDIT

UNDER THE OMB CIRCULAR A-133

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

CITY OF ANTLERS, OKLAHOMA
 Pushmataha County, Oklahoma
 Schedule of Findings and Questioned Costs
 June 30, 2012

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ X _____	no
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes	_____ X _____	no
Noncompliance material to financial statements noted?	_____ yes	_____ X _____	no

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ X _____	no
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes	_____ X _____	no
Type of auditor's report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-122, Section .510(a)?	_____ yes	_____ X _____	no
Identification of major programs:	<u>CFDA</u>	<u>Expenditures</u>	
FAA: Airport Improvement	20.106	\$ 293,360.00	
FAA: Airport Terminal	20.106	76,379.00	
Cluster for TYPE A		\$ 369,739.00	
American Recovery Act	10.780	95,429.00	
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000		
Auditee qualified as low-risk auditee?	_____ yes	_____ X _____	no

Section II - Financial Statement Findings

- Significant Deficiency
1. Auditor Drafted Financial Statements and Notes
 2. Auditor Drafted Schedule of Federal Awards
- These are repeat findings!*

Section III - Federal Award Findings and Questioned Costs

1. Auditor Drafted Schedule of Federal Awards
2. Auditor Drafted Schedule of Federal Awards

CITY OF ANTLERS, OKLAHOMA
Pushmataha County, Oklahoma
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2012

Federal/State Grantor Pass through Grantor Program Title	Federal CDFA Number	Pass- Through Grantor's Number	Program or Award Amount	Cash/ Accrued or (Deferred) Revenue at July 1, 2011	Contract Receipts or Revenue Recognized	Contract Disbursements/ Expenditures	Interest Earned Federal Funds	Match Receipts or Revenue Recognized	Match Disbursements/ Expenditures	Cash/ Accrued or (Deferred) Revenue at June 30, 2012
Department of Commerce										
Water Distribution Improvements	14.228		\$ 350,000	-	\$ 72,500	\$ 72,500	-	-	-	\$ -
CDBG: Library Remodel	14.228		-	-	-	-	-	-	-	-
Department of Transportation										
Airport Improvement: Runway Overlay										
AIP Project 3-40-0110-004-2010	20.106		371,296	-	293,360	284,969	-	-	18,179	-
Airport Terminal					76,379	76,379	-	-	-	-
Library Expansion										
American Recovery Act	10.780		107,814	-	95,489	95,489	-	-	-	-
Storm Shelter Improvement										
American Recovery Act	10.780			-	66,850	66,850	-	-	-	-
Oklahoma Department of Tourism Big People Park	20.219		159,829	-	101,338	152,735	-	-	-	-
Kiamachi Developmen (KEDDO)										
Airport Terminal				-						
Total Federal Programs			988,939	-	705,916	748,922	-	-	18,179	-
State Farm Grant										
Library Expansion/Remodel				-	25,000	25,000	-	-	-	-
State of Oklahoma:										
State Aid - Library				-	14,298	14,298	-	-	-	-
Department of Agriculture - Fire				-	-	-	-	-	-	-
Hazard Materials Grant				-	-	29,736	-	-	-	-
Emergency Management Grant				-	-	21,000	-	-	-	-
OJP - Grant/Donation				-	3,856	3,856	-	-	-	-
Total State Programs			-	-	18,154	68,890	-	-	-	-
Total All Programs			988,939	-	749,070	842,812	-	-	18,179	-

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditors' report.

WILLIAM K. GAUER

CERTIFIED PUBLIC ACCOUNTANT

121 SOUTH NOBLE ~ P.O. BOX 181

PHONE 580-623-5071

TOLL FREE (800)230-7672

WATONGA, OKLAHOMA 73772

FAX 580-623-5072

WGAUER@WHEELERBROTHERS.COM

*INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133*

To the City Council
City of Antlers, Oklahoma

Compliance

I have audited City of Antlers, Oklahoma's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of City of Antlers, Oklahoma's major federal programs for the year ended June 30, 2012. City of Antlers, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. My responsibility is to express an opinion on the City's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of City's compliance with those requirements.

In my opinion, City of Antlers, Oklahoma, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items.

Internal Control over Compliance

Management of City of Antlers, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts,

and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

City of Antlers, Oklahoma's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. I did not audit the City's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Watonga, Oklahoma
August 31, 2013