

CITY OF BARNSDALL, OKLAHOMA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

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State Auditor & Inspector

**FILED**  
OCT 14 2011

RECEIPT #  
36186

*Handwritten initials*

The financial statements referred to above include only the primary government of the City of Barnsdall, Oklahoma, which consists of the general fund, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Barnsdall, Oklahoma, as of June 30, 2011, the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the City of Barnsdall, Oklahoma, has issued separate reporting entity financial statements, for which we have issued our reports dated September 9, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 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.

We have audited the accompanying financial statements of the governmental activities, of the major fund, and the aggregate remaining fund information of the City of Barnsdall, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audits.

Honorable Mayor and City Council  
City of Barnsdall, Oklahoma

## INDEPENDENT AUDITOR'S REPORT

CERTIFIED PUBLIC ACCOUNTANT  
JIM RUSH  
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Tulsa, Oklahoma 74146-3674  
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*Member of the Oklahoma Society  
of Certified Public Accountants*

*Member of the American Institute  
of Certified Public Accountants*

Honorable Mayor and City Council  
City of Barnsdall, Oklahoma

Accounting principles generally accepted in the United States of America require the City of Barnsdall to include capital assets in the Statement of Net Assets Government-Wide Statements. The City of Barnsdall has not included this information in the financial statements.

In our opinions, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, of the general fund, and the aggregate remaining fund information for the primary government of the City of Barnsdall, Oklahoma, as of June 30, 2011, and the respective changes in financial position and budget to actual 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 a report dated September 12, 2011, on our consideration of the City of Barnsdall's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The City of Barnsdall, Oklahoma, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.



Certified Public Accountant  
Tulsa, Oklahoma

September 12, 2011

CITY OF BARNSDALL, OKLAHOMA  
 STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2011

<hr/>	
	ASSETS:
	Cash
\$109,419	Certificates of Deposit
73,000	Receivables:
14,374	Taxes
600	Other
<hr/>	
\$197,393	

\$ 10,838

LIABILITIES AND NET ASSETS:

Claims Payable

NET ASSETS:

Restricted for Capital Improvements – Cemetery

Unrestricted

Total Net Assets

\$ 64,004

122,551

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\$186,555

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\$197,393

Notes to financial statements are an integral part of these statements.

CITY OF BARNSDALL, OKLAHOMA  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 YEAR ENDED JUNE 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES
Governmental Activities:				
General Government:	\$ 83,488	\$ 2,151	\$ 4,398	< \$ 76,939
Police	125,510	6,178		< 119,332
Streets	97,686		11,697	< 85,989
Cemetery	36,693	16,825		< 19,868
Fire	21,803			< 21,803
Library	22,443		6,011	< 16,432
Managerial	16,231			< 16,231
Legal	11,243			< 11,243
Total Governmental Activities	\$415,097	\$25,154	\$22,106	< \$367,837
General Revenues:				
Taxes:				
Sales	\$222,628			
Franchise	31,195			
Other	31,228			
Interest	1,351			
Miscellaneous	32,974			
Transfer from Public Works Authority	36,000			
Total General Revenues	\$355,376			< \$ 12,461
Net Change in Net Assets				< \$ 12,461
Net Assets – Beginning of Year				\$199,016
Net Assets – End of Year				\$186,555

Notes to financial statements are an integral part of these statements.

CITY OF BARNSDALL, OKLAHOMA  
 BALANCE SHEET – GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENT FUNDS
<u>Assets</u>			
Cash	\$51,518	\$57,901	\$109,419
Certificates of Deposit	25,000	48,000	73,000
Taxes Receivable	14,374		14,374
Other Receivables	600		600
	<u>\$91,492</u>	<u>\$105,901</u>	<u>\$197,393</u>
<u>Liabilities</u>			
Claims Payable	\$10,838		\$ 10,838
	<u>80,654</u>	<u>\$105,901</u>	<u>186,555</u>
<u>Net Assets</u>	<u>\$91,492</u>	<u>\$105,901</u>	<u>\$197,393</u>

Notes to financial statements are an integral part of these statements.

CITY OF BARNSDALL, OKLAHOMA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL FUND	OTHER GOVERNMENT FUNDS	TOTAL GOVERNMENT FUNDS
<b>REVENUE:</b>			
Sales/Use Tax	\$222,628		\$222,628
Franchise Tax	31,195		31,195
Assessment		\$ 13,347	13,347
Motor Vehicle Tax		11,697	11,697
Cigarette Tax	2,603		2,603
Cemetery Sales	14,797	2,028	16,825
Alcoholic Beverage Tax	28,625		28,625
Grants		10,409	10,409
Licenses and Permits	2,151		2,151
Fines and Forfeitures	6,178		6,178
Transfer from Public Works Authority	36,000		36,000
Other	19,627		19,627
Interest	350	1,001	1,351
<b>Total Revenue</b>	<b>\$364,154</b>	<b>\$ 38,482</b>	<b>\$402,636</b>
<b>EXPENDITURES:</b>			
General Government	\$ 48,723	\$ 34,765	\$ 83,488
Police	125,510		125,510
Managerial	16,231		16,231
Library	16,517	5,926	22,443
Streets	89,871	7,815	97,686
Fire	21,803		21,803
Cemetery	36,693		36,693
Legal	11,243		11,243
<b>Total Expenditures</b>	<b>\$366,591</b>	<b>\$ 48,506</b>	<b>\$415,097</b>
Excess (Deficiency) of Revenue Over Expenditures	<\$ 2,437>	<\$ 10,024>	<\$ 12,461>
Net Assets - Beginning of Year	\$ 83,091	\$115,925	\$199,016
Net Assets - End of Year	\$80,654	\$105,901	\$186,555

Notes to financial statements are an integral part of these statements.

CITY OF BARNSDALL, OKLAHOMA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN NET ASSETS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Reconciliation to the Statement of Activities:

Net changes in fund balances – total governmental funds

<\$12,461>

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

No reconciling items

Change in Net Assets of Governmental Activities

<\$12,461>

Notes to financial statements are an integral part of these statements.



CITY OF BARNSDALL, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

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Reporting Entity

1.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by generally accepted accounting principles as applied to government units. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the section governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Excluded from the Reporting Entity:

Barnsdall Public Works Authority

The Authority was created for the purpose of financing installation of water and service lines and providing utility services to the residents of the City of Barnsdall. The Authority has issued notes which do not constitute debt of the City. Trustees for the Authority are members of the City Board of Trustees.

2.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which are considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, net assets, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report.

CITY OF BARNSDALL, OKLAHOMA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

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2. Fund Accounting - Continued  
Governmental Funds  
 General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.  
 Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City.  
Basis of Accounting  
 The funds of the City are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are generally recognized when the related fund liability is incurred.  
 Annual Budget  
 The comparisons of the City's legally adopted budget with actual data on the budgetary basis is presented on page 11 titled Statements of Activities, Budget to Actual for the General Fund. Unencumbered appropriations lapse at year end.  
 The budget and modified accrual are the same.
3. Cash  
 For the purposes of the combined balance sheet, cash includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. All deposits are F.D.I.C. insured.

The preparation of financial statements in conformity with the modified accrual basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Estimates

8.

The City's employees with two year service receive a payment into a money purchase plan. In this year \$10,504 was the cost of the plan. The City has no future liability.

The City of Barnsdall participates in a statewide, cost-sharing multiple-employer defined benefit plan on behalf of firefighters. The systems are administered by agencies of the State of Oklahoma. The City paid 100% of its share, \$1,200, and has no future liability.

Firefighter's Pension and Retirement System

Pension Plan

7.

Claims payable represent commitments related to performed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

Claims Payable

6.

CITY OF BARNSDALL, OKLAHOMA  
 STATEMENT OF ACTIVITIES - BUDGET TO ACTUAL  
 YEAR ENDED JUNE 30, 2011

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE <UNFAVORABLE>
INCOME:			
Sales and Use Tax	\$210,000	\$222,628	\$12,628
Franchise Tax	30,000	31,195	1,195
Transfer - Public Works Authority	36,000	36,000	---
Other Taxes	28,000	33,379	5,379
Fines	5,000	6,178	1,178
Cemetery	15,000	14,797	< 203>
Interest and Miscellaneous	21,000	19,977	< 1,023>
EXPENSES:			
Sales and Use Tax	\$210,000	\$222,628	\$12,628
Franchise Tax	30,000	31,195	1,195
Transfer - Public Works Authority	36,000	36,000	---
Other Taxes	28,000	33,379	5,379
Fines	5,000	6,178	1,178
Cemetery	15,000	14,797	< 203>
Interest and Miscellaneous	21,000	19,977	< 1,023>
EXPENSES:			
Personnel Services	\$229,300	\$210,023	\$19,277
Maintenance and Operations	155,700	156,568	< 868>
	\$385,000	\$366,591	\$18,409

Notes to Financial statements are an integral part of these statements.

CITY OF BARNSDALL, OKLAHOMA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENT FUNDS  
 JUNE 30, 2011

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND			
STREET & CEMETERY CARE FUND	LIBRARY	CAPITAL IMPROVE- MENT FUND	CONSTRUC- TION FUND	MAJOR GOVERN- MENTAL FUNDS	TOTAL NON-
\$5,965	\$30,044	\$20,243	\$1,530	\$ 57,901	\$ 48,000
Assets					
Cash					
Certificates of Deposit					
\$5,965	\$78,044	\$20,243	\$1,530	\$105,901	\$105,901
Net Assets					
Restricted for Capital Improvements					
\$64,004				\$ 64,004	
Restricted for Maintenance & Operations					
\$5,965	14,040	\$20,243	\$1,530	41,778	
Unrestricted					
\$5,965	\$78,044	\$20,243	\$1,530	\$105,901	\$ 119

CITY OF BARNSDALL, OKLAHOMA  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES  
 AND CHANGES IN NET ASSETS  
 NON-MAJOR GOVERNMENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

		SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	
		STREET & ALLEY FUND	CEMETERY CARE FUND	LIBRARY	CAPITAL IMPROVE- MENT FUND	CONSTRUC- TION FUND	TOTAL NON- MAJOR GOVERN- MENTAL FUNDS
Revenues		\$11,697	\$ 2,028	\$6,011	\$13,347	4,398	\$11,697
Taxes							15,375
Charges for Services							10,409
Grants							1,001
Interest			925		76		\$38,482
Expenditures							
Streets		\$ 7,815					\$ 7,815
Cemetery							
Library				\$5,926			5,926
Capital Outlay					\$34,765		34,765
Excess (Deficiency) of Revenue Over Expenditures		\$ 3,882	\$ 2,953	\$ 85	<\$16,944>	---	<\$10,024>
Net Assets - Beginning of Year		\$ 2,083	\$75,091	\$ 34	\$37,187	\$1,530	\$115,925
Net Assets - End of Year		\$ 5,965	\$78,044	\$ 119	\$20,243	\$1,530	\$105,901

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

Honorable Mayor and City Council  
City of Barksdale, Oklahoma

We have audited the financial statements of the governmental activities, of the general fund, and the aggregate remaining information of the City of Barksdale, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City of Barksdale, Oklahoma's basic financial statements and have issued our report thereon dated September 12, 2011. The City of Barksdale has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements. The City also did not present capital asset in the Statement of Net Asset. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audits, we considered City of Barksdale, 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 the City of Barksdale, Oklahoma's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Barksdale, Oklahoma's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Barksdale, Oklahoma's financial statements that is more than inconsequential will not be prevented or detected by the City of Barksdale, Oklahoma's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Barksdale, Oklahoma's internal control.

Honorable Mayor and Board of Trustees  
City of Barksdall, Oklahoma

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance

As part of obtaining reasonable assurance about whether City of Barksdall, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the City Council, and 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.



Certified Public Accountant  
Tulsa, Oklahoma

September 12, 2011