

**ANNUAL FINANCIAL REPORT**  
**THE CITY OF HOOKER, OKLAHOMA**  
**INCLUDING**  
**THE HOOKER MUNICIPAL AUTHORITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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## **PUTNAM & COMPANY, PLLC**

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

### **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Board of Trustees  
City of Hooker  
Texas County, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hooker, including the Hooker Municipal Authority, as of and for the 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 the City's management. Our responsibility is to express an opinion 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 combined 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 opinion.

The City prepares its annual financial statements and schedules on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis—of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hooker, as of June 30, 2012, and the respective changes in financial position—modified cash basis, thereof for the year then ended in conformity with the basis of accounting described above.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of the City's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. 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 read in conjunction with this report in considering the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the accounting records concerning capital assets and related depreciation been susceptible to satisfactory audit tests, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described above.

*Putnam's Company*  
Putnam & Company, PLLC

Edmond, Oklahoma  
June 28, 2013

**PUTNAM & COMPANY, PLLC**

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

The Honorable Mayor and Board of Trustees  
City of Hooker  
Texas County, Oklahoma

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hooker, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2013. The report was a special report on the City's use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Management Discussion and Analysis is not presented as required by the Governmental Accounting Standards Board. 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

The management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

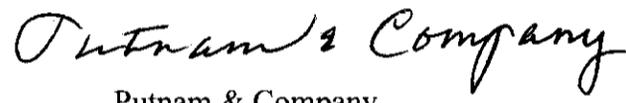
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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 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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 the board, management, others within the entity, 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.

  
Putnam & Company

Edmond, Oklahoma  
June 28, 2013

## **BASIC FINANCIAL STATEMENTS**

**CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
STATEMENT OF NET ASSETS--MODIFIED CASH BASIS  
AS OF JUNE 30, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	1,058,734	657,305	1,716,039
<b>NON-CURRENT ASSETS</b>			
Property and Equipment			0
<b>TOTAL ASSETS</b>	<b>\$1,058,734</b>	<b>657,305</b>	<b>1,716,039</b>
<b>CURRENT LIABILITIES</b>			
Warrants Outstanding	\$154,380	0	154,380
Accounts Payable			0
Customer Deposits Payable	21,950		21,950
<b>Total Current Liabilities</b>	<b>176,330</b>	<b>0</b>	<b>176,330</b>
<b>TOTAL LIABILITIES</b>	<b>176,330</b>	<b>0</b>	<b>176,330</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt			0
Restricted for Debt Service			0
Unrestricted	882,404	657,305	1,539,709
<b>TOTAL NET ASSETS</b>	<b>882,404</b>	<b>657,305</b>	<b>1,539,709</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,058,734</b>	<b>657,305</b>	<b>1,716,039</b>

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

**CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

FUNCTIONS/PROGRAMS:	Program Revenue			Net (Expense) Revenue
	Expenses	Charges For Services	Operating Grants	
Governmental Activities City of Hooker	\$2,009,908	54,702	174,867	(1,780,339)
Business-Type Activities Hooker Municipal Authority	296,255	1,182,882		886,627
Total Primary Government	<u>\$2,306,163</u>	<u>1,237,584</u>	<u>174,867</u>	<u>(893,712)</u>

CHANGES IN NET ASSETS:	Primary Government		
	Governmental Activities	Business Type Activities	Total
Net (Expense) Revenue	(\$1,780,339)	886,627	(893,712)
General Revenue			
Sales Taxes	420,448	21,447	441,895
Other Taxes	142,530		142,530
Interest	8,464	3,458	11,922
Other Income	172,118		172,118
Total General Revenue	<u>(1,036,779)</u>	<u>911,532</u>	<u>(125,247)</u>
Transfers--In (Out)	909,409	(833,476)	75,933
Estopped Warrants	2,750		2,750
Change in Net Assets	(124,620)	78,056	(46,564)
Net Assets--Beginning	<u>1,007,024</u>	<u>579,249</u>	<u>1,586,273</u>
Net Assets--Ending	<u>\$882,404</u>	<u>657,305</u>	<u>1,539,709</u>

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

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
COMBINED BALANCE SHEET - MODIFIED CASH BASIS  
ALL FUND TYPES  
AS OF JUNE 30, 2012**

	CITY OF HOOKER				HOOKER MUNICIPAL AUTHORITY ENTERPRISE FUND TYPE	TOTALS (Memorandum Only)		
	General	Special Revenue	Capital Projects	Debt Service		Trust and Agency	Revenue	2012
<b>ASSETS</b>								
Cash, Including Time Deposits	\$513,221	(220,394)	494,859	0	271,048	657,305	1,716,039	1,957,408
Amount Available in Debt Service							0	0
Amount to be Provided for LT Debt							0	0
<b>Total Assets</b>	<u>\$513,221</u>	<u>(220,394)</u>	<u>494,859</u>	<u>0</u>	<u>271,048</u>	<u>657,305</u>	<u>1,716,039</u>	<u>1,957,408</u>
<b>LIABILITIES</b>								
Warrants Outstanding	\$104,509	6,725	40,820		2,323		154,377	351,885
Refundable Meter Deposits					21,950		21,950	19,250
Long-Term Debt Payable							0	0
<b>Total Liabilities</b>	<u>104,509</u>	<u>6,725</u>	<u>40,820</u>	<u>0</u>	<u>24,273</u>	<u>0</u>	<u>176,327</u>	<u>371,135</u>
<b>FUND BALANCE</b>								
Unreserved Fund Balance	408,712	(227,119)	454,039	0	246,775	657,305	1,539,712	1,586,273
Reserved Fund Balance							0	0
<b>Total Fund Balance</b>	<u>408,712</u>	<u>(227,119)</u>	<u>454,039</u>	<u>0</u>	<u>246,775</u>	<u>657,305</u>	<u>1,539,712</u>	<u>1,586,273</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$513,221</u>	<u>(220,394)</u>	<u>494,859</u>	<u>0</u>	<u>271,048</u>	<u>657,305</u>	<u>1,716,039</u>	<u>1,957,408</u>

See accompanying letter and notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

(a) Reporting Entity

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

**INCLUDED ENTITY—(Blended Component Unit)**

The Hooker Municipal Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 177-180.3, for the use and benefit of the City of Hooker, Oklahoma. The Authority leases the existing water and sewer lines, wells and storage facilities of the City and receives the revenues from their use. The Authority is charged with the responsibility of maintaining the property as needed, although title to the property is retained by the City.

The accompanying financial statements present both the government itself, as legally defined, and a component unit, which is a legally separate entity for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

(b) Fund Accounting

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

General Fund

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

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

Special Revenue Funds

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

Capital Projects Funds

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Trust and Agency Funds

The Trust and Agency Funds are used to account for assets held by the City in a trustee capacity.

Debt Service Funds

As prescribed by State law, the Debt Service Funds receive all ad valorem taxes paid to the City. Such taxes are used for the payment of principal and interest on the City's bonded indebtedness or judgments payable.

Enterprise Fund

The Enterprise Fund is the principal fund of the Authority which accounts for operations financed and operated similar to businesses, such as services rendered to the general public on a fee basis.

(c) Government-wide financial statements

The government-wide financial statements ( the statement of net position and the statement of activities) report information on activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other non-exchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Generally, only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure, and long-term liabilities such as debt and compensated absences may also not be reported.

(d) Basis of presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

The government-wide financial statements are presented on the modified cash basis of accounting. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the government's public works function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

(e) Basis of presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds and blended component unit. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. The fund financial statements are presented on the modified cash basis of accounting.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

(e) TOTALS (Memorandum Only)

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

(f) Budget

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

(g) Compensated Absences

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

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

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

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

***Investment Credit Risk*** – The City investment policy limits investments to those allowed in state law applicable to municipalities as follows:

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

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

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

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

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

**(3) PERPETUAL CARE FUND**

A Perpetual Care Fund was established during the 1986-87 fiscal year for the upkeep and maintenance of gravesites at the cemetery. The fund is to be financed through public donations and only income from investment of these donations can be expended. Gravesites to be included in the activities of the Perpetual Care Fund may be designated by the donors.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

(4) **BLACKMER GOLF COURSE FUND**

A donation from J.P. (Tex) Flanagan as administrator of the Frank Parks estate was made to the City of Hooker on February 2, 1987 in the amount of \$109,080.00. It was specified as a condition of the donation that \$9,080.00 would be deposited to the Perpetual Care Fund and that \$100,000.00 would be deposited to a newly created Blackmer Golf Course Fund and would be used to maintain the golf course. In addition, it was specified that a board with five trustees, which would include Mr. Flanagan, would be formed to oversee the activities of the Blackmer Golf Course.

(5) **CAPITAL IMPROVEMENT FUND**

The City Council resolved to rename the Golf Addition Fund during the 1986-87 fiscal year. It is now the Capital Improvement Fund and is restricted to the purchase of equipment and vehicles, the construction and extension of property and plant, and other capital expenditures.

(6) **COMMITMENTS AND CONTINGENT LIABILITIES**

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

(7) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 28, 2013, which is the date the financial statements were available.

**COMBINING FINANCIAL STATEMENTS  
AND SUPPORTING SCHEDULES**

**THE CITY OF HOOKER, OKLAHOMA  
SCHEDULE OF REVENUES BY SOURCE - BUDGET AND ACTUAL  
GENERAL FUND - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>TAXES:</b>			
Franchise Tax	\$68,425	80,144	11,719
<b>LICENSES AND PERMITS</b>			
Permit Fee	6,512	8,073	1,561
Dog Tax	242	139	(103)
	<u>6,754</u>	<u>8,212</u>	<u>1,458</u>
<b>INTERGOVERNMENTAL:</b>			
Alcoholic Beverage Tax	18,835	24,991	6,156
Use Tax	19,277	20,646	1,369
Sales Tax	206,186	230,449	24,263
Total Intergovernmental	<u>244,298</u>	<u>276,086</u>	<u>31,788</u>
<b>CHARGES FOR SERVICES:</b>			
Water	7,669	7,100	(569)
Ambulance Runs	37,317	34,197	(3,120)
Outside Fire Runs	1,683	1,533	(150)
Total Charges for Services	<u>46,669</u>	<u>42,830</u>	<u>(3,839)</u>
<b>FINES AND FORFEITURES</b>	<u>20,575</u>	<u>24,079</u>	<u>3,504</u>
<b>INTEREST</b>	<u>5,349</u>	<u>5,717</u>	<u>368</u>
<b>MISCELLANEOUS:</b>			
Farm Income	3,604		(3,604)
Swimming Pool	13,190	15,533	2,343
Refunds and Reimbursements	8,030	15,337	7,307
Total Miscellaneous	<u>24,824</u>	<u>30,870</u>	<u>6,046</u>
<b>TOTAL</b>	<u>\$416,894</u>	<u>467,938</u>	<u>51,044</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET AND ACTUAL  
GENERAL FUND - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>CITY CLERK:</b>			
Personal Services	\$118,363	109,689	8,674
Maintenance and Operation	1,500	1,076	424
Capital Outlay	3,000	2,500	500
Total City Clerk	<u>122,863</u>	<u>113,265</u>	<u>9,598</u>
<b>MANAGERIAL:</b>			
Personal Services	5,167	4,764	403
<b>CITY TREASURER:</b>			
Personal Services	5,240	5,057	183
<b>CITY ATTORNEY:</b>			
Maintenance and Operation	6,000	2,439	3,561
<b>MUNICIPAL COURT:</b>			
Maintenance and Operation	4,000	3,132	868
<b>PARKS:</b>			
Maintenance and Operation	27,500	25,526	1,974
Capital Outlay	5,000	4,806	194
Total Parks	<u>32,500</u>	<u>30,332</u>	<u>2,168</u>
<b>POLICE:</b>			
Personal Services	241,925	190,188	51,737
Maintenance and Operation	26,000	21,629	4,371
Capital Outlay	5,000		5,000
Total Police	<u>272,925</u>	<u>211,817</u>	<u>61,108</u>
<b>FIRE:</b>			
Personal Services	3,391	3,676	(285)
Maintenance and Operation	18,150	18,033	117
Capital Outlay	4,018	3,850	168
Total Fire	<u>25,559</u>	<u>25,559</u>	<u>0</u>
<b>STREET DEPARTMENT:</b>			
Personal Services	83,312	70,445	12,867
Maintenance and Operation	25,000	25,305	(305)
Capital Outlay	10,000	10,000	0
Total Street Department	<u>118,312</u>	<u>105,750</u>	<u>12,562</u>
<b>SANITARY:</b>			
Personal Services	65,658	53,530	12,128
Maintenance and Operation	95,000	70,753	24,247
Total Sanitary	<u>160,658</u>	<u>124,283</u>	<u>36,375</u>
<b>POOL:</b>			
Personal Services	17,224	14,645	2,579
Maintenance and Operation	20,863	23,442	(2,579)
Total Pool	<u>38,087</u>	<u>38,087</u>	<u>0</u>

**THE CITY OF HOOKER, OKLAHOMA  
SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET AND ACTUAL  
GENERAL FUND - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>GOLF:</b>			
Personal Services		3,273	(3,273)
Maintenance and Operation	30,839	27,566	3,273
Capital Outlay	9,200	9,200	0
<b>Total Golf</b>	<b>40,039</b>	<b>40,039</b>	<b>0</b>
<b>RECREATION:</b>			
Maintenance and Operation	2,500	1,840	660
<b>Total Recreation</b>	<b>2,500</b>	<b>1,840</b>	<b>660</b>
<b>UTILITIES (Water and Gas):</b>			
Personal Services	175,031	154,555	20,476
Maintenance and Operation	125,419	109,069	16,350
Capital Outlay			0
<b>Total Utilities</b>	<b>300,450</b>	<b>263,624</b>	<b>36,826</b>
<b>GENERAL GOVERNMENT:</b>			
Maintenance and Operation	143,189	121,532	21,657
Capital Outlay		826	(826)
<b>Total General Government</b>	<b>143,189</b>	<b>122,358</b>	<b>20,831</b>
<b>LIBRARY:</b>			
Personal Services	23,434	21,726	1,708
Maintenance and Operation	3,256	4,964	(1,708)
Capital Outlay	4,684	4,684	0
<b>Total Library</b>	<b>31,374</b>	<b>31,374</b>	<b>0</b>
<b>AIRPORT:</b>			
Maintenance and Operation	10,000	7,202	2,798
Capital Outlay	2,000	1,341	659
<b>Total Airport</b>	<b>12,000</b>	<b>8,543</b>	<b>3,457</b>
<b>AMBULANCE:</b>			
Personal Services	19,000	19,658	(658)
Maintenance and Operation	25,000	14,624	10,376
<b>Total Ambulance</b>	<b>44,000</b>	<b>34,282</b>	<b>9,718</b>
<b>DISPATCHING:</b>			
Personal Services	39,562	29,822	9,740
Maintenance and Operation	1,500		1,500
Capital Outlay	1,000	932	68
<b>Total Ambulance</b>	<b>42,062</b>	<b>30,754</b>	<b>11,308</b>
<b>TENNIS COURT:</b>			
Maintenance and Operation	750	150	600
<b>TOTAL</b>	<b>\$1,407,675</b>	<b>1,197,449</b>	<b>210,226</b>

See accompanying letter and notes to financial statements.

THE CITY OF HOOKER, OKLAHOMA  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 SPECIAL REVENUE FUNDS  
 AS OF JUNE 30, 2012

	STREET & ALLEY FUND	POOL CASH FUND	PARK FUND	CLEET FUND	AMBULANCE FUND	FIREMEN'S CASH FUND	GOLF CLUB CASH FUND	AIRPORT CASH FUND	TENNIS COURT FUND	COMMUNITY CENTER CASH FUND	JUVENILE CRIME	TOTALS		
												(Memorandum Only) 2012	2011	
<b>ASSETS</b>														
Cash and Cash Equivalents	(\$120)	11,533	15,617	679	11,171	5,654	11,779	(281,515)	0	1,927	2,881	(220,394)	77,467	
Total Assets	(\$120)	11,533	15,617	679	11,171	5,654	11,779	(281,515)	0	1,927	2,881	(220,394)	77,467	
<b>LIABILITIES</b>														
Warrants Outstanding	\$0	127		521	0	186	779	5,078	0	34	0	6,725	15,772	
Total Liabilities	\$0	127	0	521	0	186	779	5,078	0	34	0	6,725	15,772	
<b>FUND BALANCE</b>														
Unreserved Fund Balance	(120)	11,406	15,617	158	11,171	5,468	11,000	(286,593)	0	1,893	2,881	(227,119)	61,695	
Total Fund Balance	(\$120)	11,406	15,617	158	11,171	5,468	11,000	(286,593)	0	1,893	2,881	(227,119)	61,695	
Total Liabilities and Fund Balance	(\$120)	11,533	15,617	679	11,171	5,654	11,779	(281,515)	0	1,927	2,881	(220,394)	77,467	

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	STREET & ALLEY	POOL CASH	PARK	CLEET	AMBULANCE	FIREMEN'S CASH	GOLF CASH	AIRPORT CASH	TENNIS COURT	COMMUNITY CENTER	JUVENILE	TOTALS (Memorandum Only)	
												2012	2011
<b>REVENUES:</b>													
Intergovernmental:													
State Shared Revenue	\$2,795											2,795	4,606
Gasoline Tax	13,954											13,954	12,791
Motor Vehicle Tax		6,821	6,821									13,642	13,608
Sales Tax													
Total Intergovernmental	16,749	6,821	6,821	0	0	0	0	0	0	0	0	30,391	31,005
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous:													
Donations		295	5,914		3,132	8,942	1,010	198,830				19,293	25,569
Grants												198,830	0
Golf Dues							9,804					0	0
Green Fees								26,873			150	9,804	27,465
Fines	4,236				243					1,281		150	290
Other												39,150	52,389
Total Miscellaneous	4,236	295	5,914	6,517	3,375	8,942	10,814	225,703	0	1,281	150	267,227	105,713
Total Revenues	20,985	7,116	12,735	6,517	3,375	8,942	10,814	225,703	0	1,281	150	297,618	136,718
<b>EXPENDITURES:</b>													
Personal Services	21,320	2,392	6,405	6,359		5,705	15,138	34,661		444		0	0
Maintenance and Operation						599	5,795	487,614				92,424	102,403
Capital Outlay												494,008	55,134
Total Expenditures	21,320	2,392	6,405	6,359	0	6,304	20,933	522,275	0	444	0	586,432	157,537
Revenues Over/(Under) Expenditures	(335)	4,724	6,330	158	3,375	2,638	(10,119)	(286,572)	0	837	150	(288,814)	(20,819)
<b>OTHER FINANCING SOURCES/(USES):</b>													
Transfers from Municipal Authority												0	0
Transfers between Funds												0	0
Total Other Financing Sources/(Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(335)	4,724	6,330	158	3,375	2,638	(10,119)	(286,572)	0	837	150	(288,814)	(20,819)
Fund Balance, Beginning of Year	215	6,682	9,287	0	7,796	2,830	21,119	9,979	0	1,056	2,731	61,695	82,514
Fund Balance, End of Year	(\$120)	11,406	15,617	158	11,171	5,468	11,000	(286,593)	0	1,893	2,881	(227,119)	61,695

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**MODIFIED CASH BASIS - BUDGET AND ACTUAL**  
**BUDGETED SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	STREET & ALLEY FUND			PARK/POOL CASH FUND			PARK FUND			CLEET FUND			AMBULANCE FUND			FIREMENS CASH FUND		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>																		
Intergovernmental	\$0	16,749	16,749	6,821	6,821	6,821	6,821	6,821	0	0	0	0	0	0	0	0	0	0
Interest		0	0		0	0		0	0	0	0	0	0	0	0	0	0	0
Grants		0	0		0	0		0	0	0	0	0	0	0	0	0	0	0
Miscellaneous		4,236	4,236	295	295	295	5,914	5,914	6,517	6,517	6,517	3,375	3,375	3,375	8,942	8,942	8,942	8,942
<b>Total Revenues</b>	<b>0</b>	<b>20,985</b>	<b>20,985</b>	<b>0</b>	<b>7,116</b>	<b>7,116</b>	<b>0</b>	<b>12,735</b>	<b>12,735</b>	<b>0</b>	<b>6,517</b>	<b>6,517</b>	<b>0</b>	<b>3,375</b>	<b>3,375</b>	<b>0</b>	<b>8,942</b>	<b>8,942</b>
<b>EXPENDITURES:</b>																		
Personal Services	215	21,320	(21,105)	0	2,392	4,290	9,287	6,405	2,882	0	6,359	(6,359)	0	7,796	7,796	2,830	5,705	(2,875)
Maintenance and Operation																	599	(599)
Capital Outlay																		
<b>Total Expenditures</b>	<b>215</b>	<b>21,320</b>	<b>(21,105)</b>	<b>0</b>	<b>2,392</b>	<b>4,290</b>	<b>9,287</b>	<b>6,405</b>	<b>2,882</b>	<b>0</b>	<b>6,359</b>	<b>(6,359)</b>	<b>0</b>	<b>7,796</b>	<b>7,796</b>	<b>2,830</b>	<b>5,705</b>	<b>(2,875)</b>
Revenues Over/(Under) Expenditures	(215)	(335)	(120)	(6,882)	4,724	11,406	(9,287)	8,330	15,617	0	158	158	0	(7,796)	3,375	(2,830)	2,638	5,468
<b>OTHER FINANCING SOURCES/ (USES):</b>																		
Transfers Between Funds			0			0												
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(215)	(335)	(120)	(6,882)	4,724	11,406	(9,287)	6,330	15,617	0	158	158	0	(7,796)	3,375	(2,830)	2,638	5,468
Fund Balance, Beg. of Year	215	215	0	6,882	6,882	0	9,287	9,287	0	0	0	0	0	7,796	7,796	2,830	2,830	0
Fund Balance, End of Year	\$0	(120)	(120)	0	11,406	11,406	0	15,617	15,617	0	158	158	0	11,171	-2,613	0	5,468	5,468

THE CITY OF HOOKER, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS - BUDGET AND ACTUAL  
BUDGETED SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	GOLF CLUB CASH FUND			AIRPORT CASH FUND			TENNIS COURT FUND			COMMUNITY CENTER			JUVENILE CRIME			TOTALS (Memorandum Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>																		
Intergovernmental		0	0		0	0		0	0		0	0		0	0		0	0
Interest		0	0		0	0		0	0		0	0		0	0		0	0
Grants		0	0	198,830	198,830	0		0	0		0	0		0	0		0	0
Miscellaneous		10,814	10,814	26,873	26,873	0		0	0	1,281	1,281	1,281		150	150		58,674	58,397
<b>Total Revenues</b>	<b>0</b>	<b>10,814</b>	<b>10,814</b>	<b>0</b>	<b>225,703</b>	<b>225,703</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,281</b>	<b>1,281</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>0</b>	<b>297,618</b>	<b>297,618</b>
<b>EXPENDITURES:</b>																		
Personal Services	21,119	15,138	5,981		0	0		0	0	1,056	444	612		0	0	226	530	(304)
Maintenance and Operation		5,795	(5,795)	9,979	34,661	(24,682)		0	0		0	0	2,731	2,731	0	20,494	91,960	(31,341)
Capital Outlay					487,614	(487,614)		0	0		0	0		0	0	2,430	26,054	(23,624)
<b>Total Expenditures</b>	<b>21,119</b>	<b>20,933</b>	<b>186</b>	<b>9,979</b>	<b>522,275</b>	<b>(512,296)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,056</b>	<b>444</b>	<b>612</b>	<b>2,731</b>	<b>2,731</b>	<b>0</b>	<b>61,695</b>	<b>586,432</b>	<b>(538,521)</b>
Revenues Over/(Under) Expenditures	(21,119)	(10,119)	11,000	(9,979)	(296,572)	(286,593)	0	0	0	(1,056)	837	1,893	(2,731)	150	2,881	(61,695)	(288,814)	(240,903)
<b>OTHER FINANCING SOURCES/ (USES):</b>																		
Transfers Between Funds					0	0		0	0		0	0		0	0		0	0
Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	(21,119)	(10,119)	11,000	(9,979)	(296,572)	(286,593)	0	0	0	(1,056)	837	1,893	(2,731)	150	2,881	(61,695)	(288,814)	(240,903)
Fund Balance, Beg. of Year	21,119	21,119	0	9,979	9,979	0	0	0	0	1,056	1,056	0	2,731	2,731	0	61,695	61,695	0
Fund Balance, End of Year	0	11,000	11,000	0	(286,593)	(286,593)	0	0	0	0	1,893	1,893	0	2,881	2,881	0	(227,119)	(240,903)

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
CAPITAL PROJECTS FUNDS  
AS OF JUNE 30, 2012**

	CEMETERY CASH FUND	LIBRARY FUND	MAIN STREET GRANT FUND	CDBG and REAP FUNDS	ECONOMIC DEVELOPMENT FUND	CITY PARK TRAIL FUND	CAPITAL IMPROVEMENT FUNDS	TOTALS (Memorandum Only) 2012	2011
<b>ASSETS</b>									
Cash, Including Time Deposits	\$26,557	37,243	153	(23,963)	7,232	340	447,297	494,859	531,131
Total Assets	<u>\$26,557</u>	<u>37,243</u>	<u>153</u>	<u>(23,963)</u>	<u>7,232</u>	<u>340</u>	<u>447,297</u>	<u>494,859</u>	<u>531,131</u>
<b>LIABILITIES</b>									
Warrants Outstanding	\$1,229	2,755	0	0	0		36,836	40,820	211,120
Total Liabilities	<u>1,229</u>	<u>2,755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,836</u>	<u>40,820</u>	<u>211,120</u>
<b>FUND EQUITY</b>									
Unreserved Fund Equity	25,328	34,488	153	(23,963)	7,232	340	410,461	454,039	320,011
Total Fund Equity	<u>25,328</u>	<u>34,488</u>	<u>153</u>	<u>(23,963)</u>	<u>7,232</u>	<u>340</u>	<u>410,461</u>	<u>454,039</u>	<u>320,011</u>
Total Liabilities and Fund Equity	<u>\$26,557</u>	<u>37,243</u>	<u>153</u>	<u>(23,963)</u>	<u>7,232</u>	<u>340</u>	<u>447,297</u>	<u>494,859</u>	<u>531,131</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	CEMETERY CASH FUND	LIBRARY FUND	MAIN STREET GRANT FUND	CDBG and REAP FUNDS	ECONOMIC DEVELOPMENT FUND	CITY PARK TRAIL FUND	CAPITAL IMPROVEMENT FUNDS	TOTALS (Memorandum Only)
								2012
<b>REVENUES:</b>								
Intergovernmental	\$6,821	6,821					162,715	176,357
Charges for Services	11,872							11,872
Interest		90						90
Donation		10,183				339	1,935	10,522
Miscellaneous		398			7,232			2,333
Grant				(23,963)				(16,731)
<b>Total Revenues</b>	<b>18,693</b>	<b>17,492</b>	<b>0</b>	<b>(23,963)</b>	<b>7,232</b>	<b>339</b>	<b>164,650</b>	<b>184,443</b>
<b>EXPENDITURES:</b>								
Personal Services	15,447	4,656						0
Maintenance and Operation		3,935						21,234
Capital Outlay								200,385
<b>Total Expenditures</b>	<b>15,447</b>	<b>8,591</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>197,581</b>	<b>221,619</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>3,246</b>	<b>8,901</b>	<b>0</b>	<b>(23,963)</b>	<b>7,232</b>	<b>339</b>	<b>(32,931)</b>	<b>(37,176)</b>
<b>OTHER FINANCING SOURCES/(USES):</b>								
Transfer Among Funds								
Refund to OEDA							171,203	171,203
Deobligation of Prior Year Funds								0
<b>Total Other Financing Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171,203</b>	<b>171,203</b>
<b>Revenues and Other Sources Over/(Under) Expenditures and Other Uses</b>	<b>3,246</b>	<b>8,901</b>	<b>0</b>	<b>(23,963)</b>	<b>7,232</b>	<b>339</b>	<b>138,272</b>	<b>134,027</b>
<b>Fund Balance, Beginning of Year</b>	<b>22,081</b>	<b>25,587</b>	<b>153</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>272,189</b>	<b>320,011</b>
<b>Fund Balance, End of Year</b>	<b>\$25,327</b>	<b>34,488</b>	<b>153</b>	<b>(23,963)</b>	<b>7,232</b>	<b>340</b>	<b>410,461</b>	<b>454,038</b>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 DEBT SERVICE FUND  
 AS OF JUNE 30, 2012**

	SINKING FUND	
	2012	2011
<b>ASSETS</b>		
Cash, Including Time Deposits	\$0	0
Total Assets	0	0
<b>LIABILITIES</b>		
Warrants Outstanding	0	0
Total Liabilities	0	0
<b>FUND BALANCE</b>		
Unreserved Fund Balance		
Reserved Fund Balance:		
Earned Unmatured Interest		
Bond Accruals		
Total Fund Balance	0	0
Total Liabilities and Fund Balance	\$0	0

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	SINKING FUND	
	2012	2011
<b>REVENUES:</b>		
Taxes:		
Ad Valorem Tax - Current Year	\$0	0
Ad Valorem Tax - Prior Years	0	0
Total Taxes	0	0
Total Revenues	0	0
<b>EXPENDITURES:</b>		
Redemption of Bonds	0	0
Interest on Bonds	0	0
Fiscal Agency Fee	0	0
Total Expenditures	0	0
Revenues Over/(Under) Expenditures	0	0
<b>OTHER FINANCING SOURCES/(USES):</b>		
Transfers from Municipal Authority	0	0
Transfers to General Fund	0	0
Total Other Financing Sources/(Uses)	0	0
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	0	0
Fund Balance, Beginning of Year	0	0
Fund Balance, End of Year	\$0	0

See accompanying letter and notes to financial statements.

THE CITY OF HOOKER, OKLAHOMA  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 TRUST AND AGENCY FUNDS  
 AS OF JUNE 30, 2012

	METER DEPOSIT FUND	CEMETERY CARE FUND	BLACKMER GOLF COURSE FUND	PERPETUAL CARE FUND	STATE FEES FUND	TOTALS (Memorandum Only)
						2012
						2011
<b>ASSETS</b>						
Cash, Including Time Deposits	\$23,275	35,768	99,972	111,941	92	257,571
Total Assets	\$23,275	35,768	99,972	111,941	92	257,571
<b>LIABILITIES</b>						
Warrants Outstanding	\$2,034		225		64	1,599
Refundable Meter Deposits	21,950					19,250
Total Liabilities	23,984	0	225	0	64	20,849
<b>FUND BALANCE</b>						
Unreserved Fund Balance	(709)	35,768	99,747	111,941	28	236,722
Total Fund Balance	(709)	35,768	99,747	111,941	28	236,722
Total Liabilities and Fund Balance	\$23,275	35,768	99,972	111,941	92	257,571

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
 TRUST AND AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	METER DEPOSIT FUND	CEMETERY CARE FUND	BLACKMER GOLF COURSE FUND	PERPETUAL CARE FUND	STATE FEES FUND	TOTALS	
						(Memorandum Only) 2012	2011
<b>REVENUES:</b>							
Charges for Services	\$0					0	0
Interest		288	1,480	889		2,657	3,626
Miscellaneous		3,942		7,666	196	11,804	14,374
<b>Total Revenues</b>	<b>0</b>	<b>4,230</b>	<b>1,480</b>	<b>8,555</b>	<b>196</b>	<b>14,461</b>	<b>18,000</b>
<b>EXPENDITURES:</b>							
Maintenance and Operation	709		3,483	28	188	4,408	5,542
Capital Outlay						0	0
<b>Total Expenditures</b>	<b>709</b>	<b>0</b>	<b>3,483</b>	<b>28</b>	<b>188</b>	<b>4,408</b>	<b>5,542</b>
Revenues Over/(Under) Expenditures	(709)	4,230	(2,003)	8,527	8	10,053	12,458
Fund Balance, Beginning of Year	0	31,538	101,750	103,414	20	236,722	224,264
Fund Balance, End of Year	(\$709)	35,768	99,747	111,941	28	246,775	236,722

See accompanying letter and notes to financial statements.

**THE HOOKER MUNICIPAL AUTHORITY  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
ENTERPRISE FUND  
AS OF JUNE 30, 2012**

	REVENUE FUND	
	2012	2011
<b><u>ASSETS</u></b>		
Cash, Including Time Deposits	\$657,305	588,297
Total Assets	\$657,305	588,297
<b><u>LIABILITIES</u></b>		
Warrants Outstanding	\$0	9,048
Total Liabilities	0	9,048
<b><u>FUND BALANCE</u></b>		
Unreserved Fund Balance	657,305	579,249
Total Fund Balance	657,305	579,249
Total Liabilities and Fund Balance	\$657,305	588,297

See accompanying letter and notes to financial statements.

**THE HOOKER MUNICIPAL AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	REVENUE FUND	
	2012	2011
REVENUES:		
Intergovernmental:		
Sales Tax	\$21,447	24,487
Charges for Services:		
Water, Trash & Sewer	774,894	734,073
Gas	407,988	499,622
Total Charges for Services	1,182,882	1,233,695
Interest	3,458	3,219
Total Revenues	1,207,787	1,261,401
EXPENDITURES:		
Maintenance and Operation	247,423	391,475
Capital Outlay	48,832	0
Interest Expense - Gas Distribution System		0
Total Expenditures	296,255	391,475
Revenues Over/(Under) Expenditures	911,532	869,926
OTHER FINANCING SOURCES/(USES):		
Principal Payments-Gas Distribution System		0
Transfer Among Funds	(833,476)	(805,615)
Total Other Financing Sources/(Uses)	(833,476)	(805,615)
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	78,056	64,311
Fund Balance, Beginning of Year	579,249	514,938
Fund Balance, End of Year	<u>\$657,305</u>	<u>579,249</u>

See accompanying letter and notes to financial statements.

**HOOKER MUNICIPAL AUTHORITY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

Cash Flows from Operating Activities:	
Net Income (Loss) from Operations	<u>\$911,532</u>
Cash Flows from Capital and Related Financing Activities:	
Operating Transfers	<u>(833,476)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	78,056
Cash and Cash Equivalents, June 30, 2011	<u>579,249</u>
Cash and Cash Equivalents, June 30, 2012	<u><u>\$657,305</u></u>

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

**THE CITY OF HOOKER, OKLAHOMA  
(INCLUDING THE HOOKER MUNICIPAL AUTHORITY)  
SCHEDULE OF STATE & FEDERAL FINANCIAL ASSISTANCE - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

CFDA #	Program or Award Amount	Cash/ Beginning Balance at June 30, 2011	Federal Receipts	Other Receipts	Federal Expenditures	Other Expenditures	Cash/ Ending Balance at June 30, 2012
	<u>Oklahoma Aeronautics Commission</u> (Sponsoring Agency: Federal Aviation Administration) AIP 3-40-0044-003-2009	20,106	367,536		413,426		(45,890)
	<u>Oklahoma Economic Development Authority</u> OEDA/REAP 12-110	26,401					0
	<b>Total State &amp; Federal Financial Assistance</b>	<u>0</u>	<u>367,536</u>	<u>0</u>	<u>413,426</u>	<u>0</u>	<u>(45,890)</u>

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

**PUTNAM & COMPANY, PLLC**  
**Certified Public Accountants**  
169 E. 32<sup>ND</sup>  
EDMOND, OKLAHOMA 73013  
(405) 348-3800  
Fax (405) 348-7965

Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Controls over Compliance In Accordance with  
*Office of Management and Budget Circular A-133*

June 28, 2013

The Honorable Mayor and Board of Trustees  
City of Hooker  
Texas County, Oklahoma

**Report on Compliance for Each Major Federal Program**

We have audited the City of Hooker's compliance with the types of compliance requirements described in the OMB Circular A-133 compliance Supplement that could have a direct material effect on each of the City's major federal programs for the year ended June 30, 2012. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our 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, require that we 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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City, complied, in all material respects with the types of 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.

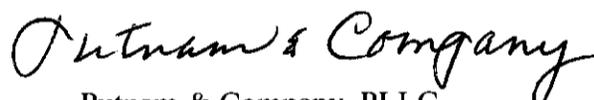
## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance the types of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Putnam & Company, PLLC

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**THE CITY OF HOOKER, OKLAHOMA  
(INCLUDING THE HOOKER MUNICIPAL AUTHORITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued: Unqualified--(OCBOA) modified cash basis, and Adverse--with respect to GAAP conformity

Internal control over financial reporting:

\* Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

\* Significant Deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statement noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Internal control over major programs:

\* Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ No   X   N/A

\* Significant Deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None Reported

Type of auditors’ report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**THE CITY OF HOOKER, OKLAHOMA  
(INCLUDING THE HOOKER MUNICIPAL AUTHORITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Section II – Findings Relating to the Financial Statements**

None

**Section III – Findings and Questioned Costs for Federal Awards**

N/A

**Section IV – Status of Prior Year Audit Findings**

None related to the financial statements or questioned costs for federal awards.

**Section V – Management’s Corrective Action Plan**

N/A

**MANAGEMENT LETTER AND COMMENTS**

**PUTNAM & COMPANY, PLLC**

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

June 28, 2013

Honorable Governing Board  
City of Hooker, Oklahoma

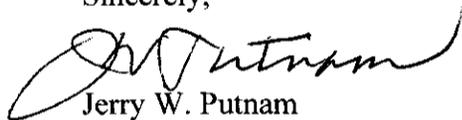
We have audited financial statements of the City of Hooker, including the Hooker Municipal Authority, as of and for the year ended June 30, 2012, as listed in the table of contents, and have issued our report thereon dated June 28, 2013. As a part of our audit, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated June 28, 2013, on the financial statements of the City of Hooker.

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

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

Sincerely,



Jerry W. Putnam

PUTNAM & COMPANY, PLLC

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
MANAGEMENT LETTER COMMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

1. Due to the limited size of the City's staff, it is impossible to segregate all employee duties to preclude one individual from having complete control over entire financial transactions.
2. Detailed fixed asset and depreciation expense records are not included in the City's current accounting system. Fixed asset costs are merely charged as expenditures of the respective funds.
3. Although the City did not exceed its total General Fund budget for the fiscal year ended June 30, 2012, we noted that some City departments did exceed their established budgets for the year. (See Statement 3 and Exhibit A-2.)
4. During our review of purchase order transactions we noted that the purchase orders did not include approval signatures. Several invoices also did not include signatures or initials to verify the receipt of the related goods or services. We also noted that some purchase orders were dated after their accompanying invoices.