

LOGAN COUNTY TRUST AUTHORITY
GUTHRIE, OKLAHOMA

FINANCIAL STATEMENTS
For the year Ended June 30, 2011

TABLE OF CONTENTS

Independent Auditors' Reports	1
Statement of Net Assets – Modified Cash Basis	2
Statement of Revenues and Expenses and Changes in Net Assets - Modified Cash Basis	3
Statement of Cash Flows – Modified Cash Basis	4
Notes to Financial Statements	5-6
Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8

John R. Storm, C.P.A.
Karen L. Hauser, C.P.A.

Storm & Hauser, P.C.
Certified Public Accountants

405.375.4152
FAX 405.375.5023

213 N. Main - P.O. Box 449 - Kingfisher, OK 73750
stormhauser@pdi.net

INDEPENDENT AUDITOR'S REPORT

October 15, 2011

Logan County Trust Authority
Guthrie, Oklahoma

We have audited the accompanying statement of the net assets – modified cash basis of the Logan County Trust Authority, a component unit of the County of Logan, as of June 30, 2011, and the related statement of revenues, expenses, and changes in net assets – modified cash basis and cash flows – modified cash basis for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 audits provide a reasonable basis for our opinion.

As discussed in Note A, the Logan County Trust Authority prepares its financial statements on the modified cash basis with the allowance for depreciation, 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 Logan County Trust Authority as of June 30, 2011 and the changes in financial position-modified cash basis and cash flows-modified cash basis 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 October 14, 2011, on our consideration of the Authority'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 Authority has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) that the GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Storm & Hauser, P.C.

Storm & Hauser, P.C.

LOGAN COUNTY TRUST AUTHORITY
STATEMENTS OF NET ASSETS
MODIFIED CASH BASIS
June 30, 2011

ASSETS:

Cash and cash equivalents	\$ 6,412
Property and Equipment	
Building and Improvements	760,964
Accumulated depreciation	<u>(461,339)</u>
Net Property and Equipment	<u>299,625</u>
Total assets	<u><u>306,037</u></u>

LIABILITIES:

Liabilities	
Accounts payable	-
Due to other Funds	-
Total liabilities	<u><u>-</u></u>

NET ASSETS:

Net Assets:	
Invested in capital assets	299,625
Unrestricted	<u>6,412</u>
Total net assets	<u><u>\$ 306,037</u></u>

LOGAN COUNTY TRUST AUTHORITY
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 MODIFIED CASH BASIS
 For the year ended June 30, 2011

Operating Revenues:

Rental income	\$	18,234
		18,234
Total Operating Revenues		18,234

Operating Expenditures:

Audit expense		1,590
Janitor		
Maintenance and Repair		3,789
Office and Postage		10
Travel		30
Utilities		10,231
Depreciation Expense		22,074
		37,724
Total Operating Expenditures		37,724

Operating Income (19,490)

Nonoperating Revenues (Expenses):

Investment Income		10
		10
Total Nonoperating Revenues		10

Change in Net Assets (19,480)

Fund balances - beginning 325,517

Fund balances - ending \$ 306,037

LOGAN COUNTY TRUST AUTHORITY
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
For the year ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Income	\$ 18,234
Cash payments to suppliers of goods and services	<u>(15,650)</u>
Net Cash Provided by (Used in) Operating Activities	<u>2,584</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Improvements to Capital Assets	-
--------------------------------	---

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income Received	<u>10</u>
Net Cash Provided by (Used in) Investing Activities	<u>10</u>

Net Increase (Decrease) in Cash and Cash Equivalents 2,594

CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR 3,818

CASH AND CASH EQUIVALENTS, END OF THE YEAR \$ 6,412

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating income (loss)	(19,490)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	22,074

Net Cash Provided by (Used in) Operating Activities \$ 2,584

LOGAN COUNTY TRUST AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

A. Organization and Significant Accounting Policies

1. Organization -Logan County Trust Authority is a public trust established under the provisions of Title 60, Oklahoma Statutes 1961, and the Oklahoma Trust Act in July 1972 and is governed by the acting members of the legally constituted governing body of the beneficiary, the Logan County Commissioners.

2. Basis of Accounting – All funds are accounted for using the modified cash basis of accounting. Under this basis of accounting, revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred. The Authority has chosen to capitalize assets and depreciate them.

B. Cash

For purposes of the statements issued, cash includes cash on deposit with the Logan County Treasurer.

The Authority's cash consists of the following:

	<u>June 30, 2011</u>
Logan County Treasurer	\$ <u>6,412</u>

C. Property and Equipment

Property and equipment acquired is recorded at cost. Depreciation is calculated using the straight-line method over useful lives of the assets as summarized below:

Buildings	40 years
Building Improvements	20-40 years
Equipment	10 years

D. Rentals

The Authority's primary source of income is from rental of two buildings in Logan County. Rental contracts are maintained with two government agencies. Logan County District #1 pays \$ 200 per month, Workforce pays 300 per month, Drug Court pays 300 per month and COCAA pays 300 per month.

LOGAN COUNTY TRUST AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

E. Interest Income

Logan County Trust Authority earns interest on its cash deposited in the Logan County Treasurer's office. The amount of interest received for the period was \$ 10.

John R. Storm, C.P.A.
Karen L. Hauser, C.P.A.

Storm & Hauser, P.C.
Certified Public Accountants

213 N. Main - P.O. Box 449 - Kingfisher, OK 73750
stormhauser@pldi.net

405.375.4152
FAX 405.375.5023

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

October 14, 2011

Logan County Trust Authority
Guthrie, Oklahoma

We have audited the financial statements of the Logan County Trust Authority, a component unit of the County of Logan, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 14, 2011. The Logan County Trust Authority prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Authority did not present the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) that the GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements. 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 audit, we considered the Authority'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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority'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 Authority'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 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 Kingfisher County Trust Authority'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, board members, administrative personnel, and applicable regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Storm & Hauser, P.C.

Storm & Hauser, P.C.