

City of Marietta, Oklahoma  
Annual Financial Report

For the Fiscal Year Ended  
June 30, 2011

**City of Marietta, Oklahoma**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2011**  
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***FINANCIAL SECTION***

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Members of the City Council  
City of Marietta, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marietta, Oklahoma, as of and for the year ended June 30, 2011, 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 opinions on these financial statements based on our audit.

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

As discussed in Note 1.B., the City of Marietta, Oklahoma prepares its financial statements 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marietta, Oklahoma, as of June 30, 2011, and the respective changes in financial position—modified cash basis, and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.B.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2013, on our consideration of the City'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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Other Information as listed in the table of contents is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide other assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marietta's basic financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.B.

*Angel, Johnston + Blessingame, P.C.*

Chickasha, Oklahoma  
January 8, 2013

**City of Marietta, Oklahoma**  
**Statement of Net Assets – Modified Cash Basis**  
**June 30, 2011**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marietta Public Works Authority
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalent	\$ 478,507	\$ 5,196	\$ 483,703	\$ 238,731
Restricted Cash and Cash Equivalent	134,027	-	134,027	91,265
Inventory	-	-	-	89,528
<b>Total Current Assets</b>	<b>612,534</b>	<b>5,196</b>	<b>617,730</b>	<b>419,524</b>
<b>Noncurrent Assets</b>				
Land	57,498	-	57,498	12,854
Buildings	515,947	-	515,947	86,779
Machinery and Equipment	716,695	402,071	1,118,766	251,173
Vehicles	321,487	-	321,487	84,802
Furniture and Fixtures	11,745	-	11,745	65,828
Land Improvements	30,000	-	30,000	-
Infrastructure	549,379	81,600	630,979	3,878,765
Accumulated Depreciation	(1,293,859)	(259,988)	(1,553,847)	(2,859,574)
<b>Total Noncurrent Assets</b>	<b>908,892</b>	<b>223,683</b>	<b>1,132,575</b>	<b>1,520,627</b>
<b>Total Assets</b>	<b>1,521,426</b>	<b>228,879</b>	<b>1,750,305</b>	<b>1,940,151</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accrued Expenses	-	-	-	6,687
Refundable Meter Deposits	-	-	-	43,171
Capital Leases, Current Portion	22,318	-	22,318	-
Notes Payable, Current Portion	-	34,343	34,343	53,470
<b>Total Liabilities</b>	<b>22,318</b>	<b>34,343</b>	<b>56,661</b>	<b>103,328</b>
<b>Noncurrent Liabilities</b>				
Capital Leases / Notes Payable	33,550	40,738	74,288	74,705
<b>Total Liabilities</b>	<b>55,868</b>	<b>75,081</b>	<b>130,949</b>	<b>178,033</b>
<b>Net Assets</b>				
Invested in Capital Assets	853,024	148,602	1,001,626	1,392,452
Restricted for Other Purposes	173,260	-	173,260	48,810
Unrestricted	439,274	5,196	444,470	320,856
<b>Total Net Assets</b>	<b>\$ 1,465,558</b>	<b>\$ 153,798</b>	<b>\$ 1,619,356</b>	<b>\$ 1,762,118</b>

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

**City of Marietta, Oklahoma**  
**Statement of Activities – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Functions/Programs								
Primary Government								
Governmental Activities								
General Government	359,061	\$ 4,489	\$ -	\$ -	\$ (354,572)	\$ -	\$ (354,572)	\$ -
Highways and Streets	238,301	114,417	-	75,711	(48,173)	-	(48,173)	-
Public Safety	485,613	-	75,888	-	(409,725)	-	(409,725)	-
Cemetery and Parks	47,302	25,638	-	-	(21,664)	-	(21,664)	-
Culture and Recreation	<u>13,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,927)</u>	<u>-</u>	<u>(13,927)</u>	<u>-</u>
Total Governmental Activities	<u>1,144,204</u>	<u>144,544</u>	<u>75,888</u>	<u>75,711</u>	<u>(848,061)</u>	<u>-</u>	<u>(848,061)</u>	<u>-</u>
Business-Type Activities								
Sanitation	134,025	277,322	-	-	-	143,297	143,297	-
Transfer Site	<u>184,290</u>	<u>61,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,396)</u>	<u>(122,396)</u>	<u>-</u>
Total Business Type Activities	<u>318,315</u>	<u>339,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,901</u>	<u>20,901</u>	<u>-</u>
Total Primary Government	<u>\$ 1,462,519</u>	<u>\$ 483,760</u>	<u>\$ 75,888</u>	<u>\$ 75,711</u>	<u>(848,061)</u>	<u>20,901</u>	<u>(827,160)</u>	<u>-</u>
Component Unit								
Marietta Public Works Authority	<u>\$ 875,366</u>	<u>\$ 979,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,586</u>
General Revenues								
Taxes:								
Sales Tax					537,664	-	537,664	-
Use Tax					37,716	-	37,716	-
Franchise Tax					99,078	-	99,078	-
Alcohol Beverage Tax					45,296	-	45,296	-
Other Taxes					31,337	-	31,337	-
Interest					3,561	-	3,561	1,621
Miscellaneous					42,941	-	42,941	-
Transfers					<u>45,822</u>	<u>(20,822)</u>	<u>25,000</u>	<u>(25,000)</u>
Total General Revenues and Transfers					<u>843,415</u>	<u>(20,822)</u>	<u>822,593</u>	<u>(23,379)</u>
Change in Net Assets					(4,646)	79	(4,567)	81,207
Net Assets - Beginning, as restated					<u>1,470,204</u>	<u>153,719</u>	<u>1,623,923</u>	<u>1,680,911</u>
Net Assets - Ending					<u>\$ 1,465,558</u>	<u>\$ 153,798</u>	<u>\$ 1,619,356</u>	<u>\$ 1,762,118</u>

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

**City of Marietta, Oklahoma**  
**Balance Sheet – Governmental Funds – Modified Cash Basis**  
**June 30, 2011**

	General	Cemetery Donation	Other Governmental	Total
Assets				
Cash and Cash Equivalent	\$ 439,274	\$ 134,027	\$ 39,233	\$ 612,534
Total Assets	\$ 439,274	\$ 134,027	\$ 39,233	\$ 612,534
Fund Balances				
Restricted	-	134,027	39,233	173,260
Committed	-	-	-	-
Assigned	1,797	-	-	1,797
Unassigned	437,477	-	-	437,477
Total Fund Balances	439,274	134,027	39,233	612,534
Total Liabilities and Fund Balances	\$ 439,274	\$ 134,027	\$ 39,233	

Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	908,892
Long term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(55,868)</u>
Net assets of governmental activities.	<u>\$ 1,465,558</u>

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

**City of Marietta, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	<u>General</u>	<u>Cemetery Donation</u>	<u>Other Governmental</u>	<u>Total</u>
<b>REVENUE</b>				
Taxes	\$ 751,091	\$ -	\$ -	\$ 751,091
License & Permits	4,489	-	-	4,489
Miscellaneous	42,941	-	-	42,941
Fines & Forfeitures	114,417	-	-	114,417
Grant Revenue	127,895	-	23,704	151,599
Charges for Services	19,319	-	6,319	25,638
Interest	3,525	4	32	3,561
Total Revenue	<u>1,063,677</u>	<u>4</u>	<u>30,055</u>	<u>1,093,736</u>
<b>EXPENDITURES</b>				
Current				
General Government	351,348	-	-	351,348
Highways and Streets	193,800	-	10,200	204,000
Public Safety	418,195	-	5,703	423,898
Cemetery and Parks	36,807	-	1,510	38,317
Culture and Recreation	6,556	-	-	6,556
Capital Outlay				
Cemetery and Parks	8,992	-	-	8,992
Public Safety	3,208	-	-	3,208
Highways and Streets	4,000	-	-	4,000
Debt Service	24,604	-	-	24,604
Total Expenditures	<u>1,047,510</u>	<u>-</u>	<u>17,413</u>	<u>1,064,923</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,167	4	12,642	28,813
Other Financing Sources				
Transfers In	45,822	-	-	45,822
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	45,822	-	-	45,822
Net Change in Fund Balances	61,989	4	12,642	74,635
Fund Balances - Beginning	<u>377,285</u>	<u>134,023</u>	<u>26,591</u>	<u>537,899</u>
Fund Balances - Ending	<u>\$ 439,274</u>	<u>\$ 134,027</u>	<u>\$ 39,233</u>	<u>\$ 612,534</u>

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

**City of Marietta, Oklahoma**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds – Modified Cash Basis to the Statement of Activities**  
**For the Year Ended June 30, 2011**

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

Net change in assets - total governmental funds \$ 74,635

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period. (100,512)

The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 21,231

Change in net assets of governmental activities. \$ (4,646)

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

**City of Marietta, Oklahoma**  
**Statement of Net Assets – Proprietary Funds – Modified Cash Basis**  
**June 30, 2011**

	Sanitation Transfer Site
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalent	\$ 5,196
Total Current Assets	5,196
Noncurrent Assets	
Machinery and Equipment	402,071
Infrastructure	81,600
Accumulated Depreciation	(259,988)
Total Noncurrent Assets	223,683
Total Assets	228,879
<b>LIABILITIES</b>	
Current Liabilities	
Notes Payable, Current	34,343
Total Current Liabilities	34,343
Noncurrent Liabilities	
Notes Payable	40,738
Total Noncurrent Liabilities	40,738
Total Liabilities	75,081
<b>NET ASSETS</b>	
Invested in Capital Assets	148,602
Unrestricted	5,196
Total Net Assets	\$ 153,798

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

**City of Marietta, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Sanitation Transfer Site
Operating Revenues:	
Sanitation Revenue	\$ 277,322
Transfer Site Revenue	61,894
Total Operating Revenue	339,216
Operating Expenses:	
Sanitation	
Personnel Services	74,627
Materials and Supplies	17,501
Other Services and Charges	10,710
Depreciation Expense	26,225
Transfer Site	
Personnel Services	82,288
Materials and Supplies	30,169
Tipping Fees - SORD	61,131
Other Services and Charges	90
Depreciation Expense	10,612
Total Operating Expenses	313,353
Operating Income (Loss)	25,863
Nonoperating Revenues (Expenses):	
Interest Expense	(4,962)
Total Nonoperating Revenues (Expenses)	(4,962)
Income (Loss) before Transfers	20,901
Other Financing Sources (Uses):	
Transfers In	-
Transfers Out	(20,822)
Total Other Financing Sources	(20,822)
Net Change in Net Assets	79
Total Net Assets - Beginning as restated	153,719
Total Net Assets - Ending	\$ 153,798

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

**City of Marietta, Oklahoma**  
**Statement of Cash Flows – Proprietary Funds – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

*CASH FLOWS FROM OPERATING ACTIVITIES*

Operating Revenues Received	\$ 339,216
Vendors and Others Paid	<u>(276,516)</u>
Net Cash Provided by Operating Activities	<u>62,700</u>

*CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES*

Transfers, Net	<u>(20,822)</u>
Net Cash Used by Noncapital Financing Activities	<u>(20,822)</u>

*CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES*

Payment of Debt	(35,211)
Purchase of Property, Plant and Equipment	<u>(1,000)</u>
Net Cash Used by Capital Financing Activities	<u>(36,211)</u>

*CASH FLOWS FROM INVESTING ACTIVITIES*

Interest Expense	<u>(4,962)</u>
Net Cash Used by Investing Activities	<u>(4,962)</u>

Net Increase in Cash and Cash Equivalents 705

Cash and Cash Equivalents, July 1, 2010 4,491

Cash and Cash Equivalents, June 30, 2011 \$ 5,196

**Reconciliation of Operating Income to Net Cash  
Provided by Operating Activities**

Operating Income	\$ <u>25,863</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation and Amortization	<u>36,837</u>

Net Cash Provided by Operating Activities \$ 62,700

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

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. The Reporting Entity**

The City of Marietta is a charter city created under Title 11 of the Oklahoma Statutes. The governing body of the City is the City Council comprised of five elected members. The City Clerk, Treasurer and Mayor are also elected.

For financial reporting purposes the financial statements included all funds and account groups over which the City Council exercises oversight responsibility. The criteria used to determine whether or not to include other entities in the financial statements were (1) the selection of governing authority, (2) designation of management, (3) ability to significantly influence operations, and (4) accountability for fiscal matters. Based on this criteria, the Marietta Public Works Authority is included.

The Marietta Public Works Authority is a Title 60.O.S. public trust created June 15, 1959. The City Council appoints members to the Marietta Public Works Authority governing body. The Marietta Public Works Authority is a discretely presented component unit. Separate audited financial statements are produced for the Marietta Public Works Authority and may be obtained at their office located at 303 W. Main, Marietta, Oklahoma.

**B. Government-wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued***

**B. Government-wide and Fund Financial Statements - continued**

*Fund Financial Statements*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The governmental funds are reported on a modified cash basis of accounting and current financial resources measurement focus. Only current financial assets and liabilities resulting from cash transactions are included on the fund balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period. The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the economic resources measurement focus at the government-wide level. The proprietary fund also uses the economic resources measurement focus.

The statement of net assets and activities and the fund financial statements are reported on a modified 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. These modifications include adjustments for the following balances arising from cash transactions:

- Capital assets and the depreciation of those assets, where applicable
- Long-term debt
- Cash-based interfund receivables and payables
- Other cash-based receivable and payables

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – continued**

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The government reports the following major government funds:

*General Fund* - is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Cemetery Donation Fund* – accounts for donations received for the operations of the municipal cemetery.

The government reports the Sanitation / Transfer Site as a major proprietary fund. It accounts for activities related to operating the residential and commercial sanitation systems, and the public transfer site.

The government reports the following nonmajor governmental funds:

*Special Revenue Funds*

Cemetery Care

Grant

Volunteer Fire

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sanitation and transfer site 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.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – continued**

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, Liabilities and Net Assets or Equity**

*Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City does not have a written investment policy that limits its investment choices other than the limitations stated in the *Oklahoma Statutes*. *Oklahoma Statutes* allow the City to invest in bonds of cities, school districts, or counties within the State of Oklahoma; public trust bonds whose beneficiary is a county, municipality or school district, except industrial development bonds; direct obligations of the United States; and certificates of deposit. Public trusts created under O.S. Title 60, are not subject to the above investment limitations and are primarily governed by any restrictions in their trust or note indenture.

Investments for the government, as well as for its component units, are reported at cost, which approximates fair value.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued***

**D. Assets, Liabilities and Net Assets or Equity – continued**

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value on the date received.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	50
Infrastructure	30
Vehicles	5
Computer Equipment	5
Machinery and Equipment	10

*Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**D. Assets, Liabilities and Net Assets or Equity – continued**

*Fund Equity*

Government-wide Statements

Equity is classified as net assets and displayed in three components:

1. *Invested in capital assets* – consists of capital assets net of accumulated depreciation reduced by the outstanding balances of notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. *Restricted net assets* – consists of net assets with constraints on the use either by (1) external groups or (2) law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise but reserves the right to selectively defer the use until a future project.
3. *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets”. The City Council has the authority to revise or alter this designation.

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted* – consists of amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – consists of amounts that can be spent only for specific purposes because of constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued***

**D. Assets, Liabilities and Net Assets or Equity – continued**

*Fund Equity - continued*

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Council or through the Council delegating this responsibility to the Mayor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has assigned interest earnings to the funds where earned for the purposes defined by the fund.
  
- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

*Estimates*

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation of the \$853,024 difference between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets.

One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.”

Capital Leases	\$ <u>55,868</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ <u><u>(55,868)</u></u>

Another element of that reconciliation is capital assets used in governmental activities that are not financial resources.

Land	\$ 57,498
Buildings	515,947
Machinery and Equipment	716,695
Vehicles	321,487
Furniture and Fixtures	11,745
Land Improvements	30,000
Infrastructure	<u>549,379</u>
	2,202,751
Accumulated Depreciation	<u>(1,293,859)</u>
Capital Assets, Net	<u><u>\$ 908,892</u></u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

***II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – continued***

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation of the \$79,281 difference between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures”. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	16,200
Depreciation Expense	<u>(116,712)</u>
Net adjustment to increase net change in <i>fund balance - total governmental funds</i> to arrive at changes in <i>net assets - governmental activities</i>	<u>\$ (100,512)</u>

Another element of that reconciliation explains that “repayment of principal of long term debt consumes the current financial resources of governmental funds.”

Capital Lease Principal Payments	\$ <u>21,231</u>
Net adjustment to increase net change in <i>fund balance - total governmental funds</i> to arrive at changes in <i>net assets - governmental activities</i>	<u>\$ 21,231</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**II. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

*Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a written deposit policy for custodial credit risk, but *Oklahoma Statutes* required collateral for all uninsured deposits of municipal funds in financial institutions. As of June 30, 2011, the City's bank balances of \$661,283 were not exposed to custodial credit risk.

*Investment Interest Rate Risk*

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk*

The City has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investments in: (1) full faith and credit, direct obligations of the U.S. Government, its agencies and instrumentalities, and the State of Oklahoma and certain mortgage insured federal debt; (2) certificates of deposit or savings accounts that are either insured or secured with acceptable collateral; (3) negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations; (4) county, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district; and government money market funds regulated by the SEC. These investment limitations do not apply to the City's component unit. The City's investments at June 30, 2011 consisted of certificates of deposit.

*Concentration of Credit Risk*

The City places no limit on the amount it may invest in any one issuer.

*Restricted Cash*

Restricted cash in the Governmental Funds at June 30, 2011 consists of the Cemetery Donation Fund in the amount of \$134,027.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS - continued**

**B. Capital Assets**

Capital asset activity of the Primary Government for the year ended June 30, 2011 was a follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b><i>Governmental Activities:</i></b>				
Capital Assets, not being depreciated:				
Land	\$ 57,498	\$ -	\$ -	\$ 57,498
Total Capital Assets, not being depreciated	<u>57,498</u>	<u>-</u>	<u>-</u>	<u>57,498</u>
Capital Assets, being depreciated:				
Buildings	515,947	-	-	515,947
Machinery and Equipment	700,495	16,200	-	716,695
Vehicles	321,487	-	-	321,487
Furniture and Fixtures	11,745	-	-	11,745
Land Improvements	30,000	-	-	30,000
Infrastructure	<u>549,379</u>	<u>-</u>	<u>-</u>	<u>549,379</u>
Total Capital Assets, being depreciated	2,129,053	16,200	-	2,145,253
Less Accumulated Depreciation	<u>1,177,147</u>	<u>116,712</u>	<u>-</u>	<u>1,293,859</u>
Total Capital Assets, being depreciated, net	<u>951,906</u>	<u>(100,512)</u>	<u>-</u>	<u>851,394</u>
Governmental Activities Capital Assets, net	<u>\$ 1,009,404</u>	<u>\$ (100,512)</u>	<u>\$ -</u>	<u>\$ 908,892</u>
<b><i>Business Type Activities:</i></b>				
Capital Assets, being depreciated:				
Machinery and Equipment	401,071	1,000	-	402,071
Infrastructure	<u>81,600</u>	<u>-</u>	<u>-</u>	<u>81,600</u>
Total Capital Assets, being depreciated	482,671	1,000	-	483,671
Less Accumulated Depreciation	<u>223,151</u>	<u>36,837</u>	<u>-</u>	<u>259,988</u>
Total Capital Assets, being depreciated, net	<u>259,520</u>	<u>(35,837)</u>	<u>-</u>	<u>223,683</u>
Business Type Activities Capital Assets, net	<u>\$ 259,520</u>	<u>\$ (35,837)</u>	<u>\$ -</u>	<u>\$ 223,683</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS - continued**

**B. Capital Assets – continued**

Capital asset activity of the Component Unit for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Component Unit:</b>				
Capital Assets, not being depreciated:				
Land	\$ 12,854	\$ -	\$ -	\$ 12,854
Total Capital Assets, not being depreciated	<u>12,854</u>	<u>-</u>	<u>-</u>	<u>12,854</u>
Capital Assets, being depreciated:				
Buildings	85,629	1,150	-	86,779
Machinery and Equipment	253,673	-	2,500	251,173
Vehicles	73,892	15,910	5,000	84,802
Furniture and Fixtures	65,828	-	-	65,828
Land Improvements	-	-	-	-
Infrastructure	3,834,915	43,850	-	3,878,765
Total Capital Assets, being depreciated	<u>4,313,937</u>	<u>60,910</u>	<u>7,500</u>	<u>4,367,347</u>
Less Accumulated Depreciation	<u>2,749,758</u>	<u>117,316</u>	<u>7,500</u>	<u>2,859,574</u>
Total Capital Assets, being depreciated, net	<u>1,564,179</u>	<u>(56,406)</u>	<u>-</u>	<u>1,507,773</u>
Component Unit Capital Assets, net	<u>\$ 1,577,033</u>	<u>\$ (56,406)</u>	<u>\$ -</u>	<u>\$ 1,520,627</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General Government	\$ 7,713
Highways and Streets	34,301
Public Safety	58,342
Cemetery and Parks	8,985
Culture and Recreation	<u>7,371</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 116,712</u>

**Business Type Activities:**

Sanitation	\$ 26,225
Transfer Site	<u>10,612</u>
Total Depreciation Expense - Business Type Activities	<u>\$ 36,837</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS - continued**

**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2011 is as follows:

*Interfund Transfers*

<u>Transfers In:</u>	<u>Transfers Out:</u>			<u>Total</u>
	<i>General</i>	<i>Enterprise</i>	<i>Component Unit</i>	
General Fund	\$ -	\$ 20,822	\$ 25,000	\$ 45,822
	\$ -	\$ 20,822	\$ 25,000	\$ 45,822
		(1)	(2)	

Reason / Purpose

(1) – Budgeted operating transfers.

(2) – One time return of cash transferred to MPWA in prior years for grant matching

**D. Long Term Debt**

*Notes Payable*

The Enterprise Fund incurs bank, association, and individual debt to purchase equipment. The notes have various maturities with rates of 5.00% to 5.25% percent annum.

BancFirst - 5.25% interest, monthly payments of \$950. Matures January 2013. Proceeds used for the purchase of a sanitation trailer, which serves as collateral.

\$ 15,935

BancFirst - 5.00% interest, monthly payments of \$2,164. Matures December 2013. Proceeds used for the purchase of a sanitation truck, which serves as collateral.

59,146

Total Notes Payable

\$ 75,081

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS - continued**

**D. Long Term Debt - continued**

*Notes Payable - continued*

Principal maturities are as follows:

<i>Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>
2012	\$ 34,343	\$ 3,024
2013	29,896	1,302
2014	<u>10,842</u>	<u>137</u>
Total	<u>\$ 75,081</u>	<u>\$ 4,463</u>

*Capital Leases*

The City has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum payments as of the inception date.

The assets acquired through capital leases are as follows:

<i>Assets:</i>	<i>Governmental Activities</i>
Vehicles	\$ <u>108,447</u>
	108,447
Less Accumulated Depreciation	<u>(57,839)</u>
	<u>\$ 50,608</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

<i>Year Ending June 30,</i>	<i>Governmental Activities</i>
2012	\$ 24,604
2013	24,604
2014	<u>10,217</u>
Total minimum lease payments	59,425
Less amount representing interest	<u>(3,557)</u>
Present value of minimum lease payments	<u>\$ 55,868</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS - continued**

**D. Long Term Debt – continued**

*Capital Leases - continued*

Interest expense was charged to the functions/programs of the primary government as follows:

<i>Business Type Activities</i>		<i>Governmental Activities</i>	
Sanitation	\$ 4,962	Public Safety	\$ 3,373
	<u>\$ 4,962</u>		<u>\$ 3,373</u>

*Notes Payable – Component Unit*

The Marietta Public Works Authority has entered into two promissory notes with the Oklahoma Water Resources board. Proceeds to be used for the improvement of the water and sewer system. Interest rates range from 0.5% to 1.38%.

Oklahoma Water Resources Board - 0.5% interest, semi-annual payments due February 15 and August 15.

Proceeds used for water system improvements. \$ 33,675

Oklahoma Water Resources Board - 1.38% interest, semi-annual payments due February 15 and August 15.

Proceeds used for water system improvements. 94,500

Total Notes Payable \$ 128,175

Principal maturities are as follows:

<i>Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>
2012	\$ 53,470	\$ 2,087
2013	56,720	1,020
2014	<u>17,985</u>	<u>85</u>
Total	<u>\$ 128,175</u>	<u>\$ 3,192</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS – continued**

**D. Long Term Debt – continued**

*Notes Payable – Component Unit - continued*

Provisions of the OWRB Notes which are pertinent to the financial statements are as follows:

*Pledged Revenues* – Revenues generated from the Public Works Authority will be used first to meet debt service; second to pay operation and maintenance expenses of the system; and third to replenish the minimum required balance of the reserve fund requirement.

The Marietta Public Works Authority at all times will maintain schedules of rates and charges for services sufficient to provide funds which together with other revenues pledged will provide Net Revenues Available for Debt Service equal to 125% of the maximum annual amount required for debt service. The revenues are pledged as collateral for the note.

At June 30, 2011, the Marietta Public Works Authority had a debt service coverage ratio of 297%, and was in compliance with all debt covenants.

*Changes in Long-Term Liabilities*

Long term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><i>Governmental Activities:</i></b>					
Capital Leases	\$ 77,099	\$ -	\$ 21,231	\$ 55,868	\$ 22,318
Total Long Term Liabilities	<u>\$ 77,099</u>	<u>\$ -</u>	<u>\$ 21,231</u>	<u>\$ 55,868</u>	<u>\$ 22,318</u>
<b><i>Business Type Activities:</i></b>					
Notes Payable	\$ 110,292	\$ -	\$ 35,211	\$ 75,081	\$ 34,343
Total Long Term Liabilities	<u>\$ 110,292</u>	<u>\$ -</u>	<u>\$ 35,211</u>	<u>\$ 75,081</u>	<u>\$ 34,343</u>
<b><i>Component Unit:</i></b>					
Notes Payable	\$ 211,895	\$ -	\$ 83,720	\$ 128,175	\$ 53,470
Total Long Term Liabilities	<u>\$ 211,895</u>	<u>\$ -</u>	<u>\$ 83,720</u>	<u>\$ 128,175</u>	<u>\$ 53,470</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS – continued**

**E. Restricted Assets**

Balances of restricted assets at June 30, 2011, are as follows:

***Primary Government:***

Restricted Assets	
Cemetery Donation	
Fund	<u>\$ 134,027</u>

***Component Unit:***

Restricted Assets	
Debt Service Reserve	\$ 48,810
Customer Deposits	<u>42,455</u>
Total Restricted Assets	<u>\$ 91,265</u>

**F. Fund Equity**

*Net Assets Restricted by Enabling Legislation*

The government-wide statement of net assets reports \$173,260 of restricted net assets, of which \$23,662 is restricted by enabling legislation.

***Enabling Legislation:***

Cemetery Care Fund	\$ 23,662
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*Governmental Fund Balance Classifications*

As of June 30, 2011, fund balances of the Governmental Funds were classified as follows:

	<u>General</u>	<u>Cemetery Donation</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Restricted</b>				
Cemetery Capital Purchases	\$ -	\$ 134,027	\$ 23,662	\$ 157,689
Grant Fund Expenditures	-	-	13,504	13,504
Public Safety	-	-	2,067	2,067
<b>Assigned</b>				
Public Safety	1,797	-	-	1,797
<b>Unassigned</b>	<u>437,477</u>	<u>-</u>	<u>-</u>	<u>437,477</u>
	<u>\$ 439,274</u>	<u>\$ 134,027</u>	<u>\$ 39,233</u>	<u>\$ 612,534</u>

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS – continued**

**G. Pension Plans**

*Primary Government - Municipal Retirement Plan*

Plan Description: The City participates in a cost sharing, multiple employer defined benefit pension plan administered by the Oklahoma Municipal Retirement Fund. OMRF provides retirement, disability and death benefits to plan members and their beneficiaries. OMRF is authorized to establish and amend all plan provisions. Participation in the plan is mandatory for all full time employees, and each employee is required to contribute a percentage of his or her salary. Employees are vested at 7 years.

The OMRF issues a publicly available financial report that includes financial statements and the required supplementary information that can be obtained by requesting a copy at OMRF, 100 N. Broadway, Oklahoma City, OK 73102.

Funding Policy: The contribution requirements of City of Marietta, Oklahoma and its employees are established and may be amended by the OMRF board. Employees are required to contribute 5.25 percent of their annual covered salary. The Authority is required to contribute at an actuarially determined rate of 6.64 percent.

Annual Pension Cost: For 2010-11, City of Marietta’s annual pension cost was \$33,232, the required contribution amount was \$33,232. The required contribution was determined as part of the March 29, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (I) 7.5 percent investment rate of return, (II) projected salary increases due to inflation of 3 percent, compounded annually, and (III) projected salary increases due to age/seniority, compounded annually.

Trend Information:

Year Ending June 30,	Contribution Rate	City Cost (APC)	Contributed	Net Pension Obligation
<i>Primary Government</i>				
2011	6.64%	\$ 33,232	100%	\$ -

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS – continued**

**G. Pension Plans – continued**

*Primary Government - Municipal Retirement Plan - continued*

The funded status of the plan as of March 29, 2011, the most recent valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Liability (AAL) - Entry Age b	Unfunded AAL (UAAL) b-a	Funded Ratio a/b	Covered Payroll c	UAAL as a Percentage of Covered Payroll (b-a)/c
1/1/2011	\$ 684,269	\$ 686,465	\$ 2,196	99.7%	\$ 468,364	0.5%

The schedule of funding progress presented as supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

*Component Unit – Municipal Retirement Plan*

Plan Description: The Authority participates in a cost sharing, multiple employer defined benefit pension plan administered by the Oklahoma Municipal Retirement Fund. OMRF provides retirement, disability and death benefits to plan members and their beneficiaries. OMRF is authorized to establish and amend all plan provisions. Participation in the plan is mandatory for all full time employees, and each employee is required to contribute a percentage of his or her salary. Employees are vested at 10 years.

The OMRF issues a publicly available financial report that includes financial statements and the required supplementary information that can be obtained by requesting a copy at OMRF, 100 N. Broadway, Oklahoma City, OK 73102.

Funding Policy: The contribution requirements of City of Marietta, Oklahoma and its employees are established and may be amended by the OMRF board. Employees are required to contribute 5.0 percent of their annual covered salary after tax. The Authority is required to contribute at an actuarially determined rate of 18.9 percent; the rate at June 30, 2011 determined by resolution was 18.9 percent of covered payroll. The 18.9 percent became effective September 2010, prior to that the employer rate was 5%.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS – continued**

**G. Pension Plans – continued**

*Component Unit – Municipal Retirement Plan - continued*

Annual Pension Cost: For 2010-11, Marietta Public Works Authority’s annual pension cost was \$26,799, the required contribution amount was \$26,799. The required contribution was determined as part of the March 29, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (I) 7.5 percent investment rate of return, (II) projected salary increases due to inflation of 3 percent, compounded annually, and (III) projected salary increases due to age/seniority, compounded annually.

The funded status of the plan as of March 29, 2011, the most recent valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Liability (AAL) - Entry Age b	Unfunded AAL (UAAL) b-a	Funded Ratio a/b	Covered Payroll c	UAAL as
						Percentage of Covered Payroll (b-a)/c
1/1/2011	\$ 368,631	\$ 624,769	\$ 256,138	59.0%	\$ 158,603	161.5%

The schedule of funding progress presented as supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Year Ending June 30,	Contribution Rate	City Cost (APC)	Contributed	Net Pension Obligation
<b>Component Unit</b>				
2011	18.90%	\$ 26,799	100%	\$ -
2010	5.00%	7,883	100%	-
2009	14.91%	23,446	100%	-

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

***III.DETAILED NOTES ON ALL FUNDS – continued***

**H. Risk Management**

The City is exposed to various risks of loss (torts, theft of, damage to, or destruction of assets, business interruptions, errors and omissions, job-related illnesses or injuries to employees, and acts of God) and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage in the past three years.

*General Liability, Physical Property and Automobile Liability/ Physical Damage* - general liability, physical property and automobile liability/physical damage are insured through the Oklahoma Municipal Assurance Group risk entity pool. Deductibles range from \$0 to \$5,000. Risk of loss retained is limited to the excess of insurance liability coverage limits set by OMAG.

*Worker's Compensation* - Workers' compensation is insured through CompSource Oklahoma. Risk of loss retained is limited to the excess of insurance liability coverage limits set by CompSource Oklahoma.

**I. Commitments and Contingencies**

*Grant Programs*

In the normal course of operations; the City participates in various federal and state grant programs from year to year. Amounts received or receivable from grantor agencies are often subject to audit and adjustment by the grantor agency. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor agency cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**J. Accounting Change**

The City implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. Beginning fund balances for the governmental funds have been restated to reflect the new classifications. As part of this implementation, certain funds have been reclassified to conform with GASB Statement 54.

**City of Marietta, Oklahoma**  
**Notes to the Financial Statements**  
**June 30, 2011**

**III. DETAILED NOTES ON ALL FUNDS – continued**

**K. Related Party Transactions**

During the 2010-2011 fiscal year, the Marietta Public Works Authority transferred \$25,000 to the City of Marietta.

**L. Restatement of Net Assets**

Certain adjustments were needed to restate the beginning net assets of the Proprietary Fund, Governmental Activities, and Business Type Activities. The restatement is a result of the City changing its financial statement presentation from the cash basis in the prior year to the modified cash basis in the current year. The schedule below outlines the adjustments.

	<b>As Previously Reported</b>	<b>Restatement</b>	<b>As Restated</b>
<b><i>Proprietary Funds</i></b>			
Sanitation / Transfer Site			
Machinery and Equipment	\$ -	\$ 401,071	\$ 401,071
Infrastructure	-	81,600	81,600
Accumulated Depreciation	-	223,151	223,151
Note Payables	-	110,292	110,292
Net Assets	4,491	149,228	153,719
<b><i>Governmental Activities</i></b>			
Land	-	57,498	57,498
Land Improvements	-	30,000	30,000
Buildings	-	515,947	515,947
Furniture and Fixtures	-	11,745	11,745
Infrastructure	-	549,379	549,379
Machinery and Equipment	-	700,495	700,495
Vehicles	-	321,487	321,487
Accumulated Depreciation	-	1,177,147	1,177,147
Capital Leases	-	77,099	77,099
Net Assets	537,899	932,305	1,470,204
<b><i>Business Type Activities</i></b>			
Machinery and Equipment	-	401,071	401,071
Infrastructure	-	81,600	81,600
Accumulated Depreciation	-	223,151	223,151
Note Payables	-	110,292	110,292
Net Assets	4,491	149,228	153,719

***SUPPLEMENTARY  
INFORMATION***

**City of Marietta, Oklahoma**  
**Unaudited – Oklahoma Municipal Retirement Fund**  
**Schedule of Funding Progress**  
**For the Year Ended June 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Liability (AAL) - Entry Age b	Unfunded AAL (UAAL) b-a	Funded Ratio a/b	Covered Payroll c	UAAL as
						Percentage of Covered Payroll (b-a)/c
<b>Primary Government</b>						
1/1/2005	723,307	465,262	(258,045)	155.5%	293,397	-88.0%
1/1/2006	681,230	466,910	(214,320)	145.9%	337,507	-63.5%
1/1/2007	704,496	514,595	(189,901)	136.9%	343,713	-55.2%
1/1/2008	722,018	569,601	(152,417)	126.8%	341,285	-44.7%
1/1/2009	648,859	597,208	(51,651)	108.6%	525,382	-9.8%
1/1/2010	654,516	650,856	(3,660)	100.6%	463,664	-0.8%
1/1/2011	684,269	686,465	2,196	99.7%	468,364	0.5%

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Liability (AAL) - Entry Age b	Unfunded AAL (UAAL) b-a	Funded Ratio a/b	Covered Payroll c	UAAL as
						Percentage of Covered Payroll (b-a)/c
<b>Component Unit</b>						
1/1/2005	433,298	602,416	169,118	71.9%	54,436	310.7%
1/1/2006	444,007	645,661	201,654	68.8%	177,086	113.9%
1/1/2007	464,268	666,791	202,523	69.6%	160,352	126.3%
1/1/2008	483,305	697,062	213,757	69.3%	160,129	133.5%
1/1/2009	420,033	650,761	230,728	64.5%	147,461	156.5%
1/1/2010	390,850	616,152	225,302	63.4%	129,508	174.0%
1/1/2011	368,631	624,769	256,138	59.0%	158,603	161.5%

The schedule of funding progress presented above presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**City of Marietta, Oklahoma**  
**Budgetary Information**  
**June 30, 2011**

The mayor submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. In June the City Council adopts annual fiscal year appropriated budgets for all city funds.

The appropriated budget is prepared by fund, department and categories (personnel services, materials and supplies, other services and charges, capital outlay, debt services and transfers). Transfers of appropriations between departments within a fund require the approval of the City Manager. Transfers of appropriations between funds and supplements to the budget require City Council approval. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The budgetary comparison schedules are reported on the same modified cash basis as governmental funds within the basic financial statements. For budgetary comparison purposes, the City considers all encumbrances to lapse at year end, therefore, encumbrances are not considered expenditures for budgetary comparison purposes. However, the City will re-appropriate these lapsed encumbrances in the subsequent year budget.

**City of Marietta, Oklahoma**  
**Unaudited Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual – General Fund – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	General Fund			
	Original	Final Budget	Actual	Variance with Final Budget
<b>REVENUE</b>				
Taxes	\$ 746,900	\$ 746,900	\$ 751,091	\$ 4,191
License & Permits	2,600	2,600	4,489	1,889
Miscellaneous	24,600	24,600	42,941	18,341
Fines & Forfeitures	132,800	132,800	114,417	(18,383)
Grant Revenue	338,000	378,755	127,895	(210,105)
Charges for Services	17,300	17,300	19,319	2,019
Interest	4,315	4,315	3,525	(790)
Total Revenue	<u>1,266,515</u>	<u>1,307,270</u>	<u>1,063,677</u>	<u>(202,838)</u>
<b>EXPENDITURES</b>				
Current				
General Government	362,150	386,650	351,348	10,802
Highways and Streets	456,150	456,150	193,800	262,350
Public Safety	445,250	450,450	418,195	27,055
Cemetery and Parks	35,000	37,500	36,807	(1,807)
Culture and Recreation	6,900	6,900	6,556	344
Capital Outlay				
Cemetery and Parks	9,000	9,000	8,992	8
Public Safety	5,000	5,000	3,208	1,792
Highways and Streets	4,000	4,000	4,000	-
Debt Service				
Total Expenditures	<u>1,348,054</u>	<u>1,380,254</u>	<u>1,047,510</u>	<u>300,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(81,539)	(72,984)	16,167	97,706
Other Financing Sources				
Transfers In	132,787	132,787	153,639	20,852
Transfers Out	(119,300)	(119,300)	(107,817)	11,483
Total Other Financing Sources	<u>13,487</u>	<u>13,487</u>	<u>45,822</u>	<u>32,335</u>
Net Change in Fund Balances				
	(68,052)	(59,497)	61,989	130,041
Fund Balances - Beginning				
	<u>59,497</u>	<u>59,497</u>	<u>377,285</u>	<u>317,788</u>
Fund Balances - Ending				
	<u>\$ (8,555)</u>	<u>\$ -</u>	<u>\$ 439,274</u>	<u>\$ 447,829</u>

**City of Marietta, Oklahoma**  
**Combining Balance Sheet**  
**General Fund – Modified Cash Basis**  
**June 30, 2011**

	<u>General</u>	<u>Municipal Court</u>	<u>Police Improvement</u>	<u>Police Reserves</u>	<u>Street Improvement</u>	<u>Total</u>
Assets						
Cash and Cash Equivalent	\$ 436,548	\$ 929	\$ 528	\$ 1,269	\$ -	\$ 439,274
Total Assets	<u>\$ 436,548</u>	<u>\$ 929</u>	<u>\$ 528</u>	<u>\$ 1,269</u>	<u>\$ -</u>	<u>\$ 439,274</u>
Fund Balances						
Restricted	-	-	-	-	-	-
Assigned	-	-	528	1,269	-	1,797
Unassigned	<u>436,548</u>	<u>929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,477</u>
Total Fund Balances	<u>436,548</u>	<u>929</u>	<u>528</u>	<u>1,269</u>	<u>-</u>	<u>439,274</u>
Total Liabilities and Fund Balances						
	<u>\$ 436,548</u>	<u>\$ 929</u>	<u>\$ 528</u>	<u>\$ 1,269</u>	<u>\$ -</u>	<u>\$ 439,274</u>

**City of Marietta, Oklahoma**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	General	Municipal Court	Police Improvement	Police Reserves	Street Improvement	Total
<b>REVENUE</b>						
Taxes	\$ 751,091	\$ -	\$ -	\$ -	\$ -	\$ 751,091
License & Permits	4,489	-	-	-	-	4,489
Miscellaneous	42,411	(1)	1	530	-	42,941
Fines & Forfeitures	-	114,417	-	-	-	114,417
Grant Revenue	127,895	-	-	-	-	127,895
Charges for Services	19,319	-	-	-	-	19,319
Interest	<u>3,517</u>	<u>6</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3,525</u>
Total Revenue	948,722	114,422	3	530	-	1,063,677
<b>EXPENDITURES</b>						
Current						
General Government	351,348	-	-	-	-	351,348
Highways and Streets	193,800	-	-	-	-	193,800
Public Safety	399,670	12,232	6,293	-	-	418,195
Cemetery and Parks	36,807	-	-	-	-	36,807
Culture and Recreation	6,556	-	-	-	-	6,556
Capital Outlay						
Cemetery and Parks	8,992	-	-	-	-	8,992
Public Safety	3,208	-	-	-	-	3,208
Highways and Streets	4,000	-	-	-	-	4,000
Debt Service	<u>24,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,604</u>
Total Expenditures	1,028,985	12,232	6,293	-	-	1,047,510
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(80,263)	102,190	(6,290)	530	-	16,167
Other Financing Sources						
Transfers In	147,047	-	6,592	-	-	153,639
Transfers Out	<u>-</u>	<u>(102,191)</u>	<u>(1,890)</u>	<u>-</u>	<u>(3,736)</u>	<u>(107,817)</u>
Total Other Financing Sources	147,047	(102,191)	4,702	-	(3,736)	45,822
Net Change in Fund Balances	66,784	(1)	(1,588)	530	(3,736)	61,989
Fund Balances - Beginning	<u>369,764</u>	<u>930</u>	<u>2,116</u>	<u>739</u>	<u>3,736</u>	<u>377,285</u>
Fund Balances - Ending	<u>\$ 436,548</u>	<u>\$ 929</u>	<u>\$ 528</u>	<u>\$ 1,269</u>	<u>\$ -</u>	<u>\$ 439,274</u>

**City of Marietta, Oklahoma**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds – Modified Cash Basis**  
**June 30, 2011**

	<u>Cemetery Care</u>	<u>Grant</u>	<u>Volunteer Fire</u>	<u>Total</u>
Assets				
Cash and Cash Equivalent	23,662	13,504	2,067	\$ 39,233
 Total Assets	 <u>\$ 23,662</u>	 <u>\$ 13,504</u>	 <u>\$ 2,067</u>	 <u>\$ 39,233</u>
Fund Balances				
Restricted	23,662	13,504	2,067	39,233
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>23,662</u>	 <u>13,504</u>	 <u>2,067</u>	 <u>39,233</u>
 Total Liabilities and Fund Balances	 <u>\$ 23,662</u>	 <u>\$ 13,504</u>	 <u>\$ 2,067</u>	 <u>\$ 39,233</u>

**City of Marietta, Oklahoma**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Cemetery		Volunteer	
	Care	Grant	Fire	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUE</b>				
Miscellaneous	\$ (1)	\$ -	\$ 1	\$ -
Grant Revenue	-	23,704	-	23,704
Charges for Services	6,319	-	-	6,319
Interest	32	-	-	32
Total Revenue	<u>6,350</u>	<u>23,704</u>	<u>1</u>	<u>30,055</u>
 <b>EXPENDITURES</b>				
Current				
Highways and Streets	-	10,200	-	10,200
Public Safety	-	-	5,703	5,703
Cemetery and Parks	1,510	-	-	1,510
Total Expenditures	<u>1,510</u>	<u>10,200</u>	<u>5,703</u>	<u>17,413</u>
 Net Change in Fund Balances	4,840	13,504	(5,702)	12,642
 Fund Balances - Beginning	<u>18,822</u>	<u>-</u>	<u>7,769</u>	<u>26,591</u>
Fund Balances - Ending	<u>\$ 23,662</u>	<u>\$ 13,504</u>	<u>\$ 2,067</u>	<u>\$ 39,233</u>



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE ACCOMPANYING FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Members of the City Council  
City of Marietta, Oklahoma

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Marietta, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 8, 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of 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 opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying schedule of findings and responses to be material weaknesses in internal control over financial reporting: 11-1.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We

consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: 11-2, 11-3, 11-4, and 11-5.

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 11-5.

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

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

*Angel Johnston + Blessingame, P.C.*

Chickasha, Oklahoma  
January 8, 2013

**CITY OF MARIETTA, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2011**

**Deficiencies of Internal Control, Compliance and Other Matters**

11-1. **Criteria** – A good system of internal control provides for a proper segregation of the accounting functions.

**Condition** – The City has a small number of employees that perform the duties that would optimally be divided among a larger number of employees.

**Cause** – Financial resources have not been available or been made available to hire the additional employees necessary to have proper segregation of duties.

**Effect** – Financial errors or irregularities could occur and not be detected in a timely manner.

**Recommendation** – Review the design of your accounting system to obtain the greatest amount of accountability.

**Management response** – Management agrees with the recommendation.

11-2. **Criteria** – The City ordinance states “the mayor is authorized to contract for and to purchase ... not to exceed the amount of \$500. Over \$500 bids and council approval is required.”

**Condition** – Department heads are purchasing up to \$500 and the mayor up to \$1,000.

**Cause** – The accepted practice has been inconsistent with the ordinance.

**Effect** – The City ordinance is being violated in the purchasing process.

**Recommendation** – Either change the ordinance to be consistent with practice or comply with the current ordinance.

**Management response** – Management agrees.

11-3. **Criteria** – State statute requires money to be deposited by the next business day.

**Condition** – At the end of the year we noted that deposits from the transfer station dating back to June 20<sup>th</sup> had not been deposited.

**Cause** – There did not appear to be a set procedure in place to insure timely deposit.

**Effect** – The City is in violation of state statute and undeposited funds are not properly safeguarded.

**Recommendation** – Establish monitoring procedures to insure compliance.

**Management response** – Management agrees.

**CITY OF MARIETTA, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2011**

- 11-4. **Criteria** – Unaccountable allowances are required to be included in employee wages.
- Condition** – The police officers receive a uniform allowance that is not included in their wages.
- Cause** – This has been traditionally paid separately by the City.
- Effect** – The City is in violation of federal employment tax laws.
- Recommendation** – Included the allowances in the wages of the employees.
- Management response** – Management agrees.
- 11-5. **Criteria** – Purchase orders are to be used to initiate the purchasing process. If properly followed this insures the City stays within budget.
- Condition** – In our expenditure testing we noted several purchase orders that were dated after the invoice date.
- Cause** – There is not proper implementation of the statute requiring authorization of purchase orders prior to initiating purchases.
- Effect** – Purchasing laws were violated and the budget could not be properly monitored.
- Recommendation** – The City needs to establish proper purchase order procedures. Management and the City Council must establish clarity and expectations related to these requirements.
- Management response** – Management agrees.

**City of Marietta, Oklahoma**  
**Summary Schedule of Prior Year Findings and Responses**  
**June 30, 2011**

10-1           The Sanitation department in the Sanitation/Transfer Site Fund had actual expenditures in excess of authorized appropriations.

*Not a current year finding.*

**City of Marietta, Oklahoma**  
**Schedule of Grant Activity – Modified Cash Basis**  
**For the Year Ended June 30, 2011**

Federal/State Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantors' Number	Program or Award Amount	Cash/Expend Payable or (Rev Recvble) at 7-1-10	Contract Receipts or Revenue Recognized	Contract Disbursed/ Expended	Cash/Expend Payable or (Rev Recvble) 6/30/2011
<b><u>FEDERAL AWARD PROGRAMS</u></b>							
<b><u>Housing &amp; Urban Development</u></b>							
Passed Through Okla. Dept. of Commerce							
Capital Improvement Plan	14.228	13800-CDBG-CIP-09	\$ 20,200	\$ -	\$ 10,200	\$ 10,200	\$ -
Street Project	14.228	13587-CDBG09	250,000	-	13,504	13,504	-
Total Dept. of Housing and Urban Development				<u>\$ -</u>	<u>\$ 23,704</u>	<u>\$ 23,704</u>	<u>\$ -</u>
<b><u>Department of Justice</u></b>							
Passed Through OK District Attorney's Council							
VAWA Special Victim's Unit		VR09-025	46,909	-	22,633	22,633	-
<b><u>Federal Emergency Mgmt Agency</u></b>							
Passed Through Okla. Dept. of Civil Em. Mgmt.							
Emergency Mgmt Perfm 10	97.042	PL 85-606	10,000	-	5,000	5,000	-
Emergency Mgmt Perfm 11	97.042	PL 85-606	10,000	-	7,500	7,500	-
Emergency Mgmt Perf 4th Proj	97.042	PL 85-606	5,000	-	5,000	5,000	-
Total FEMA				<u>-</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
TOTAL FEDERAL AWARD PROGRAMS				<u>\$ -</u>	<u>\$ 63,837</u>	<u>\$ 63,837</u>	<u>\$ -</u>
<b><u>STATE &amp; OTHER AWARD PROGRAMS</u></b>							
<b><u>Okla. Dept. of Agriculture, Food &amp; Forestry</u></b>							
Volunteer Fire Operational Grant			\$ 5,100	\$ 1,529	\$ -	\$ 1,529	\$ -
<b><u>Rural Economic Action Plan Funds (REAP)</u></b>							
Passed Through Southern Oklahoma Dev. Association							
Generator-City Hall/Emergency Op. Center		10-019	50,000	(35,755)	35,755	-	-
Clear City Drainage		09-022	50,000	-	48,008	48,008	-
Total REAP Grant				<u>(35,755)</u>	<u>83,763</u>	<u>48,008</u>	<u>-</u>
<b><u>Oklahoma Highway Safety Office</u></b>							
Incentive Award Reimbursement		PT-11-03-32	4,000	-	4,000	4,000	-
TOTAL STATE & OTHER AWARD PROGRAMS				<u>\$ 34,226</u>	<u>\$ 87,763</u>	<u>\$ 53,537</u>	<u>\$ -</u>