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**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY, OKLAHOMA)
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2011**

**WINGARD, RAGSDALE & LANGLEY, CPAS, PLLC.
CERTIFIED PUBLIC ACCOUNTANTS
PRYOR, OKLAHOMA**

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY, OKLAHOMA)
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Mayes County Public Facilities Authority
Mayes County, Oklahoma

We have audited the accompanying statement of net assets, statement of activities and statement of revenues, expenditures and changes in fund balance for the *Mayes County Public Facilities Authority (the Authority)* of Mayes County, Oklahoma, as of and for the years ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of statement of net assets, statement of activities and statement of revenues, expenditures and changes in fund balance for the Mayes County Public Facilities Authority of Mayes County, Oklahoma, as of and for the year ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America. Per request of the holder of debt obligations discussed in Note 7 of the financial statements, our opinion includes compliance with covenants required by the note indentures during the period ending June 30, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2011 on our consideration of the Authority's internal control over financial reporting and 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.



WINGARD, RAGSDALE & LANGLEY
CERTIFIED PUBLIC ACCOUNTANTS, PLLC

December 22, 2011

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2011**

WHO WE ARE

The Authority was created on April 15, 2002 for the purpose of promoting, developing and financing the acquisition, construction, rehabilitation and equipping county buildings. Specifically, the Authority has issued \$11,100,000 of revenue notes to construct and furnish a new County Court House and to demolish the old court house. Both of these were accomplished in prior years. At present the Authority is making repairs to county properties and acquiring some equipment. However, the main purpose now is the retirement of debt.

The Governing Board consists of the three Mayes County Commissioners, a resident of Mayes County appointed by the commissioners and a resident of Mayes County appointed by the Chief District Judge serving Mayes County. At June 30, 2011, these trustees were:

Darrell Yoder	Commissioner
Ryan Ball	Commissioner
Alva Martin	Commissioner
Kevin Dodson	Citizen

A summary of net assets and changes in net assets is reflected in Tables 1 and 2 of this management discussion and analysis.

**TABLE 1
SUMMARY OF NET ASSETS
JUNE 30**

	<u>2011</u>	<u>2010</u>
Current assets	\$ 2,842,700	\$ 2,582,569
Fixed assets	11,195,013	11,468,175
Deferred loan costs	<u>37,397</u>	<u>57,371</u>
Total assets	<u>14,075,110</u>	<u>14,108,115</u>
Current liabilities	541,709	519,708
Long-term debt	<u>7,339,572</u>	<u>7,850,178</u>
Total liabilities	<u>7,881,281</u>	<u>8,369,886</u>
Invested in capital assets	3,382,233	3,127,758
Reserved for debt	<u>2,811,596</u>	<u>2,610,471</u>
Total net assets	<u>\$ 6,193,829</u>	<u>\$ 5,738,229</u>

**TABLE 2
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30**

	<u>2011</u>	<u>2010</u>
Revenues		
Sales and cigarette tax	\$ 1,209,041	\$ 1,186,553
Interest income	<u>25,667</u>	<u>24,485</u>
Total revenues	<u>1,234,708</u>	<u>1,211,038</u>
Expenses		
Operating expenses	<u>779,108</u>	<u>737,034</u>
Change in net assets	455,600	474,004
Net assets, beginning of year	<u>5,738,229</u>	<u>5,264,225</u>
Net assets, end of year	<u>\$ 6,193,829</u>	<u>\$ 5,738,229</u>

FINANCIAL HIGHLIGHTS

The highlights of the fiscal year ending June 30, 2011 are as follows:

- Increase in current assets of \$260,131
- Increase in tax revenues of \$22,488
- Increase in expenses of \$42,074

The increase in tax revenues was in spite of receiving only two months of cigarette tax in the current year due to reallocation. Sales tax increased \$35,626 compared to a large decrease in the prior year. Operating expenses increased due primarily to a \$53,919 increase in operation and maintenance (mainly repairs). This was offset by a \$20,512 decrease in interest expense.

FINANCIAL ANALYSIS (CURRENT YEAR)

The change in net assets increased \$455,600 from the prior year, from \$5,738,229 to \$6,193,829. The main reasons for this were an increase in current assets of \$260,131 and a reduction in long-term debt of \$490,240. These were offset by depreciation and amortization of \$302,135.

FINANCIAL ANALYSIS (FUTURE YEARS)

Tax revenues are more than sufficient to meet debt requirements until June 1, 2013, when balloon payments are required to pay off the notes. New notes will be required to be issued at that time. There is a possibility of refinancing prior to that time if low interest rates make it advisable to do so.

CONTACTING THE AUTHORITY'S FINANCE DEPARTMENT

This management's discussion and analysis is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions or need additional financial information, please contact Mayes County at (918) 825-2426.

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY, OKLAHOMA)
STATEMENT OF NET ASSETS
JUNE 30, 2011**

ASSETS**Current assets**

Cash and cash equivalents	\$ 2,553,182
Taxes receivable	217,191
Funds with Trustee Bank	<u>72,327</u>
Total current assets	<u>2,842,700</u>

Other assets

Capital assets (net)	11,195,013
Deferred loan costs, net of \$151,353 amortization	<u>37,397</u>
Total other assets	<u>11,232,410</u>

Total assets	<u>14,075,110</u>
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LIABILITIES**Current liabilities**

Accounts payable	3,366
Current portion of long-term debt	510,605
Accrued interest	<u>27,738</u>
Total current liabilities	<u>541,709</u>

Long term debt

Bonds payable, less current portion	<u>7,339,572</u>
Total liabilities	<u>7,881,281</u>

NET ASSETS

Invested in capital assets	3,382,233
Reserved for capital projects and debt	<u>2,811,596</u>
Total net assets	<u>\$ 6,193,829</u>

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

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY, OKLAHOMA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Revenues		
Sales tax (Note 9)		\$ 1,205,770
Cigarette tax (Note 9)		3,271
Interest income		<u>25,667</u>
Total revenues		<u>1,234,708</u>
Expenses		
Operation and maintenance		117,267
Trustee expenses		6,458
Personal services		8,500
Depreciation		282,162
Amortization		19,973
Interest		<u>344,748</u>
Total		<u>779,108</u>
Change in net assets		455,600
Net assets, beginning of year		<u>5,738,229</u>
Net assets, end of year		<u>\$6,193,829</u>

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

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY, OKLAHOMA)
BALANCE SHEET
JUNE 30, 2011**

Assets		
Cash and cash equivalents		\$ 2,553,182
Taxes receivable		217,191
Funds with trustee bank		<u>72,327</u>
Total assets		<u>\$ 2,842,700</u>
Liabilities		
Accounts payable		3,366
Accrued interest		<u>27,738</u>
Total liabilities		<u>31,104</u>
Fund balances		
Reserved for:		
Debt retirement and capital outlay and maintenance		2,811,596
Unreserved		<u> --</u>
Total fund balance		<u>2,811,596</u>
Total liabilities and fund balances		<u>2,842,700</u>
Fund balance		\$ 2,811,596
Amounts reported for activities in the Statement of Net Assets are different because:		
Capital assets and deferred loan costs are not financial resources and, therefore, are not reported in the fund.		
Capital assets, net of \$1,584,615 of accumulated depreciation		\$ 11,195,013
Deferred loan costs		37,397
Long-term liabilities are not due and payable in the current period, and, therefore, they are not reported in the balance sheet		
Due within one year		(510,605)
Due in more than one year		<u>(7,339,572)</u>
Net assets		<u>\$ 6,193,829</u>

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

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY, OKLAHOMA)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

Revenues		
Sales tax (Note 9)		\$ 1,205,770
Cigarette tax (Note 9)		3,271
Interest		<u>25,667</u>
Total revenues		<u>1,234,708</u>
Expenditures		
Trustee fees		6,458
Personal services		8,500
Operation and maintenance		117,267
Capital outlay		9,000
Debt service		
Principal		490,239
Interest		<u>344,748</u>
Total expenditures		<u>976,212</u>
Excess (deficiency) of revenues over expenditures		258,496
Fund balance - beginning		<u>2,553,100</u>
Fund balance - ending		<u>\$ 2,811,596</u>
Reconciliation of the change in fund balance to the change in net assets		
Excess of revenues over expenditures		<u>258,496</u>
Amounts reported in the Statement of Activities are different because:		
Governmental funds report capital outlays and bond acquisition costs as expenditures, while governmental activities report depreciation expense and bond amortization costs over the life of the assets and the bonds issued.		
Capital asset purchased		9,000
Depreciation expense		(282,162)
Bond amortization expense		<u>(19,973)</u>
		<u>(293,135)</u>
Repayment of long-term debt is reported as expenditures in the fund statement, but reflected as decreases of long-term debt in the Statement of net assets:		
Payment of long-term debt		<u>490,239</u>
		<u>490,239</u>
Change in Net Assets of Governmental Activities		<u>\$ 455,600</u>

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

**MAYES COUNTY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF MAYES COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

9. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ACTIVITIES:*

1.A REPORTING ENTITY - The Authority was created on April 15, 2002 as a component unit of the County of Mayes, Oklahoma, for the purpose of:

To assist the Beneficiary, Mayes County, Oklahoma and citizens in making the most efficient use of all of their economic resources and powers in accord with the needs and benefit of the Beneficiary in order to lessen the burdens on government and to promote the safety, security and general well being of the residents of the Beneficiary and to finance any and all programs, facilities or resources promoting or intending to promote any of the foregoing and, without restriction, in furtherance of the foregoing general objectives, to promote, develop and finance the acquisition, construction, rehabilitation and equipping of county buildings, of any sort or description, including ,but not limited to, any real or personal property related thereto.

To hold, maintain and administer any leasehold rights in and to physical properties demised to the Beneficiary and to comply with the terms and conditions of any such lease.

To acquire by lease, purchase, production, reduction to session or otherwise and to plan, establish, develop, construct, enlarge, improve, extend, maintain, equip, operate, furnish, provide, supply, regulate, hold, store and administer any and all physical properties (real, personal or mixed), rights, privileges, immunities, benefits and any other thing of value, designated or needful for utilization in furnishing, providing or supplying the aforementioned services, utilities buildings and facilities; to finance and refinance and to enter into contracts of purchase, lease-purchase or other interest in or operation and maintenance of said properties, and revenues thereof, and to comply with the terms and conditions of any such contracts, leases or other contracts entered into in connection with the acquisition, equipping, maintenance and disposal of any of said property; and to relinquish, dispose of, rent or otherwise make provisions for properties owned or controlled by the Trust but no longer needed for Trust purposes.

To provide funds for the cost of financing, refinancing, acquiring, constructing, purchasing, equipping, maintaining, leasing, repairing, improving, extending, enlarging, remodeling, holding, storing, operating and administering any or all aforesaid property, improvements, buildings, facilities and all properties (real, personal or mixed) necessary or desirable for executing and fulfilling the Trust purposes and all other charges, costs and expenses necessarily incurred in connection therewith and in so doing, to incur indebtedness, either unsecured or secured by all or any part of the Trust Estate and its revenues.

To expend all funds coming into the hands of the Trustees as revenue or otherwise for the payment of any indebtedness incurred by the Trustees for the purposes specified herein, and in the payment of the aforesaid costs and expenses, and in payment of any other obligation properly chargeable against the Trust Estate, and to distribute the residue and remainder of such funds to the Beneficiary.

1.B PRESENT ACTIVITIES - Currently the activities of the Authority are:

To collect a 3/8 of one percent county sales tax for the purpose of paying debt service on the bonds, and to the extent available, paying for the operating and maintenance expenses on the new Courthouse facility. Payment of improvements for other county facilities and the acquisition of land and construction of additional parking for the new county Courthouse facility may be paid for with either sales tax revenues directly or by indebtedness incurred by the Authority secured by said sales tax revenue.

The sales tax is to terminate at the earliest possible date that said sales tax revenues are sufficient to retire said bonds.

The new court house and the demolition of the old one was completed in prior years.

1.C GOVERNING BOARD - The Governing Board consists of the three Mayes County Commissioners, a resident of Mayes County appointed by the commissioners and a resident of Mayes County appointed by the Chief District Judge serving Mayes County.

1.D RELATIONSHIP WITH PRIMARY GOVERNMENT - The majority of the Authority's board are the county commissioners of the County and its income consists of sales tax enacted by Mayes County by a vote of the people. Essentially the purpose of the Authority is to finance and construct facilities for the primary government, which at present is a new court house.

1.E MEASUREMENT FOCUS AND BASIS OF ACCOUNTING -

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the Statement of Net Assets and the Statement of Activities, activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements (statements 3 and 4), the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

4. FUNDS WITH TRUSTEE BANK

Fund with the trustee bank are invested in money market funds and market value is equal to book value.

5. CAPITAL ASSETS

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

	Balance <u>July 1, 2010</u>	<u>Additions</u>	Transfers and <u>Disposals</u>	Balance <u>June 30, 2011</u>
Land	\$ 224,450	\$ --	\$ --	\$ 224,450
Parking lot	257,124	--	--	257,124
Buildings	12,014,107	--	--	12,014,107
Equipment	225,298	--	--	225,298
Outside lighting	41,178	--	--	41,178
Landscaping	8,471	--	--	8,471
Work in progress	<u>--</u>	<u>9,000</u>	<u>--</u>	<u>9,000</u>
Totals at Historical Cost	<u>12,770,628</u>	<u>9,000</u>	<u>--</u>	<u>12,779,628</u>
Less: Accumulated Depreciation				
Parking lot	(89,686)	(17,142)	--	(106,828)
Buildings	(1,113,602)	(240,884)	--	(1,354,486)
Equipment	(85,322)	(20,181)	--	(105,503)
Outside lighting	(9,608)	(2,745)	--	(12,353)
Landscaping	<u>(4,235)</u>	<u>(1,210)</u>	<u>--</u>	<u>(5,445)</u>
Total accumulated depreciation	<u>(1,302,453)</u>	<u>(282,162)</u>	<u>--</u>	<u>(1,584,615)</u>
Capital assets, net	<u>\$ 11,468,175</u>	<u>\$(273,162)</u>	<u>\$ --</u>	<u>\$ 11,195,013</u>

All assets are depreciated on a straight line basis over the years as presented below:

Parking lot	15 years
Courthouse	50 years
Equipment	7 - 15 years
Outside lighting	15 years
Landscaping	7 years

The capitalization policy of the Authority is to capitalize items with an individual or group cost greater than \$1,500.

6. *DEFERRED LOAN COSTS*

Deferred loan costs are amortized over the period of the loan, both of which are scheduled to be liquidated in the year ending June 30, 2013. Deferred loan costs consist of bond issuance costs of \$188,750 less accumulated amortization of \$151,353.

7. *LONG-TERM DEBT*

A summary of long-term debt activity for the year is as follows:

Balance July 1, 2010	\$8,340,417
Less: Payments	<u>490,240</u>
Balance June 30, 2011	<u>\$7,850,177</u>

Long-term debt consists of two series of revenue notes as follows:

Revenue notes, dated June 1, 2003 in the original amount of \$9,000,000 payable in monthly installments of various amounts of principal ranging from \$23,000 to \$38,000 plus interest at 1.6211%	\$6,280,000
Revenue notes, dated April 28, 2005 in the original amount of \$2,100,000 payable in monthly installments of various amounts of principal ranging from \$5,585 to \$8,993 plus interest accruing at 63.58% of the one month LIBOR rate, plus 150 basis points, or 4.4% at June 30, 2011	<u>1,570,177</u>
	7,850,177
Less: Current portion	<u>510,605</u>
Long-term portion	<u>\$7,339,572</u>

Both notes call for a balloon payment on June 1, 2013 , liquidating them. The principal and interest due annually is as follows:

	<u>Principal</u>	<u>Interest</u>
Year ended June 30, 2012	510,605	330,720
Year ended June 30, 2013	<u>7,339,573</u>	<u>301,680</u>
	<u>\$7,850,178</u>	<u>\$ 632,400</u>

To secure both series of notes, the Authority has granted a security interest in the following property to the trustee bank:

- 1) The .375% sales tax revenues dedicated to the Authority and said sales tax revenues are pledged to debt service.
- 2) All right, title and interest of the Authority in and to the facilities and
- 3) The interest of the Authority in and to the lease agreement wherein Mayes County leased the County Courthouse to the Authority with no rent for the period June 1, 2004 through May 31, 2013, or until all indebtedness of the Authority is retired or provision for payment has been made.

8. *NET ASSETS*

The book values of the land and the depreciable assets are reflected as invested in capital assets as these assets were not paid from bond proceeds. The remainder of net assets is reflected as reserved for capital projects and debt as they are either the result of the bond proceeds or are available for the stated purpose of the Authority.

9. *TAX REVENUES*

The Board of County Commissioners approved not allocating cigarette tax revenues received starting in November, 2011 to the Mayes County Public Facilities Authority.

10. *RISK MANAGEMENT*

The Authority is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority and Mayes County manage these various risks through the purchase of commercial insurance with varying deductibles. These deductibles are below materiality levels for the Authority.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this auditors' report. Certain problems with the facility discovered in the current year necessitated the construction of cooling towers. A contract was issued for such construction in the amount of \$314,080, which was not started until after June 30, 2011.

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SCHEDULE OF FINDINGS AND RESPONSES

REPORTABLE ITEMS FOR FISCAL 2011: NONE

REPORTED ITEMS IN FISCAL 2010:

Material Weakness 1 - Management of Authority Funds

Subsequent to the year audited, Mayes County borrowed a material amount of money from the Authority. The amounts borrowed originated from revenues received for sales tax, governed by voter proposition, which serve as security for two note indentures in the name of the Authority for the purpose of building and maintaining the Mayes County courthouse. Additionally, there was no discussion of this event noted in the minutes of meeting for the Board of Trustees prior to the transaction. When inquired about the transaction, management acknowledged they had not reviewed these contracts before borrowing the funds, however were given guidance by an employee from the Oklahoma State Auditor's Office as to the legal appropriateness of the transaction. Our interpretation of the cited Oklahoma Statue, did not apply to this circumstance. Considering this, we requested management obtain a legal opinion reflecting the appropriateness of this transaction from the Mayes County District Attorney's Office. When obtained, the opinion did not cite any statues, voter propositions, or note indentures as evidence for giving the positive assurance noted in their report supporting the appropriateness of the transaction. The legal opinion, as obtained by management, was been included as supplementary information to Note 11 in the 2010 audited financial statements.

Update: This amount was returned to the Authority. Management and those charged with governance have been educated regarding the inability to utilize Authority funds in this nature.

Material Weakness 2 - Tax Allocations

In 2005 Mayes County began receiving tax revenues for amounts leveled on cigarette sales. Per discussion with management, at the onset of receiving these amounts, they inquired the Oklahoma State Auditor's Office as to the recommended treatment of these revenues by the County. It was further remarked the inquiry resulted in guidance and recommendations that were not consistent. Further discussion with management revealed a determination was made by a member of management, no longer employed by the County, to allocate these revenues in the same manner as revenues received for sales taxes, when the propriety of these revenues was to the general fund of Mayes County. When this determination was made, management began consolidating these amounts with sales tax revenues in allocation calculations submitted to the Board of Commissioners for the approval of County tax allocations. During fiscal 2010, approximately \$16,000 of these excess tax revenues were allocated to the Authority. Considering this amount, it is estimated as much as \$80,000 has been allocated in this manner during the fiscal periods beginning 2005 ending 2010. These amounts are reported individually in the Statement of Activities and disclosed in Note 11 of the 2010 audited financial statements.

Update: Proper action has been taken by Mayes County to no longer allocate these amounts to the Authority. See disclosure at Note 9 in the 2011 financial statements.

Material Weakness 3 – Reporting Compliance

As of June 30, 2010 the Authority has not met the reporting requirements regarding computations of arbitrage related to the tax-exempt debt incurred by the Authority in 2003 and 2005. The Internal Revenue Service requires issuers of tax-exempt debt instruments to file, at least once every five years, arbitrage computations and payment of any calculated rebate payments 60 days after each computation date. Although no arbitrage liability is expected as a result of the computation, the possibility of significant penalties can result if rebates for arbitrage are discovered upon completion of the computation. This reporting deficiency has been disclosed at Note 10 of the 2010 audited financial statements.

Update: The Authority hired outside consultants to perform these calculations and reporting. No liability was reported by those consultants with respect to their calculations.