

**TOWN OF DOVER
KINGFISHER COUNTY, OKLAHOMA**

**AUDIT REPORT
FISCAL YEAR ENDED
JUNE 30, 2010**

*WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA*

**TOWN OF DOVER
KINGFISHER COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

Mike McNulty
Marlita Peters
Brian Chestnut
Scott Huntsberger
Brenda Cooper

Amy Friday
M. Janie Crosswhite
Jim Murphy
Richard Crump

Mayor
Trustee
Trustee
Trustee
Trustee

Town Clerk
Town Treasurer
Street/Utility Supervisor
Attorney

CONTENTS

	<u>Page</u>
Town officials	
Contents	
Management's Discussion and Analysis - Omitted	
Independent Auditors' Report	
Government Wide Financial Statements	3
Statement of Net Assets – Modified Cash Basis	
Statement of Activities – Modified Cash Basis	4
Statement of Net Assets by Fund – Modified Cash Basis	
Governmental Funds	5
Proprietary Funds	6
Statement of Revenue, Expenditures and Changes in Fund Balance by Fund	
Governmental Funds	7
Proprietary Funds	8
Statement of Cash Flows – Proprietary Fund	9
Notes to financial statements	10-18
TABLE 1. Capital Assets	
Supplemental Information	
Budgetary Comparison Schedule General Fund – Modified Cash Basis	
Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based Upon an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT

121 SOUTH NOBLE ~ P.O. BOX 181
PHONE 580-623-5071
TOLL FREE 800-230-7672

WATONGA, OKLAHOMA 73772
FAX 580-623-5072
WGAUER@WHEELERBROTHERS.COM

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Dover, Oklahoma

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Dover, Oklahoma, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town's management. My responsibility is to express opinions on these financial statements based on my audit

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. 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. I believe that my audit provides a reasonable basis for our opinions.

As discussed in Note 1, Town of Dover, Oklahoma, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Dover, Oklahoma, as of June 30, 2010, and the respective changes in financial position—modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (omitted) and budgetary comparison information on pages 21 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing

Town of Dover
March 31, 2011
Page 2

standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Watonga, Oklahoma
March 31, 2011

TOWN OF DOVER, Oklahoma
Statement of Net Assets - Modified Cash Basis
June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Unrestricted:</i>			
Cash and Cash Equivalents	\$ 39,041	\$ 35,413	\$ 74,454
<i>Restricted:</i>			
Restricted Cash and Investments	70,182	12,412	82,594
Deposits with insurance pool	-	-	-
Capital Assets (Note			
Land, infrastructure	-	5,749	5,749
Depreciable capital assets, net	-	149,182	149,182
Total Assets	109,222	202,755	311,978
LIABILITIES			
Customer Deposits	-	10,521	10,521
Long-term Liabilities (Note			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total Liabilities	-	10,521	10,521
NET ASSETS			
Invested in capital assets, net of related debt	-	154,931	154,931
Restricted	70,182	1,891	72,073
Unrestricted	39,041	35,413	74,454
Total Net Assets	\$ 109,222	\$ 192,234	\$ 301,457

See accompanying notes to the basic financial statements.

TOWN OF DOVER, Oklahoma
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2010

Functional Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 193,663	\$ 1,528	-	\$ -	\$ (192,135)	-	\$ (192,135)
Public Safety	10,774	51,712	-	-	40,938	-	40,938
Highway and streets	-	-	13,734	-	13,734	-	13,734
Total governmental activities	<u>204,437</u>	<u>53,240</u>	<u>13,734</u>	<u>-</u>	<u>(137,463)</u>	<u>-</u>	<u>(137,463)</u>
Business-Type Activities:							
Water and sanitation	105,696	112,557	-	-	-	6,861	6,861
Miscellaneous	501	1,950	-	-	-	1,449	1,449
Total business-type activities	<u>106,197</u>	<u>114,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,310</u>	<u>8,310</u>
Total Primary Government	<u>310,634</u>	<u>167,747</u>	<u>13,734</u>	<u>-</u>	<u>(137,463)</u>	<u>8,310</u>	<u>(129,153)</u>
Total Component Unit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
General Revenues:							
Taxes:							
Sales, Use & Tobacco Tax					95,138	-	95,138
Franchise Tax					16,185	-	16,185
Motor Vehicle Tax					2,637	-	2,637
Gas Excise Tax					688	-	688
Alcoholic Beverage Tax					3,737	-	3,737
Investment Income					987	413	1,400
Miscellaneous					8,056	-	8,056
Transfers-Internal Activity					31,139	(29,736)	1,403
Total general revenues and transfers					<u>158,567</u>	<u>(29,323)</u>	<u>129,243</u>
Changes in Net Assets					21,104	(21,014)	91
Net Assets - Beginning					88,119	213,247	301,366
Net Assets - Ending					<u>\$ 109,223</u>	<u>\$ 192,234</u>	<u>\$ 301,457</u>

See accompanying notes to the basic financial statements.

TOWN OF DOVER, Oklahoma
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Public Ways	Fire Protection	Police Bail Bond	Total
ASSETS					
Cash and cash equivalents	\$ 39,041	-	-	-	\$ 39,041
Investments	-	-	-	-	-
Restricted cash and cash equivalents	-	25,619	1,415	3,757	30,791
Restricted investments	-	39,392	-	-	39,392
Capital Assets					
Land, inexhaustible assets and construction-in-process	-	-	-	-	-
Other capital assets, net of accumulated depreciation	-	-	-	-	-
Total Assets	<u>39,041</u>	<u>65,011</u>	<u>1,415</u>	<u>3,757</u>	<u>109,224</u>
LIABILITIES					
Customer deposits	-	-	-	-	-
Long-term debt	-	-	-	-	-
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS					
Invested in Capital Assets, net of debt	-	-	-	-	-
Restricted	-	-	-	-	-
Debt Service	-	65,011	1,415	3,757	70,183
Other	-	-	-	-	39,041
Unrestricted	39,041	-	-	-	39,041
Total Net Assets	<u>39,041</u>	<u>65,011</u>	<u>1,415</u>	<u>3,757</u>	<u>109,224</u>
Reconciliation to Statement of Net Assets:					
Amount reported for governmental activities in the statement of net assets					-
Capital assets					-
Certain liabilities not payable in the reporting period					-
					<u>\$ 109,224</u>

See accompanying notes to the basic financial statements.

TOWN OF DOVER, Oklahoma
 STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
 PROPRIETARY FUNDS
 JUNE 30, 2010

	Public Works Authority	Meter Deposits	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 35,413	\$ -	\$ 35,413
Noncurrent Assets:			
Restricted cash and cash equivalents	-	12,412	12,412
Restricted investments	154,931	-	154,931
Capital Assets, net of accumulated depreciation	154,931	12,412	167,343
Total noncurrent assets	190,344	12,412	202,755
Total Assets			
LIABILITIES			
Current Liabilities:			
Notes payable-current portion	-	-	-
Total current liabilities	-	-	-
Noncurrent Liabilities:			
Refundable deposits	-	10,521	10,521
Notes payable-long-term portion	-	10,521	10,521
Total noncurrent liabilities	-	10,521	10,521
Total Liabilities			
NET ASSETS			
Invested in Capital Assets, net of debt	154,931	-	154,931
Restricted	-	1,891	1,891
Unrestricted	35,413	-	35,413
Total Net Assets	<u>\$ 190,344</u>	<u>\$ 1,891</u>	<u>\$ 192,234</u>

See accompanying notes to the basic financial statements.

TOWN OF DOVER, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	General Fund	Public Ways	Fire Protection	Police Bail Bond	Total
Revenues:					
Taxes	\$ 88,412	\$ 22,911	\$ -	\$ -	\$ 111,323
Intergovernmental	7,061	-	-	-	7,061
Charges for services	1,250	-	-	-	1,250
Fines and forfeitures	-	-	-	51,712	51,712
Licenses and permits	278	-	-	-	278
Investment income	191	789	7	-	987
Miscellaneous	2,191	-	5,865	-	8,056
Total Revenues	<u>99,384</u>	<u>23,700</u>	<u>5,872</u>	<u>51,712</u>	<u>180,668</u>
	174,083				
Expenditures:					
Personnel Service	80,359	-	-	-	80,359
Maintenance and Operation	86,099	26,321	6,122	5,535	124,078
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>166,458</u>	<u>26,321</u>	<u>6,122</u>	<u>5,535</u>	<u>204,437</u>
Excess (deficiency) of revenues over expenditures	(67,074)	(2,622)	(250)	46,177	(23,769)
Other Financing Sources					
Transfers In	74,699	-	-	-	74,699
Transfers Out	-	-	-	(43,560)	(43,560)
Grant Proceeds	-	13,734	-	-	13,734
Total Other Financing Sources	<u>74,699</u>	<u>13,734</u>	<u>-</u>	<u>(43,560)</u>	<u>44,873</u>
Net Changes in Fund Balances	7,625	11,112	(250)	2,617	21,104
Fund Balance - Beginning	31,416	53,898	1,665	1,140	88,119
Fund Balance - Ending	<u>\$ 39,041</u>	<u>\$ 65,010</u>	<u>\$ 1,415</u>	<u>\$ 3,757</u>	<u>\$ 109,223</u>

Reconciliation to the Statement of Activities:

Net change in fund balances	21,104
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets capitalized	-
Depreciation expense	-
Change in net assets of governmental activities	<u>\$ 21,104</u>

TOWN OF DOVER, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
PROPRIETARY FUNDS

	Public Works Authority	Meter Deposit	Total
Revenues:			
Charges for services:			
Charges for services-Water and Sanitation	\$ 112,557	\$ -	\$ 112,557
Other	-	1,950	1,950
Total Revenues	<u>112,557</u>	<u>1,950</u>	<u>114,507</u>
Expenses:			
Dues and subscriptions	-	-	-
Employee benefits, retirement	2,051	-	2,051
Fuel	3,827	-	3,827
Insurance	880	-	880
Miscellaneous	-	-	-
Office Supplies	8,033	-	8,033
Professional Fees	4,525	-	4,525
Repairs and maintenance	8,589	-	8,589
Salaries, net	17,293	-	17,293
Supplies	8,282	-	8,282
Taxes, payroll	3,226	-	3,226
Telephone	601	-	601
Trash Service	32,105	-	32,105
Utilities	4,911	501	5,412
Depreciation	11,372	-	11,372
Total Expenses	<u>105,696</u>	<u>501</u>	<u>106,197</u>
Operating Income (Loss)	<u>6,861</u>	<u>1,449</u>	<u>8,310</u>
Non-operating revenues (expenses):			
Investment income	325	88	413
Grant Proceeds	-	-	-
Other revenue	-	-	-
Transfers In	-	-	-
Transfers Out	(28,791)	-	(28,791)
Total Non-operating Revenues (Expenses)	<u>(28,466)</u>	<u>88</u>	<u>(28,378)</u>
Changes in Net Assets	(21,605)	1,536	(20,069)
Net Assets - Beginning	211,949	354	212,303
Net Assets - Ending	<u>\$ 190,344</u>	<u>\$ 1,891</u>	<u>\$ 192,234</u>

See Accompanying notes to the basic financial statements.

TOWN OF DOVER, Oklahoma
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
PROPRIETARY FUNDS

	Public Works Authority	Meter Deposits	Total
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 112,557	\$ -	\$ 112,557
Payments to Suppliers	(71,754)	-	(71,754)
Payments for personnel services	(22,570)	-	(22,570)
Receipts of meter deposits	-	1,950	1,950
Refund of meter deposits	-	(501)	(501)
Net cash provided (used) by operating activities	18,233	1,449	19,682
CASH FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers to General Fund	(29,735)	-	(29,735)
Transfers from Police Bail Bond Fund	-	-	-
Transfers from Public Ways Fund	-	-	-
	(29,735)	-	(29,735)
CASH FLOW FROM CAPITAL RELATED ACTIVITIES			
Proceeds from Grants	-	-	-
Construction of New Building	-	-	-
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	325	88	413
Net change in cash and cash equivalents	(11,177)	1,536	(9,639)
Balance Beginning of the year	46,589	10,875	57,465
Balance End of the year	\$ 35,412	12,412	\$ 47,825
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating Income (Loss)	\$ 6,861	\$ -	\$ 6,861
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	11,372	-	11,372
Increase in customer deposits	-	1,449	1,449
	\$ 18,233	\$ 1,449	\$ 19,682

See Accompanying notes to the basic financial statements.

Note 1. Summary of Significant Accounting Policies

The accounting policy of the Town of Dover is to prepare its financial statements on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Financial Reporting Entity

The Town's financial reporting entity is composed of the following:

Primary Government	Town of Dover
Blended Component Units	Dover Public Works Authority
Discretely Presented Component Units	None

Government-wide and fund financial statements

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenues are recognized as when they are received. Expenditures generally are recognized when a liability is paid.

The Town reports the following major governmental funds.

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are wither legally restricted for a specific purposes or designated to finance particular functions or activities. These funds include the Public Ways Fund (1-cent sales tax), Fire Protection Fund, and the Police Bail Fund. The Public works Authority, a proprietary fund, is used to account for the business-like activities provided to the general public. Included in this fund is the Meter Deposit Fund.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during

Cash and cash equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based upon quoted market prices. All investments of the Town are currently held as certificate of deposits.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental columns in the government-wide financial statements. Capital assets are omitted from the Town's financial statements. The Town has presented the capital assets in the Public Works or proprietary fund. The Town capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for equipment, \$10,000 for improvements, and \$50,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The cost 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 are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Buildings	30 - 50
Building improvements	20 - 50
Machinery and equipment	5 - 15
Infrastructure	20 - 65
Vehicles	5 - 10

Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is not reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund. No liability for compensated absences has been presented on the basic financial statements.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

No long-term liabilities exist as of the balance sheet date, nor did the Town incur any debt during the fiscal year under being reported.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute either expenditures or liabilities. No encumbrances exist as of the end of the fiscal year.

Fund equity and net assets

In the government-wide financial statements, net assets are classified in the following categories: Invested in Capital Assets, Net of Related Debt—This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets—This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets—This category represents the net assets of the Town that are not restricted for any project or other purpose by third parties.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved fund balance—indicates that portion of fund equity that is not available for appropriation or that has been legally segregated for specific purposes.

Unreserved/Designated fund balance—indicates that portion of fund equity for which the Town has made tentative plans that are subject to change.

Unreserved/Undesignated fund balance—indicates that portion of fund equity that is available for appropriation and expenditure in future periods, or if a deficit, for which future funding will be required.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation 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, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” There are no reconciling items to be reported under the current accounting method utilized by the Town.

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 governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation 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.” There are no reconciling items to be reported under the Town’s accounting basis.

Note 3. Budgets and Budgetary Accounting

The Town’s general budget policies are as follows:

General Fund

The Town, in accordance with Oklahoma Statutes, Title 69 the Town of Dover formally adopt budgets which include the General Fund. This annual budget is adopted or based upon 90 percent of prior years receipts.

Special revenue funds

The Town does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies.

Note 4. Cash, Cash Equivalents and Investments

The Town utilizes the services of a Treasurer for cash and investment control and accountability. The treasurer is authorized to deposit funds in accounts that are either fully insured or collateralized by acceptable collateral valued at no more than market value. Permissible investments include direct obligations of the United States Government and its Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of

deposit for all amounts not covered by federal deposit insurance. As of the current fiscal year end all cash and investments of the Town were entirely insured or collateralized as required by Oklahoma Statutes.

Deposits

The Town's cash deposits at year-end are categorized to give an indication of the level of risk assumed by the Town at year-end as follows:

Insured or collateralized with securities held by the Town or by its agent in the Town's name.
 Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

All deposits of the Town are categorized as (A) type deposits identified above. The carrying amount and market value is equal to the cash balance reported in the financial statement and in the following chart as of June 30, 2010.

Deposit Categories of Credit Risk

	Category			Bank Balance	Carrying Amount	Market Value
	A	B	C			
Cash	\$ 86,866	\$	\$	\$ 86,866	\$ 86,866	\$ 86,866
Investments	<u>70,182</u>			<u>70,182</u>	<u>70,182</u>	<u>70,182</u>
Total	<u>\$ 157,048</u>	<u>\$</u>	<u>\$</u>	<u>\$ 157,048</u>	<u>\$ 157,048</u>	<u>\$ 157,048</u>

Investments

The Town's investments consisted of bank certificates of deposit during the year and are categorized as (A) type deposits identified above. The carrying amount and market value are reported in the chart above as of June 30, 2010.

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

NONE

Interfund transfers during the year ended June 30, 2010 were as follows:

TOWN OF DOVER, Oklahoma
 Budgetary Comparison Schedule General Fund - Modified Cash Basis
 For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 33,764	\$ 33,764	\$ 33,764	\$ -
Resources (Inflows):				
Taxes:				
Sales Tax	60,415	65,529	65,529	-
Franchise Tax	10,247	16,185	16,185	-
Use Tax	5,781	5,482	5,482	-
Tobacco Tax	1,106	1,216	1,216	-
Total Taxes	<u>77,549</u>	<u>88,412</u>	<u>88,412</u>	<u>-</u>
Intergovernmental:				
Alcoholic Beverage Tax	3,397	3,737	3,737	-
Motor Vehicle Tax	2,402	2,637	2,637	-
Gas Excise Tax	628	688	688	-
Investment Income	244	191	191	-
Miscellaneous Income				
Police Fines	14,310	43,560	43,560	-
Rental	1,791	1,250	1,250	-
Permits	1,367	278	278	-
Miscellaneous	-	2,191	2,191	-
Other Financing Sources:				
Transfer from Other Funds	<u>29,364</u>	<u>28,791</u>	<u>28,791</u>	<u>-</u>
Amounts available for appropriations	<u>164,816</u>	<u>205,499</u>	<u>205,499</u>	<u>-</u>
General Government				
Personal Services	70,000	80,359	80,359	-
Maintenance and Operations	85,000	75,325	75,325	-
Capital Outlay	9,816	-	-	-
	<u>164,816</u>	<u>155,685</u>	<u>155,685</u>	<u>-</u>
Police Department				
Personal Services	-	-	-	-
Maintenance and Operations	-	10,774	10,774	-
Capital Outlay	-	-	-	-
	<u>-</u>	<u>10,774</u>	<u>10,774</u>	<u>-</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>164,816</u>	<u>166,458</u>	<u>166,458</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>-</u>	<u>39,041</u>	<u>\$ 39,041</u>	<u>\$ -</u>