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AUDIT REPORT

TOWN OF GARVIN, OKLAHOMA

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3732

JUNE 30, 2011



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TOWN OF GARVIN, OKLAHOMA
JUNE 30, 2011

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TOWN OF GARDNER, OKLAHOMA
JUNE 30, 2011

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TOWN OF GARMIN, OKLAHOMA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2011

BOARD OF TRUSTEES

<u>NAME</u>	<u>POSITION</u>
BYRON FOSTER	MAYOR
ANTHONY SMITH	TREASURER
ERITT MABRY	TRUSTEE
DAVID RODGERS	TRUSTEE

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Garvin, Oklahoma

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Garvin, Oklahoma, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Town of Garvin, Oklahoma's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Garvin, Oklahoma's management. My responsibility is to express an opinion 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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with Oklahoma Statutes. Those standards require that I 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 my opinion.

As described in the Notes, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the Town has not maintained accurate capital asset records to support the historical cost of past capital asset purchases. Accounting principles generally accepted in the United States of America require that capital assets be recorded at historical cost net of accumulated depreciation. Documentation supporting historical cost was not readily available for my review. The amount by which this departure would affect the assets, net assets, and expenses of the Governmental & Business-Type Activities is not readily determinable.

In my opinion, except for the effects, if any, on the financial statements of improper capital asset recordkeeping described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Garvin, Oklahoma, as of June 30, 2011, and the changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described above.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 5, 2011, on my consideration of the Town of Garvin, Oklahoma's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is

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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 compliance with Government Auditing Standards and should be considered in assessing the results of my audit.

The budgetary comparison information and the notes to the budgetary comparison information are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The Town of Garvin has implemented the general provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34. However the Town has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) that the GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Garvin's basic financial statements. The introductory and the other supplementary information sections listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Town. Such additional information has not been subjected to the auditing procedures applied in my audit of the basic financial statements, and accordingly, I do not express an opinion thereon.



Robert E. Kershaw CPA

October 5, 2011

TOWN OF GARVIN, OKLAHOMA
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	2011 Total
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash and cash equivalents	\$ 26,565	\$ 34,915	\$ 61,480
Investments	21,640	16,230	37,870
Total Current Assets	48,205	51,145	99,350
<u>Other Assets:</u>			
Cash and cash equivalents - Restricted	-	8,753	8,753
Total Other Assets	-	8,753	8,753
<u>Capital Assets:</u>			
Capital Assets, net of Accum. Depreciation	205,782	460,677	666,459
Total Capital Assets	205,782	460,677	666,459
TOTAL ASSETS	253,987	520,575	774,562
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Accrued Interest Payable	-	50	50
Payroll Taxes Payable	-	-	-
Current Portion of Long-Term Debt	-	2,692	2,692
Customer Deposits	-	6,723	6,723
Total Current Liabilities	-	9,465	9,465
<u>Long-Term Liabilities:</u>			
Capital Debt Obligations	-	-	-
Notes Payable - USDA RD	-	21,068	21,068
Less: Current Portion of Long-Term Debt	-	(2,692)	(2,692)
Total Long-Term Liabilities	-	18,376	18,376
TOTAL LIABILITIES	-	27,841	27,841
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	205,782	439,609	645,391
Restricted for:			
Debt Service	-	8,753	8,753
Other Purposes	-	-	-
Unrestricted	48,205	44,373	92,578
TOTAL NET ASSETS	\$ 253,987	\$ 492,735	\$ 746,722

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF GARVIN, OKLAHOMA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General Government	\$ 66,711	\$ -	\$ 20,367	\$ -	\$ (46,344)
Public Safety	-	-	-	-	-
Highways & Streets	-	-	-	-	-
Debt Service - Interest Expense	-	-	-	-	-
Total Governmental Activities	<u>66,711</u>	<u>-</u>	<u>20,367</u>	<u>-</u>	<u>(46,344)</u>
Business-type activities:					
Water, Sewer & Sanitation	<u>42,795</u>	<u>43,405</u>	<u>-</u>	<u>-</u>	<u>610</u>
Total Business-type Activities	<u>42,795</u>	<u>43,405</u>	<u>-</u>	<u>-</u>	<u>610</u>
Total	<u>\$ 109,506</u>	<u>\$ 43,405</u>	<u>\$ 20,367</u>	<u>\$ -</u>	<u>\$ (45,734)</u>

Changes in Net Assets:

	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	\$ (46,344)	\$ 610	\$ (45,734)
General revenues:			
Taxes:			
Sales Tax	27,446	-	27,446
Cigar Tax	390	-	390
Franchise Tax	2,566	-	2,566
Intergovernmental:			
Motor Vehicle Tax	1,095	-	1,095
Alcoholic Beverage Tax	2,220	-	2,220
Gasoline Excise Tax	252	-	252
Donations	-	-	-
Sale of Property/Equipment	900	-	900
Miscellaneous Income	9,256	-	9,256
Interest Income	399	299	697
Transfers - Internal Activity	-	-	-
Total general revenues & transfers	<u>44,523</u>	<u>299</u>	<u>44,822</u>
Changes in net assets	<u>(1,821)</u>	<u>908</u>	<u>(912)</u>
Net assets - beginning	255,808	491,827	747,635
Net assets - prior year adjustment	-	-	-
Net assets - ending	<u>\$ 253,987</u>	<u>\$ 492,735</u>	<u>\$ 746,722</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**TOWN OF GARVIN, OKLAHOMA
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund	Community Center	Wellness Center	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 22,427	\$ 110	\$ 3,445	\$ 583	\$ 26,565
Investments	21,640	-	-	-	21,640
TOTAL ASSETS	\$ 44,067	\$ 110	\$ 3,445	\$ 583	\$ 48,205
LIABILITIES & FUND EQUITY					
LIABILITIES:					
Payroll Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES:					
Unreserved	44,067	110	3,445	-	47,622
Unreserved, reported in nonmajor special revenue funds	-	-	-	583	583
TOTAL FUND BALANCES	44,067	110	3,445	583	48,205
TOTAL LIABILITIES AND FUND BALANCES	\$ 44,067	\$ 110	\$ 3,445	\$ 583	

Reconciliation to Statement of Net Assets:

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

Capital assets used in governmental activities of \$205,781.33, net of accumulated depreciation of \$0, are not financial resources and, therefore, are not reported in the funds. 205,782

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds. -

Net Assets of Governmental Activities **\$ 253,987**

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF GARVIN, OKLAHOMA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Community Center	Wellness Center	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Sales Tax	\$ 27,446	\$ -	\$ -	\$ -	27,446
Cigar Tax	390	-	-	-	390
Franchise Tax	2,566	-	-	-	2,566
Intergovernmental:					
Motor Vehicle Tax	1,095	-	-	-	1,095
Alcoholic Beverage Tax	2,220	-	-	-	2,220
Gasoline Excise Tax	252	-	-	-	252
Grants	-	20,367	-	-	20,367
Donations	-	-	-	-	-
Sale of Property/Equipment	900	-	-	-	900
Miscellaneous Income	1,150	-	5,576	2,530	9,256
Interest Income	396	-	2	-	399
TOTAL REVENUES	36,415	20,367	5,578	2,530	64,890
EXPENDITURES:					
General Government	59,959	1,282	3,487	1,982	66,711
Public Safety	-	-	-	-	-
Highways & Streets	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	59,959	1,282	3,487	1,982	66,711
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,544)	19,085	2,091	548	(1,821)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	18,975	-	-	-	18,975
Operating Transfers Out	-	(18,975)	-	-	(18,975)
Capital Debt Proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	18,975	(18,975)	-	-	-
NET CHANGES IN FUND BALANCES	(4,569)	110	2,091	548	(1,821)
FUND BALANCE - BEGINNING OF YEAR	48,636	-	1,354	36	50,026
FUND BALANCE - PRIOR YEAR ADJUSTMENT	-	-	-	-	-
FUND BALANCE - END OF YEAR	\$ 44,067	\$ 110	\$ 3,445	\$ 583	48,205

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**TOWN OF GARVIN, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Reconciliation to Statement of Activities:

Net change in fund balances - total governmental funds	\$	(1,821)
--	----	---------

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

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Capital debt obligation principal payments		-
--	--	---

Issuance of new capital debt obligations is recorded as capital debt proceeds in the governmental funds, but the proceeds create long-term liabilities in the Statement of Net Assets:

Capital Debt Proceeds		-
-----------------------	--	---

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized		-
-------------------------------------	--	---

Depreciation expense		-
----------------------	--	---

		-
Change in Net Assets of Governmental Activities	\$	<u>(1,821)</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**TOWN OF GARVIN, OKLAHOMA
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2011**

	Garvin Public Works Authority Enterprise Fund	
	<u>June 30, 2011</u>	<u>Memo Only June 30, 2010</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 34,915	\$ 21,950
Investments	16,230	15,974
Total Current Assets	<u>51,145</u>	<u>37,925</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	8,753	8,564
Other capital assets, net of accumulated depreciation	460,677	475,942
Total Noncurrent Assets	<u>469,430</u>	<u>484,506</u>
TOTAL ASSETS	<u>520,575</u>	<u>522,431</u>
<u>LIABILITIES & FUND EQUITY</u>		
Current Liabilities:		
Accrued Interest Payable	50	53
Current Portion of Long-Term Debt	2,692	2,561
Customer Deposits	6,723	6,923
Total Current Liabilities	<u>9,465</u>	<u>9,537</u>
Noncurrent Liabilities:		
Notes Payable - USDA RD	21,068	23,629
Less: Current Portion of Long-Term Debt	<u>(2,692)</u>	<u>(2,561)</u>
Total Noncurrent Liabilities	<u>18,376</u>	<u>21,068</u>
TOTAL LIABILITIES	<u>27,841</u>	<u>30,604</u>
NET ASSETS:		
Invested in capital assets, net of related debt	439,609	452,314
Restricted for debt service	8,753	8,564
Unrestricted	44,373	30,950
TOTAL NET ASSETS	<u>\$ 492,735</u>	<u>\$ 491,827</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF GARVIN, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Garvin Public Works Authority Enterprise Fund	
	June 30, 2011	Memo Only June 30, 2010
OPERATING REVENUES:		
Water, Sewer, Sanitation, and Tap Fees	\$ 43,405	\$ 44,210
TOTAL OPERATING REVENUES	<u>43,405</u>	<u>44,210</u>
OPERATING EXPENSES:		
Water Purchases	9,517	10,297
Commissions & Fees	1,141	1,548
Materials & Supplies	-	777
Depreciation Expense	15,265	18,014
Office Expense & Miscellaneous	457	557
Professional Fees	-	2,315
Repairs & Maintenance	-	1,845
Contract Labor	7,964	7,753
Utilities	7,077	6,610
Bank Charges	154	-
Miscellaneous	100	-
TOTAL OPERATING EXPENSES	<u>41,675</u>	<u>49,716</u>
NET OPERATING INCOME (LOSS)	<u>1,730</u>	<u>(5,506)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	299	334
Interest Expense	(1,121)	(1,243)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(822)</u>	<u>(908)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	908	(6,414)
Capital Contributions	-	-
Transfers in	-	-
Transfers out	-	-
CHANGE IN NET ASSETS	908	(6,414)
TOTAL NET ASSETS - BEGINNING	491,827	498,241
TOTAL NET ASSETS - PRIOR YEAR ADJUSTMENT	-	-
TOTAL NET ASSETS - ENDING	<u>\$ 492,735</u>	<u>\$ 491,827</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT G

TOWN OF GARVIN, OKLAHOMA
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	2011	Memo Only 2010
<u>Net Cash Flows from Operating Activities:</u>		
Cash Receipts from Customers	\$ 43,405	\$ 44,210
Other Cash Receipts	-	-
Payments to Suppliers, Employees & Laborers	(26,410)	(31,702)
Receipts of Customer Utility Deposits, Net of Refunds	(200)	96
Net Cash Provided (Used) by Operating Activities	16,795	12,604
<u>Net Cash Flows from Non-Capital Financing Activities:</u>		
Operating Transfers in	-	-
Operating Transfers Out	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-
<u>Net Cash Flows from Capital & Related Financing Activities:</u>		
Additions to Capital Assets	-	-
Capital Contributions	-	-
Loan Proceeds received	-	-
Principal paid on Notes	(2,561)	(2,436)
Interest paid on Notes	(1,123)	(1,248)
Net Cash Provided (Used) by Capital & Related Financing Activities	(3,684)	(3,684)
Net Cash Flows from Investing Activities:		
(Increase)Decrease in Investments	(256)	(282)
Interest Income	299	334
Net Cash Provided (Used) by Investing Activities	43	52
Net Increase (Decrease) in Cash and Cash Equivalents	13,154	8,972
Cash & Cash Equivalents, Beginning of Year	30,514	21,542
Cash & Cash Equivalents, Prior Year Adjustment	-	-
Cash & Cash Equivalents, End of Year	\$ 43,668	\$ 30,514
<u>Reconciliation of operating income (loss) to net cash provided operating activities:</u>		
Operating Income (Loss)	\$ 1,730	\$ (5,506)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation Expense	15,265	18,014
Increase(Decrease) in Customer Deposits	(200)	96
Net Cash Provided (Used) by Operating Activities	\$ 16,795	\$ 12,604

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF GARVIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Town of Garvin, Oklahoma is a "Statutory Town Government" under Title 11 of the Oklahoma Statutes.

The Town provides the following services: public safety, streets and highways, sanitation, public improvements, and general administrative services. The Garvin Public Works Authority (Enterprise Fund) provides water and sewer services. The Garvin Public Works Authority (the PWA) is a public trust created under the authority of Title 60 Oklahoma Statutes. The Town board of trustees and PWA board of directors are the same.

FUND ACCOUNTING

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund types and two generic categories as follows:

GOVERNMENTAL FUND TYPES

General Fund

The General Fund is used to account for all of the general revenues of the Town not specifically levied or collected for other Town funds, and for expenditures primarily related to the rendering of the general services to the Town.

PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise funds are used to account for the acquisition, operation and maintenance of Town facilities which are financed primarily by user charges. The Enterprise funds are accounted for similar to activities of the private sector. The measurement focus is upon determination of net income, financial position and changes in financial position. The Garvin Public Works Authority is accounted for as the Town's Enterprise Fund.

TOWN OF GARVIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Garvin Public Works Authority	Accounts for the activities of the public trust in providing water and sewer services to the public.
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BASIS OF ACCOUNTING

Basis of accounting refers to the time when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurement made, regardless of the measurement focus applied.

The cash basis of accounting is followed by all funds of the Town, which is not in accordance with generally accepted accounting principles. Under this cash basis of accounting, revenues are recorded when received and expenditures are recorded when paid. In accordance with generally accepted accounting principles, governmental fund types would utilize the modified accrual basis of accounting while proprietary type funds would use the accrual basis of accounting.

If the books of the governmental fund types and the similar trust fund were maintained on the basis of accounting required by generally accepted accounting principles, revenues would be recorded when susceptible to accrual (i.e. both measurable) and available and expenditures would be recorded when the current liability is incurred. If the books of the proprietary fund types and similar trust funds were maintained on the basis of accounting required by generally accepted accounting principles, revenues would be recognized when earned and expenses would be recorded when the liability is incurred.

CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, "cash and cash equivalents" includes all demand deposits (checking accounts, NOW accounts, and savings). All investments are stated at cost, which approximates market, unless otherwise indicated. The PWA considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances are not recognized as the equivalent of expenditures; therefore, the reserve for encumbrances is reported as part of the fund balance on the balance sheet. However, it should be noted that the Town did not recognize any outstanding reserves at June 30, 2011. All budget appropriations lapse at the end of the fiscal year.

TOWN OF GARDNER, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

BUDGET

In accordance with Oklahoma Statutes, Title 68, the Town Council is required to formally adopt annual budgets, which include substantially all general funds. These required annual budgets are adopted on a basis consistent with the guidelines established by the Oklahoma Municipal Code.

CAPITAL ASSETS

The Town records all capital assets at cost. The capitalization threshold has been set at \$500.00. Capital assets purchased by the Town are recorded as capital outlay in the Governmental Fund Type Balance Sheet. Assets purchased by the PWA (Enterprise Fund) are recorded in the PWA as assets at cost or if contributed property at the estimated fair market value at the time of contribution. Repairs and maintenance cost are recorded as expenses. Governmental Fund Type capital assets are not depreciated. The sale or disposition of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Assets recorded in the PWA are depreciated over their useful lives of 5 to 50 years using the straight-line method. The Town does not include "infrastructure" capital assets - roads, bridges, streets, and similar assets that are immovable, in its financial statements. The Enterprise Fund applies FASB No. 62 and capitalizes interest expense of borrowings related to construction project loans less the related interest earned on temporary interest bearing investments.

The Town and Enterprise Fund have not maintained complete detailed records of capital assets owned and still in service. The amounts recorded as property, plant, and equipment of the Enterprise Fund at June 30, 2011 has been estimated. The amounts of property, plant and equipment recorded in the Governmental Fund Types have also been estimated.

Enterprise Fund Depreciation:

Depreciation has been calculated on the straight-line basis over the assets estimated useful lives. Estimated useful lives are as follows:

Water and sewer system	30-50 Years
Machinery and equipment	5-20 Years

DUE TO AND DUE FROM OTHER FUNDS

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

TOWN OF GARVIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

ESTIMATES

The preparation of financial statements, in conformity with the cash basis of accounting, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMPENSATED ABSENCES AND FUTURE BENEFITS

Governmental Generally Accepted Accounting Principles require the recording of an expenditure and the accrual of a liability for future vacation, sick pay, and other leave benefits for employee services already rendered, related to rights that vest, if the payment of compensation is probable and the amount of benefits can be reasonably estimated.

The Town's financial statements have been prepared on the cash basis and benefit cost (if any) are recognized when the benefits are paid. An accrued liability for benefits has not been recognized or reported in the financial statements.

EQUITY CLASSIFICATION

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

1. Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net assets—Consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets—All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

The Town presently levies a sales tax on taxable sales within the Town. The sales tax is collected by the Oklahoma Tax Commission and remitted to the Town in the month following receipt by the Tax Commission.

TOWN OF GARMIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Property Tax

For the year ended June 30, 2011, the Town levied no property tax. Under State law municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and court-assessed judgments.

Enterprise Fund Revenues

Revenues consist of sales of water, sewer, and sanitation services to individuals, business owners, and others within the Town corporate limits and nearby area.

Expenditures/ Expenses

For purposes of the combined operating statements, expenditures/expenses are classified as follows:

- Governmental Fund Types - By Character: Current (further classified by activity) Capital Outlay
- Proprietary Fund Types - By Operating and Non-Operating

Governmental fund types report expenditures of financial resources. Proprietary fund types normally report expenses relating to use of economic resources.

Memorandum Only

The "Memorandum Only" captions above the total columns mean that totals are presented for overview information purposes only.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

As a local government unit, the Town is subject to various federal, state, and local laws and contractual regulations.

Finance-related Legal & Contractual Provisions

As described in Note 4, the Authority was in compliance with the reserve requirements of the Rural Development loan agreements.

TOWN OF GARMIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Deficit Fund Balance or Retained Earnings

As indicated in the financial statements, there are no fund balance or retained earnings deficits for the Authority for this fiscal year.

Excess of Expenditures Over Appropriations

The Town's total charges to appropriations did not exceed budgeted amounts. However, the amounts available for appropriation were less than budgeted.

NOTE 3 - DEPOSITS, INVESTMENTS AND COLLATERAL

Custodial Credit Risk

At June 30, 2011, the Town held deposits of approximately \$108,103 at financial institutions. The Town's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the Town or by its agent in the Town's name.

Investment Interest Rate Risk

The Town 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 Town has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school Town 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 Town.

TOWN OF GARMIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a. - d.).

NOTE 4 - RESTRICTED ASSETS

The loan agreement with the United States Department of Agriculture Rural Development (USDA) requires the Authority to set aside into a Reserve Account the sum of the annual installment (\$3,684), after which deposits may be suspended, except to replace withdrawals. The Authority cannot withdraw funds from the reserve account without USDA approval. As of June 30, 2011, the account balance for the reserve account was \$5,818.79, which complies with the covenants of the loan agreement.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the Governmental Fund Type, resulting from the modified cash transactions, for the fiscal year ended June 30, 2011, was as follows:

	Balance 7/1/10	Additions	Deductions	Balance 6/30/11
Buildings & Improvements	\$ 117,818	\$ -	\$ -	\$ 117,818
Equipment	87,964	-	-	87,964
Subtotal	205,782	-	-	205,782
Less: Accum Depreciation	-	-	-	-
Total Capital Assets	<u>\$ 205,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,782</u>

The Town sold property/equipment during the FYE 6/30/11. However, because the town does not keep record of the capital assets, it is unknown as to whether those assets were previously included in the figures shown above.

Capital asset activity for the Proprietary Fund Type, resulting from the modified cash basis transactions, for the fiscal year ended June 30, 2011, was as follows:

	Balance 7/1/10	Additions	Deductions	Balance 6/30/11
Land	\$ 78,750	\$ -	\$ -	\$ 78,750
System & Improvements	623,199	-	-	623,199
Subtotal	701,949	-	-	701,949
Less: Accum Depreciation	(226,007)	(15,265)	-	(241,272)
Total Capital Assets (Net of Depreciation)	<u>\$ 475,942</u>	<u>\$ (15,265)</u>	<u>\$ -</u>	<u>\$ 460,677</u>

Depreciation expense for the year ended June 30, 2011, aggregating \$15,265, has been computed on assets with a cost basis totaling \$701,949. There were no current year additions.

TOWN OF GARMIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 - LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES

As of June 30, 2011, the long-term debt, arising from cash transactions, payable from governmental fund resources consisted of the following:

There are currently no governmental fund long-term debts outstanding.

Changes in Long-Term Debt

The following is a summary of changes in capital debt obligations for the year ended June 30, 2011:

	Balance at June 30, 2010	Additions	Deductions	Balance at June 30, 2011
Long-Term Debt	\$ -	\$ -	\$ -	\$ -
Total Long-Term Debt	\$ -	\$ -	\$ -	\$ -

Debt Services Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of June 30, 2011, are as follows:

Year Ended June 30,	Principal	Interest	Annual Payment
2012	\$ -	\$ -	\$ -
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017-2021	-	-	-
Total	\$ -	\$ -	\$ -

BUSINESS-TYPE ACTIVITIES

ENTERPRISE FUND - GARMIN PUBLIC WORKS AUTHORITY

The Authority has a note payable (Note 92-02) dated July 11, 1978 to the United States Department of Agriculture Rural Development (USDA), payable in monthly installments of \$246 until maturity, including interest at 5.0%. The original amount of the loan was \$50,000.00. The final payment is scheduled for July 11, 2018. The note is secured by a mortgage on the Authority's water and sewer systems including all real and personal property and including the revenues and profits from the operations of the systems.

The Authority has a note payable (Note 92-03) dated August 24, 1979 to the United States Department of Agriculture Rural Development (USDA), payable in monthly

TOWN OF GARDEN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

installments of \$61 until maturity, including interest at 5.0%. The original amount of the loan was \$12,400.00. The final payment is scheduled for August 24, 2019. The note is secured by a mortgage on the Authority's water and sewer systems including all real and personal property and including the revenues and profits from the operations of the systems.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	Balance at June 30, 2010	Additions	Deductions	Balance at June 30, 2011
USDA RD Note 92-02	\$ 18,623.52	\$ -	\$ (2,067.67)	\$ 16,555.85
USDA RD Note 92-03	5,005.26	-	(492.90)	4,512.36
Total Long-Term Debt	<u>\$ 23,628.78</u>	<u>\$ -</u>	<u>\$ (2,560.57)</u>	<u>\$ 21,068.21</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of June 30, 2011, are as follows:

Year Ended June 30,	USDA RD Note 92-02			USDA RD Note 92-03		
	Principal	Interest	Annual Payment	Principal	Interest	Annual Payment
2012	\$ 2,174	\$ 778	\$ 2,952	\$ 518	\$ 214	\$ 732
2013	2,285	667	2,952	545	187	732
2014	2,402	550	2,952	573	159	732
2015	2,525	427	2,952	602	130	732
2016	2,654	298	2,952	633	99	732
2017-2021	4,517	192	4,710	1,643	126	1,769
Total	<u>\$ 16,556</u>	<u>\$ 2,914</u>	<u>\$ 19,470</u>	<u>\$ 4,512</u>	<u>\$ 917</u>	<u>\$ 5,429</u>

TOWN OF GARVIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 - INTERFUND TRANSFERS

The interfund transactions for the year were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Special Revenue	-	18,975
Wellness Center	-	-
Garvin PVA	-	-
Garvin Public Works Authority:		
General Fund	-	-
Special Revenue:		
General Fund	18,975	-
Wellness Center:		
General Fund	-	-
Total All Funds	<u>18,975</u>	<u>18,975</u>

NOTE 8 - RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major government programs and areas.

The types of insurance coverage carried by the Town are listed below

<u>Type of Coverage</u>	<u>Provided By</u>
Public Officials Liability	Commercial Insurance
Commercial Property	Commercial Insurance
General Liability	Commercial Insurance
Workers Compensation	State Insurance Fund

NOTE 9 - WATER PURCHASES

Up until January 1996, the PVA was using wells located in Garvin for its water supply. During January 1996, the PVA began to purchase its water supply from Forest Grove at a rate of \$1.11 per 1,000 gallons. During the year ended June 30, 1999, the PVA began purchasing water from Broken Bow PVA gravity flow at a rate of \$0.82 per 1,000 gallons. That rate has increased several times over the years. As of the year ending June 30, 2007, the rates have increased and are now \$1.94 per 1,000 gallons.

NOTE 10 - FUND EQUITY

As described in Note 1 above, equity is classified as net assets and displayed in three components:

TOWN OF GARVIN, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. Invested in capital assets, net of related debt
2. Restricted net assets
3. Unrestricted net assets

The restricted net assets include assets related to Note 7 above.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

GRANT PROGRAMS

The Town participates in certain federal and state grant programs as available; currently the town is not participating in any ongoing programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. The amount of expenditures that may be disallowed by the granting agency cannot be determined at this time, although it is believed by the Town that the amount, if any, would not be significant.

LITIGATION

The financial statements do not include accrual or provision for loss contingencies resulting from litigation. Under applicable Oklahoma statutes, such judgments may become liabilities only of the Debt Service Fund and only in the year in which tax revenue is specifically assessed for payment of the claim and only to the extent of the taxes so specifically assessed in that year. Such claims are generally paid through special tax assessments over a three-year period.

Accordingly, the Town believes that such claims should be recorded in the year in which taxes are assessed for payment on the claim only to the extent of such tax revenue that is actually provided. This method is preferable to the conflicting rule for treatment of loss contingencies as set out in Statement of Financial Accounting Standards No. 5 (issued by the Financial Accounting Standards Board) wherein contingencies should be recorded in full in the year in which it is probable that a liability has been created if the amount of loss can be reasonably estimated.

NOTE 12 - LEASES

The Garvin Public Works Authority leases from the Town of Garvin, the water production, storage, transportation and distribution system and facilities including all tangible property and all interest thereof as well as the sanitary sewage collection, transportation, processing, and disposal system and garbage and trash collection system and facilities including all tangible property and all interest, for a term of 50 years that commenced January 12, 1977, and terminates January 11, 2027. The stipulated lease payment is the installation and construction of improvements to the leased property and the operation of the facilities for the benefit of the lessor. These ongoing improvements and operations will be the total

TOWN OF GARDNER, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

consideration for the lease terms and all renewals thereafter. At the expiration of the term of the lease, the lessee has the option to renew the lease for the same number of years under the same terms and conditions.

NOTE 13 - SUBSEQUENT EVENTS

The Town did not have any subsequent events through October 5, 2011, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2011.

TOWN OF GARVIN, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 48,636	\$ 48,636	\$ 48,636	\$ -
Resources (Inflows):				
Taxes:				
Sales Tax	25,583	25,583	27,446	1,863
Cigar Tax	346	346	390	44
Franchise Tax	1,955	1,955	2,566	611
Intergovernmental:				
Motor Vehicle Tax	904	904	1,095	191
Alcoholic Beverage Tax	1,930	1,930	2,220	290
Gasoline Excise Tax	378	378	252	(126)
Grants	-	-	-	-
Donations	-	-	-	-
Sale of Property/Equipment	-	-	900	900
Miscellaneous Income	4,739	4,739	1,150	(3,589)
Interest Income	404	404	396	(8)
Operating Transfers In	11,085	11,085	18,975	7,890
Amounts available for appropriation	<u>95,960</u>	<u>95,960</u>	<u>104,026</u>	<u>8,066</u>
Charges to Appropriations (Outflows):				
General Government	44,524	44,524	59,959	(15,435)
Public Safety	-	-	-	-
Highways & Streets	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Operating Transfers Out	2,800	2,800	-	2,800
Total Charges to Appropriations	<u>47,324</u>	<u>47,324</u>	<u>59,959</u>	<u>(12,635)</u>
Prior Year Adjustments to Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	<u><u>48,636</u></u>	<u><u>48,636</u></u>	<u><u>44,067</u></u>	<u><u>(4,569)</u></u>

TOWN OF GARMIN, OKLAHOMA
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2011

In accordance with Oklahoma Statutes, Title 68, the Town Council is required to formally adopt annual budgets, which include substantially all general funds. These required annual budgets are adopted on a basis consistent with the guidelines established by the Oklahoma Municipal Code.

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

To the Board of Trustees
Town of Garvin, Oklahoma

I have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining funds of the Town of Garvin, State of Oklahoma, as of June 30, 2011, which were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles and which collectively comprise the Town's basic financial statements and have issued my report thereon dated October 5, 2011, which was qualified for the effect on the basic financial statements for the omission of capital assets. The Town of Garvin has implemented the general provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, except that the Town did not present the required MD&A. I conducted my audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in accordance with Oklahoma Statutes.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Garvin's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Garvin's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town of Garvin's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weakness, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings that I consider to be significant deficiencies in internal control over financial reporting. Those deficiencies are listed as Item 11-01, 11-02 & 11-03. A significant deficiency is a deficiency, or a combination of deficiencies, in internal

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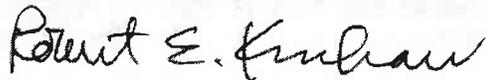
control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Garvin's financial statements are free of material misstatement, I performed tests of 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 my audit, and accordingly I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is included in the Schedule of Findings as Item 11-04. The results of my tests disclosed no instances of other matters that are required to be reported under *Government Auditing Standards*.

Town of Garvin's response to the findings identified in my audit is described in the accompanying Schedule of Findings. I did not audit Town of Garvin's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, the USDA Rural Development and the Oklahoma State Auditor and Inspector's office and is not intended to be and should not be used by anyone other than these specified parties.



Robert E. Kershaw CPA

October 5, 2011

TOWN OF GARDEN, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2011

INTERNAL CONTROL FINDINGS

Item 11-01 - Segregation of Duties

Criteria: A good system of internal control requires a proper segregation of duties to prevent one person from being in a position to authorize, execute, and record the same transaction.

Condition: Due to the size of the Town's major areas of internal control, that would be prevalent in a larger Town, such segregation of duties is not available for this size operation. Duties are concentrated in the hands of a few individuals, who are responsible for all phases of the accounting functions. Because of this lack of division of responsibility, internal control is determined to be weak, and in some instances, non-existent.

Cause/Effect: Due to the limited number of personnel, a breach of internal controls could occur and not be detected in the normal course of operations.

Recommendation: The Board should continue to be actively involved in the operations of the organization.

Response: The Board continues to be actively involved in the operations of the organization.

Item 11-02 - Capital Asset Recordkeeping

Criteria: Internal control refers to the methods and procedures used to provide reasonable assurance regarding the achievement of objectives in the following categories: Safeguarding assets, Ensuring validity of financial records and reports, Promoting adherence to policies, procedures, regulations and laws, and Promoting effectiveness and efficiency of operations. Internal control also refers to how an entity processes, summarizes and records the financial transactions. In general terms, internal controls are simply good business practices.

Condition: The Town does not have strong internal controls in place for ensuring validity of financial records and reports, and in some instances is virtually non-existent.

Cause/Effect: Due to the weak internal control system, only minimal capital assets records are being maintained.

Recommendation: I recommend the governing body and management take appropriate action to direct the staff to initiate this project and provide

TOWN OF GARDNER, OKLAHOMA
SCHEDULE OF FINANCINGS
JUNE 30, 2011

funding for the continued update and maintenance of these records to meet its public accountability responsibility in managing these Town assets.

Response: The Town does not have the resources available to maintain such a list.

Item 11-03 - Refundable Water Deposits

Criteria: It is the responsibility of the Authority to properly report and account for the financial information.

Condition: The Authority does not keep a ledger regarding the balance of customer deposits. Also, the water meter deposit bank account is not sufficient to cover the customer deposits liability shown in the financial statements.

Cause/Effect: Customers could potentially not receive proper reimbursement on their deposit and the organization's balance sheet could be incorrect with respect to the deposit account.

Recommendation: It is recommended that the organization properly report and account for the balance of customer deposits.

Response: The Authority has been made aware of the problem and will take steps to correct the situation.

COMPLIANCE FINANCINGS

Item 11-04: Water and Sewer Recordkeeping

Criteria: The loan agreement with the United States Department of Agriculture Rural Development (USDA) requires the Authority to maintain income and expense records for water and sewer systems separately.

Condition: The Authority maintains separate billing records for water and sewer income. However, the Authority does not maintain separate income and expense accounts for the water and sewer systems.

Cause/Effect: This leaves the Authority out of compliance with the Rural Development loan agreement as the USDA will no longer be accepting audits that do not have Water and/or Sewer Records broken out separately.

Response: The Authority was not aware of the requirement.

TOWN OF GARVIN, OKLAHOMA
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Nutrition Center	Special Projects Fund	Emergency Food Account	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 583	\$ -	\$ -	\$ 583
Investments	-	-	-	-
Due from General Fund	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 583	\$ -	\$ -	\$ 583
LIABILITIES & FUND EQUITY				
LIABILITIES:				
Due to Other Governments	\$ -	\$ -	\$ -	\$ -
Payroll Taxes	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES:				
Unreserved, reported in nonmajor special revenue funds	583	-	-	583
TOTAL FUND BALANCES	583	-	-	583
TOTAL LIABILITIES AND FUND BALANCES	\$ 583	\$ -	\$ -	\$ 583

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF GARVIN, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Nutrition Center	Special Projects Fund	Emergency Food Account	Total Nonmajor Governmental Funds
REVENUES:				
Taxes:				
Sales Tax	\$ -	\$ -	\$ -	\$ -
Franchise Tax	-	-	-	-
Intergovernmental:				
Alcoholic Beverage Tax	-	-	-	-
Gasoline Excise Tax	-	-	-	-
Motor Vehicle Tax	-	-	-	-
Grants	-	-	-	-
Fines & Forfeitures	-	-	-	-
Miscellaneous Income	2,530	-	-	2,530
Interest Income	-	-	-	-
TOTAL REVENUES	2,530	-	-	2,530
EXPENDITURES:				
Current:				
Personal Services	-	-	-	-
Maintenance & Operations	1,982	-	-	1,982
Capital Outlay	-	-	-	-
Debt Service - Principal & Interest	-	-	-	-
TOTAL EXPENDITURES	1,982	-	-	1,982
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	548	-	-	548
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Capital Debt Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGES IN FUND BALANCES	548	-	-	548
FUND BALANCE - BEGINNING OF YEAR	36	-	-	36
FUND BALANCE - PRIOR YEAR ADJUSTMENT	-	-	-	-
FUND BALANCE - END OF YEAR	\$ 583	\$ -	\$ -	\$ 583

See Accountant's Audit Report & Notes Which Accompany These Financial Statements