

INDEPENDENT AUDITOR'S REPORT

TOWN OF MANITOU, OKLAHOMA

JULY 1, 2011 TO JUNE 30, 2012

BY



Town of Manitou
Manitou, Oklahoma
Year Ended June 30, 2012

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
 <u>FINANCIAL STATEMENTS</u>	
Statement of Net Assets	3
Statement of Activities	4
Balance Sheet – Governmental Funds	5
Statement of Revenue, Expenditures, and Changes in Fund Balance Governmental Funds	6-7
Balance Sheet – Non Major Governmental Funds	8
Statement of Revenue, Expenditures, and Changes in Fund Balance Non Major Governmental Funds	9
Statement of Net Assets – Manitou Utility Authority	10
Statement of Revenue, Expense, and Changes in Balances Manitou Utility Authority	11
Statement of Cash Flows – Manitou Utility Authority.....	12
Notes to Basic Financial Statements.....	13-17
 <u>SUPPLEMENTAL INFORMATION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	18-19
Statement of Revenue, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	20
Notes to Required Supplemental Information	21
Schedules of Grant Activities	22-25



INDEPENDENT AUDITOR'S REPORT

December 18, 2012

Board of Trustees
Town of Manitou
Manitou, Oklahoma

We have audited the accompanying basic financial statements of the governmental activities and the business-type activities of the Town of Manitou, Oklahoma (the Town), as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the Town 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 our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the business-type activities of the Town, as of June 30, 2012, 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.

The Statement of Revenue, Expenditures, and Changes in Fund Balance- Budget and Actual and related notes thereto, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries

of management regarding the methods of measurement and presentation of the required supplementary information.

Our audit was conducted for the purpose of forming opinions on the financial statements that, collectively, comprise the Town's basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the other supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards we have also issued a report dated December 18, 2012, on our consideration of the Town'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 read in conjunction with this report in considering the results of our audit.

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.



FURRH & ASSOCIATES, PC

Certified Public Accountants

Town of Manitou
Manitou, Oklahoma
Statement of Net Assets
(Modified Cash Basis)
June 30, 2012

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 129,780	\$ 0	\$ 129,780
Accounts Receivable	0	19,153	19,153
Capital Assets	169,888	605,890	775,778
Less Accumulated Depreciation	<u>(67,690)</u>	<u>(135,458)</u>	<u>(203,148)</u>
 Total Assets	 <u>\$ 231,978</u>	 <u>\$ 489,585</u>	 <u>\$ 721,563</u>
 <u>Liabilities</u>			
Water Meter Deposits	\$ 0	\$ 7,185	\$ 7,185
Accounts Payable	(56)	0	(56)
Payroll Liabilities	<u>1,824</u>	<u>0</u>	<u>1,824</u>
	1,768	7,185	8,953
 <u>Net Assets</u>			
Invested in Capital Assets	102,198	470,432	572,630
Restricted	69,116	11,968	81,084
Unrestricted	<u>58,896</u>	<u>0</u>	<u>58,896</u>
 Total Net Assets	 230,210	 482,400	 712,610
 Total Liabilities and Net Assets	 <u>\$ 231,978</u>	 <u>\$ 489,585</u>	 <u>\$ 721,563</u>

Please see accompanying notes to the financial statements.

Town of Manitou
Manitou, Oklahoma
Balance Sheet
Governmental Funds
(Modified Cash Basis)
June 30, 2012

	Governmental Funds		Total
	General Fund	Other Governmental Funds	
<u>Assets</u>			
Cash in Bank	\$ 61,284	\$ 68,496	\$ 129,780
Total Assets	\$ 61,284	\$ 68,496	\$ 129,780
 <u>Liabilities and Fund Balance</u>			
Accounts Payable	\$ 1,063	\$ (1,119)	\$ (56)
Payroll Liabilities	1,824	0	1,824
Total Liabilities	2,887	(1,119)	1,768
 Fund Balance			
Unrestricted	58,397	499	58,896
Restricted	0	69,116	69,116
Total Fund Balance	58,397	69,615	128,012
Total Liabilities and Fund Balance	\$ 61,284	\$ 68,496	

Amount reported for Governmental Activities in the Statement of Net Assets are different because Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 102,198

Net Assets of Governmental Activities \$ 230,210

Please see accompanying notes to the financial statements.

Town of Manitou
Manitou, Oklahoma
Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Year Ended June 30, 2012

	<u>Governmental Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
<u>Revenue</u>			
Alcohol Beverage Tax	\$ 2,551	\$ 0	\$ 2,551
Vehicle Tax	1,330	0	1,330
Franchise Tax	1,104	0	1,104
Gasoline Excise Tax	342	0	342
Interest Income	99	48	147
Miscellaneous Revenue	443	0	443
Emergency Fund Deposits	0	10,200	10,200
Sales Tax	0	4,999	4,999
Use Tax	0	874	874
Grant Revenue	0	100	100
Cigar Tax	0	74	74
Transfer In	204,519	0	204,519
Total Revenue	210,388	16,295	226,683
<u>Expenditures</u>			
Personal Services	\$ 122,300	0	122,300
Maintenance and Operation	111,303	19,117	130,420
Capital Outlay	5,150	0	5,150
Total Expenditures	238,753	19,117	257,870
<u>Revenue Over (Under) Expenditures</u>	(28,365)	(2,822)	(31,187)
<u>Fund Balance, June 30, 2011</u>	86,762	72,437	159,199
<u>Fund Balance, June 30, 2012</u>	<u>\$ 58,397</u>	<u>\$ 69,615</u>	<u>\$ 128,012</u>

Please see accompanying notes to the financial statements.

Town of Manitou
Manitou, Oklahoma
Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Year Ended June 30, 2012

Reconciliation to the Statement of Activities

Net change in Fund Balance- Total Governmental Funds \$ (31,187)

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

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

Capital Assets Purchased Capitalized	5,150
Deprecation Expense	(6,833)
	(1,683)
 Change in Net Assets of Governmental Activities	 \$ (32,870)

Please see accompanying notes to the financial statements.

Town of Manitou
Manitou, Oklahoma
Nonmajor Governmental Funds

Balance Sheet
(Modified Cash Basis)
June 30, 2012

	Capital Improvement Fund	Emergency Fund	Cemetery Fund	Street Grant Fund	OWRB Grant Fund	Total Nonmajor Governmental Funds
Assets						
Cash in Bank	\$ 31,940	\$ 35,780	\$ 499	\$ 199	\$ 78	\$ 68,496
Due from Other Funds	0	0	0	0	0	0
Total Assets	<u>\$ 31,940</u>	<u>\$ 35,780</u>	<u>\$ 499</u>	<u>\$ 199</u>	<u>\$ 78</u>	<u>\$ 68,496</u>
Liabilities						
Accounts Payable	\$ 0	\$ (1,119)	\$ 0	\$ 0	\$ 0	(1,119)
Total Liabilities	0	(1,119)	0	0	0	(1,119)
Fund Equity						
Fund Balance:						
Unreserved	31,940	36,899	499	199	78	69,615
Total Liabilities and Fund Equity	<u>\$ 31,940</u>	<u>\$ 35,780</u>	<u>\$ 499</u>	<u>\$ 199</u>	<u>\$ 78</u>	<u>\$ 68,496</u>

Please see accompanying notes to the financial statements.

Town of Manitou

Manitou, Oklahoma

Nonmajor Governmental Funds

Schedule of Revenue, Expenditures, and Changes in Fund Balance (Modified Cash Basis) Year Ended June 30, 2012

<u>Revenue</u>	<u>Capital</u>				<u>Street Grant Fund</u>	<u>OWRB Grant Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Improvement Fund</u>	<u>Emergency Fund</u>	<u>Cemetery Fund</u>	<u>Street Grant Fund</u>			
Cemetery Revenue	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0	\$ 0
Sales and Use Tax	5,873	0	0	0	0	0	5,873
Cigar Tax	74	0	0	0	0	0	74
Grant Income	0	0	0	0	0	100	100
Emergency Fund Revenue	0	10,200	0	0	0	0	10,200
Interest Revenue	0	48	0	0	0	0	48
Total Revenue	5,947	10,248	0	0	0	100	16,295
<u>Expenditures</u>							
Maintenance and Operations	0	0	0	19,095	22	22	19,117
Total Expenditures	0	0	0	19,095	22	22	19,117
<u>Revenue Over (Under) Expenditures</u>	5,947	10,248	0	(19,095)	78	78	(2,822)
<u>Fund Balance, June 30, 2011</u>	25,993	26,651	499	19,294	0	0	72,437
<u>Fund Balance, June 30, 2012</u>	<u>\$ 31,940</u>	<u>\$ 36,899</u>	<u>\$ 499</u>	<u>\$ 199</u>	<u>\$ 78</u>	<u>\$ 78</u>	<u>\$ 69,615</u>

Please see accompanying notes to the financial statements.

Town of Manitou, Oklahoma
Manitou Utility Authority
Enterprise Fund
Statement of Net Assets
(Modified Cash Basis)
For Year Ended June 30, 2012

<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	\$	0
Accounts Receivable		19,153
Total Current Assets		19,153
 <u>Fixed Assets</u>		
Water and Sewer Systems		605,890
Less Accumulated Depreciation		(135,458)
Net Fixed Assets		\$ 470,432
Total Assets		\$ 489,585
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Water Meter Deposit Payables	\$	7,185
Total Current Liabilities		\$ 7,185
 <u>Net Assets</u>		
Investment in Capital Assets		470,432
Restricted		11,968
Total Net Assets		482,400
Total Liabilities and Net Assets		\$ 489,585

Please see accompanying notes to the financial statements.

Town of Manitou, Oklahoma
Manitou Utility Authority
Enterprise Fund
Statement of Revenue, Expenditures, and Changes in Fund Balances
(Modified Cash Basis)
For the Year Ended June 30, 2012

Operating Revenues

Electric Revenue	\$ 273,247	
Water Revenue	123,192	
Garbage Revenue	39,270	
Fuel Cost Adjustment	25,853	
Sewer Revenue	20,863	
Meter Charge Revenue	6,890	
City Tax	4,010	
Penalties	1,028	
Street Lights Revenue	1,018	
Reconnect Fees	375	
NSF Fees/Miscellaneous Revenue	150	
Total Operating Revenues	495,896	\$ 495,896

Operating Expenses

Electric Expense	116,711	
Garbage Expense	40,136	
Water Expense	33,638	
Depreciation Expense	24,236	
Sewer Expense	2,198	
Sales Tax Expense	364	
Total Operating Expenses	217,283	217,283

Net Operating Revenue (Loss) 278,613

Nonoperating Revenues (Expense)

JVC Water Settlement	(74,094)	
Transfer In	0	
Transfer Out	(204,519)	
Net Nonoperating Revenues (Expenses)	(278,613)	(278,613)

Net Revenue (Loss) 0

Total Net Assets, June 30, 2011 482,400

Total Net Assets, June 30, 2012 \$ 482,400

Please see accompanying notes to the financial statements.

Town of Manitou, Oklahoma

Manitou Utility Authority

Statement of Cash Flows

(Modified Cash Basis)

For the Year Ended June 30, 2012

Cash Flows From Operating Activities

Cash Received from Customers	\$ 471,661
Cash Paid for Utility Services	(193,048)
Cash Paid for JVC Water Settlement	<u>(74,094)</u>

Net Cash Provided by Operating Activities \$ 204,519

Cash Flows From Noncapital Financing Activities

Transfers	<u>(204,519)</u>
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Net Cash Used by Noncapital Financing Activities (204,519)

Cash Flows From Investing Activities

Net Cash Provided by Investing Activities 0

Cash Flows From Financing Activities

Net Cash Provided by Financing Activities 0

Net Increase in Cash 0

Cash Balance, as of July 1, 2011 0

Cash Balance, as of June 30, 2012 \$ 0

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income	\$ 278,613
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	24,236
JVC Water Settlement	(74,094)
Increase in A/R	(13,418)
(Decrease) in Water deposits payable	<u>(10,818)</u>
Net Cash provided by activities	<u>\$ 204,519</u>

Please see accompanying notes to the financial statements.

Town of Manitou
Manitou, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2012

Note 1- Summary of Significant Accounting Policies

For financial reporting purposes the Town of Manitou, Oklahoma (the Town), includes all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive or legislative branches. Control by or dependence on the Town was determined on the basis of oversight responsibility, scope of public service, and special financing relationships. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The accounts of the Town are organized on a 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 that comprises its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the financial statements and are classified as governmental, proprietary and fiduciary fund types. The following fund types are used by the Town.

1. Governmental Fund Types

(a) General Fund

The General Fund is the primary operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in the General Fund.

(b) Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue resources that are legally or administratively restricted to expenditures for specific purposes. The Town's current Special Revenue Funds include:

Emergency Fund
Cemetery Fund
Capital Improvements Fund
Fire Department Fund
Grant Fund

(c) Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The Manitou Utilities Authority is accounted for as the Town's Enterprise Fund.

Town of Manitou
Manitou, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2012

The Governmental Accounting Standards Board (GASB) has approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. However, the Town has elected not to present the required Management Discussion and Analysis for the current year.

The Town’s basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements. The statement of net assets and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government.

The Town uses the modified cash basis of accounting for preparing its financial statements. Generally accepted accounting principles would require the Town to use the accrual basis of accounting and to report its assets and infrastructures in its financial statements. The Town has elected to not follow generally accepted accounting principles and to continue to use the modified cash basis of accounting.

If the books of the governmental fund types 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 fund liability is incurred.

The modified cash basis of accounting is an acceptable method of accounting under the budgetary laws of the State of Oklahoma.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents include the following accounts:

General Account - Checking	\$ 61,284
Emergency Fund	35,780
Capital Improvements Fund	31,940
Cemetary Fund	499
ASCOG- Street Grant	199
OWRB Grant	78
Total Cash and Cash Equivalents	<u><u>\$ 129,780</u></u>

The above accounts are covered by F.D.I.C. insurance.

The Town’s deposits are classified in the following categories:

- A. Insured or collateralized with securities held by the entity or by its agent in the entity’s name.

Town of Manitou
Manitou, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2012

B. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

C. Uncollateralized.

	A	B	C	Total
Town of Manitou	\$ 129,780	\$ 0	\$ 0	\$ 129,780
Total	\$ 129,780	\$ 0	\$ 0	\$ 129,780

Note 3 - Investments

The Town has no investments, but its policy in the past has been to carry investments at cost.

Note 4 - Fixed Assets

Prior to the year ended June 30, 2008, expenditures for property and equipment were recorded as fund expenditures. There are no detail fixed asset records for such assets still in service. Beginning with the year ended June 30, 2008, capital items in excess of \$500 are recorded as capital expenditures.

The Town's fixed assets are as follows:

	Capital Assets	Accumulated Depreciation
Balance, June 30, 2011	\$ 164,738	\$ 60,857
Additions	5,150	6,833
Total	169,888	67,690
Disposals	0	0
Balance, June 30, 2012	\$ 169,888	\$ 67,690

Town of Manitou
Manitou, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2012

The Manitou Utility Authority's fixed assets are as follows:

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>
Balance, June 30, 2011	\$ 605,890	\$ 111,222
Additions	0	24,236
Total	605,890	135,458
Disposals	0	0
Balance, June 30, 2012	\$ 605,890	\$ 135,458

Note 5 - Inventories

The Town records materials and supplies inventory as expenditures at the time the inventory is purchased and at year-end such inventories are not considered material in amount. Therefore, no inventory balances for materials and supplies not yet consumed are reported in the combined statement of assets, liabilities, and fund balance.

Note 6 - Reserves of Fund Equity

Reserves are recorded to signify that a portion of the fund equity is legally segregated for future use or is not available for appropriation or expenditure.

Note 7 - Encumbrances

The Town does not use encumbrance accounting in any of its funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are often recorded in order to reserve that portion of the applicable appropriation. Presently the Town prepares purchase orders in the same period the claim is paid.

Note 8 - Compensated Absences

Under personnel policies, the Town employees are granted vacation and sick leave in varying amounts only upon approval by the governing board. The Town records compensated absence costs at the time the claim is paid.

Town of Manitou
Manitou, Oklahoma
Notes to Financial Statements
Year Ended June 30, 2012

Note 9 - Pension

The Town provides no pension or retirement benefits to its employees. Therefore, no pension accounting information is included in the financial statements.

Note 10 - Insurance and Bond Coverage of Contingencies

The Town and the Authority carry the following insurance coverage as protection against possible loss contingencies:

- Workers Compensation and Employer Liability
- Comprehensive General Liability
- Comprehensive Auto Liability
- Buildings and Contents Property Damage
- Public Official Position Bonds

Note 11 - Contingencies

In the normal course of operations, the Town disburses funds from several grant programs. These expenditures are subject to audit and approval by the grantors or their representatives. Such audits could lead to claims for reimbursement of expenditures deemed unallowable under the terms of the grants. Presently, management is unaware of any liability for such expenditures, and in the opinion of management, any such amounts would not be considered material.

Note 12 – Juvenile Detention Center Settlement

In late 2011, the Juvenile Detention Center started questioning their water bill. After research and negotiations between the Town and the Center, the parties agreed to settle on \$74,093.97 in overcharges. This amount was deposited into a separate bank account at Banc First in May 2012. It was agreed that these funds would be used to pay the Center's utilities bills. As of June 30, 2012, \$47,643.72 remained in this account.



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

Board of Trustees
Town of Manitou
Manitou, Oklahoma

We have audited the accompanying basic financial statements of the governmental activities and the business-type activities of the Town of Manitou, Oklahoma (the Town), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 18, 2012. The Town did not present a Management's Discussion and Analysis as required by GASB Statement No. 34. The financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with modified cash basis accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of management and regulatory authorities and is not intended to be and should not be used by anyone other than these specified parties.

Furrh and Associates, PC

FURRH & ASSOCIATES, PC

Certified Public Accountants

December 18, 2012

Town of Manitou
Manitou, Oklahoma
General fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2012

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Alcohol Beverage Tax	\$ 2,500	\$ 2,551	\$ (51)
Vehicle Tax	1,400	1,330	70
Franchise Tax	1,100	1,104	(4)
Gasoline Tax	300	342	(42)
Other	400	443	(43)
Interest Income	100	99	1
Transfer In	<u>155,000</u>	<u>204,519</u>	<u>(49,519)</u>
Total Revenue	160,800	210,388	(49,588)
<u>Expenditures</u>			
<u>General Government</u>			
Personal Services	125,000	122,300	2,700
Maintenance and Operation	116,562	111,303	5,259
Capital Outlay	<u>6,000</u>	<u>5,150</u>	<u>850</u>
Total General Government	<u>247,562</u>	<u>238,753</u>	<u>8,809</u>
Revenue Over (Under) Expenditures	(86,762)	(28,365)	(58,397)
<u>Fund Balance, June 30, 2011</u>	<u>86,762</u>	<u>86,762</u>	<u>0</u>
<u>Fund Balance, June 30, 2012</u>	<u>\$ 0</u>	<u>\$ 58,397</u>	<u>\$ (58,397)</u>

Please see accompanying notes to the financial statements.

Town of Manitou
Manitou, Oklahoma
Notes to Required Supplemental Information
Year Ended June 30, 2012

Note 1 - Notes to Required Supplemental Information:

The Town's annual operating budget represents appropriations as authorized by the Governing Board in accordance with the provisions of the Oklahoma Statutes.

The Town's Governing Board operates under the guidelines of the "Municipal Budget Act" which allows the Town to prepare its budgets based upon its estimated revenue. In addition, revisions may be made to the budget throughout the year as authorized by the Governing Board. The legal level of control of the budget is the expenditure category. The expenditure categories are as follows:

1. Personal Services
2. Maintenance and Operation

It is the Town's policy that all appropriations lapse at the end of the fiscal year.

The Town prepares an annual operating budget for its General Fund. The operating budgets of the various grants cover the period designated in the grant documents. The Town prepares its annual operating budget on the modified cash basis of accounting, the same basis used to account for actual revenues and expenditures.

The Town operated within its budget during the year ended June 30, 2012.

Town of Manitou, Oklahoma
REAP GRANT- Manitou-04
Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2012

	<u>Budget</u>	<u>Cumulative 06/30/11</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
State Grant	\$ 20,000	\$ 20,000	\$ 0	\$ 20,000	\$ 0
<u>Expenditures</u>					
Repairs	20,000	905	19,095	20,000	0
Total Expenditures	20,000	905	19,095	20,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 19,095</u>	<u>\$ (19,095)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
REAP GRANT- Manitou-12
Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Revenue	\$ 55,000	\$ 0	\$ 55,000
<u>Expenditures</u>			
Administrative Expenses	3,300	0	3,300
Engineering Expenses	14,601	0	14,601
Repairs	37,099	0	37,099
Total Expenditures	55,000	0	55,000
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 0	\$ 0

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Oklahoma Department of Commerce
15132 CDBG 12

Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2012

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Revenue	\$ 6,500	\$ 0	\$ 6,500
<u>Expenditures</u>			
Engineering Expenses	<u>6,500</u>	<u>0</u>	<u>6,500</u>
Total Expenditures	6,500	0	6,500
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CFDA No: 14.228
08/01/12 - 07/31/2013

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Oklahoma Water Resources Board
REAP Grant - FAP-07-0032-R
Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2012

<u>Revenue</u>	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
Grant Revenue	\$ 99,450	\$ 0	\$ 99,450
<u>Expenditures</u>			
Administrative Expenses	4,250	0	4,250
Engineering Expenses	10,200	0	10,200
Waterline Improvements	85,000	0	85,000
Total Expenditures	99,450	0	99,450
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying Accountant's Report.