REPORT OF AUDIT

TOWN OF NASH

INCLUDING

NASH PUBLIC WORKS AUTHORITY

GRANT COUNTY - OKLAHOMA

JULY 1, 2012 TO JUNE 30, 2013

TOWN OF NASH
NASH PUBLIC WORKS AUTHORITY
GRANT COUNTY - OKLAHOMA
JULY 1, 2012 TO JUNE 30, 2013

OFFICERS

TERRY DOTY	MAYOR
LYLE HUTCHESON	MEMBER/TRUSTEE
CORY SHREWSBURY	MEMBER/TRUSTEE
BOBBY PARR	MEMBER/TRUSTEE
JALENE HOFFMAN	MEMBER/TRUSTEE
HEATHER THOMAS	CLERK/TREASURER

AUDIT

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

TOWN OF NASH
NASH PUBLIC WORKS AUTHORITY
GRANT COUNTY – OKLAHOMA
JULY 1, 2012 TO JUNE 30, 2013

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TOWN OF NASH
NASH PUBLIC WORKS AUTHORITY
GRANT COUNTY – OKLAHOMA
JULY 1, 2012 TO JUNE 30, 2013

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Chas. W. Carroll, P.A.

Hiland Tower – Suite 406
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Phone 580-234-5468
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board of Trustees
Town of Nash
Grant County, Oklahoma

I have audited the accompanying financial statements-modified cash basis of the Town of Nash, Grant County, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements-modified cash basis, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1D; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions
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, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2013, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1D.

Basis of Accounting
I draw attention to Note 1D of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison information and combining schedules information on pages which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Management has omitted the Management's Discussion & Analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, I have also issued a report dated December 3, 2013 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

Sincerely,

Chas. W. Carroll, P.A.
December 3, 2013

BASIC FINANCIAL STATEMENTS

- STATEMENT OF NET POSITION AND ACTIVITIES -

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30,2013

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Pooled cash and cash equivalents	$348,801.05	$17,340.24	$366,141.29
Investments	135,938.05		135,938.05
Total assets	484,739.10	17,340.24	502,079.34
LIABILITIES			
Accounts payable and accrued expenses	32,489.13	0.00	32,489.13
Total current liabilities	32,489.13	0.00	32,489.13
NET POSITION			
Restricted	0.00		
Unrestricted	452,249.97	17,340.24	469,590.21
Total net position	452,249.97	17,340.24	469,590.21

See accompanying notes to the basic financial statements.

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Net (Expense) Revenue
Governmental activities:							
General Government	$97,105.28	$621.00	$0.00	$0.00	($96,484.28)	$0.00	($96,484.28)
Public Safety	98,418.60	62,164.04	4,484.35		($31,770.21)		152,031.79
Public Works	59,214.00				($59,214.00)		(59,214.00)
Capital Outlay	178,174.58			183,802.00	$5,627.42		5,627.42
Total government activities	432,912.46	62,785.04	4,484.35	183,802.00	($181,841.07)	$0.00	1,960.93
Business-type actvivites:							
Administration	29,997.24	3,193.71	0.00	0.00	0.00	(26,803.53)	(26,803.53)
Water and Sewer	110,119.52	122,307.66				12,188.14	12,188.14
Sanitation	18,527.61	27,199.79				8,672.18	8,672.18
Total business-type activities	158,644.37	152,701.16	0.00	0.00	0.00	(5,943.21)	(5,943.21)
Total primary government	591,556.83	215,486.20	4,484.35	183,802.00	(181,841.07)	(5,943.21)	(3,982.28)
		General revenues:					
		Taxes:					
		Sales and Use			150,319.68	0.00	150,319.68
		Franchise			11,110.67	0.00	11,110.67
		Fines			146,976.93	0.00	146,976.93
		Unrestricted investment income			474.97	0.00	474.97
		Miscellaneous			5,190.74	750.59	5,941.33
		Total general revenues and transfers			314,072.99	750.59	314,823.58
		Change in net position			132,231.92	(5,192.62)	310,841.30
		Net position - beginning			320,018.05	22,532.86	342,550.91
		Net position - ending			$452,249.97	$17,340.24	$653,392.21

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS

- GOVERNMENTAL FUNDS-

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
BALANCE SHEET (MODIFIED CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$269,597.16	$79,203.89	$348,801.05
Investments	135,938.05	0.00	135,938.05
Total assets	405,535.21	79,203.89	484,739.10
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	32,370.64	118.49	32,489.13
Total Liabilities (Note 2)	32,370.64	118.49	32,489.13
Fund Balances			
Restricted	0.00	78,465.48	78,465.48
Assigned	0.00	362.96	362.96
Unassigned	373,164.57	256.96	373,421.53
Total fund balances	373,164.57	79,085.40	452,249.97
Total liabilities and fund balances	$405,535.21	$79,203.89	$452,249.97

See accompanying notes to the basic financial statements.

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Other Non-Major Governmental Funds	Total Governmental Funds
CASH RECEIPTS			
Taxes	$161,430.35	$0.00	$161,430.35
Intergovernmental	40,812.00	147,474.35	188,286.35
Licenses and Permits	621.00		621.00
Charges for Services		62,164.04	62,164.04
Fines and Forfeitures	147,976.93		147,976.93
Interest	431.42	43.55	474.97
Miscellaneous	86.74	4,104.00	4,190.74
Total cash receipts	351,358.44	213,785.94	565,144.38
CASH DISBURSEMENTS			
Current:			
General Government	81,828.36	15,276.92	97,105.28
Public Safety	98,418.60		98,418.60
Debt Service	0.00	59,214.00	59,214.00
Capital Outlay	79,874.00	98,300.58	178,174.58
Total cash disbursements	260,120.96	172,791.50	432,912.46
Excess (deficiency of receipts over disbursements	91,237.48	40,994.44	132,231.92
OTHER FINANCING SOURCES (USES)			
Transfers in	0.00	9,288.61	9,288.61
Transfers out	(9,288.61)		(9,288.61)
Total other financing sources and uses	(9,288.61)	9,288.61	0.00
Net change in fund balances	81,948.87	50,283.05	132,231.92
Fund balances - beginning	291,215.70	28,802.35	320,018.05
Fund balances - ending	$373,164.57	$79,085.40	$452,249.97

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS

- PROPRIETARY FUNDS-

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF NET POSITION (MODIFIED CASH BASIS)
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities-Enterprise Funds
	Public Works Authority
ASSETS	
Cash and Cash Equivalents	$17,340.24
Restricted Assets - Cash and Investments	0.00
Total assets	17,340.24
LIABILITIES	
Payables	0.00
Total liabilities	0.00
NET POSITION	
Restricted:	0.00
Unrestricted	17,340.24
Total net position	$17,340.24

See accompanying notes to the basic financial statements.

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (MODIFIED CASH BASIS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities-Enterprise Funds
	Public Works Authority
OPERATING CASH RECEIPTS:	
Charges for services	
Water	$66,515.66
Sewer	55,792.00
Trash	27,199.79
Reconnect/Late fees	3,193.71
Total operating cash receipts	152,701.16
OPERATING CASH DISBURSEMENTS	
General and administration	29,672.88
Water and sewer	73,950.43
Capital Outlay	8,753.50
Total operating cash disbursements	112,376.81
Operating income (loss)	40,324.35
NONOPERATING RECEIPTS (DISBURSEMENTS):	
Debt Service	
Principal Retirement	(26,029.54)
Interest Expense	(19,913.66)
Miscellaneous revenues	750.59
Fiscal charges	(324.36)
Total nonoperating receipts (disbursements)	(45,516.97)
Change in net Position	(5,192.62)
Total net position - beginning	22,532.86
Total net position - ending	$17,340.24

See accompanying notes to the basic financial statements.

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF CASH FLOWS (MODIFIED CASH BASIS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities-Enterprise Funds
	Public Works Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$152,701.16
Payments for supplies and maintenance	(82,703.93)
Payments to employees	(29,672.88)
Net cash provided (used) by operating activities	40,324.35
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	750.59
Operating transfers in (out)	0.00
Net cash provided (used) by noncapital financing activities	750.59
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest expense and fiscal charges	(324.36)
Principal paid on capital debt	(26,029.54)
Interest paid on capital debt	(19,913.66)
Net cash provided (used) by capital and related financing activities	(46,267.56)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest recevied	0.00
Net cash provided (used) by investing activities	0.00
Net increase (decrease) in cash and cash equivalents	(5,192.62)
Cash and cash equivalents, beginning of the year	22,532.66
Cash and cash equivalents, beginning of the year	$17,340.04
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	40,324.35
Adjustments to reconcile operating income to net cash provided by operating activities:	
Cash flows reported in other categories:	
Change in assets and liabilities:	0.00
Total adjustments	0.00
Net cash provided by (used in) operating activities	$40,324.35

See accompanying notes to the basic financial statements.

-FIDUCIARY FUNDS-

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
STATEMENT OF NET POSITION (MODIFIED CASH BASIS)
FIDUCIARY FUNDS
JUNE 30, 2013

	AGENCY FUNDS Water & Sewer Deposit Fund
ASSETS	
Current assets:	
Cash and Cash Equivalents	$7,118.35
Total current assets	7,118.35
Total assets	7,118.35
LIABILITIES	
Current liabilities:	
Deposits	7,118.35
Total liabilities	7,118.35

See accompanying notes to the basic financial statements.

TOWN OF NASH
NASH PUBLIC WORKS AUTHORITY
GRANT COUNTY - OKLAHOMA
JULY 1, 2012 TO JUNE 30, 2013

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

The accounting and reporting of the Town of Nash, Grant County, Oklahoma, relating to the funds included in the combined financial statements demonstrates conformity with a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The more significant of the municipalities' policies are described below.

A. Reporting Entity

The municipality is a corporate body for public purposes created under Title II of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The general operating authority for the municipality is the Oklahoma Municipal Code contained in Title II, Oklahoma Statutes. The governing body of the municipality is the Board of Trustees composed of elected members. The mayor is the executive officer of the municipality.

The Town's financial reporting entity includes two separate legal entities reported as the primary government.

The Town of Nash - that operates the public safety, streets, health and welfare, culture and recreation, and administrative activities.

The Nash Public Works Authority - that operates the water, sewer, and sanitation services of the City through a public trust of which the City is the beneficiary. The City Council serves as trustees for the Authority and all debt obligations of the Authority must be approved by 2/3rds vote of the City Council.

In determining the financial reporting entity, the Town complies with the provisions of Governmental Accounting Standards Council Statement No. 14, as amended by Statement No. 61, The Financial Reporting Entity, and includes all component units for which the Town is financially accountable.

The component unit is a Public Trust established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance Town services through issuance of revenue bonds or other non-general obligation debt and to enable the Town Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. The Town, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

Government-Wide Financial Statements

The statement of net position and activities are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets and liabilities resulting from cash transactions adjusted only for certain modifications stated below that have substantial support in generally accepted accounting principles (GAAP). These modifications include adjustments for the following balances arising from cash transactions:

Government-Wide Financial Statements (continued)

- cash-based inter-fund receivables and payables
- other cash-based receivables/payables
- utility deposit liabilities

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

In addition, due to the use of this modified cash basis of accounting, capital asset and long-term debt transactions are excluded from reporting within the financial statements. Capital assets are expensed when purchased and long-term debts are reported as cash receipts when issued and received. However, information about long-term debts is disclosed in Note 2 F.

B. Fund Accounting

The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain town functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types
Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

Fund Description

The following funds are utilized by the Town of Nash, Oklahoma.

Governmental Fund Types	Proprietary Fund Type	Fiduciary Fund Types
General Fund (Major Fund)	Public Works Authority (Major Fund)	Water & Sewer Deposit
Special Revenue Funds		
Capital Project Funds		
Debt Service Funds		

The General Fund accounts for all financial transactions not accounted for in any other fund. The revenues include taxes, utility collections, fees, licenses and permits, fines and forfeits, etc. Expenditures are for personal services, maintenance and operations and capital outlay.

Special Revenue Funds are funds which must be spent in accordance with special regulations and restrictions. There are major classifications to account for operating funds for which the use of revenues is restricted or designated by outside sources.

Fund Description (continued)

The Nash Economic Development Authority is considered a portion of the Town's Special Revenue Funds and operations. The Nash Economic Development Authority is used to account for funds received from SWOSU to pay for insurance costs for the Salt Fork Adventure Program, a juvenile facility.

Special Revenue Funds -

Fire Department
Nash Economic Development Authority
USDA Sewer Reserve
USDA Short Lived Assets

Capital Project Funds -

The Capital Project Funds are the Nash Economic Development Authority Construction Fund, OWRB REAP Fund and the USDA Construction Fund. The Nash Economic Development Authority Fund is used for renovation and remodel of the Nash School Building, the OWRB REAP Fund is used for improvement of the Town's water system and the USDA Construction Fund is used for sewer lagoon repair.

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. An additional revenue source is interest earnings from temporary investments.

Debt Service Fund Types -

Oklahoma Water Resources Board - PWA ' 92 Bond Fund
Sinking Fund
Nash Economic Development Authority
USDA Sewer Loan

The Town's proprietary fund is comprised of the following:

Nash Public Works Authority - accounts for the operation of the water, sewer, and sanitation activities.

The proprietary fund is reported on a modified cash basis, as defined above, and current financial resources measurement focus.

For the purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Town. When these assets are held under the terms of a formal trust agreement, either a permanent fund or an expendable trust fund is used. The terms "permanent" and "expendable" refer to whether or not the Town is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the Town holds on behalf of others as their agent and do not involve measurement of results of operations.

Permanent Fund -

Water and Sewer Deposit Fund

Fund Balance and Net Position

Fund Statements

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

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amount for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Street and Alley revenue as being restricted because the use is restricted by State Statute. Debt service resources are to be used for future servicing of the general obligation bonds and are restricted through debt covenants. Capital project revenue from bond proceeds is restricted by State Statute and is legally segregated for funding of voter approved uses.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Town has assigned interest earnings to the funds where earned for the purposes defined by the fund.
- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other government fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Memorandum Only - Total Column

The total column on the modified cash basis financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Net Position

a. Restricted Net Position - consists of net position with constraints placed on the use by either 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
b. Unrestricted net position - all other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In addition, the Town has restricted net positions for all special revenue funds.

It is the Town's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position elements are available.

C. Internal and Inter-fund balances and Transfers

The Town's policy is to eliminate inter-fund transfers and balances in the statement of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements.

D. Basis of Presentation

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

All governmental and fiduciary funds are accounted for using a modified cash basis of accounting. Revenues, except for certain grant revenues, are recognized when they are received rather than earned. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized when the grant expenditure is made. Under this modified cash basis of accounting, expenditures are generally recognized when encumbered/reserved rather that at the time the related fund liability is incurred.

The Town of Nash, Oklahoma utilizes an appropriated budget system of accounting. This system has an approved budget appropriation for its General Fund. All expenditures are recorded against the appropriation on a ledger by classification.

E. Budgets and Budgetary Accounting

The Town is required by state law to prepare an annual budget. The Town must submit a budget by August 22 of each year according to Oklahoma Statutes, Title 68, Section 3002. The budget amount for the Town is the appropriated balance approved by the County Excise Board. The budget, as set by the governing board, constitutes the maximum funds that may be spent during the fiscal year by any department of the local government required to appropriate funds. The budget includes revenues which are collected by the Town or transfers into a specific fund from another fund. The Town's budget does not include an ad valorem tax levy.

A budget is legally adopted by the Board of Trustees for the General Fund that includes revenues and expenditures.

E. Budgets and Budgetary Accounting (continued)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting -- under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund -- is utilized in all governmental funds of the Town.

The unencumbered balance of current fiscal year appropriations and the unexpended reserve appropriations of the previous fiscal year are lapsed and become a part of the beginning fund balance for the succeeding fiscal year.

F. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

All monies which are not invested in Certificate of Deposits are maintained in NOW Checking Accounts or Savings Accounts.

Safeguard of Deposits and Investments

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Oklahoma and its agencies that have a market value of not less than the principal amount of the deposits. The Town Treasurer is responsible for maintaining adequate coverage of all funds on deposit through security pledges approved by the Treasurer of the State of Oklahoma.

Deposit Categories of Credit Risk

(A) Insured by Federal Deposit Insurance
(B) Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.
(C) Uncollateralized.

	Category			
	(A)	(B)	(C)	Bank Balance
Cash/Investments	$ 520,557.13	$ 0.00	$ 0.00	$ 520,557.13

Pooled Cash

The Town of Nash and the Nash Public Works Authority use a pooled cash concept in maintaining it's investment account. Receipts deposited in the General Fund include the state-shared gasoline motor vehicle taxes. While these revenues are separately classified on the Town's ledgers, they are combined with all other revenues and expenditures for a single fund balance. Expenditures of these funds shall be made as provided by statute.

Fixed Assets and Property, Plant and Equipment

Property and equipment purchases are recorded as capital outlays in the accompanying statements of revenues, expenditures and changes in fund balances. The Town does not maintain complete financial records of capital assets purchased which would include depreciation schedules.

Property Tax

The Town's property tax is levied each October 1, on the assessed value listed as of January 1, of the same year for all real and personal property located in the Town, except certain exempt property. Assessed values are established by the Oklahoma Tax Commission and the State Equalization Board. A revaluation of all property is required once every five (5) years.

The Town does not have a millage levy for the General Fund for the 2012-13 period.

Compensated Absences

The Town does not have a policy which would allow vacation leave or sick pay benefits to accrue to employees past the current year. Therefore, no liability is recorded in the accompanying financial statements for compensated absences.

Operating Leases

The Town had no operating leases during the current fiscal year; therefore, no liability is recorded in the accompanying financial statements.

Long Term Debt

a) USDA Rural Development Promissory Note 97-01

Renovation and remodel of Nash School Building

Date of Loan, 7/26/07 - Original issue of $245,200.00, principal balance of $199,222.79 (none delinquent), interest rate of 4.25%. Monthly principal and interest payments in the amount of $1,570.00 are due beginning August 26, 2008, for a term of 20 years.

Total Outstanding Principal/Interest $199,361.97

b) USDA Rural Development Promissory Note 92-01

Sewer Lagoon Repair

Date of Loan, 10/3/11 - Original issue of $283,700.00, principal balance of $228,838.30 (none delinquent), interest rate of 3.0%. Monthly principal and interest payments in the amount of $1,016.00 are due beginning November 3, 2011, for a term of 40 years. Remaining annual payments are as follows:

Total Outstanding Principal/Interest $229,346.14

c) USDA Rural Development Promissory Note 92-02

Sewer Lagoon Repair

Date of Loan, 10/3/11 - Original issue of $468,000.00, principal balance of $374,982.04 (none delinquent), interest rate of 3.0%. Monthly principal and interest payments in the amount of $1,676.00 are due beginning November 3, 2011, for a term of 40 years. Remaining annual payments are as follows:

Total Outstanding Principal/Interest $375,814.19

2. Risk Management

Liability Protection Plan

The Town's Commercial Liability Insurance agreements cover claims against municipalities for all government functions, utilities, and services. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the State tort claims law and federal civil rights laws.

All public officials, employees, services, and municipal functions are covered unless they are specifically listed.

The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating Town pays all cost, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation under any contract entered into with the Plan.

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

Surety Bonds

The Town of Nash and the Nash Public Works Authority maintains a Public Official Position Schedule Bond with CNA Surety in the amount of $88,000.00. The bond number is 18020054, dated December 31, 2012 to December 31, 2013. The positions covered are as follows:

Treasurer/Secretary	$33,000.00
Town Clerk/Court Clerk	$25,000.00
Chief of Police	$10,000.00
Reserve Officers (2)	$20,000.00

The Nash Economic Development Authority maintains a Position Schedule Bond with CNA Surety in the amount of $10,000.00. The bond number is 70234578, dated January 23, 2013 to January 23, 2014. The positions covered are as follows:

Secretary	$10,000.00

3. Consumers and Service Rates

Average number of consumers for audit period:

Consumers:

Residential	148	(107 water, sewer & trash/28 water only/3 water & trash only 10 water & sewer only /10 dumpsters/11 extra polycarts)
Institution	1	
Commercial	8	
Churches	2	
Total Consumers	159	

3. Consumers and Service Rates (continued)

Monthly Service Rates:

Water -	$25.00	Minimum charge up to 3,000
	2.00	each additional 1,000 gallons
Sewer -	26.00	Residential – up to 1,000 gallons
	1.31	each additional 1,000 gallons
	48.50	Commercial – up t o 1,000 gallons
	1.31	each additional 1,000 gallons
Trash -	15.00	Residential
	29.00	Residential dumpster
	29.00	Commercial dumpster billed individually
Deposits -	100.00	Owner
Deposits -	200.00	Renter

4. Employee Retirement Plans

The Town of Nash participates in two pension or retirement plans:

1. Oklahoma Firefighter's Pension and Retirement System (OFPRS) - a statewide cost-sharing plan
2. Oklahoma Municipal Retirement System Defined Contribution Plan (OMRF) - an agent multiple-employer defined contribution plan

Description of Plan

Only the Town's volunteer fireman are covered by a pension plan. This noncontributory plan is operated and administered by the Oklahoma Firefighters Pension and Retirement System (OFPRS). The Oklahoma Firefighters Pension and Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the fund. That report may be obtained by writing to Oklahoma Firefighters Pension and Retirement System, 4545 North Lincoln Blvd., Suite 265, Oklahoma City, OK 73105-3414, or by calling 1-800-525-7461.

Funding Policy

The Town is required to make annual contributions of $60.00 per active volunteer fireman to OFPRS. This contribution covers a portion of the cost of benefits that will be paid to vested volunteer fireman. Additional funding comes from a percentage of all taxes collected on premiums collected by insurance companies and an appropriation by the State of Oklahoma. The contribution period was changed from a fiscal year to a calendar year during 2002-13 which increased the 2013 payment.

The Town's contributions to OFPRS were $1,320.00 for 2011, $1,080.00 for 2012 and $1,260.00 for 2013.

5. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

6. Subsequent Events

Management has evaluated subsequent events through December 3, 2013, which is the date the financial statements were available to be issued.

7. Project Grants

A. Rural Economic Action Plan
Northern Oklahoma Development Authority
Contract No.: 2012 REAP Fund GR12-1
Funding Period: 12/1/11 through 11/30/12
Water Well Improvements

	AWARD
Original Allocation - 12/1/11	$ 50,000.00
Expenditures 2012-13	46,500.00
Expenditures 2011-12	3,500.00
Remaining Allocation 6/30/13	$ 0.00

B. Rural Economic Action Plan
Northern Oklahoma Development Authority
Contract No.: 2013 REAP Fund GR13-3
Funding Period: 12/1/12 through 11/30/13
Wastewater System Improvements

	AWARD
Original Allocation - 12/1/12	$ 75,000.00
Expenditures 2012-13	13,557.00
Remaining Allocation 6/30/13	$ 61,443.00

SUPPLEMENTAL INFORMATION

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
BUDGTARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
GENERAL FUND ONLY
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE <UNFAVORABLE>
REVENUES:				
Taxes	$72,309.00	$72,309.00	$161,430.35	$89,121.35
Services	0.00	0.00	0.00	$0.00
Intergovernmental	50,000.00	50,000.00	40,812.00	($9,188.00)
Rentals/Royalties	0.00	0.00	70.00	$70.00
Fines and Fees	148,033.09	148,033.09	147,597.93	
Other	0.00	0.00	1,448.16	$1,448.16
TOTAL	270,342.09	270,342.09	351,358.44	81,451.51
EXPENDITURES:				
Personal Services	119,000.00	124,000.00	120,507.50	3,492.50
Maintenance & Operation	66,000.00	66,000.00	40,423.12	25,576.88
Capital Outlay	331,357.79	331,357.79	79,874.00	251,483.79
Other	45,200.00	40,200.00	19,092.34	21,107.66
TOTAL	561,557.79	561,557.79	259,896.96	301,660.83
Excess of Revenues Over/ <Under> Expenditures	(291,215.70)	(291,215.70)	91,461.48	383,112.34
Operating Transfers	0.00	0.00	(9,512.61)	(9,512.61)
Excess of Revenue Over/ <Under> All Uses	(291,215.70)	(291,215.70)	81,948.87	373,599.73
Fund Balance at 7/1/12	291,215.70	291,215.70	291,215.70	0.00
Fund Balance at 6/30/13	$0.00	$0.00	$373,164.57	373,164.57

Notes to Required Supplemental Information-Budgetary Comparison Schedule

Budgetary Accounting

The Town prepares its budget for the General Fund on the modified cash basis of accounting described in Note 1 to Financial Statements. This basis is consistent with the basis of accounting used in presenting the General Fund in the combining finanicial statements. The Town utilizes an appropriated budgetary system and all unencumbered appropriations lapse at year end.

TOWN OF NASH
GRANT COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/12 TO 06/30/13

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY CONTRACT / PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED OR (DEFERRED) Revenue at July 1, 2012	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED OR (DEFERRED) Revenue at JUNE 30, 2013
US DEPARTMENT OF - AGRICULTURE							
DIRECT PROGRAMS							
Rural Development	10.760	92-01, 92-02	$706,700.00	($9,752.01)	$58,000.00	$63,437.84	($4,314.17)
TOTAL FEDERAL FINANCIAL ASSISTANCE				(9,752.01)	58,000.00	63,437.84	(4,314.17)

NOTE A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Town of Nash and is presented on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method expenditures are recognized when an approved purchase order is issued.

NOTE B: There were no amounts passed to subreciepients.

NOTE C: Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

OTHER INFORMATION

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF ASSETS
AND LIABILITIES - MODIFIED CASH BASIS-
NON-MAJOR OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013

	OTHER GOVENMENTAL FUNDS - NON-MAJOR			
	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTALS 2012-13
ASSETS:				
Cash and Cash Equivalents	$8,249.25	$50,228.22	$20,607.93	$79,085.40
Investments	0.00	0.00	0.00	0.00
TOTAL ASSETS	$8,249.25	$50,228.22	$20,607.93	$79,085.40
LIABILITIES AND FUND BALANCES:				
LIABILITIES -				
Accounts Payable	0.00	0.00	0.00	0.00
Total Liabilities	0.00	0.00	0.00	0.00
FUND BALANCES-				
Restricted	7,886.29	50,228.22	20,350.97	78,465.48
Committed	0.00	0.00	0.00	0.00
Assigned	362.96	0.00	0.00	362.96
Unassigned	0.00	0.00	256.96	256.96
Total Fund Balances	8,249.25	50,228.22	20,607.93	79,085.40
TOTAL LIABILITIES AND FUND BALANCES	$8,249.25	$50,228.22	$20,607.93	$79,085.40

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF ASSETS
AND LIABILITIES - MODIFIED CASH BASIS - SPECIAL REVENUE
NON-MAJOR OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013

	SPECIAL REVENUE GOVERNMENTAL FUNDS			
	NEDA FUND	FIRE DEPARTMENT FUND	USDA SHORT LIVED ASSETS FUND	TOTALS 2012-13
ASSETS:				
Cash and Cash Equivalents	$0.00	$362.96	$7,886.29	$8,249.25
Investments	0.00	0.00	0.00	0.00
TOTAL ASSETS	$0.00	$362.96	$7,886.29	$8,249.25
LIABILITIES AND FUND BALANCES:				
LIABILITIES-				
Account Payable	0.00	0.00	0.00	0.00
Total Liabilities	0.00	0.00	0.00	0.00
FUND BALANCES-				
Restricted	0.00	0.00	7,886.29	7,886.29
Committed	0.00	0.00	0.00	0.00
Assigned	0.00	362.96	0.00	362.96
Unassigned	0.00	0.00	0.00	0.00
Total Fund Balances	0.00	362.96	7,886.29	8,249.25
TOTAL LIABILITIES AND FUND BALANCES	$0.00	$362.96	$7,886.29	$8,249.25

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF ASSETS
AND LIABILITIES - MODIFIED CASH BASIS- CAPITAL PROJECTS
NON-MAJOR OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013

	CAPITAL PROJECTS GOVERNMENTAL FUND TYPE		
	OWRB REAP GRANT FUND	USDA CONSTRUCTION FUND	TOTALS 2012-13
ASSETS:			
Cash and Cash Equivalents	$50,127.38	$100.84	$50,228.22
Investments	0.00	0.00	0.00
TOTAL ASSETS	$50,127.38	$100.84	$50,228.22
LIABILITIES AND FUND BALANCES:			
LIABILITIES -			
Warrants & Checks Outstanding	$0.00	$0.00	$0.00
Encumbrances Outstanding	0.00	0.00	0.00
Total Liabilities	0.00	0.00	0.00
FUND BALANCES-			
Restricted	50,127.38	100.84	50,228.22
Committed	0.00	0.00	0.00
Assigned	0.00	0.00	0.00
Unassigned	0.00	0.00	0.00
Total Fund Balances	50,127.38	100.84	50,228.22
TOTAL LIABILITIES AND FUND BALANCES	$50,127.38	$100.84	$50,228.22

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF ASSETS
AND LIABILITIES - MODIFIED CASH BASIS- DEBT SERVICE
NON-MAJOR OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013

	DEBT SERVICE FUNDS					
	NEDA RURAL DEVELOPMENT LOAN FUND	NEDA RURAL DEVELOPMENT RESERVE FUND	SINKING FUND	USDA SEWER LOAN	USDA SEWER RESERVE	TOTALS 2012-13
ASSETS:						
Cash and Cash Equivalents	$0.00	$9,365.88	$256.96	$4,192.00	$6,793.09	$20,607.93
Investments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	$0.00	$9,365.88	$256.96	$4,192.00	$6,793.09	$20,607.93
LIABILITIES AND FUND BALANCES:						
LIABILITIES -						
Acounts Payable	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
FUND BALANCES-						
Nonspendable	0.00	0.00	0.00	0.00	0.00	0.00
Restricted	0.00	9,365.88	0.00	4,192.00	6,793.09	20,350.97
Committed	0.00	0.00	0.00	0.00	0.00	0.00
Assigned	0.00	0.00	0.00	0.00	0.00	0.00
Unassigned	0.00	0.00	256.96	0.00	0.00	256.96
Total Fund Balances	0.00	9,365.88	256.96	4,192.00	6,793.09	20,607.93
TOTAL LIABILITIES AND FUND BALANCES	$0.00	$9,365.88	$256.96	$4,192.00	$6,793.09	$20,607.93

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - NON-MAJOR OTHER GOVERNMENTAL FUNDS
JULY 01, 2012 TO JUNE 30, 2013

	OTHER GOVERNMENTAL FUNDS - NON-MAJOR			
	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTALS 2012-13
REVENUE:				
Services	$0.00	$0.00	$62,164.04	$62,164.04
Taxes	0.00	0.00	0.00	0.00
Fines, Penalties & Permits	0.00	0.00	0.00	0.00
Interest Earned	13.07	0.00	30.48	43.55
Other	4,104.00	0.00	0.00	4,104.00
Intergovernmental	4,484.35	142,990.00	0.00	147,474.35
TOTAL	8,601.42	142,990.00	62,194.52	213,785.94
EXPENDITURES:				
Personal Service	0.00	0.00	0.00	0.00
Maintenance & Operation	15,276.92	0.00	0.00	15,276.92
Capital Projects	0.00	98,300.58	0.00	98,300.58
Debt Service	0.00	0.00	59,214.00	59,214.00
TOTAL	15,276.92	98,300.58	59,214.00	172,791.50
Excess of Revenues Over/ <Under> Expenditures	(6,675.50)	44,689.42	2,980.52	40,994.44
Operating Transfers	7,162.45	0.00	2,126.16	9,288.61
Excess of Revenues Over/ <Under> All Uses	486.95	44,689.42	5,106.68	50,283.05
Balance at 7/01/12	7,762.30	5,538.80	15,501.25	28,802.35
Balance at 6/30/13	$8,249.25	$50,228.22	$20,607.93	$79,085.40

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF REVENUES,EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - SPECIAL REVENUE
NON-MAJOR OTHER GOVERNMENTAL FUNDS
JULY 01, 2012 TO JUNE 30, 2013

	SPECIAL REVENUE GOVERNMENTAL FUNDS			
	NEDA FUND	FIRE DEPARTMENT FUND	USDA SHORT LIVED ASSETS FUND	TOTALS 2012-13
REVENUE:				
Services	$0.00	$0.00	$0.00	$0.00
Taxes	0.00	$0.00	$0.00	0.00
Fines, Penalties & Permits	0.00	$0.00	$0.00	0.00
Interest Earned	0.00	0.00	13.07	13.07
Other	0.00	0.00	4,104.00	4,104.00
Intergovernmental	0.00	4,484.35	0.00	4,484.35
TOTAL	0.00	4,484.35	4,117.07	8,601.42
EXPENDITURES:				
Personal Service	0.00	0.00	0.00	0.00
Maintenance & Operation	7,162.45	8,114.47	0.00	15,276.92
Capital Projects	0.00	0.00	0.00	0.00
Debt Service	0.00	0.00	0.00	0.00
TOTAL	7,162.45	8,114.47	0.00	15,276.92
Excess of Revenues Over/ <Under> Expenditures	(7,162.45)	(3,630.12)	4,117.07	(6,675.50)
Operating Transfers	7,162.45	0.00	0.00	7,162.45
Excess of Revenues Over/ <Under> All Uses	0.00	(3,630.12)	4,117.07	486.95
Balance at 7/01/12	0.00	3,993.08	3,769.22	7,762.30
Balance at 6/30/13	$0.00	$362.96	$7,886.29	$8,249.25

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF REVENUES,EXPENDITURES AND
CHANGES IN FUND BALANCE - CAPITAL PROJECTS
MODIFIES CASH BASIS - NON-MAJOR OTHER GOVERNMENTAL FUNDS
JULY 01, 2012 TO JUNE 30, 2013

	CAPITAL PROJECTS GOVERNMENTAL FUND TYPE		
	OWRB REAP GRANT FUND	USDA CONSTRUCTION FUND	TOTALS 2012-13
REVENUE:			
Services	$0.00	$0.00	$0.00
Taxes	0.00	0.00	0.00
Fines, Penalties & Permits	0.00	0.00	0.00
Interest Earned	0.00	0.00	0.00
Donations and Other	0.00	0.00	0.00
Intergovernmental	84,990.00	58,000.00	142,990.00
TOTAL	84,990.00	58,000.00	142,990.00
EXPENDITURES:			
Personal Service	0.00	0.00	0.00
Maintenance & Operation	0.00	0.00	0.00
Capital Projects	34,862.74	63,437.84	98,300.58
Debt Service	0.00	0.00	0.00
TOTAL	34,862.74	63,437.84	98,300.58
Excess of Revenues Over/ <Under> Expenditures	50,127.26	(5,437.84)	44,689.42
Operating Transfers	0.00	0.00	0.00
Excess of Revenues Over/ <Under> All Uses	50,127.26	(5,437.84)	44,689.42
Balance at 7/01/12	0.12	5,538.68	5,538.80
Balance at 6/30/13	$50,127.38	$100.84	$50,228.22

TOWN OF NASH
GRANT COUNTY - OKLAHOMA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE - DEBT SERVICE
MODIFIED CASH BASIS - NON-MAJOR OTHER GOVERNMENTAL FUNDS
JULY 01, 2012 TO JUNE 30, 2013

	DEBT SERVICE FUNDS					
	NEDA RURAL DEVELOPMENT LOAN FUND	NEDA RURAL DEVELOPMENT RESERVE FUND	SINKING FUND	USDA SEWER LOAN	USDA SEWER RESERVE	TOTALS 2012-13
REVENUE:						
Services	$18,440.84	$1,884.00	$0.00	$3,535.20	$38,304.00	$62,164.04
Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Interest Earned	0.00	19.41	0.00	11.07	0.00	30.48
Patron Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Donations and Other	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernmental	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	18,440.84	1,903.41	0.00	3,546.27	38,304.00	62,194.52
EXPENDITURES:						
Personal Service	0.00	0.00	0.00	0.00	0.00	0.00
Maintenance & Operation	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	20,410.00	0.00	0.00	0.00	38,804.00	59,214.00
Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	20,410.00	0.00	0.00	0.00	38,804.00	59,214.00
Excess of Revenues Over/ <Under> Expenditures	(1,969.16)	1,903.41	0.00	3,546.27	(500.00)	2,980.52
Operating Transfers	1,969.16	157.00	0.00	0.00	0.00	2,126.16
Excess of Revenues Over/ <Under> All Uses	0.00	2,060.41	0.00	3,546.27	(500.00)	5,106.68
Balance at 7/01/12	0.00	7,305.47	256.96	3,246.82	4,692.00	15,501.25
Balance at 6/30/13	$0.00	$9,365.88	$256.96	$6,793.09	$4,192.00	$20,607.93

Chas. W. Carroll, P.A.

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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

The Honorable Mayor and Board of Trustees
Town of Nash
Grant County, Oklahoma

I I have audited, in accordance with the 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, the financial statements-modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nash, Grant County, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the Town's basic financial statements-modified cash basis and have issued my report thereon dated December 3, 2013. As described in Note 1D, the Town has elected to report on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Town'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 of the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town'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 a 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 and deficiencies in internal control over financial reporting that I 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, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 and use of the federal awarding agencies and pass-through entities, management, others within the organization, and the Town Board and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Chas. W. Carroll, P.A.

Chas. W. Carroll, P.A.
December 3, 2013

TOWN OF NASH
NASH PUBLIC WORKS AUTHORITY
GRANT COUNTY - OKLAHOMA
JULY 1, 2012 TO JUNE 30, 2013

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2013

12-01 Lack of Segregation of Duties

The finding that inherent limitations resulting from a small number of employees performing functions, which would normally be divided among a larger number of employees, prevented a proper segregation of accounting functions which is necessary in order to assure adequate internal accounting controls was corrected during the current fiscal year.