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December 4, 2012

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Trustees  
Town of Sterling, Oklahoma

We have compiled the Annual Survey of City and Town Finances of the Town of Sterling, Oklahoma as of June 30, 2012, included in the accompanying prescribed form. We have not audited or reviewed the Annual Survey of City and Town Finances included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the Annual Survey of City and Town Finances is in accordance with the form prescribed by the Office of the State Auditor and Inspector.

Management is responsible for the preparation and fair presentation of the Annual Survey of City and Town Finances included in the form prescribed by the Office of the State Auditor and Inspector and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Annual Survey of City and Town Finances.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of the Annual Survey of City and Town Finances without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the Annual Survey of City and Town Finances.

The Annual Survey of City and Town Finances included in the accompanying prescribed form is presented in accordance with the requirements of the Office of the State Auditor and Inspector, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Office of the State Auditor and Inspector and is not intended to be and should not be used by anyone other than this specified party.

*Johnson, Badertscher & Moore, P.C.*

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Certified Public Accountants

<p><b>DUE DATE: December 31, 2012</b></p> <p style="text-align: center;"><b>IMPORTANT</b></p> <p>This report is to be compiled by your auditor from the audited financial statements of the municipality as required by Oklahoma Statutes, Section 17-105.1 of Title 11.</p> <p>This report details the funds available to the municipality and the use of those funds including information relating to the duly constituted authorities of the municipality (public trusts, etc.) for the fiscal year ending June 30, 2012. See supplementary instructions (coverage of this report) for information related to entities and activities to be included in this report on page 5 of this document.</p> <p>This report, principally for planning purposes at the local, State, and national level, is used by the Office of the State Auditor, the Oklahoma Municipal League, public interest groups, State and Federal agencies and universities.</p> <p>For assistance in completing this report, please call the Office of the State Auditor at (405) 521-3495. When completed, please return this form to the Office of the State Auditor at the address below.</p>	<p>FORM <b>SA&amp;I 2643</b></p> <p style="text-align: center;"><b>OFFICE OF THE STATE AUDITOR AND INSPECTOR</b>  <b>STATE OF OKLAHOMA</b>  <b>GARY JONES, AUDITOR AND INSPECTOR</b>  <b>ANNUAL SURVEY OF CITY AND TOWN FINANCES</b></p> <hr/> <p>Name <u>Sterling, Town</u>  <u>Mayor</u></p> <p>Address <u>PO Box 277</u></p> <p>City <u>Sterling, OK</u> State <u>OK</u> Zip Code <u>73567-0277</u>  <i>(Please correct any error in name, address, and ZIP Code)</i></p>
<p><b>RETURN TO</b></p> <p style="text-align: center;"><b>Office of the Auditor and Inspector</b>  <b>State of Oklahoma</b>  <b>2300 North Lincoln Blvd.</b>  <b>Room 100 State Capitol</b>  <b>Oklahoma City, OK 73105</b></p>	

**Part I TAX REVENUES**  
 Items 1-3 — Report collections from all taxes imposed by your government. Include current and delinquent amounts, penalties, and interest. Do not include receipts from service charges, special assessments, interest earnings, fines, or any other sources that are not taxes or licenses.

Item	Amount (Omit cents)	Item	Amount (Omit cents)
<b>1. Property taxes</b> — General fund, building fund, and sinking fund	T01	<b>d. Use tax</b>	T09 <u>3858</u>
<b>2. Local sales taxes</b> — Taxes on goods and services, measured as a percent of sales or receipts, or as an amount per unit sold (gallon, package, etc.). Report only these taxes imposed by your government; shares of taxes imposed by another government are to be reported under part 1A below.	T09	<b>3. Occupation and business licensing and permits</b>	T28
a. General sales tax	<u>79384</u>	a. Enter here licenses and inspection charges on occupations and businesses — for example, inspection of restrooms, restaurants, and food manufacturing plants; food handler permits; plumbing permits; taxicab licenses; tags; animal tags; vending licenses, and liquor licenses; business licenses; etc.	<u>17850</u>
b. Franchise fee or tax	T15 <u>17154</u>	b. Other licensing and permits	T29
c. Cigarette tax	T19 <u>1119</u>	<b>4. Other — Specify</b>	T99
d. Hotel/Motel	T19		

**Part 1A INTERGOVERNMENTAL REVENUE**

Report all amounts received by your government from other governments, including grants, shares of taxes imposed by other governments, payments in lieu of taxes and reimbursements for services performed for other governments, excluding loans. Also exclude here and report as "Tax Revenues" in part I, any taxes imposed by your government which were collected for it by another government.

**Column (a)** — Report all amounts your government received from the State (other than as collection fees), including any amounts financed wholly or in part from Federal grants to the State.

**Column (c)** — Report only amounts received directly from the Federal Government.

Purpose for which received	Amount (Omit cents)		
	From State (a)	From other local governments (b)	From Federal Government (directly) (c)
<b>General support</b> — Total amounts received (as per capita grants, shared taxes, etc.) without restrictions as to particular programs or purposes to be financed.	C30	D30	B30
<b>1. Alcoholic beverage tax</b>	<u>2078</u>	D46	B46
<b>2. Street and highways</b>	<u>6881</u>	D42	B42
<b>3. Health or hospital</b>	C42	D91	B91
<b>4. Grants received for water utilities</b>	C80	D80	B80
<b>5. Grants received for waste water utilities</b>	C50	D50	B50
<b>6. Grants received for housing, economic, and community development</b>	<u>1715</u>	D89	B01
<b>7. Airports</b>	C84	D94	B94
<b>8. Mass transit rail and/or bus system</b>	C89	D89	B89
<b>9. Grants received for transportation</b>	C89	D89	B89
<b>10. ALL OTHER (From State — code C89; From Federal Government — Code B89) — Include in the appropriate box, receipts from various payments such as —</b>	C89	D89	B89
a. Parks and recreation (BOR or HUD)	C89	D89	B89
b. Public safety	C89	D89	B89
c. Job training	C89	D89	B89
d. Library grants	C89	D89	B89
Other — Specify	C89	D89	B89
e. <u>Sewer</u>	<u>135510</u>	D89	B89
f.	C89	D89	B89

**Part 1B OTHER REVENUES — Other than tax and intergovernmental revenues**

Enter below amounts of the stated types of revenue (net of refunds and interfund transfers) received by your government during the fiscal year. Be sure to include revenues of all funds other than the exceptions noted in the special instructions.

Item	Amount (Omit cents)	Item	Amount (Omit cents)
<b>1. Utility sales revenue</b> — Gross receipts of any water, electric, gas, or transit systems operated by your government, from utility sales and charges. Exclude any amounts paid to such utilities by the parent government.	A91	<b>2. Other sales and service revenue</b> — Gross receipts from sales, rentals, maintenance assessments, and other charges for municipal services, aside from utility receipts (carried in item 1) and exclusive of amounts received from other governments.	A80
a. Water supply system	<u>183466</u>	a. Sewerage charges	<u>78628</u>
b. Electric power system	A92	b. Refuse collection charges	A81
c. Gas supply system	A93	c. Hospital charges received on behalf of individual patients under the Medicare program or other insurance-type arrangements. Exclude Medicaid and amounts for hospital purposes received from other governments.	A36
d. Transit	A94		



EXPENDITURES BY PURPOSE AND TYPE		CAPITAL OUTLAY	
PURPOSE	(a)	(b)	(c)
	Personal services	Operations and maintenance	Construction
	(d)		Purchase of land, equipment, and structures
<b>PUBLIC SAFETY — Continued</b>	E04	E04	F04
15. Correction institutions — Operation of facilities for confinement, correction and rehabilitation of adults or juveniles.			G04
16. Other corrections — Probation and parole activities — But exclude lock-up operations (report in item 16).	E05	E05	F05
17. Protection inspection and regulation, n.e.c. — Regulation of private enterprises for the protection of the public and inspection of hazardous activities (including building inspection), except when related to major functions, such as health, natural resources, etc.	E66	E66	F66
18. Ambulance — All expenditures for city operated or subsidized ambulance services	E32	E32	F32
19. Parks, cultural activities, and other recreation — Include playgrounds, golf courses, swimming pools, museums, marinas, community music, drama, celebrations, and zoos.	E61	E61	F61
20. Libraries — Include payments to nongovernmental libraries as well as libraries operated by the city. Aid to other governmental libraries should be excluded and reported in part III.	E52	E52	F52
21. Utilities	E91	E91	F91
21. Gross expenditure for utility systems operated by your government. Exclude interest (report in item 19), also exclude utility contributions to the parent government and deduct the cost of providing services to the parent government (e.g., for street lighting, hydrant rental, etc.).			
a. Water supply system	E91	E91	F91
b. Electric power system	E92	E92	F92
c. Gas supply system	E93	E93	F93
d. Transit system	E94	E94	F94
e. Sewers and storm sewers — Construction, maintenance and operation of sanitary and storm sewer systems and sewage disposal plants	E90	E90	F90
f. Solid waste and landfill — The collection and disposal of garbage and landfill operations	E81	E81	F81
INTEREST ON DEBT			
22. Amounts of interest paid, including any interest on short-term or nonunsecured obligations, as well as general obligations.			
a. Water supply system	191		
b. Electric power system	192		
c. Gas supply system	193		
d. Transit system	194		
e. All interest not covered by items 19a through 19d	199		
ALL OTHER EXPENDITURES			
23. Include any amounts which have not been allocated above by various departments.			
Do not include: (1) Payments for retirement of debt, (2) payments for your government, or (4) benefits and payments from distinct employee pension funds.			
a. Housing and community development — Gross expenditure for urban renewal, slum clearance, municipal housing projects, and similar activities.	E50	E50	F50
b. Economic development	E69	E69	F69
c. Civil defense	E03	E03	F03
d. Cemetery operations and maintenance	E03	E03	F03
e. Miscellaneous commercial activities	E69	E69	F69
f. Other — Specify	E69	E69	F69
g. Miscellaneous commercial activities	E03	E03	F03
h.			

**Part III INTERGOVERNMENTAL EXPENDITURES**

Please detail all payments made to other governments for services or programs performed on a reimbursement or cost-sharing basis — e.g., for hospital care, highways, school tuition, or support, etc. (Such amounts should be excluded from expenditure figures reported in column (b) of part II.) Enter "None" if your government made no reportable payments to other governments during the fiscal year.

Item	Type of recipient government(s) (County, State, school districts, etc.) (a)	Amount (Omit cents) (b)	Item	Type of recipient government(s) (County, State, school districts, etc.) (a)	Amount (Omit cents) (b)
1.			5.		
2.			6.		
3.			7.		
4.			8.		

**Part IV SALARIES, WAGES, AND FORCE ACCOUNT**

Report the total expenditure for salaries and wages included in column (a) of part II, as well as any salaries and wages paid on force account construction projects.

Amount (Omit cents)

200

150 138

**Part V DEBT OUTSTANDING, ISSUED, AND RETIRED — Report special obligations of all agencies of your government as well as general city or town debt.**

1. Long-term debt — Bonds, mortgages, etc., with an original term of more than one year issued in the name of your government or of particular agencies. Include revenue and nonguaranteed special assessment bonds payable solely from pledged earnings or special assessments on property owners (column (e)). Report also general obligations and any debt backed by pledged resources but guaranteed by your government if these sources are insufficient (column (f)).

When an advance refunding has resulted in a legal or an in-substance defeasance, the debt may be considered extinguished, reported as retired in the year of defeasance and should not be reported herein in subsequent years.

AMOUNT, BY PURPOSE (Omit cents)

	Outstanding at beginning of fiscal year (a)	DURING FISCAL YEAR		Outstanding total (a) plus (b) minus (c) (d)	DETAIL OF LONG-TERM DEBT OUTSTANDING	
		Issued (b)	Retired (c)		Revenue and nonguaranteed bonds (e)	Guaranteed bonds (f)
a. Sewer debt	19U	29U	39U	49U	44U	41U
b. Water supply system debt	19U	29U	39U	49U	44U	41U
c. Electric power system debt	19U	29U	39U	49U	44U	41U
d. Gas supply system debt	19U	29U	39U	49U	44U	41U
e. Transit	19U	29U	39U	49U	44U	41U
f. Industrial revenue and pollution control debt	19T	24T	34T	44T	44T	
g. All other purposes	19U	29U	39U	49U	44U	41U

2. Short-term (interest-bearing) debt — Tax anticipation notes, bond anticipation notes, interest-bearing warrants, and other obligations with a term of one year or less — Exclude accounts payable and other noninterest-bearing obligations.

Amount (Omit cents)

a. Amount outstanding at beginning of fiscal year

61V

b. Amount outstanding at end of fiscal year

64V

**Part VI CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR**

Report separately for each of the three types of funds listed below, the total amount of cash on hand and on deposit and investments in Federal Government, Federal agency, State and local government, and non-governmental securities. Report all investments at carrying value. Include in the sinking fund total any mortgages and notes receivable held as offsets to housing and industrial financing loans. Exclude accounts receivable, value of real property, and all non-security assets. Assets obtained and held pursuant to an advance refunding that results in a legal or in-substance defeasance should not be reported herein.

Type of fund	Amount at end of fiscal year (Omit cents)
1. Sinking funds — Reserves held for redemption of long-term debt. All cash held for statutory sinking fund and revenue bond related accounts and any other reserves held for redemption of long-term debt.	W01
2. Bond funds — Unexpended proceeds from sale of G.O. and revenue bond issues held pending disbursement	W31
3. All other funds except employee retirement funds	W61 249 256
4. Retirement systems — Single employer plans only	

Remarks

**Part VII AUDITOR INFORMATION**

**NOTE** — This report will not be considered complete unless an accompanying "accountants compilation report on financial statements included in certain prescribed forms" is attached to the report. The municipality's auditor should follow the guidelines in AR Section 300 of the AICPA Professional Standards in preparing such compilation report.

Auditor's firm name

Johnson Badertscher Moore PC

Address — Number and street

Po Box 1405  
City

State ZIP Code

Chickasha  
Name of contact person/Email

Jimmie P. Johnson

TELEPHONE

Area code	Number	Extension
<u>405</u>	<u>224-0212</u>	

**COVERAGE OF THIS REPORT**

The financial reporting entity for which information is to be presented should comply with generally accepted accounting principles for governments. Current authoritative guidance is provided in GASB Codification Section 2100 and/or GASB Statement No. 14. These statements prescribe that the financial reporting entity should consist of the primary government or oversight unit and all blended and discreetly presented component units.

Oklahoma Statutes, Section 17-105.1 of Title 11 require that municipalities include information relating to all of its duly constituted authorities. Copies of this form may be distributed to component units for their completion. Forms completed by component units should not be filed separately but should be returned to the appropriate municipality for inclusion in the report filed for the financial reporting entity. Such component units would include special districts, hospitals, boards, trusts, and authorities meeting the inclusion criteria of the statements reference above.

**SUPPLEMENTARY INSTRUCTIONS FOR OKLAHOMA MUNICIPALITIES  
2012 ANNUAL SURVEY OF CITY AND TOWN FINANCES**

**COVERAGE OF THIS REPORT**

In addition to the fiscal activities of your general government, include the revenues, expenditures, assets and debt of the following types of agencies, if they are operative in your city or town.

- City water districts
- Medical center authorities
- Joint airport boards
- Municipal parking districts
- Rural water, sewer, gas, and solid waste management districts with ex officio boards
- Public trusts (Title 60, Section 176 of the Oklahoma Statutes)
- Separate road districts
- Sewer districts
- Utilities authorities
- Zoning districts

**Part I — TAX REVENUES**

This part refers to all city-imposed taxes. It does not include service charges, special assessments (such as those for paving districts), or interest earnings, fines, or any other sources which are not taxes or licenses.

**1. Property taxes (code T01)**

Also include city-imposed ad valorem property taxes collected by the county and paid to the city for the repayment of G.O. bonds.

**2. Local sales taxes**

**a. General sales tax (code T09)**

Report revenue from city-imposed sales tax only. This tax is collected by the State and paid back to the city minus a small percentage withheld by the State for handling expenses. Be sure to enter only the amount of the check received from the State.

**b. Franchise fee or tax, public utilities (code T15)**

Enter here any franchise tax collected from a private utility to operate within the city such as gas, electric, telephone, cable TV, etc.

**d. Other — Specify any sales tax not mentioned above.**

**3. Licenses, permits, and other taxes**

**a. Occupation and business licensing and permits (code T28)**

Enter here licenses and inspection charges on occupation and business.

**b. Report only licenses and permits not included in 3a. (code T29)**

**Part IA — INTERGOVERNMENTAL REVENUE**

**1. General support**

From State (code C30) — Enter amount received from alcoholic beverage tax county distribution.

**2. Streets and highways (codes C46, D46, and B46)**

Enter receipts from commercial vehicle tags, gasoline tax, bus mileage tax, registration tags.

**3. Health or hospitals (codes C42, D42, and B42)**

In the appropriate column, list any intergovernmental revenues received for operation of a hospital, health facility, or health department, (grants, not loans) or funds received from other government jurisdictions for health services or facilities operated by your government.

**4. Grants received for utilities (codes C91 to B91)**

**7. Grants received for mass transit and/or bus systems (codes C94 to B94)**

**9. All other (From State —code C-89; From Federal Government — code B89)**

Include in the appropriate box, receipts from various payments such as:

- Park and recreation (BOR or HUD)
- Community development and urban renewal
- Civic defense
- Water and sewer facilities
- Manpower planning and utilization

**Part 1B — OTHER REVENUE**

**3. Special assessment funds**

Include —

- All transactions of special assessment funds established to finance streets, sidewalks, or other local improvements within the city.
- Assessments collected from property owners at part IB, item 3.
- Expenditure from improvements at part II. Report as capital outlay.
- Interest paid on special assessment obligations at part II, item 19e.
- Transactions of special assessment bonds at part V.
- Cash and security holdings of special assessment funds at part VI.

**Part IV — SALARIES, WAGES, AND FORCE ACCOUNT**

Report salaries and wages for all employees full- and part-time. Include salaries paid for employees of any utility owned and operated by your government. Report salaries in gross amounts before deductions for income taxes, Social Security, or retirement coverage.

**Part V — DEBT OUTSTANDING, ISSUED, AND RETIRED**

Also include industrial revenue or pollution control bonds, if issued by your city or town.

**Hospitals —** The following hospitals are classified as agencies of various municipal governments and their transactions should be included in the appropriate parts of this report.

Municipality	Hospital
Anadarko	Anadarko Municipal Hospital
Bethany	Bethany General Hospital
Carnegie	Carnegie Tri-County Municipal Hospital
Cleveland	Cleveland Area Hospital
Clinton	Clinton Regional Hospital
El Reno	Park View Hospital
Fairfax	Fairfax Municipal Hospital
Fairview	Fairview Hospital
Healdton	Healdton Municipal Hospital
Holdenville	Holdenville General Hospital
Lindsay	Lindsay Municipal Hospital
Mangum	Mangum City Hospital
Norman	Norman Municipal Hospital
Okeene	Okeene Municipal Hospital
Pauls Valley	Pauls Valley General Hospital
Pawnee	Pawnee Municipal Hospital
Sayre	Sayre Memorial Hospital
Seminole	Seminole Municipal Hospital
Tahlequah	Tahlequah City Hospital
Watonga	Watonga Municipal Hospital