

**TOWN OF WEST SILOAM SPRINGS,
OKLAHOMA**

***FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2012***

***KATHY HEWITT, CPA, INC., P.C.
207 NORTH 3^d STREET
MUSKOGEE, OK 74401
918-682-8529***

**TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Government-wide Statement of Net Assets	3
Government-wide Statement of Activities	4
Statements of Assets, Liabilities and Fund Balance – Governmental Funds	5
Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	6
Statement of Net Assets– Proprietary Fund	7
Statement of Revenue, Expenses and Changes in Fund Net Assets – Proprietary Fund	8
Statement of Cash Flows– Proprietary Fund	9
Notes to the Basic Financial Statements	10
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	23
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary Comparison Schedule–General Fund - Unaudited	25
OTHER SUPPLEMENTAL INFORMATION	
Combining Statement of Assets, Liabilities and Fund Balance- Governmental Funds - Unaudited	26
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds - Unaudited	27

KATHY HEWITT, CPA, INC., P.C.

Certified Public Accountant

918.682.8529 • Fax 918.682.4176

web: kathyhewittcpa.com • email: khewitt@hewittcpainc.com

INDEPENDENT AUDITOR'S REPORT

To the City Council
Town of West Siloam Springs, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of West Siloam Springs (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.

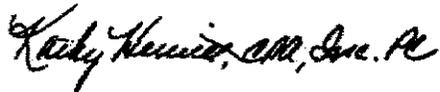
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has not presented Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America 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. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used

to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. Budgetary comparison information is presented on page 24. We have applied certain limited procedures to the required supplementary information pertaining to the budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Kathy Hewitt, CPA, Inc. PC". The signature is written in a cursive, flowing style.

Kathy Hewitt CPA, Inc., PC
Muskogee, Oklahoma
December 3, 2012

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 JUNE 30, 2012

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 495,229	334,201	\$ 829,430
Due from other funds	-	24,868	24,868
Accounts receivable	145	50,350	50,495
Capital assets:			
Other capital assets, net of accumulated depreciation	362,343	1,305,116	1,667,460
TOTAL ASSETS	\$ 857,717	\$ 1,714,535	\$ 2,572,253
LIABILITIES			
Deferred revenue	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Accounts payable	32,119	52,553	84,672
Note payable:			-
Long-term liabilities	-	-	-
Due within one year	17,069	-	17,069
Due in more than one year	9,984	-	9,984
Refundable customer deposits	-	41,310	41,310
TOTAL LIABILITIES	59,172	93,863	153,035
NET ASSETS			
Invested in capital assets net of related debt	362,243	1,305,116	1,667,359
Restricted Net Assets	7,479	-	7,479
Unrestricted Net Assets	428,823	315,556	744,379
TOTAL NET ASSETS	798,545	1,620,672	2,419,217
TOTAL LIABILITIES AND NET ASSETS	\$ 857,717	\$ 1,714,535	\$ 2,572,252

The accompanying notes are an integral part of these financial statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Expenses	Program Revenue			Net (Expense) Revenue & Changes in Net Assets Primary Government		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General Government	180,988	-	-	-	(180,988)	-	(180,988)
Public Safety	925,199	-	-	-	(925,199)	-	(925,199)
Sewer	124,481	-	50,000	-	(74,481)	-	(74,481)
Subtotal	1,230,668	-	50,000	-	(1,180,668)	-	(1,180,668)
Interest on long term debt	5,767				(5,767)		
Total Governmental Activities	1,236,435				(1,186,435)		
Business-type activities							
Water and sewer	732,340	726,052	-	-	-	(6,289)	(6,289)
Total primary government	1,968,775	726,052	50,000	-	(1,186,435)	(6,289)	(1,186,957)
GENERAL REVENUE:							
Taxes:							
Sales		170,572					170,572
EMS		209,722					209,722
Hotel		28,493					28,493
Use		7,233					7,233
Alcoholic beverage		11,070					11,070
Cigarettes		5,457					5,457
Franchise		11,179					11,179
Motor vehicle license		5,243					5,243
Gasoline		2,251					2,251
Fines and forfeitures		657,841					657,841
CNE EMS income		132,000					132,000
Grant Proceeds		-					-
Other reimbursements		127,232					127,232
Miscellaneous		16,601					16,601
Investment income		-					-
Transfer of funds (net)		(79,420)				24,709	(54,711)
Total general revenue and transfers		1,305,475	24,709			24,709	1,330,184
Change in net assets		119,040				18,421	137,460
NET ASSETS - BEGINNING		738,679				1,696,114	2,434,793
NET ASSETS - ENDING		857,719				1,714,535	2,572,252

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
GOVERNMENTAL FUNDS
JUNE 30, 2012

ASSETS	General Fund	Nonmajor Gov't Funds	Total Governmental Funds
Cash and cash equivalents	\$ 265,481	\$ 229,749	\$ 495,229
Due from other funds	\$ -	\$ -	\$ -
Accounts receivable	\$ 145	\$ -	\$ 145
Total assets	\$ 265,626	\$ 229,749	\$ 495,374

LIABILITIES			
Accounts payable	\$ 32,119	\$ -	\$ 32,119
Note payable-Current Portion	\$ 8,612	\$ 8,456	\$ 17,068
Note Payable-Long Term	\$ -	\$ -	\$ -
Due to other funds	\$ -	\$ -	\$ -
Deferred revenue	\$ -	\$ -	\$ -
Total liabilities	\$ 40,731	\$ 8,456	\$ 49,187

FUND BALANCES			
Assigned fund balance	\$ -	\$ 221,293	\$ 221,293
Unassigned fund balance	\$ 224,895	\$ -	\$ 224,895
Total fund balance	\$ 224,895	\$ 221,293	\$ 446,188
Total liabilities and fund balances	\$ 265,626	\$ 229,749	\$ 495,374

Reconciliation of the Statement of Assets, Liabilities and Fund Balance
to the Government-wide Statement of Net Assets - June 30, 2012

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

1. Capital assets used in governmental activities, net
of accumulated financial resources are not
reported in the funds net assets of governmental activities
2. Long term liabilities are not due and payable in the current
period and accordingly are not reported in the funds

Total Fund Balances Government Funds	\$ 224,895	\$ 221,293	\$ 446,188
Long term Liabilities	\$ (1,185)	\$ (8,799)	\$ (9,984)
Capital Assets Net of Depreciation	\$ 271,482	\$ 90,861	\$ 362,343
Totals per financial statements	\$ 495,192	\$ 303,355	\$ 798,547

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Non-major Gov't Funds	Total Governmental Funds
REVENUE:			
Taxes:			
Sales	\$ 170,572	\$ -	\$ 170,572
EMS	118,781	90,941	209,722
Hotel	28,493	-	28,493
Use	7,233	-	7,233
Alcoholic beverage	11,070	-	11,070
Cigarette	5,457	-	5,457
Franchise	11,179	-	11,179
Motor vehicle license	5,243	-	5,243
Gasoline	2,251	-	2,251
Fines/forfeitures	657,761	80	657,841
Grants		50,000	50,000
CNE EMS income	-	132,000	132,000
Other reimbursements	67,402	59,830	127,232
Licenses and permits	5,969	2,150	8,119
Miscellaneous	7,352	1,130	8,482
Total revenue	<u>\$ 1,098,764</u>	<u>\$ 336,131</u>	<u>\$ 1,434,895</u>
EXPENDITURES:			
Current:			
General government	176,843	-	\$ 176,843
Public Safety (Police, Fire, EMS)	683,674	213,383	\$ 897,056
Water/Sewer/Streets	79,095	43,529	\$ 122,624
Capital outlay	68,582	63,000	\$ 131,582
Total expenditures	<u>\$ 1,008,194</u>	<u>\$ 319,912</u>	<u>\$ 1,328,105</u>
Excess of Revenue Over (Under) Expenditures	\$ 90,570	\$ 16,219	\$ 106,789
Other Financing Sources (Uses):			
Transfers to:			
EMS	(90,941)	-	\$ (90,941)
Sewer	10,276	-	\$ 10,276
Dog Pound	(20,399)	21,644	\$ 1,245
PWA	-	-	\$ -
Total Other Financing Sources (Uses)	<u>\$ (101,064)</u>	<u>21,644</u>	<u>\$ (79,420)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (10,494)	\$ 37,863	\$ 27,369
Net Position July 1	<u>\$ 513,012</u>	<u>\$ 225,667</u>	<u>\$ 738,679</u>
Net Position June 30	<u>\$ 502,518</u>	<u>\$ 263,530</u>	<u>\$ 766,048</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Government-wide Statement of Activities - For the Year Ended June 30, 2012

Excess (Deficiency) of Revenues over Expenditures	-10,494	37,863	27,369
Purchase of new assets	\$ 68,262	63,000	131,262
Depreciation Expense	\$ (36,610)	(2,982)	-39,592
Totals Per Financial Statement	<u>\$ 21,158</u>	<u>\$ 97,881</u>	<u>\$ 119,039</u>

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

ASSETS	Public Works Authority <u>Enterprise Funds</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 292,737
Restricted cash and cash equivalents	\$ 41,465
Due from other Town funds	\$ 24,868
Accounts receivable	\$ 50,350
Total current assets	<u>\$ 409,419</u>
NONCURRENT ASSETS:	
Restricted cash and cash equivalents	\$ -
Other capital assets, net of accumulated depreciation	\$ 1,305,116
Total noncurrent assets	<u>\$ 1,305,116</u>
TOTAL ASSETS	<u><u>\$ 1,714,535</u></u>
CURRENT LIABILITIES:	
Accounts payable	\$ 52,553
Total current liabilities	<u>\$ 52,553</u>
NONCURRENT LIABILITIES:	
Refundable customer deposits	\$ 41,310
Total noncurrent liabilities	<u>\$ 41,310</u>
TOTAL LIABILITIES	\$ 93,863
NET ASSETS	
Invested in capital assets, net of related debt	\$ 1,305,116
Unassigned fund balance	\$ 315,557
TOTAL NET ASSETS	<u>\$ 1,620,673</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,714,535</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Total
OPERATING REVENUE:	
Water usage income (net of refunds/adjustments)	\$ 396,336
Sewer usage income	210,282
Designated sales tax - sewer	90,941
Installation charges	525
Reconnect fees	2,500
Reimbursements	18,168
Miscellaneous	1,521
Penalty income	5,780
TOTAL OPERATING REVENUE	\$ 726,052
 OPERATING EXPENSES:	
Cost of water purchased	\$ 265,709
Cost of sewer services (Siloam Springs)	113,387
Salaries and related taxes and benefits	100,728
Repairs and Maintenance	13,947
Materials and supplies	29,412
Fuel Costs	10,225
Utilities	5,295
Postage and office expense	5,925
Licenses and permits	2,331
Insurance and bonds	49,126
Telephone	4,907
Legal and professional fees	15,664
Travel and training	1,214
Miscellaneous	9,870
Uniforms	3,362
Water testing	396
Depreciation	100,842
TOTAL OPERATING EXPENSES	\$ 732,340
 NON-OPERATING REVENUE (EXPENSES):	
Interest revenue - unrestricted	
Interest revenue - restricted, debt service	
Interest expense - debt service	
Trustee and advisor fees - debt service	
Depreciation	\$ -
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ -
NET INCOME (LOSS) BEFORE TRANSFERS	\$ (6,289)
 TRANSFERS:	
Transfers In	\$ 247,513
Transfers Out	\$ (222,803)
EXCESS REVENUES OVER EXPENSES OR EXPENSES OVER REVENUES	\$ 18,421
 TOTAL ASSETS - BEGINNING	 \$ 1,696,114
TOTAL NET ASSETS - ENDING	\$ 1,714,535

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers	\$ 726,052
Payments to suppliers	\$ (530,769)
Payments to employees	\$ (100,728)
Receipts from Cherokee Nation	\$ -
Increase in restricted funds	\$ -
Increase in accounts payable	\$ -
Increase in accounts receivable	\$ (2,396)
Increase in due from other Town funds	\$ -
Increase in reserve for refundable meter deposits	\$ 725
Decrease in deferred revenue	\$ -
Net Cash Provided by Operating Activities	<u>\$ 92,884</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfers from other funds	\$ 247,513
Transfers to other funds	\$ (222,803)
Net Cash Provided by Noncapital Financing Activities	<u>\$ 24,710</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal paid on capital debt	\$ -
New debt financing	\$ -
Interest paid on capital debt	\$ -
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>\$ -</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of fixed assets	\$ (31,219)
Interest on checking accounts - unrestricted	\$ -
Interest on checking accounts - restricted	\$ -
Net Cash Provided by Investing Activities	<u>\$ (31,219)</u>

Net Increase (Decrease) in Cash and Cash Equivalents \$ 86,375

Balance - Beginning of Year (Net of prior period adjustments) \$ 206,362

Balance - End of Year \$ 292,737

RECONCILIATION OF NET CASH FLOW TO OPERATING INCOME

Net receipts from customers less payments to suppliers and employees	\$ 94,553
Less depreciation expense not included as a cash flow item	<u>\$ (100,842)</u>
Net income per financial statement	<u><u>\$ (6,289)</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of West Siloam Springs, Oklahoma (the Town) presents its general fund and non-major fund financial statements on the modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. The Town presents its proprietary fund financial statements on the accrual basis of accounting. Under the accrual basis of accounting, transactions are recorded when they occur, irrespective of when actual cash is received or paid.

The Town's general fund includes general government activities, public safety activities, utility activities and capital outlay.

The Town's non-major general funds include the Subsidy Pool Fund, the Drug Free Fund, the Dog Pound Fund, the Park Fund and the EMS Fund.

The Town's proprietary fund, the West Siloam Springs Public Works Authority (PWA) financial statements include water and sewer.

The Town does not have any fiduciary activities or internal service funds.

The financial statements have been prepared in accordance with relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The Town of West Siloam Springs, Oklahoma was organized under the statutes of the State of Oklahoma. The Town operates under a town form of government and is governed by a five member board of trustees. The trustees elect the mayor from their own body. The Town provides the following services: general government, public safety (fire and police), streets, public works (water, sewer, trash and animal control), judicial, public improvements, and planning and zoning for the geographical area organized as the Town of West Siloam Springs, Oklahoma.

As required by generally accepted accounting principles, these financial statements present the activities of the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Town's operations and so data from these units are combined with the data of the primary government.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Component Units

Component units are organizations that are legally separate from the primary government for which the elected officials are financially accountable. The West Siloam Springs Public Works Authority (PWA) was created pursuant to a Trust Indenture to acquire, construct, lease and operate the water and sewer facilities for the benefit of the Town of West Siloam Springs, Oklahoma. The PWA is empowered to incur debt for the purposes stated above. The water and sewer systems owned by the Town have been leased to the PWA. The PWA is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes and is governed by a board consisting of five trustees identical with the Town Board. The PWA is exempt from State and Federal Income taxes. The PWA meets the definition of a component unit as defined in GASB No. 14 whose activities have been included with those of the proprietary funds for financial statement reporting.

B. Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Government-wide Financial Statements – The statement of net assets and the statement of activities include information about the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements – The Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of government and enterprise fund financial statements is on major funds. If applicable, each major fund is presented in a separate column.

Fund Accounting – The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

with finance-related legal and contractual provisions. There are two categories of funds: governmental and proprietary.

Governmental Funds – are used to account for the Town’s general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenue, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenue and certain liabilities and their related expenses are not recorded in these financial statements.

The following are the Town’s major funds:

- **General Fund** – is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Special Revenue Funds** – account for revenue sources that are either legally restricted to expenditures for specific purposes or designated to finance particular functions of the Town. The reporting entity includes the following special revenue funds.

<u>Fund</u>	<u>Brief Description</u>
Sales Tax Sewer Project	Accounts for sales tax revenue received that are designated for voter approved sewer project.

- **Enterprise Funds (Proprietary Funds)** – are accounted for using the accrual basis of accounting. Under this method, revenues and expenses are recorded when they result from cash transactions. These funds are used to account for those operations that are financed and operated in a manner similar to private business where the intent of the governing body is for the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the determination of revenues earned, costs incurred and/or net income is necessary for capital maintenance, public policy or management accountability.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

- **West Siloam Springs Public Works Authority** – accounts for the operations of providing public works (water, sewer, trash and animal control) to the Town residents.

There are no other enterprise funds of the Town to be considered non-major funds.

C. Assets, Liabilities and Equity

1. Deposits and Investments

Oklahoma Statutes authorize the Town to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the Town can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the Town's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with a maturity date of three months or less. Debt instruments with a maturity date of more than three months are considered to be investments. Investments are stated at their fair market value.

2. Restricted Cash

Certain funds are restricted for West Siloam Springs Public Works Authority customer deposit refunds.

3. Fair Value of Financial Instruments

The Town's financial instruments include cash and cash equivalents, and certain liabilities. The Town's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.

4. Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles used by the Town requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

5. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other/due to other funds." The Town considers receivables collected within 60 days after year end to be available and recognized them as revenues of the current year.

6. Capital Assets

Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year.

Improvements are capitalized while the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following ranges of estimated useful lives:

Buildings	40 years
Improvements, other than buildings	20 years
Machinery, furniture and equipment	7 years
Utility property and improvements	40 years
Vehicles	5 years

It is the policy of the Town to depreciate all assets whose cost equals or exceeds \$500.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

7. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation time. Full-time employees who have been employed continuously for at least one year are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Town. The Town has not accrued compensated absences because the amount, if any, would not be material to the financial statements.

8. Long-term Obligations

The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources."

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Therefore, long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

9. Net Assets/Fund Balance

In the government-wide financial statement, net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when limitations on their use change the nature or constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation. The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Town's restricted fund balance is overseen by the town board who is authorized to assign amounts to a specific purpose. The policy established by the board defines those circumstances under which funds can be restricted. The Town applies restricted resources

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The governmental financial statements report fund balances as assigned when limitation on their use change the nature or constraints are either externally imposed by creditors, contributors, grantors, laws or other government or are imposed by law through constitutional provisions or enabling legislation. The Town applies assigned resourced when an expense is incurred for purposes for which both assigned and unassigned net assets are available. .The Town's assigned fund balance is overseen by the town board who is authorized to assign amounts to a specific purpose. The policy established by the board defines those circumstances under which funds can be assigned. Unassigned fund balances represent the remaining fund balance after applying all other assigned classifications.

1. DETAILED NOTES CONCERNING THE FUNDS

A. Cash and investments

Custodial Credit Risk – Deposits

The table presented below is designed to disclose the level of custodial credit risk assumed by the Town based upon how its deposits were insured or secured with collateral at June 30, 2012. The categories of custodial credit risk are defined as follows:

Category 1 – Insured by Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Town (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Town's name; or properly collateralized with no written and approved collateral agreement.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>		
		<u>1</u>	<u>2</u>	<u>3</u>
Insured deposits	\$ 829,430	\$ 829,430	\$ -	\$ -
Uninsured deposits:	\$			
Collateralized	\$ -	\$ -	\$ -	\$ -
Uncollateralized	\$ -	\$ -	\$ -	\$ -
Total deposits	<u>\$ 829,430</u>	<u>\$ 829,430</u>	<u>\$ -</u>	<u>\$ -</u>

Investments

State statutes are used to determine the limits in which the Town can invest its funds. The Town has not formally adopted deposit and investment policies that limit its allowable investments. The Town had no investments as of June 30, 2012.

B. Capital Assets

Capital asset activity resulting from modified cash basis transactions, for the fiscal year ended June 30, 2012, was as follows:

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Governmental activities:

	<u>Balance</u>				<u>Balance</u>
	<u>07/01/11</u>	<u>Additions</u>	<u>Deductions</u>		<u>06/30/12</u>
Capital assets not being depreciated: Land					
Other capital assets:					
Buildings	\$ 263,134	\$ -	\$ -	\$ -	\$ 263,134
Land	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Infrastructure	\$ 1,420,439	\$ 25,000	\$ -	\$ -	\$ 1,445,439
Vehicles	\$ 417,187	\$ 50,970	\$ (232,928)	\$ -	\$ 235,229
Machinery and equipment	<u>\$ 87,593</u>	<u>\$ 80,292</u>	<u>\$ (37,031)</u>	<u>\$ -</u>	<u>\$ 130,854</u>
Total other capital assets	<u>\$ 2,193,353</u>	<u>\$ 156,262</u>	<u>\$ (269,959)</u>	<u>\$ -</u>	<u>\$ 2,079,656</u>
Less accumulated depreciation for:					
Buildings	\$ 154,953	\$ 6,579	\$ -	\$ -	\$ 161,532
Infrastructure	\$ 1,056,607	\$ 67,391	\$ -	\$ -	\$ 1,123,998
Vehicles	\$ 225,405	\$ 33,590	\$ (195,055)	\$ -	\$ 63,940
Equipment	<u>\$ 78,264</u>	<u>\$ 4,638</u>	<u>\$ (36,500)</u>	<u>\$ -</u>	<u>\$ 46,402</u>
Total accumulated depreciation	<u>\$ 1,515,229</u>	<u>\$ 112,198</u>	<u>\$ (231,555)</u>	<u>\$ -</u>	<u>\$ 1,395,872</u>

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

Business-type activities:

	<u>Balance</u> <u>07/01/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/12</u>
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Other capital assets:				
Water system	\$ 169,530	\$ 6,054	\$ -	\$ 175,584
Sewer system	\$ 1,138,723	\$ -	\$ -	\$ 1,138,723
Equipment & Vehicles	\$ 113,994	\$ -	\$ -	\$ 113,994
Total other capital assets	<u>\$ 1,422,247</u>	<u>\$ 6,054</u>	<u>\$ -</u>	<u>\$ 1,428,301</u>
Less accumulated depreciation:				
Water system	\$ 114,398	\$ 4,483	\$ -	\$ 118,881
Sewer system	\$ 185,042	\$ 28,468	\$ -	\$ 213,510
Machinery and equipment	\$ 112,163	\$ 54	\$ -	\$ 112,217
Total accumulated depreciation	<u>\$ 411,603</u>	<u>\$ 33,005</u>	<u>\$ -</u>	<u>\$ 444,608</u>
Business-type activities capital assets, net	<u>\$ 1,010,644</u>	<u>\$ (26,951)</u>	<u>\$ -</u>	<u>\$ 983,693</u>

Depreciation expense was charged to unallocated depreciation and not charged as a direct expense of various programs.

C. Long-term debt and capital leases

The Town does not maintain a general long-term group since all long-term liabilities are recorded in the Town's component units. The Town is not obligated in any manner for the debt of its component units. The town has entered into capital-type leases for police vehicles. The terms of the leases indicate that they terminate at the year end of the Town and are automatically renewed absent of any notice to the contrary. At the end of the lease the Town takes ownership of the vehicle. As of the close of field work for this audit period, the Town had paid off the maturity of the leases. The Town is obligated for two long term debts for a truck and for the animal control building. At the beginning of the current year the balance of the notes were \$15,358.66 and \$24,009.26 respectively. During the year the Town made payments towards principle in the amounts of \$5,561.06 and \$6,753.50 respectively. The ending balance of the truck note as of year end was \$9,797.58. The ending balance of the animal control

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

building as of year end was \$17,255.76. The current portion of these notes are \$8,612.78 and \$8,456.85 respectively. The interest rate on the truck note is 4.8% and is scheduled to pay off during the fiscal year ending June 30, 2014. The interest rate on the animal control building is 4.8% and is scheduled to pay off during the fiscal year ending June 30, 2015.

D. Designated Sales Tax

The Town receives a portion of its sales that by ordinance is designated for certain projects. The following details the description and amount of all designated taxes received by the Town.

Sales Tax Sewer Project	\$ <u>90,941</u>
Debt Service Funds	\$ <u>-</u>
Total restricted net assets	\$ <u><u>90,941</u></u>

4. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The Town purchases commercial insurance to cover these and other risks. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The Town is a member of the Oklahoma Municipal Assurance Group Workers' Compensation Plan (the Plan), an organization formed for the purpose of providing workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangement for the underwriting, excess insurance agreements, claims processing, and legal defense for all claims submitted to it during the plan year.

As a member of the Plan, the Town is required to pay fees set by the Plan according to an established payment schedule. A Loss Fund has been established from the proceeds of these fees for each participant in the Plan. The State Insurance Fund provides coverage in excess of the Loss Fund so the Town's liability for claim loss is limited to the balance of fund.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

B. Contingent Liabilities

The governing board of the Town is not aware of any pending or threatened legal actions against it. However, any such actions would probably be covered by insurance.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

C. Employee Retirement Plans

The Town participates in the Oklahoma Municipal Retirement Fund (O.M.R.F.), which provides coverage to substantially all full-time employees. The plan is a multiple-employer plan.

Plan Description

The Town contributes to the Oklahoma Municipal Retirement Fund Employee Retirement System (O.M.R.F.), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of Oklahoma.

All regular full-time employees except police, firefighters and other employees covered under a state system are eligible to participate in O.M.R.F. Benefits vest after five years of service. Upon vesting, Town employees who retire at age 65 with 10 or more years vested are entitled to annual retirement benefits payable monthly for life in an amount equal to a percentage of their average salary during their last year of employment.

These benefit provisions and all other requirements are established by the plan. The total contribution rate for the plan is separated between the employee-paid and municipality-paid portions based on the most recent reported employees contribution rate. The employee contribution rate is set by the plan, and the municipality is committed to meet the long term funding needs of the plan by paying any portion of the contribution not provided by employees.

The total required contribution rate for the 2011-2012 plan year was 6.00% of participant's payroll which results in 3.0% for the employee and 3.00% for the Town.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2012

The reporting entity's contributions to O.M.R.F. for the year ended June 30, 2012 were \$14,736 for the Town. Following are the amounts of contributions for prior year ends:

June 30, 2011	\$12,324
June 30, 2010	\$10,721

D. Subsequent Events

Subsequent events have been considered through the date of Independent Auditor's Report on page 1 which is the date the financial statements were issued. As of the date of last field work a family in West Siloam had notified the Town, through their attorney, of their demand to rescind an agreement that was entered into in 1997 regarding property the family granted to the Town for purposes of converting it into a park. The property has not been converted into a park for lack of funds. As of the date of last field work no lawsuit had been filed related to this matter and attorneys for both sides are continuing to work on the matter. No contingency has been recorded on the Town's accounting records pending the negotiations.

KATHY HEWITT, CPA, INC., P.C.

Certified Public Accountant

918.682.8529 • Fax 918.682.4176

web: kathyhewittcpa.com • email: khewitt@hewittcpainc.com

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

To the City Council
Town of West Siloam Springs, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of West Siloam Springs (the Town), as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 3, 2012. 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

Management of the Town, is responsible for establishing and maintaining effective 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 City 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.

Our 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. 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 and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Kathy Hewitt CPA, Inc., PC
Muskogee, OK
December 3, 2012

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - UNAUDITED
 FOR THE YEAR ENDED JUNE 30, 20112

	Budgeted Amount	Actual Amount	Variance Favorable (Unfavorable)
Beginning Budgetary Fund Balance	\$ 371,608	\$ 260,611	\$ (110,997)
Resources (Inflows):			
Taxes:			
Sales	\$ 150,000	\$ 170,572	\$ 20,572
Use	\$ 4,500	\$ 7,233	\$ 2,733
Cigarette	\$ 3,900	\$ 5,457	\$ 1,557
Alcoholic beverage	\$ 5,800	\$ 11,070	\$ 5,270
Franchise	\$ 10,000	\$ 11,179	\$ 1,179
Motor vehicle license	\$ 4,700	\$ 5,243	\$ 543
Gasoline	\$ 1,700	\$ 2,251	\$ 551
Hotel	\$ -	\$ 28,493	\$ 28,493
EMS	\$ -	\$ 209,722	\$ 209,722
Grant revenue, net	\$ -	\$ 50,000	\$ 50,000
Fines and forfeitures	\$ 780,000	\$ 657,891	\$ (122,109)
Permits/licenses	\$ 2,460	\$ 8,199	\$ 5,739
Other reimbursements	\$ 55,000	\$ 127,232	\$ 72,232
Interest on investments	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ 2,510	\$ 8,352	\$ 5,842
Police Services	\$ 700	\$ -	\$ (700)
CNE EMS income	\$ 150,000	\$ 132,000	\$ (18,000)
Transfers from other funds	\$ -	\$ -	\$ -
Amounts available for appropriation	<u>\$ 1,171,270</u>	<u>\$ 1,434,894</u>	<u>\$ 263,624</u>
Charges to appropriations (Outflows):			
General Government	\$ 165,254	\$ 180,988	\$ (15,734)
Public Safety (Police, Fire, EMS)	\$ 867,351	\$ 930,646	\$ (63,295)
Water/Sewer/Streets	\$ 77,235	\$ 124,481	\$ (47,246)
Capital Outlay	\$ 165,000	\$ 131,262	\$ 33,738
Total Expenditures	<u>\$ 1,274,840</u>	<u>\$ 1,367,377</u>	<u>\$ (92,537)</u>
Transfers from other funds	\$ 214,000	\$ 11,521	\$ (202,479)
Transfers to other funds	\$ (214,000)	\$ (90,941)	\$ (123,059)
Surplus (Deficit) Revenues over expenses	<u>\$ 324,430</u>	<u>\$ (11,903)</u>	<u>\$ 174,897</u>
Ending Budgetary Balance	<u>\$ 696,038</u>	<u>\$ 248,708</u>	<u>\$ 63,900</u>

RECONCILIATION OF ACTUAL AMOUNTS TO THE STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE - GENERAL FUND

Changes due to passet purchases and depreciation	
General Government	\$ 4,145
Public Safety	\$ 33,590
Water/Sewer/Streets	\$ 1,857
Capitial Outlay	\$ (320)
Subtotal	<u>\$ 39,272</u>
Excess of Revenues over Expenditures per Statement	<u>27,369</u>

The accompanying notes are an integral part of these statements.

SUPPLEMENTAL INFORMATION

TOWN OF WEST SILOAM SPRINGS
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
 GOVERNMENTAL FUNDS - UNAUDITED
 AS OF JUNE 30, 2012

ASSETS	Subsidy Pool	Drug Free	Dog Pound	Park	EMS	Total Nonmajor Gov't Funds
Cash and cash equivalents	\$ 49,897	\$ 2,037	\$ 107	\$ 8,986	\$ 168,721	\$ 229,749
Due from other funds						\$ -
Accounts receivable						\$ -
Total assets	\$ 49,897	\$ 2,037	\$ 107	\$ 8,986	\$ 168,721	\$ 229,749

LIABILITIES						
Accounts payable						\$ -
Note payable-Current Portion			\$ 8,456			\$ 8,456
Note Payable-Long Term			\$ -			\$ -
Due to other funds			\$ -		\$ -	\$ -
Deferred revenue			\$ -			\$ -
Total liabilities	\$ -	\$ -	\$ 8,456	\$ -	\$ -	\$ 8,456

FUND BALANCES						
Assigned fund balance	\$ 49,897	\$ 2,037	\$ (8,349)	\$ 8,986	\$ 168,721	\$ 221,293
Unassigned fund balance						\$ -
Total fund balance	\$ 49,897	\$ 2,037	\$ (8,349)	\$ 8,986	\$ 168,721	\$ 221,293
Total liabilities and fund balances	\$ 49,897	\$ 2,037	\$ 107	\$ 8,986	\$ 168,721	\$ 229,749

Reconciliation of the Statement of Assets, Liabilities and Fund Balance
 to the Government-wide Statement of Net Assets - June 30, 2012

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

1. Capital assets used in governmental activities, net
 of accumulated financial resources are not
 reported in the funds net assets of governmental activities
2. Long term liabilities are not due and payable in the current
 period and accordingly are not reported in the funds

Total Fund Balances Government Funds	\$ 49,897	\$ 2,037	\$ (8,349)	\$ 8,986	\$ 168,721	\$ 221,293
Long term Liabilities	\$ -	\$ -	\$ (8,799)	\$ -	\$ -	\$ (8,799)
Capital Assets Net of Depreciation	\$ 61,600	\$ -	\$ 29,261	\$ -	\$ -	\$ 90,861
Totals per financial statements	\$ 111,497	\$ 2,037	\$ 12,113	\$ 8,986	\$ 168,721	\$ 303,355

The accompanying notes are an integral part of these statements.

TOWN OF WEST SILOAM SPRINGS, OKLAHOMA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS - UNAUDITED
 FOR THE YEAR ENDED JUNE 30, 2012

	Subsidy Pool	Drug Free	Dog Pound	Park	EMS	Non-major Gov't Funds
REVENUE:						
Taxes:						
Sales						\$ -
EMS	\$ -				90,941	90,941
Hotel						-
Use	-					-
Alcoholic beverage	-					-
Cigarette	-					-
Franchise	-					-
Motor vehicle license	-					-
Gasoline	-					-
Fines/forfeitures	-		80			80
Grants	50,000					50,000
CNE EMS income	-				132,000	132,000
Other reimbursements	40,000				19,830	59,830
Licenses and permits	-		-	2,150		2,150
Miscellaneous	1,000		130			1,130
Total revenue	\$ 91,000	\$ -	\$ 210	\$ 2,150	\$ 242,771	\$ 336,131
EXPENDITURES:						
Current:						
General government		4520.49-1582				-
Public Safety (Police, Fire, EMS)	-				213,383	213,383
Water/Sewer/Streets	43,529					43,529
Capital outlay	63,000					63,000
Total expenditures	\$ 106,529	\$ -	\$ -	\$ -	\$ 213,383	\$ 319,912
Excess of Revenue Over (Under) Expenditures	\$ (15,529)	\$ -	\$ 210	\$ 2,150	\$ 29,388	\$ 16,219
Other Financing Sources (Uses):						
Transfers to:						
EMS						-
Sewer						-
Dog Pound			21,644			21,644
PWA						-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 21,644	\$ -	\$ -	21,644
Excess (Deficiency) of Revenues over Expenditures	\$ (15,529)	\$ -	\$ 21,854	\$ 2,150	\$ 29,388	\$ 37,863
Net Position July 1	\$ 65,426	\$ 2,037	\$ 12,035	\$ 6,836	\$ 139,332	\$ 225,667
Net Position June 30	\$ 49,897	\$ 2,037	\$ 33,889	\$ 8,986	\$ 168,721	\$ 263,530

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Government-wide Statement of Activities - For the Year Ended June 30, 2012

Excess (Deficiency) of Revenues over Expenditures	-15,529	-	21,854	2,150	29,388	37,863
Purchase of new assets	\$ 63,000					63,000
Depreciation Expense	\$ (1,400)		\$ (1,582)			(2,982)
Totals Per Financial Statement	\$ 46,071	\$ -	\$ 20,272	\$ 2,150	\$ 29,388	\$ 97,881

The accompanying notes are an integral part of these statements.