

# KERSHAW CPA & ASSOCIATES, PC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Town of Shady Point, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shady Point, Oklahoma, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Town of Shady Point, Oklahoma's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Shady Point, Oklahoma's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with Oklahoma Statutes. 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 opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Shady Point, Oklahoma, as of June 30, 2011, and the changes in modified cash basis financial position thereof for the year then ended in conformity with the basis of accounting described above.

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 2012, on our consideration of the Town of Shady Point, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

*Kershaw CPA & Associates, P.C.*

Kershaw CPA & Associates, PC

October 4, 2012

**DUE DATE: December 31, 2011**

**FORM SA&I 2643** 12/7/2011

**IMPORTANT**  
 This report is to be completed by your auditor from the audited financial statements of the municipality as required by Oklahoma Statutes, Section 17-105.1 of Title 11.  
 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, 2011. 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.  
 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.  
 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.

**OFFICE OF THE STATE AUDITOR AND INSPECTOR**  
**STATE OF OKLAHOMA**  
**GARY JONES, AUDITOR AND INSPECTOR**  
**ANNUAL SURVEY OF CITY AND TOWN FINANCES**

Town of Shady Point

Mayor  
Name

P.O. Box 107  
Address

Shady Point OK 74956-0107  
City State Zip Code  
 (Please correct any error in name, address, and ZIP Code)

**RETURN TO**  
**Office of the Auditor and Inspector**  
**State of Oklahoma**  
**2300 North Lincoln Blvd.**  
**Room 100 State Capitol**  
**Oklahoma City, OK 73105**

**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
			6,710
<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 those 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>	T25
<b>a. General sales tax</b>	78,772	<b>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.</b>	
<b>b. Franchise fee or tax</b>	T15	<b>b. Other licensing and permits</b>	T29
	22,325		
<b>c. Cigarette tax</b>	T19	<b>4. Other — Specify</b>	T99
	1,114		
<b>d. Hotel/Motel</b>	T19		

**Part IA 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.	C39	D39	B39
<b>1. Alcoholic beverage tax</b>	6,137		
<b>2. Street and highways</b>	C46	D46	B46
	7,725		
<b>3. Health or hospital</b>	C42	D42	B42
<b>4. Grants received for water utilities</b>	C91	D91	B91
<b>5. Grants received for waste water utilities</b>	C88	D88	B88
<b>6. Grants received for housing, economic, and community development</b>	C59	D59	B59
<b>7. Airports</b>	C83	D83	B83
<b>8. Mass transit rail and/or bus system</b>	C94	D94	B94
<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
<b>a. Parks and recreation (BOR or HUD)</b>			
<b>b. Public safety</b>	C89	D89	B89
<b>c. Job training</b>	C89	D89	B89
<b>d. Library grants</b>	C89	D89	B89
<b>Other — Specify</b>	C89	D89	B89
<b>e. OK Dept of Ag</b>	4,398		
<b>f.</b>	C89	D89	B89

**Part IB 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.	A92
<b>a. Water supply system</b>	A91	<b>a. Sewerage charges</b>	59,525
<b>b. Electric power system</b>	A92	<b>b. Refuse collection charges</b>	A91
<b>c. Gas supply system</b>	A93	<b>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.</b>	A36
<b>d. Transit</b>	A94		

Part II OTHER REVENUES — Other than tax and intergovernmental revenues — Continued			
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.			
<b>2. Other sales and service revenue — Continued</b>	Amount (Omit cents)	<b>5. Interest earnings</b> — Interest received on all deposits and investment holdings of your government and its agencies excluding earnings of any employee pension fund.	Amount (Omit cents)
d. Recreation charges (swimming, golf, auditoriums, etc.)	A61		U26 411
e. Airports — Include rentals and gross sales of gas and oil.	A61	<b>6. Rents</b> — Exclude housing, airport, and all other rental revenue reported from specific municipal services in item 2.	U40
f. Parking facilities (parking lots, garages, parking meters)	A62	<b>7. Royalties</b> — Compensation or portion of proceeds from extraction of natural resources such as oil.	U41
g. Municipal housing project rentals (gross)	A62	<b>8. Fines and forfeitures</b> — (City or town share only)	U30 91,034
h. Ambulance services	A63	<b>9. Private donations</b>	U50
i. Miscellaneous commercial activities (cemeteries)	A63 500	<b>10. Miscellaneous other revenue</b> — Revenue of your government and its agencies not covered by items above, except tax and intergovernmental revenues. Include insurance adjustments, etc. DO NOT include: (1) proceeds from borrowing; (2) receipts from sale of holdings; (3) transfers between funds or agencies of your government; or (4) employee's contributions to, and interest earnings of, any employee pension fund.	U33 22,902
j. Other (including miscellaneous fee collections)	A63	a. Miscellaneous	
<b>3. Special assessments</b> — Compulsory contributions and reimbursements from owners or property benefited by improvements (streets, sewers, sidewalks, water extensions, etc.) Do not include proceeds from sales of special assessment bonds. Report maintenance assessments under item 2 on page 1.	U01	b.	
<b>4. Receipts from sale of property</b> — Amounts from sale of realty, other than by tax sales, including property sold to other governments.	U11	c.	
		<b>TOTAL miscellaneous other revenue</b> Sum of items 10a-10c.	U39 22,902

**Part II DIRECT EXPENDITURES BY PURPOSE AND TYPE**

Please note that payments made to other governments (State or local) should NOT be included in amounts reported here, but should be reported at part III.

Enter below all amounts expended during the fiscal year for the purposes listed (net of interfund transfers). Be sure to include expenditures of all funds other than the exceptions noted in the instructions on the first page.

**Column (a)** — Gross salaries and wages without deduction of withholdings for income taxes, employee contributions for Social Security or retirement coverage, etc. **Exclude:** (1) capital outlay (report in columns (c) and (d)); and (2) amounts paid to other governments (report in part III).

**Column (b)** — Enter in the appropriate functional category direct expenditure for supplies, materials, and contractual services.

**Column (c)** — Report construction outlays from all sources; i.e., bond proceeds, assessments, grants, etc.

PURPOSE	EXPENDITURES BY PURPOSE AND TYPE			
	Personal services (a)	Operations and maintenance (b)	CAPITAL OUTLAY	
			Construction (c)	Purchase of land, equipment, and structures (d)
<b>GOVERNMENTAL ADMINISTRATION</b>	E23	E23	F23	G23
<b>1. Financial administration</b> — Office of the finance director, auditor, comptroller, treasurer, tax assessment and collection, central accounting and purchasing services, budgeting, etc. (including related data processing, information technology).				
<b>2. Judicial and legal</b> — All municipal court and court-related activities including juries, probate officials, prosecutors, public defenders, municipal attorneys, and legal departments. Exclude probation and parole (report in item 16).	E25	E25	F25	G25
<b>3. Central administration</b> — City council, aldermen or commissioners, mayor, manager, city clerk's office, recorder, planning, zoning, and personnel.	E28 32,436	E28 28,987	F28	G28
<b>HEALTH AND WELFARE</b>	E70	E70	F70	G70
<b>4. Social services</b>				
<b>5. Own hospitals</b> — Construction and operation of hospitals by your government. Nursing homes are to be reported in item 7.	E38	E38	F38	G38
<b>6. Other hospitals</b> — Payments to hospitals operated privately. Exclude here and report in item 6, any payments under public welfare programs. Report payments to hospitals operated by other governments in part III.				
<b>7. Welfare institutions</b> — Construction and operation of nursing homes and welfare institutions by your government for veterans and needy persons.	E77	E77	F77	G77
<b>8. Health (other than hospitals)</b> — All public health activities except provision of hospital care. Include environmental health activities; health regulation and inspection, water and air pollution control, mosquito control, and inspection of food handling establishments. Also include public health nursing, vital statistics collection, and all other services performed directly by the public health department. Report in item 6 payments under public welfare programs.	E32	E32	F32	G32
<b>TRANSPORTATION</b>	E44	E44	F44	G44
<b>9. Highways</b> — Construction and maintenance of municipal streets, sidewalks, bridges. Also includes street lighting, snow removal, and highway engineering, control, and safety. Exclude here and report in item 21f, street cleaning expenditure. Include in part III any payments to the State or county for highway purposes. Report interest on highway debt in item 22e.	8,064	10,953		1,999
<b>10. Toll highways and facilities</b> — Operation and maintenance of highways, roads, and bridges operated on fee or toll basis	E45	E45	F45	G45
<b>11. Municipal airports</b>	E01	E01	F01	G01
<b>12. Parking facilities</b> — Municipal garages, parking lots, etc., and all purchase and maintenance of meters (including on-street meters)	E60	E60	F60	G60
<b>PUBLIC SAFETY</b>	E62	E62	F62	G62
<b>13. Police</b> — Include municipal police agencies for preventing, controlling, or reducing crime; coroners, medical examiners; special police for highways, tunnels, bridges, and vehicular control; vehicular inspection activities; and traffic control and safety activities. Exclude highway engineering and planning (report in item 9).	69,153	37,367		3,000
<b>14. Fire</b> — All costs incurred for firefighting and fire prevention, including contributions to volunteer fire units. Include any municipal contribution to a State fire pension fund.	4,207	23,235	F24	G24 2,400

**Part II DIRECT EXPENDITURE BY PURPOSE AND TYPE — Continued**

PURPOSE	EXPENDITURES BY PURPOSE AND TYPE			
	Personal services (a)	Operations and maintenance (b)	CAPITAL OUTLAY	
			Construction (c)	Purchase of land, equipment, and structures (d)
<b>PUBLIC SAFETY — Continued</b>				
<b>15. Correction institutions</b> — Operation of facilities for confinement, correction and rehabilitation of adults or juveniles.	E04	E04	F04	G04
<b>16. Other corrections</b> — Probation and parole activities — But exclude "lock-up" operations (report in Item 16).	E05	E05	F05	G05
<b>17. Protection inspection and regulation, n.e.c.</b> — Regulation of private enterprise 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.	E06	E06	F06	G06
<b>AMBULANCE</b>				
<b>18. All expenditures for city operated or subsidized ambulance services</b>	E32	E32	F32	G32
<b>CULTURE AND RECREATION</b>				
<b>19. Parks, cultural activities, and other recreation</b> — Include playgrounds, golf courses, swimming pools, museums, marinas, community music, drama, celebrations, and zoos.	E61	E61	F61	G61
<b>20. Libraries</b> — Include payments to nongovernmental libraries as well as libraries operated by the city. <i>Aid to other governmental libraries should be excluded and reported in part III.</i>	E52	E52	F52	G52
<b>UTILITIES</b>				
<b>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.).</b>				
<b>a. Water supply system</b>	E01	E01	F01	G01
<b>b. Electric power system</b>	E02	E02	F02	G02
<b>c. Gas supply system</b>	E03	E03	F03	G03
<b>d. Transit system</b>	E04	E04	F04	G04
<b>e. Sewers and storm sewers</b> — Construction, maintenance and operation of sanitary and storm sewer systems and sewage disposal plants	E09	E09	F09	G09
<b>f. Solid waste and landfill</b> — The collection and disposal of garbage and landfill operations	E01	E01	F01	G01
	20,197	25,413		6,422
<b>INTEREST ON DEBT</b>				
<b>22. Amounts of interest paid, including any interest on short-term or nonguaranteed obligations, as well as general obligations.</b>				
<b>a. Water supply system</b>		I01		
<b>b. Electric power system</b>		I02		
<b>c. Gas supply system</b>		I03		
<b>d. Transit system</b>		I04		
<b>e. All interest not covered by items 19a through 19d</b>		I09	20,392	
<b>ALL OTHER EXPENDITURES</b>				
<b>23. Include any amounts which have not been allocated above by purpose, such as: your employer contribution to a State administered retirement system or to the Federal Social Security System; judgments and insurance premiums; and municipal service agencies, such as a central garage or an engineering department, which serve more than one functional agency, and whose expenses are not allocated to the various departments.</b>				
<b>Do not include: (1) Payments for retirement of debt, (2) payments for purchase of securities, (3) transfer between funds or agencies of your government, or (4) benefits and payments from distinct employee pension funds.</b>				
<b>a. Housing and community development</b> — Gross expenditure for urban renewal, slum clearance, municipal housing projects, and similar activities.	E50	E50	F50	G50
<b>b. Economic development</b>	E09	E09	F09	G09
<b>c. Civil defense</b>	E09	E09	F09	G09
<b>d. Cemetery operations and maintenance</b>	E03	E03	F03	G03
<b>e. Miscellaneous commercial activities</b>				
<b>Other — Specify</b>	E09	E09	F09	G09
<b>f.</b>				
<b>g.</b>				
<b>h.</b>				

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.			
<b>Part IV SALARIES, WAGES, AND FORCE ACCOUNT</b>					Amount (Omit cents)	
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.					239 95,944	
<b>Part V DEBT OUTSTANDING, ISSUED, AND RETIRED — Report special obligations of all agencies of your government as well as general city or town debt.</b>						
<p><b>1. Long-term debt</b> — 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)).</p> <p>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.</p>						
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)
	13U	29U	39U	49U	44U	41U
a. Sewer debt	330,890		6,789	324,101		
b. Water supply system debt						
c. Electric power system debt						
d. Gas supply system debt						
e. Transit						
f. Industrial revenue and pollution control debt						
g. All other purposes	76,636		11,305	65,331		
<b>2. Short-term (interest-bearing) debt</b> — 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					81V	
b. Amount outstanding at end of fiscal year					64V	
<b>Part VI CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR</b>						
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 19,241	
2. Bond funds — Unexpended proceeds from sale of G.O. and revenue bond issues held pending disbursement					W21	
3. All other funds except employee retirement funds					W61 108,478	
4. Retirement systems — Single employer plans only						

Remarks

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**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

See Auditor's Report Attached

Address — Number and street

TELEPHONE

City

State

ZIP Code

Area code

Number

Extension

Name of contact person/Email

