

REPORT OF AUDIT

CITY OF ALVA

WOODS COUNTY – OKLAHOMA

JULY 1, 2010 TO JUNE 30, 2011

CITY OF ALVA
WOODS COUNTY – OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

ALVA CITY COUNCIL MEMBERS

MAYOR

LYNN A. CHAFEE

WARD

1	CHARLES MCDONALD
1	BRYCE BENSON
2	MONTY E. PFLEIDER
2	SCOTT BROWN
3	ROGER HARDAWAY
3	WESLEY MILLER
4	MATT ADAIR
4	GARY LEHL

CLERK

WAYNE LANE

TREASURER

E. A. WARE

BUSINESS MANAGER

STEVEN L. BROWN

AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

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WOODS COUNTY – OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

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WOODS COUNTY - OKLAHOMA
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Chas. W. Carroll, P.A.

The Broadway Tower - Suite 805
114 E. Broadway

Enid, Oklahoma 73701
Phone 580-234-5468
Fax 580-234-5425

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Alva
Woods County, Oklahoma

I have audited the basic accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alva, Woods County, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of Alva Hospital Authority d/b/a Share Medical Center, which represent 100 percent of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amount included for the Alva Hospital Authority d/b/a Share Medical Center, is based on the report of the other auditors.

I conducted my audit in accordance with auditing standards generally accepted by the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. I believe that my audit and the report of other auditors provide a reasonable basis for my opinion.

In my opinion, based on my audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alva, Woods County, Oklahoma, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 31, 2011 on my consideration of the City's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis and 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. I have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it.

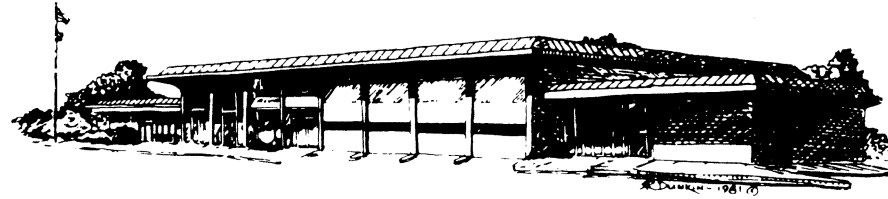
Independent Auditor's Report
City of Alva
Page Two

My audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Alva's basic financial statements. The introductory section, combining and individual major and non-major fund financial statements, schedules, and schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual major and non-major fund financial statements and schedule of expenditures of federal awards have been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, in my opinion, based on my audit and the report of other auditors, are fairly stated in all material respects in relation to basic financial statements taken as a whole. The introductory sections have not been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, accordingly, I express no opinion on them.

Sincerely,



Chas. W. Carroll, P.A.
December 31, 2011



CITY OF ALVA

415 4th Street

Alva, Oklahoma 73717

(580) 327-1340

Fax: (580) 327-4965

OFFICE OF THE BUSINESS MANAGER

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Alva's financial performance provides an overview of the City's activities for the fiscal year 2010-2011 ending June 30, 2011.

FINANCIAL HIGHLIGHTS

- The City's General Fund Budget is estimated to be \$5,689,735.69. This is an increase over the expenditures of fiscal year 2009-2010 of \$122,574.69.
- The Alva City Council will continue to review costs and revenues related to water and sewer rates. It is anticipated that the City water well field will require extensive maintenance during the next fiscal year. There is no plan to remove services. The financial condition of the City of Alva is positive. Limited replacement of equipment will be actively pursued during the next fiscal budget planning.

USING THE ANNUAL REPORT

This annual report is presented in a format that is consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.

34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the City's annual report.

Report Components

This annual report consists of eight parts as follows:

1. Discussion of Financial statement
2. Government wide financial information in the form of condensed financial statements.
3. Analyze overall financial position and results of operations using the condensed financial statements as a starting point.
4. Significant transactions and changes in individual funds.
5. What happened with the General Fund?
6. Discussion of Capital asset and long-term debt activity during the year.
7. Update of infrastructure assets
8. Discussions of conditions expected to have a significant effect on next year and beyond.

FINANCIAL STATEMENT

The financial statement shows that the City of Alva has increased revenues for fiscal year 2010-2011.

CONDENSED FINANCIAL STATEMENT

NET ASSETS

The City's total assets were \$12,326,302 at June 30, 2011.

Fiscal Year Ended	June 30, 2010	June 30, 2011
Assets:		
Cash	\$ 2,494,094	1,968,325
Investments	1,092,721	1,096,125
Other	<u>12,705,259</u>	<u>13,807,200</u>
Total Assets	16,292,074	16,871,650
Total Liabilities	(5,615,164)	(4,545,348)
Total Net Assets	10,676,910	12,326,302

ANALYSIS OF CONDENSED FINANCIAL STATEMENTS

Changes in Net Assets

Fiscal Year Ended June 30, 2011

	2009-10	2010-11
Beginning Net Assets-July 1	\$ 7,330,771	10,676,910
Ending Net Assets-June 30	<u>10,676,910</u>	<u>12,326,302</u>
Change in Net Assets	(3,346,139)	1,649,392

The following schedules present a summary of general, special revenue, capital projects and debt service funds, and their expenditures for the fiscal year ended June 30, 2011, and the amounts and percentage of increase or decreases in relation to the prior year.

Revenues	FY 2010 Amount	Percent of Total	FY 2011 Amount	Percent of Total
Taxes	\$ 3,797,323	34.36%	\$ 3,910,569	41.99%
Interest	59,734	.54%	48,239	.52%
Licenses/Permits	19,517	.18%	17,067	.18%
State funds	18,250	.17%	23,294	.25%
Grants	3,699,329	33.49%	1,555,508	16.71%
Charges for Services	3,448,938	31.21%	3,632,804	39.02%
Miscellaneous	9,398	.01%	123,869	1.33%
Total Revenue	11,052,489	100.00%	9,311,345	100.00%

The net cost of all governmental activities this year was \$5,988,903. Governmental activities of the City include general government, culture and recreation, debt service, health, public safety, highways and streets and utilities.

Expenditures	FY 2010 Amount	Percent of Total	FY 2011 Amount	Percent of Total
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General Government	\$2,039,391	33.61%	\$ 2,152,320	35.93%
Culture and Recreation	835,850	13.87%	892,469	14.90%
Capital Outlay	780,570	12.86%	390,971	6.53%
Public Safety	1,094,720	18.04%	1,203,886	20.10%
Utilities	1,223,097	20.15%	1,268,358	21.17%
Debt Service	31,725	.052%	(1,245)	0.00%
Highways and Streets	63,031	1.03%	82,144	1.37%
Total Expenditures	6,068,383	100.00%	5,988,903	100.00%

SIGNIFICANT TRANSACTIONS AND CHANGES IN INDIVIDUAL FUNDS

The City paid outstanding debt of their 2005 Utility Revenue Refunding Bonds of approximately \$150,000.00, by funds received through the issuance of utility collections. The debt payment was made in July of 2011.

WHAT HAPPENED WITHIN THE GENERAL FUND

The General Fund increased in revenue due to an increase in sales tax revenue, solid waste collections and mineral leases. The increase was 3.33%.

Revenue from the utility bills has remained constant when compared to the previous fiscal year revenue. It is anticipated that during the next fiscal year an increase will be seen due to water sales for gas and oil exploration services.

DISCUSSION OF CAPITAL ASSETS AND LONG-TERM ACTIVITY DURING THE YEAR

The City of Alva has a debt of four major Capital Assets. The assets are the Homestead Retirement Center, two Community Development Block Grants and the Alva Recreation Center.

The Homestead Retirement Center and the Alva Industrial Site are operated by the Alva Utility Authority. The two Community Development Block Grants are operated by the City of Alva. Alva Recreation Center is operated by the Alva Economic Development Authority.

The Homestead Retirement Center has a remaining debt of \$2,220,000. This debt is backed by the City of Alva water and sewer rates. The Homestead project has 10 years to retire the bond.

The Community Development Block Grant #8141 has a monthly payment of \$520.83 and will be retired in 2019. The Community Development Block Grant #11153 has a monthly payment of \$1,138.01 and will be retired in 2026.

The Alva Economic Development Authority has a note for the Alva Recreational Complex. This note should be retired in 9 years with a balance of \$1,274,000. The loan was issued with the backing of the Economic Development Sale Tax which was approved in 2000.

UPDATE OF INFRASTRUCTURE ASSETS

Infrastructure improvements over the past fiscal year have been aimed at street surfaces located at strategic intersections. The improvements were possible through the Rural Economic Action Plan (REAP) and an increase in the Street and Alley fund.

Completion of facilities continues at the Alva Recreational Center with the additional sidewalks that were installed through contributions. Work will continue on baseball fields through the next fiscal year to complete the complex. Progress will be dictated by the ability to finance further projects.

DISCUSSION OF CONDITIONS EXPECTED TO HAVE A SIGNIFICANT EFFECT ON NEXT YEAR AND BEYOND

The next fiscal year may impact revenues in the General Fund, Airport Fund and Utility Fund. The most challenging areas are fuel and oil costs, utility rate increases, employee pay and benefits and supplies and materials. Limited equipment replacement will continue as a result of the aging equipment pool. It is predicted that sales tax collections will increase over the previous year. Budgets will reflect the changes in revenues. User fee increases may be considered during fiscal year 2011-2012 budget cycle.

GENERAL FUND

The 2010-2011 budget was not a substantial increase over the previous year. Increases were seen mainly in the employee pay and benefits area.

AIRPORT FUND

The Airport funding will mainly be through revenues generated through fuel and oil sales, land leases and revenues related to the income from the oil production that occupies on the airport property. Expenses in fuel cost will continue to be a factor. Fuel sales should continue to increase as activity at the airport increases. .

UTILITY FUND

Occupancy rates at the Homestead Retirement Center continue to fluctuate. It is thought that the low rate of occupancy is due to the decreasing client base in the area. Efforts by staff have not proven effective in keeping the rate of occupancy above seventy-five percent. Transfers from the Homestead Holding Fund finance the Homestead expenses. These funds are derived from water and sewer fees. The Utility Authority refinanced the bonds for the Homestead in 2006 to reduce its monthly payments which will save money over the length of the bonds.

ECONOMIC DEVELOPMENT FUND

The Alva Recreational Complex continues to need support from General Fund monies for its operation. It is not perceived that this will change within the next fiscal year. Income for activities has increased since last fiscal year and should continue to do so. The Complex will continue to be a work in progress for the City of Alva and Northwestern Oklahoma State University.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's financial condition and activity and to show the City's accountability for revenue's received. Any questions concerning this report or needed financial information, please contact the Business Manager at 415 4th Street, Alva, Oklahoma or manager@alvaok.org.

Steven Brown
Alva Business Manager

City Of Alva
 Woods County, Oklahoma
 Statement of Net Assets
 For the Year Ended June 30, 2011

Primary Government

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 1,968,325	\$ -	\$ 1,968,325	\$ 99,040
Investments	1,096,125	-	1,096,125	-
Accounts Receivable	344,773	-	344,773	1,590,806
Other receivables	519,577	-	519,577	-
Due from other funds	95,356	-	95,356	-
Supplies	-	-	-	188,039
Prepaid expenses	-	-	-	25,672
Assets limited by board for cap improv	-	-	-	1,093,796
Capital assets	16,961,755	-	16,961,755	13,897,540
Construction in progress	4,912,154	-	4,912,154	-
Capital assets/Lease purchase	-	-	-	-
Accumulated depreciation	(9,026,413)	-	(9,026,413)	-
Other Assets	-	-	-	132,907
Total assets	16,871,650	-	16,871,650	17,027,800
LIABILITIES				
Warrants & checks outstanding	291,655	-	291,655	-
Accounts payable	78,358	-	78,358	1,533,187
Current portion of long term debt	298,884	-	298,884	996,531
Due to other funds	94,568	-	94,568	-
Accrued salaries & vacation payable	64,951	-	64,951	560,193
Other accrued expenses	-	-	-	32,816
Unearned revenue	11,233	-	11,233	-
Revenue Bonds Payable	2,220,000	-	2,220,000	-
Refunding bond issuance costs	(29,646)	-	(29,646)	-
1998 AUA NOTE	-	-	-	-
AUA 8141 CDBG	45,834	-	45,834	-
Notes Payable	1,285,152	-	1,285,152	7,945,999
11153 CDBG-ED03	184,358	-	184,358	-
Notes Payable/Street equipment	-	-	-	-
Bond interest	-	-	-	419,140
Deferred Revenue	-	-	-	31,155
Total liabilities	4,545,348	-	4,545,348	11,519,021
NET ASSETS				
Invested in capital assets, net of related debt	9,297,539	-	9,297,539	5,714,096
Restricted	2,668,264	-	2,668,264	2,014,050
Unrestricted	360,499	-	360,499	(2,219,367)
Total net assets	\$ 12,326,302	\$ -	\$ 12,326,302	\$ 5,508,779

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
Woods County, Oklahoma
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues				Net(Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Capital Outlay	\$ 390,971	\$ -	\$ -	\$ -	\$ (390,971)	\$ -	\$ (390,971)	\$ -
Culture & Recreation	892,469	503,167	-	-	(389,302)	-	(389,302)	-
Debt Service	(1,245)	-	-	-	1,245	-	1,245	-
General Government	2,152,320	694,709	-	-	(1,457,611)	-	(1,457,611)	-
Highways & Streets	82,144	-	-	-	(82,144)	-	(82,144)	-
Public Safety	1,203,887	239,745	-	-	(964,142)	-	(964,142)	-
Utilities	1,268,358	2,195,183	-	-	926,825	-	926,825	-
Total governmental activities	5,988,903	3,632,804	-	-	(2,356,099)	-	(2,356,099)	-
Business-type Activities:								
Total business-type activities	-	-	-	-	-	-	-	-
Total primary government	\$ 5,988,903	\$ 3,632,804	-	-	(2,356,099)	-	(2,356,099)	-
Alva Hospital Authority	11,421,714	8,540,123	-	-	-	-	-	(2,881,591)
Total Component Units	\$ 11,421,714	\$ 8,540,123	-	-	-	-	-	(2,881,591)
Taxes					3,910,569	-	3,910,569	-
Sales tax					-	-	-	977,529
Grant Proceeds					1,555,508	-	1,555,508	-
Miscellaneous					140,937	-	140,937	197,454
Contributions					-	-	-	696,503
Intergovm. revenue not restricted to specific programs					23,294	-	23,294	-
Interest earned					48,234	-	48,234	12,879
Gain on sale of capital assets					-	-	-	-
Transfers					(1,673,050)	-	(1,673,050)	-
Total general revenues					4,005,491	-	4,005,491	1,884,365
Change in net assets					1,649,392	-	1,649,392	(997,226)
Net assets - beginning					10,676,910	-	10,676,910	6,506,005
Net assets - ending					\$ 12,326,302	\$ -	\$ 12,326,302	\$ 5,508,779

City Of Alva
WOODS COUNTY, OKLAHOMA
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2011

	GENERAL FUND	AIRPORT GRANT	AIRPORT FUND	HOMESTEAD HOLDING FUND	OTHER MAJOR FUNDS	Other Governmental Funds	Total Governmental Funds
Current assets:							
Cash and Cash Equivalents	479,768	-	258,081	497,368	368,250	322,144	1,925,611
Investments	336,417	42,714	193,822	-	-	565,886	1,138,839
Accounts Receivable	151,534	-	-	193,239	-	-	344,773
Due from other funds	94,568	-	-	787	-	-	95,355
Unallocated	-	-	-	-	-	-	-
Total Current assets:	1,062,287	42,714	451,903	691,394	368,250	888,029	3,504,577
Total assets	1,062,287	42,714	451,903	691,394	368,250	888,029	3,504,577
LIABILITIES AND FUND BALANCES							
Current liabilities:							
Warrants & checks outstanding	222,865	-	8,335	-	44,633	15,822	291,655
Due to other funds	-	-	-	105,802	-	-	105,802
Unearned revenue	-	-	-	-	-	-	0
Accounts Payable	58,923	-	9,769	-	3,188	6,478	78,358
Unallocated	-	-	-	-	-	-	0
Total Current liabilities:	281,788	-	18,104	105,802	47,821	22,300	475,814
Total liabilities	281,788	-	18,104	105,802	47,821	22,300	475,814
Fund balances:							
Non-Spendable	-	-	-	-	-	-	-
Restricted	-	42,714	-	-	-	563,085	605,799
Committed	-	-	433,799	585,593	15,283	134,714	1,169,389
Assigned	420,000	-	-	-	305,146	167,930	893,076
Unassigned	360,499	-	-	-	-	-	360,499
Total fund balances	780,499	42,714	433,799	585,593	320,429	865,729	3,028,763
Total liabilities and fund balances	\$ 1,062,287	\$ 42,714	\$ 451,903	\$ 691,395	\$ 368,250	\$ 888,029	\$ 3,504,578

City Of Alva
WOODS COUNTY, OKLAHOMA
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
For the Year Ended June 30, 2010

Fund balances of governmental funds	\$ 3,028,763
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
1. Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$21,873,909 and the accumulated depreciation is \$(9,026,413).	12,847,496
2. Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Revenue Bonds Payable	2,220,000
Notes Payable(3)	<u>1,265,007</u>
	(3,485,007)
3. Other long-term liabilities are not due and payable in the current period in the Statement of Activities and therefore are not reported as expenditures in governmental funds.	
Accrued compensated absences	<u>(64,951)</u>
Net assets of governmental activities	<u><u>\$ 12,326,302</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
WOODS COUNTY, OKLAHOMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	GENERAL FUND	AIRPORT GRANT	AIRPORT FUND	HOMESTEAD HOLDING FUND	Major Funds	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 3,672,080	\$ -	\$ -	\$ -		\$ 157,327	\$ 3,829,407
Licenses & Permits	16,987	-	8,250	-		-	25,237
Charges for services	1,364,260	-	409,251	1,159,963	493,101	59,935	3,486,510
Fines & forfeits	32,071	-	-	-		-	32,071
Interest earned	13,836	-	2,789	19,730	7,913	3,966	48,234
Miscellaneous	88,985	-	20,183	-	2,942	23,294	135,404
Intergovernmental revenue	-	-	-	-	-	18,539	18,539
Grant Proceeds	17,358	1,480,560	-	-		57,590	1,555,508
Refunds	77,938	-	-	-	21,336	-	99,274
Sale of Bonds	-	-	-	-	-	-	-
Total revenues	5,283,515	1,480,560	440,473	1,179,693	525,292	320,651	9,230,184
EXPENDITURES							
Current:							
Culture & Recreation	167,229	-	-	-	619,023	95,568	881,820
General Government	1,860,282	-	215,062	-	65,092	51,415	2,191,851
Health	-	-	-	-	-	-	-
Highways & Streets	-	-	-	-	-	82,144	82,144
Public Safety	1,128,101	-	-	-	4,526	3,750	1,136,377
Utilities	1,268,358	-	-	-	-	-	1,268,358
Debt service:							
Interest	-	-	-	-	-	113,755	113,755
Principal Retirement	-	-	-	-	-	169,906	169,906
Capital outlay:							
Capital outlay	361,410	1,007,135	29,561	-	-	-	1,398,106
Total Expenditures	4,785,380	1,007,135	244,623	-	688,641	516,537	7,242,317
Excess (deficiency) of revenues over expenditures	498,135	473,425	195,850	1,179,693	(163,349)	(195,886)	1,987,867
OTHER FINANCING SOURCES (USES)							
Operating transfers out	(1,748,879)	-	-	(1,731,670)	(741,825)	(3,575)	(4,225,949)
Operating transfers in	1,328,319	61,829	14,000	-	863,250	285,501	2,552,899
Total other financing sources and uses	(420,560)	61,829	14,000	(1,731,670)	121,425	281,926	(1,673,050)
Net Change in fund balances	77,575	535,254	209,850	(551,977)	(41,925)	86,040	314,817
Fund balances -- beginning	702,925	(492,540)	223,950	1,137,570	362,354	779,690	2,713,947
Fund balances -- ending	\$ 780,499	\$ 42,714	\$ 433,799	\$ 585,593	\$ 320,429	\$ 865,730	\$ 3,028,764

City Of Alva
 Woods County, Oklahoma
**Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities**
 For the Year Ended June 30, 2011

Net change in fund balances --total governmental funds	\$ 314,817
Amounts reported for <i>governmental activities</i> in the statement of activities	
1. Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The amount which capital outlays exceed depreciation for the year is:	
Capital outlays which were capitalized	1,379,729
Depreciation expense	<u>(411,087)</u>
2. Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Assets, Liabilities, and Net Assets and does not affect the Statement of Revenues, Expenditures, and Changes in Net Assets.	968,642
3. Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(166,449)
4. Net revenues in the Statement of Activities that may provide current financial resources are not reported as revenues in the funds.	135
Change in net assets of governmental activities	532,247
	<u>\$ 1,649,392</u>

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
Woods County, Oklahoma
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

EXHIBIT E

	Private- Purpose Trusts	Agency Funds	
ASSETS			
Cash and Cash Equivalents	\$ 444,325	\$ 62,027	
Investments	<u>33,616</u>	-	
Total assets	<u>477,941</u>	<u>62,027</u>	
LIABILITIES			
Warrants & checks outstanding	44,323	-	
Due to other funds	787	-	
Customer deposits	74,800	-	
Accounts Payable	<u>1,979</u>	-	
Total Liabilities	<u>121,889</u>	<u>-</u>	
NET ASSETS			
Held in trust for other purposes	<u>\$ 356,052</u>	<u>\$ 62,027</u>	

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
Woods County, Oklahoma
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

EXHIBIT F

	Private- Purpose Trusts
ADDITIONS	
Contributions:	
Charges for services	\$ 112,910
Interest earned	5,338
Miscellaneous	3,591
Operating transfers in	776,912
Refunds	232
Total Contributions	<u>898,983</u>
Investment earnings:	
Interest earned	4,863
Total investment earnings	<u>4,863</u>
Less investment expense	-
Net Investment Earnings	<u>4,863</u>
Total additions	<u>903,845</u>
DEDUCTIONS	
Scholarships paid	396,854
Culture & recreation	341,061
Debt service-Interest	180,750
Unallocated	-
Total deductions	<u>918,665</u>
Change in Net Assets	<u>(14,820)</u>
Net Assets-- beginning of the year	<u>370,872</u>
Net Assets -- end of the year	<u><u>356,052</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of the City of Alva, Woods County, Oklahoma, (the "City") complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statement for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless the pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

I.A. Financial Reporting Entity

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

However, the Council is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Council members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The City's financial reporting entity comprises the following:

Primary Government:	City of Alva
Blended Component Units:	AUA Homestead Deposit AUA Development AUA Homestead Holding AUA Homestead Operating AUA Homestead Revenue
Discretely Presented Component Unit:	Alva Hospital Authority d/b/a Share Medical Center

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 34, "The Financial Reporting Entity," and includes component units of which the City appointed a voting majority of the units' council; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

I.A. Financial Reporting Entity (continued)

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending is the Alva Hospital Authority d/b/a Share Medical Center.

Blended Component Units

Component units that are blended into the reporting activity types of the City's report are presented below:

Component Unit

AUA

Homestead Deposit
Development
Homestead Holding
Homestead Operating
Homestead Revenue

Brief Description

Created July 10, 1997 to create, develop and maintain the Homestead Retirement Center. The current City Council serves as entire governing body (Trustees). Any increase of debt would require a two-thirds approval of the City Council.

I.B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. 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:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds or that category or type; and

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

I.B. Basis of Presentation (continued)

- b. Total assets, liabilities, revenues, or expenditures/expense of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

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

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

Capital Project Fund - The Capital Project Fund is used for the Airport improvements.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are rental and utility collections from the Homestead Retirement Center and interest earnings from temporary investments which are restricted for debt service.

Fiduciary Funds (not included in government-wide statements)

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

Trust Funds -	Agency Funds -
Meter Deposit	Municipal Court
AEDA - Economic Development	Revolving
AEDA - Scholarship	

The Alva Economic Development Authority (AEDA) was created February 1, 1999 to finance and promote the development of industry within and without the City. The current City Council serves as the entire governing body (Trustees). Any issuances of debt would require a majority approval of the City Council.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Major Funds	Brief Description
General Fund	See above for description

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

I.B. Basis of Presentation (continued)

Special Revenue Funds:

Airport	See above for description
AUA Homestead Deposit	
AUA Development	
AUA Homestead Holding	
AUA Homestead Operating	
AUA Homestead Revenue	
APD Drug Task Force	

Non-major Funds

Special Revenue Funds:

Hotel Tax	See above for description
Fire Defense	
Christmas #2	
Special Library	
Cemetery	
Cemetery Beautification	
Street & Alley	
Easter Fund	

Debt Service Fund:

AUA 8141 CDBG 97	See above for description
AUA 2005 Refunding Bonds Principal/Interest	
AUA 2005 Refunding Bonds Reserve	
11153-CDBG-ED 03	

Capital Project Funds:

Airport Grant	See above for description
---------------	---------------------------

I.C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

NOTES TO BASIC FINANCIAL STATEMENTS

I.C. Measurement Focus and Basis of Accounting (continued)

- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Propriety fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used.

I.D. Assets, Liabilities and Fund Equity

Cash and Investments - For the purpose of the Statement of Net Assets, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investment with an original maturity of three months or less.

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash investment disclosures are presented in Notes 2.C and 3.A

Inter-fund Receivables and Payables – Inter-fund receivables or payables consist of reimbursements between component units and governmental activities and will be presented as transfers when made.

Receivables - In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. All accounts receivable are considered collectable at year-end. Major receivable balances for the governmental activities include property taxes, grants, and contracts.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, grants and contracts and other similar intergovernmental revenue since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

I.D. Assets, Liabilities and Fund Equity (continued)

Inventories - The value of consumable inventories at June 30, 2011 is not material to the financial statements. Purchases for inventory items are considered expenditures at the time of purchase.

Fixed Assets - The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to report the majority of the buildings and infrastructures. Historical cost was used to report land, furniture, and equipment.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	25-40 years
- Improvements	7-40 years
- Machinery and Equipment	7-25 years

In the government-wide financial statements, all machinery, equipment, furniture, and automobiles costing \$2,500 or more have been capitalized and depreciated over the estimated useful life. Repairs, remodeling and/or construction costing \$25,000 or more has been capitalized and depreciated over the estimated useful life.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Restricted Assets - The City's restricted assets consists of utility meter deposits.

Long-term Debt - The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and a court assessed judgment.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

I.D. Assets, Liabilities and Fund Equity (continued)

Compensated Absences - The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Fund Equity

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - consists of capital assets, net of accumulated depreciation.
- b. Restricted net assets - consists of net assets with constraints on the use either by (1) external groups or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

Fund Statements

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

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

Fund Statements (continued)

- **Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other government fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

I.E. Revenues, Expenditures and Expenses

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

The City does not have a millage levy for the General Fund for the 2010-11 period.

Expenditures/Expenses - In the government-wide financial statements, expenses are classified by function of governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character: Current (further classified by function)
 Debt Service
 Capital Outlay

2. Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expense.

The City's investments policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

Deposits - The City's cash deposits at June 30, 2011, are categorized to give an indication of the level of risk assumed by the City at year end as follows:

Deposit Categories of Credit Risk

- (A) Insured or collateralized with securities held by the City or by its agent in the City's name.
- (B) Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- (C) Uncollateralized.

	<u>Category</u>			<u>Bank Balance</u>
	<u>A</u>	<u>B</u>	<u>C</u>	
Cash and cash and equivalents	\$ 500,000.00	\$1,972,406.42	\$ 0.00	\$2,472,406.42
Investments	<u>1,006,033.69</u>	<u>123,706.80</u>	<u>0.00</u>	<u>1,129,740.49</u>
	<u>\$1,506,033.69</u>	<u>\$2,096,113.22</u>	<u>\$ 0.00</u>	<u>\$3,602,146.91</u>

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

Deposit Categories of Credit Risk (continued)

Reconciliation to Government-wide Statement of Net Assets:	
Unrestricted cash, including time deposits	\$3,126,475.71
Agency fund cash, including time deposits (not included in government-wide statement)	<u>475,671.20</u>
	<u>\$3,602,146.91</u>

2.B. Other Receivables

Other receivables of the governmental activities consist of charges and fees and reimbursement. Receivables detail at June 30, 2011 was as follows:

	<u>Governmental Activities</u>
Accounts receivable	\$ 864,350.00
Reimbursements	<u>95,356.00</u>
Net accounts receivable	<u>\$ 959,706.00</u>

2.C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Balance at 07/01/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 06/30/11</u>
<u>Governmental activities:</u>				
Land	\$ 718,675.00	\$ 0.00	\$ 0.00	\$ 718,675.00
Construction in progress	3,905,019.00	1,007,135.00	0.00	4,912,154.00
Building	10,977,628.00	0.00	0.00	10,977,628.00
Furniture & Equipment	<u>4,892,858.00</u>	<u>372,594.00</u>	<u>0.00</u>	<u>5,265,452.00</u>
Totals at historical cost	<u>20,494,180.00</u>	<u>1,379,729.00</u>	<u>0.00</u>	<u>21,873,909.00</u>
Less accumulated depreciation				
Buildings	(5,596,774.00)	(238,302.00)	0.00	(5,835,076.00)
Furniture & Equipment	<u>(3,018,552.00)</u>	<u>(172,785.00)</u>	<u>0.00</u>	<u>(3,191,337.00)</u>
Total accumulated Depreciation	<u>(8,615,326.00)</u>	<u>(411,087.00)</u>	<u>0.00</u>	<u>(9,026,413.00)</u>
Governmental activities capital assets, net	<u>\$11,878,854.00</u>	<u>\$ 968,642.00</u>	<u>\$ 0.00</u>	<u>\$ 12,847,496.00</u>

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

2.C. Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

	<u>Equipment Furniture, Fixtures and Automobiles</u>	<u>Buildings</u>	<u>Total</u>
General Government	\$ 29,616.80	\$ 266,551.20	\$ 296,168.00
Public Safety	65,487.00	2,023.00	67,510.00
Culture & Recreation	<u>47,409.00</u>	<u>0.00</u>	<u>47,409.00</u>
Total depreciation expense- Governmental activities	<u>\$142,512.80</u>	<u>\$ 268,574.00</u>	<u>\$ 411,087.00</u>

2.D. Accounts Payable

Accounts payables in the General Fund and Special Revenue Funds are composed of payables to vendors. There are no accrued salaries or benefits as of year end.

Inter-fund Receivables and Payables – Inter-fund receivables or payables consist of reimbursements between component units and governmental activities and will be presented as transfers when made.

2.E. Other Payables

Other payables in the General Fund and Special Revenue Funds are composed of outstanding warrants. These warrants have been released as of June 30, 2011. There were not any "other payables" in the Enterprise Funds.

2.F. Long-term Debt

Governmental Activities - As of June 30, 2011, the governmental long-term debt of the financial reporting entity consisted of:

Accrued Compensations	<u>\$ 64,951.00</u>
-----------------------	---------------------

General Long-Term Debt

Alva Utility Authority

The Alva Utility Authority is a trust created for the use and benefit of the City of Alva, Oklahoma to finance, operate, construct and administer any public work, improvements or facilities, and for the public purposes hereinafter set forth, under the provisions of Title 60, Oklahoma Statutes 1981, Sections 176 to 180.4, inclusive as amended and supplemented, the Oklahoma Trust Act and other applicable statutes of the State of Oklahoma.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

2.F. Long-term Debt (continued)

Alva Utility Authority Retirement Center Refunding Bonds

Annual adjustable interest, due July 1 and January 1, maturing July 1, 2022. Original issue of \$3,070,000.00, balance of \$2,395,000.00 (none delinquent). Principal payments are made each July 1.

A principal and interest repayment schedule of the outstanding general obligation bond issues at June 30, 2011 is set forth below:

<u>Payment Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Total</u>
1 Jul 11 thru		4.00% to		
1 Jul 17	\$1,240,000.00	4.60%	603,745.00	1,843,745.00
1 Jul 18 thru				
1 Jul 22	<u>1,155,000.00</u>	5.00%	149,875.00	1,304,875.00
	<u>\$2,395,000.00</u>			

Alva Utility Authority CDBG-CD Promissory Note - Contract #8141

A loan, CDBG-CG Promissory Note Contract 8141, was established with the Community Development Block Grant (CDBG), State of Oklahoma to finance infrastructure projects by the City of Alva with improvements to the City's water system. The new note is dated December 1, 1999 to mature November 1, 2019. The amount financed was \$125,000.00 at a rate of zero percent (0%) per annum. The principal of the note shall be payable in equal monthly installments of \$520.83 over a period of two hundred thirty nine (239) months, commencing on December 1, 1999 and continuing through and including October 1, 2019. On November 1, 2019, the remaining unpaid principal balance of \$521.63 shall be paid in full. The principal balance remaining at June 30, 2011 is \$52,604.63.

Alva Economic Development Authority Recreational Facility Note

A loan, Number 82103, was established with the Central National Bank of Alva, Alva, Oklahoma to finance the construction of a recreational facility for use in furthering economic and development efforts. The new loan is dated December 22, 2000 to mature January 1, 2021. The amount financed was \$1,940,000.00 at a rate of six and one-quarter percent (6.25%) per annum to be adjusted after January 1, 2005. Monthly installments in an amount representing the payment necessary to amortize principal of and interest on the note over its term shall be payable on the 1st day of each month beginning on February 1, 2001, and on the 1st day of each month thereafter through and including January 2, 2021. On January 1, 2021, the remaining unpaid principal of the note, together with an unpaid interest thereon at the above stated rate shall be due and payable in full, unless the note is renewed or extended. The principal balance remaining at June 30, 2011 is \$1,335,125.72.

Alva Economic Development Authority Recreational Facility Note
City of Alva CDBG Promissory Note - Contract #11153-CDBG-ED 03

A loan, CDBG-ED Promissory Note Contract 11153-CDBG-ED 03, was established with the Community Development Block Grant (CDBG), State of Oklahoma to finance infrastructure projects by the City of Alva with improvements to the City's water and sewer system. The new note is dated February 1, 2006 to mature January 1, 2026. The amount financed was \$273,123.00 at a rate of zero percent (0%) per annum. The principal of the note shall be payable in equal monthly installments of \$1,138.01 over a period of two hundred thirty nine (239) months, commencing on February 1, 2006 and continuing through and including January 1, 2026. On January 1, 2026, the remaining unpaid principal balance of \$1,138.61 shall be paid in full. The principal balance remaining at June 30, 2011 is \$199,152.35.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

2.G. Capital Leases

The City has entered into no lease-purchase agreements as lessee for financing the acquisition of equipment.

2.H. Operating Leases

The City has elected not to present a liability for operating leases. All operating leases contain a mutual ratification clause for both parties; therefore, the City does not consider the obligation to be for a period extending beyond the current fiscal year.

3.A. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2011.

3. Other Notes

3.B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

3.C. Other Post Employment Benefits

The City does not offer any early retirement incentive plans.

3.D. Employee Retirement System

All regular, fulltime employees except any policemen, firemen and other employees covered under a state retirement system.

Elected officials may be included with the consent of the municipality. All other employees must be less than age 60 at date of hire. (This requirement may be waived for employees active on the date the plan is established.) Contributions to the three retirement systems by the City are made according to percentages required by statutes as follows:

City Employees (2.15%)	\$ 47,297.12
Policemen Pension (13%)	37,703.02
Firemen Pension (13%)	41,700.63
Total City Contribution	\$126,700.77

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

3.E. Budgets and Budgetary Accounting

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

A budget is legally adopted by the City Council for the General Fund and Special Revenue Funds that includes revenues and expenditures.

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

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

3.F. Risk Management

Insurance Coverage

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

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

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

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

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

Surety Bonds

E. A. Ware, City Treasurer, is bonded with the Ohio Casualty Insurance Company in the penal sum of \$50,000.00. The bond number is 3 904501, dated April 7, 2009 to April 7, 2012.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

Surety Bonds (continued)

The City of Alva maintains a Public Employee Dishonesty Insurance Policy with the Ohio Casualty Insurance Company in the penal sum of \$10,000.00 per employee. The policy number is 3904502, dated October 30, 2010 and to October 30, 2011.

Workers' Compensation

The title to all assets acquired by the Plan are vested in the Plan. In the event of termination of the Plan, such property shall belong to the then members of the Plain in equal shares. Each participating city pays for all costs, premiums, or other fees attributable to its respective participation in the Plan, policy or service established under the agreement establishing the Oklahoma Municipal Assurance Group, and is responsible for its obligations under any contract entered into with the Plan.

Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund. The loss reserve fund amount as of June 30, 2011 was \$53,906.91.

Reserves for policy and contract claims provide for reported claims on a case basis and provisions for incurred but not reported claims limited to specific retention levels for each member as outlined in the Plan's reinsurance agreement.

The Plan workers' compensation coverage is reinsured for losses in excess of respective retention levels. The reinsurance agreement covers losses incurred within the effective period of the agreement. Each Plan member's liability for claims losses is limited to their individual retention levels as outlined in the Plans reinsurance agreement.

3.G. Service Rates

SCHEDULE A RATES

<u>Water Rates</u>	<u>Inside City Limits</u>	<u>Outside City Limits</u>	<u>Water District</u>
0 to 667 Cubic Ft	\$16.64 minimum	\$21.76 minimum	\$17.92 minimum
667 to 15,000 CF	1.40 per 100 CF	2.08 per 100 CF	1.38 per 100 CF
Over 15,000 CF	.84 per 100 CF	1.21 per 100 CF	1.38 per 100 CF
 <u>Sewer Rates</u>			<u>With Lift</u>
0 to 801 Cubic Ft	\$ 6.40 minimum	\$ 7.68 minimum	\$15.36 minimum
801 to 15,000 CF	.23 per 100 CF	.33 per 100 CF	
Over 15,000 CF	.12 per 100 CF	.19 per 100 CF	

Sewer charge is based on 80% of the water consumption.

Water Deposit \$89.60

Transfer Fee and Cut-Off Fee \$ 5.00

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES TO BASIC FINANCIAL STATEMENTS

3.G. Service Rates (continued)

<u>Trash Pickup</u>	<u>Inside City Limits</u>	<u>Outside City Limits</u>
Residential: 2 days per week pickup for those who receive water and live within 3 mile radius	\$21.76 per month	\$56.00 per month 1 day per week pickup for those who do not receive water

SCHEDULE B RATES

Commercial: Inside city limits with 8 containers or less	\$47 .36 per month	\$74.00 per month
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Commercial rates vary according to number of dumpsters and collections per week.

4. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

City Of Alva
WOODS COUNTY, OKLAHOMA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,633,000	\$ 1,633,000	\$ 3,672,080	2,039,080
Licenses & Permits	17,024	17,024	16,987	(37)
Charges for services	817,701	817,701	1,364,260	546,559
Fines & forfeits	15,820	15,820	32,071	16,251
Interest earned	14,000	14,000	13,836	(164)
Miscellaneous	-	-	88,985	88,985
Grant proceeds	-	-	17,358	17,358
Refunds	-	-	77,938	77,938
Total revenues	2,497,545	2,497,545	5,283,515	2,785,970
EXPENDITURES				
Current:				
Culture & Recreation	136,514	139,864	167,229	27,365
General Government	1,386,652	1,433,851	1,860,282	426,431
Public Safety	767,931	804,611	1,128,101	323,490
Utilities	1,116,843	1,130,575	1,268,358	137,783
	3,407,940	3,508,901	4,423,970	915,069
Debt service:				
Interest	-	-	-	-
Principal Retirement	-	-	-	-
Total	-	-	-	-
Capital outlay	202,040	569,140	361,410	(207,730)
	3,609,980	4,078,041	4,785,380	707,339
Total expenditures	(1,112,435)	(1,580,496)	498,135	2,078,631
Excess (deficiency) of revenues over (under) expenditures				
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Operating transfers in	585,000	585,000	1,328,319	743,319
Operating transfers out	-	-	(1,748,879)	(1,748,879)
Total other financing sources and uses and special items	585,000	585,000	(420,560)	(1,005,560)
Net change in fund balances	(527,435)	(995,496)	77,574	1,073,070
Fund balances -- beginning	702,925	702,925	702,925	-
Fund balances -- ending	\$ 175,490	(\$ 292,571)	\$ 780,499	\$ 1,073,070

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
WOODS COUNTY, OKLAHOMA
AIRPORT FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Grant proceeds	\$ -	\$ -	\$ -	-
Licenses & Permits	-	-	8,250	8,250
Charges for services	104,298	104,298	409,251	304,953
Interest earned	-	-	2,789	2,789
Miscellaneous	-	-	20,183	20,183
Total revenues	104,298	104,298	440,473	336,175
EXPENDITURES				
Current:				
General Government	177,925	258,237	215,062	(43,175)
Total Current	177,925	258,237	215,062	(43,175)
Capital outlay	136,000	451,705	29,561	(422,144)
Total expenditures	313,925	709,942	244,623	(465,319)
Excess (deficiency) of revenues over (under) expenditures	(209,627)	(605,644)	195,850	801,494
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Operating transfers in	-	-	14,000	14,000
Total other financing sources and uses and special items	-	-	14,000	14,000
Net change in fund balances	(209,627)	(605,644)	209,850	815,494
Fund balances -- beginning	223,950	223,950	223,950	-
Fund balances -- ending	\$ 14,323	\$ (381,694)	\$ 433,799	\$ 815,494

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ALVA
 WOODS COUNTY, OKLAHOMA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 ALLOCATIONS & EXPENDITURES
 07/01/10 TO 06/30/11

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY CONTRACT / PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED OR (DEFERRED) Revenue at July 1, 2010	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED OR (DEFERRED) Revenue at JUNE 30, 2011
US DEPARTMENT OF TRANSPORTATION - DIRECT PROGRAMS Federal Aviation Administration Airport Improvement Program	20.106	007-2009/008-2010	\$5,189,649.00	\$436,673.00	\$1,473,879.00	\$1,037,206.00	\$0.00

SEE NOTES TO FINANCIAL STATEMENTS

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE B-1

City Of Alva
 WOODS COUNTY, OKLAHOMA
 Combining Balance Sheet
 Other Major Governmental Funds
 For the Year Ended June 30, 2011

	APD DRUG TASK FORCE	HOMESTEAD OPERATING	HOMESTEAD REVENUE	HOMESTEAD RETIREMENT CTR	AUA DEVELOPMENT FUND	Total Governmental Funds
Current assets:						
Cash and Cash Equivalents	\$ 199,328	\$ 63,804	\$ 2,675	\$ 89,835	\$ 12,608	\$ 368,250
Investments	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
Total Current assets:	199,328	63,804	2,675	89,835	12,608	368,250
Total assets	199,328	63,804	2,675	89,835	12,608	368,250
LIABILITIES AND FUND BALANCES						
Current liabilities:						
Warrants & checks outstanding	-	44,633	-	-	-	44,633
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Accounts payable	-	3,188	-	-	-	3,188
Unallocated	-	-	-	-	-	-
Total Current liabilities:	-	47,821	-	-	-	47,821
Total liabilities	-	47,821	-	-	-	47,821
Fund balances:						
Unreserved, reported in						
Non-spendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	2,675	-	12,608	15,283
Assigned	199,328	15,983	-	89,835	-	305,146
Unassigned	-	-	-	-	-	-
Total fund balances	199,328	15,983	2,675	89,835	12,608	320,429
Total liabilities and fund balances	\$ 199,328	\$ 63,804	\$ 2,675	\$ 89,835	\$ 12,608	\$ 368,250

SEE NOTES TO FINANCIAL STATEMENTS

SCHEDULE B-2

City Of Alva
 WOODS COUNTY, OKLAHOMA
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Other Major Governmental Funds
 For the Year Ended June 30, 2011

	APD DRUG TASK FORCE	HOMESTEAD OPERATING	HOMESTEAD REVENUE	HOMESTEAD RETIREMENT CTR	AJA DEVELOPMENT FUND	Total Other Major Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-
Charges for services	-	-	472,866	11,250	8,985.00	493,101
Fines & forfeits	-	-	-	-	-	-
Interest earned	4,647	525	266	1,814	662	7,913
Miscellaneous	-	-	452	-	2,489.50	2,942
Grant proceeds	-	-	-	-	-	-
Refunds	-	21,336	-	-	-	21,336
Total revenues	4,647	21,861	473,584	13,064	12,136	525,292
EXPENDITURES						
Current:						
Culture & Recreation	-	595,165	-	23,858	-	619,023
General Government	-	-	-	-	65,092	65,092
Health	-	-	-	-	-	-
Highways & Streets	-	-	-	-	-	-
Public Safety	4,526	-	-	-	-	4,526
Utilities	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	4,526	595,165	-	23,858	65,092	688,641
Excess (deficiency) of revenues over expenditures	121	(573,304)	473,584	(10,794)	(52,956)	(163,350)
OTHER FINANCING						
Operating transfers out	0	(265,325)	(476,500)	-	-	(741,825)
Operating transfers in	-	839,850	-	-	23,400	863,250
Total other financing sources and uses	-	574,525	(476,500)	-	23,400	121,425
Total Special Items	-	-	-	-	-	-
Fund balances -- beginning	121	1,221	(2,917)	(10,794)	(29,556)	(41,925)
	199,207	14,762	5,592	100,629	42,164	362,354
Fund balances -- ending	\$ 199,328	\$ 15,983	\$ 2,675	\$ 89,835	\$ 12,608	\$ 320,429

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
WOODS COUNTY, OKLAHOMA
Combining Balance Sheet Summarized
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

SCHEDULE C-1

	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Current assets:				
Cash and Cash Equivalents	\$ 317,546	\$ 3,309	\$ 1,289	\$ 322,144
Investments	85,909	479,977	-	565,886
Total Current assets:	403,455	483,285	1,289	888,029
Total assets	403,455	483,285	1,289	888,029
LIABILITIES AND FUND BALANCES				
Current liabilities:				
Warrants & checks outstanding	14,163	521	1,138	15,822
Accounts Payable	6,478	-	-	6,478
Total Current liabilities:	20,641	521	1,138	22,300
Fund balances:				
Non-spendable	-	-	-	-
Restricted	80,169	482,765	151	563,085
Committed	134,714			134,714
Assigned	167,930			167,930
Unassigned	-			-
Total fund balances	382,814	482,765	151	865,729
Total liabilities and fund balances	\$ 403,455	\$ 483,285	\$ 1,289	\$ 888,029

SEE NOTES TO FINANCIAL STATEMENTS

SCHEDULE C-2

City Of Alva
 WOODS COUNTY, OKLAHOMA
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	EASTER FUND	HOTEL TAX	FIRE DEFENSE OPER GRANT	CHRISTMAS FUND #2	SPECIAL LIBRARY	CEMETERY	CEMETERY BEAUTIFICATION	STREET & ALLEY	Total nonmajor Special Revenue Funds
ASSETS									
Current assets:									
Cash and Cash Equivalents	\$ 2,689	\$ 140,399	\$ 4,425	\$ 12,049	\$ 4,071	\$ 71,730	\$ 8,886	\$ 73,295	\$ 317,546
Investments	-	-	-	-	12,000	73,909	-	-	85,909
Total assets	<u>2,689</u>	<u>140,399</u>	<u>4,425</u>	<u>12,049</u>	<u>16,071</u>	<u>145,639</u>	<u>8,886</u>	<u>73,295</u>	<u>403,455</u>
LIABILITIES AND FUND BALANCES									
Current liabilities:									
Unallocated									
Warrants & checks outstanding	1,155	4,932	-	-	105	3,251	-	4,720	14,163
Accounts Payable		753	3,750	-	331	63	-	1,581	6,478
Total liabilities	<u>1,155</u>	<u>5,685</u>	<u>3,750</u>	<u>-</u>	<u>436</u>	<u>3,314</u>	<u>-</u>	<u>6,301</u>	<u>20,641</u>
Fund balances:									
Non-spendable									0
Restricted			675			12,500		66,994	80,169
Committed		134,714							134,714
Assigned	1,534			12,049	15,635	129,825	8,886		167,930
Unassigned									0
Total fund balances	<u>1,534</u>	<u>134,714</u>	<u>675</u>	<u>12,049</u>	<u>15,635</u>	<u>142,325</u>	<u>8,886</u>	<u>66,994</u>	<u>382,814</u>
Total liabilities and fund balances	\$ <u>2,689</u>	\$ <u>140,399</u>	\$ <u>4,425</u>	\$ <u>12,049</u>	\$ <u>16,071</u>	\$ <u>145,639</u>	\$ <u>8,886</u>	\$ <u>73,295</u>	\$ <u>403,455</u>

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
 WOODS COUNTY, OKLAHOMA
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 For the Year Ended June 30, 2011

	2005 BOND RESERVE FUND	2005 BOND PRINCIPLE/ INTEREST	8141 CDBG-97	Total Private-Purpose Trust
	\$ -	\$ -	\$ 3,309	\$ 3,309
Cash and Cash Equivalents	269,559	210,418	-	479,976
Investments	269,559	210,418	3,309	483,285
Total Current Assets	269,559	210,418	3,309	483,285
Total assets	269,559	210,418	3,309	483,285
	\$ -	\$ -	\$ 521	\$ 521
Warrants Outstanding	-	-	521	521
Total liabilities:	-	-	521	521
Unreserved, reported in	269,559	210,418	2,788	482,764
Debt service	269,559	210,418	2,788	483,285
Total fund balances	269,559	210,418	3,309	483,285
Total liabilities and fund balances	269,559	210,418	3,309	483,285

ASSETS

Current Assets:
 Cash and Cash Equivalents
 Investments
 Total Current Assets
 Total assets

LIABILITIES AND
 FUND BALANCE

Current liabilities:
 Warrants Outstanding
 Total liabilities:

Unreserved, reported in
 Debt service
 Total fund balances
 Total liabilities and fund balances

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
WOODS COUNTY, OKLAHOMA

SCHEDULE C-4

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Summarized
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 157,327	\$ -	\$ -	\$ 157,327
Charges for services	59,935	-	-	59,935
Interest earned	3,623	343	-	3,966
Intergovernmental revenue	18,539	-	-	18,539
Miscellaneous	23,294	-	-	23,294
Grant proceeds	57,590	-	-	57,590
Refunds	-	-	-	-
Total revenues	<u>320,308</u>	<u>343</u>	<u>-</u>	<u>320,651</u>
EXPENDITURES				
Current:				
Culture & Recreation	95,568	-	-	95,568
General Government	51,415	-	-	51,415
Highways & Streets	82,144	-	-	82,144
Public safety	3,750	-	-	3,750
Debt service:				
Interest	-	113,755	-	113,755
Principal Retirement	-	156,250	13,656	169,906
Capital outlay:				
Capital outlay	-	-	-	-
Total expenditures	<u>232,877</u>	<u>270,005</u>	<u>13,656</u>	<u>516,537</u>
Excess (deficiency) of revenues over expenditures	<u>87,431</u>	<u>(269,662)</u>	<u>(13,656)</u>	<u>(195,886)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(3,319)	(256)	-	(3,575)
Operating transfers in	-	271,833	13,668	285,501
Total other financing sources and uses	<u>(3,319)</u>	<u>271,577</u>	<u>13,668</u>	<u>281,926</u>
Net Change in fund balances	84,112	1,915	12	86,040
Fund balances -- beginning	<u>298,701</u>	<u>480,849</u>	<u>139</u>	<u>779,690</u>
Fund balances -- ending	<u>\$ 382,814</u>	<u>\$ 482,765</u>	<u>\$ 151</u>	<u>\$ 865,730</u>

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
WOODS COUNTY, OKLAHOMA
Combining Statement of Revenues, Expenditures, and Changes in Fund
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	EASTER FUND	HOTEL TAX	FIRE DEFENSE OPER GRANT	CHRISTMAS FUND #2	SPECIAL LIBRARY & LIBRARY HANCICAPPED	CEMETARY BEAUTIFICATION	CEMETERY ALLEY	STREET & ALLEY	Total nonmajor Special Revenue Funds
REVENUES									
Taxes	\$ -	\$ 110,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,710	\$ 157,327
Charges for services	-	-	-	-	-	59,935	-	-	59,935
Interest earned	-	2,168	-	-	332	1,079	44	-	3,623
Miscellaneous	2,823	-	-	10,000	4,016	1,700	-	-	18,539
Intergovernmental revenue	-	-	4,398	-	18,896	-	-	-	23,294
Grant proceeds	-	-	-	-	7,590	-	-	50,000	57,590
Refunds	-	-	-	-	-	-	-	-	-
Total revenues	2,823	112,785	4,398	10,000	30,834	62,714	44	96,710	320,308
EXPENDITURES									
Current:									
Culture & Recreation	2,574	61,885	-	1,535	29,575	-	-	-	95,569
General Government	-	-	-	-	-	51,415	-	-	51,415
Highways & Streets	-	-	-	-	-	-	82,144	-	82,144
Public Safety	-	-	3,750	-	-	-	-	-	3,750
Debt service:									
Interest	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	2,574	61,885	3,750	1,535	29,575	51,415	-	82,144	232,876
Excess (deficiency) of revenues over expenditures	249	50,901	649	8,465	1,259	11,299	44	14,566	87,432
OTHER FINANCING SOURCES (USES)									
Operating transfers out	-	(3,319)	-	-	-	-	-	-	(3,319)
Total other financing sources and uses	-	(3,319)	-	-	-	-	-	-	(3,319)
Net change in fund balances	249	47,582	649	8,465	1,259	11,299	44	14,566	84,113
Fund balances -- beginning	1,285	87,132	28	3,584	14,376	131,026	8,842	52,428	298,701
Fund balances -- ending	\$ 1,534	\$ 134,714	\$ 676	\$ 12,049	\$ 15,635	\$ 142,325	\$ 8,886	\$ 66,994	\$ 382,814

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
WOODS COUNTY, OKLAHOMA

SCHEDULE C-6

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Summarized
Nonmajor Debt Service Funds
For the Year Ended June 30, 2010

	2005 Bond Reserve Fund	2005 Bond Principle/ Interest	8141 CDBG-97	Total Nonmajor Governmental Funds
REVENUES				
Interest earned	\$ 259	\$ 32	\$ 52	\$ 343
Grant Proceeds	-	-	-	-
Total revenues	<u>259</u>	<u>32</u>	<u>52</u>	<u>343</u>
EXPENDITURES				
Current:				
Capital Outlay				-
Debt service:				
Interest	-	113,755	-	113,755
Principal Retirement	-	150,000	6,250	156,250
Total expenditures	<u>-</u>	<u>263,755</u>	<u>6,250</u>	<u>270,005</u>
Excess (deficiency) of revenues over expenditures	<u>259</u>	<u>(263,723)</u>	<u>(6,198)</u>	<u>(269,661)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	256	-	-	256
Operating transfers in	-	265,581	6,252	271,833
Total other financing sources and uses	<u>256</u>	<u>265,581</u>	<u>6,252</u>	<u>272,089</u>
Net Change in fund balances	4	1,858	54	1,916
Fund balances -- beginning	<u>269,555</u>	<u>208,560</u>	<u>2,734</u>	<u>480,849</u>
Fund balances -- ending	<u>\$ 269,559</u>	<u>\$ 210,418</u>	<u>\$ 2,788</u>	<u>\$ 482,765</u>

SEE NOTES TO FINANCIAL STATEMENTS

SCHEDULE D-1

City Of Alva
WOODS COUNTY, OKLAHOMA
 Combining Statement of Fiduciary Net Assets
 Private-Purpose Trust Funds
 For the Year Ended June 30, 2011

	METER DEPOSIT	AEDA ECO DEVELOPMENT	AEDA SCHOLARSHIP	Total Private-Purpose Trust
ASSETS				
Cash and Cash Equivalents	\$ 112,468	\$ 180,389	\$ 151,468	\$ 444,325
Investments	33,616	-	-	33,616
Total assets	<u>146,084</u>	<u>180,389</u>	<u>151,468</u>	<u>477,941</u>
LIABILITIES				
Warrants & checks outstanding	4,407	39,916	-	44,323
Due to other funds	787	-	-	787
Customer deposits	74,800	-	-	74,800
Accounts Payable	-	1,979	-	1,979
Total Liabilities	<u>79,994</u>	<u>41,895</u>	<u>-</u>	<u>121,889</u>
NET ASSETS				
Heid in trust	\$ 66,090	\$ 138,494	\$ 151,468	\$ 356,052

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva

SCHEDULE D-2

WOODS COUNTY, OKLAHOMA

Combining Statement of Changes in Fiduciary Net Assets

Private Purpose Trust Funds

For the Year Ended June 30, 2011

	METER DEPOSIT	AEDA ECO DEVELOPMENT	AEDA SCHOLARSHIP FUND	Total Private Purpose Trust Funds
ADDITIONS				
Contributions:				
Charges for services	\$ -	\$ 112,910	\$ -	\$ 112,910
Interest earned	1,984	3,354	-	5,338
Miscellaneous	-	3,591	-	3,591
Operating transfers in	-	388,456	388,456	776,911
Refunds	-	232	-	232
Total Contributions	1,984	508,543	388,456	898,982
Investment earnings:				
Interest earned	-	-	4,863	4,863
Total investment earnings	-	-	4,863	4,863
Total additions	1,984	508,543	393,319	903,845
DEDUCTIONS				
Scholarships paid	-	-	396,854	396,854
Culture & recreation	-	341,061	-	341,061
Debt service-Principal	-	180,750	-	180,750
Debt service-Interest	-	-	-	-
Operating transfers out	-	-	-	-
Total deductions	-	521,811	396,854	918,665
Change in Net	1,984	(13,269)	(3,535)	(14,820)
Net Assets-- beginning of the year	64,107	151,763	155,003	370,872
Net Assets -- end of the year	66,090	138,494	151,468	356,052

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva
Woods County, Oklahoma
Combining Statement of Fiduciary Net Assets
Agency Funds
For the Year Ended June 30, 2011

SCHEDULE D-3

	Municipal Court Fund	Revolving Fund	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 18,535	\$ 43,491	\$ 62,027
Investments	-	-	-
Unallocated	-	-	-
Receivables	-	-	-
Total assets	18,535	43,491	62,027
LIABILITIES			
Warrants & checks outstanding	-	-	-
Due to other funds	-	-	-
Customer deposits	-	-	-
Representative clients payments	-	-	-
Total Liabilities	-	-	-
NET ASSETS			
Held in trust	\$ 18,535	\$ 43,491	62,027

SEE NOTES TO FINANCIAL STATEMENTS

City Of Alva

SCHEDULE D-4

Woods County, Oklahoma

Combining Statement of Changes in Fiduciary Net Assets

Agency Funds

For the Year Ended June 30, 2011

	Municipal Court Fund	Revolving Fund	Total Agency Funds
ADDITIONS			
Contributions:			
Charges for services	\$ 26,966	\$ -	\$ 26,966
Interest earned	-	-	-
Miscellaneous	-	-	-
Operating transfers in	-	532,264	532,264
Total Contributions	<u>26,966</u>	<u>532,264</u>	<u>559,230</u>
Investment earnings:			
Interest earned	41	-	41
Less investment expense	-	-	-
Net Investment Earnings	<u>41</u>	<u>-</u>	<u>41</u>
Total additions	<u>27,007</u>	<u>339,231</u>	<u>366,238</u>
DEDUCTIONS			
Culture & recreation	-	-	-
Debt service-Interest	-	-	-
Scholarships paid	-	-	-
Unallocated	26,513	522,323	548,836
Total deductions	<u>26,513</u>	<u>522,323</u>	<u>548,836</u>
Changes in Net Assets	495	9,941	10,435
Net Assets-- beginning of the year	18,041	33,551	51,591
Net Assets -- end of the year	<u>\$ 18,535</u>	<u>\$ 43,491</u>	<u>\$ 62,027</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ALVA
WOODS COUNTY
COMPARATIVE COMBINED STATEMENT
OF ASSETS AND LIABILITIES
GENERAL FUND
JULY 1, 2010 TO JUNE 30, 2011

	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY</u>
	<u>GENERAL FUNDS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TRUST & AGENCY FUNDS</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$1,146,057.76	\$836,980.69	\$42,714.41	\$4,598.29	\$442,055.27
Investments	336,416.65	279,731.36		479,976.55	33,615.93
Amount available in Debt Service Func	0.00				
Amount to be provided for retirement of General Long-Term Debt	0.00				
Notes payable	0.00				
TOTAL ASSETS	<u>1,482,474.41</u>	<u>1,116,712.05</u>	<u>42,714.41</u>	<u>484,574.84</u>	<u>475,671.20</u>
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES -					
Warrants & Checks Outstanding	267,279.76	22,430.57	0.00	1,658.84	42,008.04
Encumbrances	153,908.48	44,487.55			13,283.09
Revenue Bonds payable	0.00				
Notes payable	0.00				
Total Liabilities	<u>421,188.24</u>	<u>66,918.12</u>	<u>0.00</u>	<u>1,658.84</u>	<u>55,291.13</u>
FUND BALANCES -					
Restricted Funds:					
Deposits	0.00	0.00	0.00	0.00	141,677.51
Debt Service	0.00			482,916.00	
Capital Projects	0.00				127,234.48
Scholarships	0.00				151,468.08
Unobligated Funds	<u>1,061,286.17</u>	<u>1,049,793.93</u>	<u>42,714.41</u>	<u>(0.00)</u>	<u>0.00</u>
Total Fund Balances	<u>1,061,286.17</u>	<u>1,049,793.93</u>	<u>42,714.41</u>	<u>482,916.00</u>	<u>420,380.07</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,482,474.41</u>	<u>\$1,116,712.05</u>	<u>\$42,714.41</u>	<u>\$484,574.84</u>	<u>\$475,671.20</u>

SCHEDULE E-1

ACCOUNT GROUPS	TOTAL (MEMORANDUM ONLY)	
	FISCAL YEAR 2010-11	FISCAL YEAR 2009-10
GENERAL		
LONG-TERM		
DEBT		
\$0.00	\$2,472,406.42	\$2,975,267.37
	1,129,740.49	1,126,337.24
479,976.55	479,976.55	478,115.13
1,915,023.45	1,915,023.45	2,066,884.87
1,586,882.70	1,586,882.70	1,711,036.85
<u>3,981,882.70</u>	<u>7,584,029.61</u>	<u>8,357,641.46</u>
0.00	333,377.21	384,327.58
	211,679.12	187,110.78
2,395,000.00	2,395,000.00	2,830,000.00
1,586,882.70	1,586,882.70	1,933,788.66
<u>3,981,882.70</u>	<u>4,526,939.03</u>	<u>5,335,227.02</u>
0.00	141,677.51	186,910.48
	482,916.00	511,236.53
	127,234.48	1,070,730.91
	151,468.08	1,070,730.91
<u>0.00</u>	<u>2,153,794.51</u>	<u>1,253,536.52</u>
<u>0.00</u>	<u>3,057,090.58</u>	<u>3,022,414.44</u>
<u>\$3,981,882.70</u>	<u>\$7,584,029.61</u>	<u>\$8,357,641.46</u>

CITY OF ALVA
WOODS COUNTY
COMPARATIVE COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
JULY 1, 2010 TO JUNE 30, 2011

	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY</u>
	<u>GENERAL FUNDS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TRUST & AGENCY FUNDS</u>
<u>Revenues</u>					
Taxes	\$3,672,080.05	\$157,327.29	\$0.00	\$0.00	\$0.00
Licenses & Permits	17,066.95				
Charges for Services	2,938,018.50	228,728.87			141,642.52
Fines & Forfeits	32,070.82				
Rent	0.00				2,572.50
Interest Earned	36,831.87	11,099.66		343.22	10,200.73
Miscellaneous	211,461.20	846,659.00	61,829.00		3,997.40
Grants/Intergovernmental	17,357.84	80,883.87	1,480,560.01		
Total	<u>6,924,887.23</u>	<u>1,324,698.69</u>	<u>1,542,389.01</u>	<u>343.22</u>	<u>158,413.15</u>
<u>Expenditures</u>					
General Government	2,396,402.24	129,474.63	0.00	0.00	625,517.64
Public Safety	908,566.51				
Highways & Streets	0.00	86,541.58			
Health	537,496.73				
Utilities	1,516,498.04				5,523.01
Culture & Recreation	202,154.40	36,254.72			304,452.29
Municipal Maintenance	0.00	811,956.57	993,134.79		
Bank Charges/Ret Cks/Fees	292.22	47.50			
Debt Service:					
Principle Retirement	0.00			169,906.08	
Interest Expense	0.00			113,755.00	
Total	<u>5,561,410.14</u>	<u>1,064,275.00</u>	<u>993,134.79</u>	<u>283,661.08</u>	<u>935,492.94</u>
Excess of Revenues Over/ <Under> Expenditures	1,363,477.09	260,423.69	549,254.22	(283,317.86)	(777,079.79)
Operating Transfers	(2,011,918.60)	10,681.38	(14,000.00)	285,245.28	758,025.34
Pr Yr O/S Estopped	217.88	67.96			45.00
Pr Yr Reserves Canceled	40,500.24	25,134.78	0.00		11,510.36
Excess of Revenues Over/ <Under> Expenditures	(607,723.39)	296,307.81	535,254.22	1,927.42	(7,499.09)
Beg Bal 07/01/10	<u>1,669,009.56</u>	<u>753,486.12</u>	<u>(492,539.81)</u>	<u>480,988.58</u>	<u>427,879.16</u>
End Bal 06/30/11	<u>\$1,061,286.17</u>	<u>\$1,049,793.93</u>	<u>\$42,714.41</u>	<u>\$482,916.00</u>	<u>\$420,380.07</u>

TOTAL
(MEMORANDUM ONLY)

FISCAL YEAR 2010-11	FISCAL YEAR 2009-10
\$3,829,407.34	\$3,773,444.32
17,066.95	19,606.44
3,308,389.89	3,409,924.13
32,070.82	46,199.09
2,572.50	2,835.50
58,475.48	70,519.46
1,123,946.60	880,956.33
1,578,801.72	3,717,579.35
<u>9,950,731.30</u>	<u>11,921,064.62</u>
3,151,394.51	3,261,081.89
908,566.51	941,099.24
86,541.58	63,030.66
537,496.73	391,938.15
1,522,021.05	1,314,573.76
542,861.41	497,761.44
1,805,091.36	5,144,950.36
339.72	307.43
0.00	
169,906.08	151,249.96
113,755.00	119,655.00
<u>8,837,973.95</u>	<u>11,885,647.89</u>
1,112,757.35	35,416.73
(971,966.60)	(961,811.91)
330.84	4,126.06
77,145.38	129,370.75
<u>218,266.97</u>	<u>(792,898.37)</u>
2,838,823.61	3,631,721.98
<u>\$3,057,090.58</u>	<u>\$2,838,823.61</u>

CITY OF ALVA
WOODS COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND
(GENERAL FUND ONLY)
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE G-1
PAGE 1 OF 2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE <UNFAVORABLE>
Revenues				
Taxes	\$3,330,000.00	\$3,330,000.00	\$3,672,080.05	\$342,080.05
Licenses & Permits	15,000.00	15,000.00	17,066.95	2,066.95
Charges for Services	1,274,500.00	1,274,500.00	1,332,779.03	58,279.03
Fines & Forfeits	42,500.00	42,500.00	32,070.82	(10,429.18)
Interest Earned	10,000.00	10,000.00	13,835.80	3,835.80
Miscellaneous	32,000.00	32,000.00	178,198.99	146,198.99
Grants/Intergovernmental	400,000.00	400,000.00	17,357.84	(382,642.16)
Total	<u>5,104,000.00</u>	<u>5,104,000.00</u>	<u>5,263,389.48</u>	<u>159,389.48</u>
Expenditures				
General Government	2,675,672.00	2,667,672.00	1,887,304.80	780,367.20
Public Safety	919,766.69	919,766.69	908,566.51	11,200.18
Health	376,700.00	376,700.00	365,004.50	11,695.50
Utilities	1,516,597.00	1,524,597.00	1,516,498.04	8,098.96
Culture & Recreation	201,000.00	201,000.00	176,590.25	24,409.75
Other Uses	463,588.20	463,588.20	0.00	463,588.20
Bank Charges/Ret Cks/Fees	0.00	0.00	292.22	(292.22)
Total	<u>6,153,323.89</u>	<u>6,153,323.89</u>	<u>4,854,256.32</u>	<u>1,299,067.57</u>
Excess of Revenues Over/ <Under> Expenditures	(1,049,323.89)	(1,049,323.89)	409,133.16	1,458,457.05
Operating Transfers	600,000.00	600,000.00	(420,560.14)	(1,020,560.14)
Pr Yr O/S Estopped	0.00		217.88	217.88
Pr Yr Reserves Canceled	0.00		27,623.63	27,623.63
Excess of Revenues Over/ <Under> Expenditures	(449,323.89)	(449,323.89)	16,414.53	465,738.42
Beg Bal 07/01/10	<u>449,323.89</u>	<u>449,323.89</u>	<u>449,323.89</u>	<u>0.00</u>
End Bal 06/30/11	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$465,738.42</u>	<u>\$465,738.42</u>

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF REVENUES,
STATEMENT OF REVENUES, EXPENDITURES AND FUND
BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS -
APPROPRIATED FUNDS ONLY
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE G-1
PAGE 2 OF 2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE <UNFAVORABLE>
Revenues				
Taxes	\$44,000.00	\$44,000.00	\$46,710.16	\$2,710.16
Charges for Services	158,000.00	158,000.00	228,728.87	70,728.87
Interest Earned	2,000.00	2,000.00	3,867.61	1,867.61
Miscellaneous	85,000.00	85,000.00	270,590.46	185,590.46
Grants/Intergovernmental	50,000.00	50,000.00	50,000.00	0.00
Total	<u>339,000.00</u>	<u>339,000.00</u>	<u>599,897.10</u>	<u>260,897.10</u>
Expenditures				
General Government	218,934.37	218,934.37	52,024.12	166,910.25
Highways & Streets	146,427.92	146,427.92	86,541.58	59,886.34
Municipal Maintenance	380,210.50	380,210.50	256,090.16	124,120.34
Bank Charges/Ret Cks/Fees	0.00	0.00	47.50	(47.50)
Total	<u>745,572.79</u>	<u>745,572.79</u>	<u>394,703.36</u>	<u>350,869.43</u>
Excess of Revenues Over/ <Under> Expenditures	(406,572.79)	(406,572.79)	205,193.74	611,766.53
Operating Transfers	0.00	0.00	14,000.00	14,000.00
Pr Yr O/S Estopped	0.00		67.96	67.96
Pr Yr Reserves Canceled	0.00		830.88	830.88
Excess of Revenues Over/ <Under> Expenditures	(406,572.79)	(406,572.79)	220,092.58	626,665.37
Beg Bal 07/01/10	<u>406,572.79</u>	<u>406,572.79</u>	<u>406,572.79</u>	<u>0.00</u>
End Bal 06/30/11	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$626,665.37</u>	<u>\$626,665.37</u>

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF
ASSETS AND LIABILITIES
GENERAL FUNDS
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE H-1

	GENERAL FUND	AUA HOMESTEAD DEPOSIT FUND	AUA HOMESTEAD DEVELOPMENT FUND	AUA HOMESTEAD HOLDING FUND	AUA HOMESTEAD OPERATING FUND	AUA HOMESTEAD REVENUE FUND	TOTAL
ASSETS							
Cash and Cash Equivalents	\$479,768.06	\$89,835.23	\$12,608.21	\$497,367.71	\$63,803.77	\$2,674.78	\$1,146,057.76
Investments	336,416.65						336,416.65
TOTAL ASSETS	816,184.71	89,835.23	12,608.21	497,367.71	63,803.77	2,674.78	1,482,474.41
LIABILITIES AND FUND BALANCES							
LIABILITIES -							
Warrants & Checks Outstanding	222,646.59	0.00	0.00	0.00	44,633.17		267,279.76
Encumbrances	127,799.70		9,998.00		16,110.78		153,908.48
Total Liabilities	350,446.29	0.00	9,998.00	0.00	60,743.95	0.00	421,188.24
FUND BALANCES -							
Restricted Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unobligated Funds	465,738.42	89,835.23	2,610.21	497,367.71	3,059.82	2,674.78	1,061,286.17
Total Fund Balances	465,738.42	89,835.23	2,610.21	497,367.71	3,059.82	2,674.78	1,061,286.17
TOTAL LIABILITIES AND FUND BALANCES	\$816,184.71	\$89,835.23	\$12,608.21	\$497,367.71	\$63,803.77	\$2,674.78	\$1,482,474.41

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF
ASSETS AND LIABILITIES
SPECIAL REVENUE FUNDS
JULY 1, 2010 TO JUNE 30, 2011

	<u>STREET & ALLEY FUND</u>	<u>CEMETERY FUND</u>	<u>CEMETERY BEAUTIFICATION FUND</u>	<u>MUNICIPAL AIRPORT FUND</u>	<u>CHRISTMAS FUND #2</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$73,294.78	\$71,729.98	\$8,886.39	\$258,080.70	\$12,049.44
Investments	0.00	73,909.09	0.00	193,822.27	0.00
TOTAL ASSETS	<u>73,294.78</u>	<u>145,639.07</u>	<u>8,886.39</u>	<u>451,902.97</u>	<u>12,049.44</u>
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES -					
Warrants & Checks Outstanding	4,720.15	3,238.86	0.00	8,278.95	0.00
Encumbrances	5,978.13	672.58		21,282.78	
Total Liabilities	<u>10,698.28</u>	<u>3,911.44</u>	<u>0.00</u>	<u>29,561.73</u>	<u>0.00</u>
FUND BALANCES -					
Restricted Funds	0.00	0.00	0.00	0.00	0.00
Unobligated Funds	62,596.50	141,727.63	8,886.39	422,341.24	12,049.44
Total Fund Balances	<u>62,596.50</u>	<u>141,727.63</u>	<u>8,886.39</u>	<u>422,341.24</u>	<u>12,049.44</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$73,294.78</u>	<u>\$145,639.07</u>	<u>\$8,886.39</u>	<u>\$451,902.97</u>	<u>\$12,049.44</u>

SCHEDULE H-2

SPECIAL LIBRARY FUND	MUNICIPAL COURT FUND	REVOLVING FUND	FIRE DEFENSE FUND	HOTEL TAX FUND	APD DRUG TASK FORCE FUND	EASTER FUND	TOTAL
\$4,071.37	\$18,535.41	\$43,491.15	\$4,425.44	\$140,398.98	\$199,327.91	\$2,689.14	\$836,980.69
12,000.00	0.00	0.00	0.00	0.00	0.00	0.00	279,731.36
<u>16,071.37</u>	<u>18,535.41</u>	<u>43,491.15</u>	<u>4,425.44</u>	<u>140,398.98</u>	<u>199,327.91</u>	<u>2,689.14</u>	<u>1,116,712.05</u>
105.44	0.00	0.00	0.00	4,932.13	0.00	1,155.04	22,430.57
1,011.00			3,750.00	11,793.06			44,487.55
<u>1,116.44</u>	<u>0.00</u>	<u>0.00</u>	<u>3,750.00</u>	<u>16,725.19</u>	<u>0.00</u>	<u>1,155.04</u>	<u>66,918.12</u>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>14,954.93</u>	<u>18,535.41</u>	<u>43,491.15</u>	<u>675.44</u>	<u>123,673.79</u>	<u>199,327.91</u>	<u>1,534.10</u>	<u>1,049,793.93</u>
<u>14,954.93</u>	<u>18,535.41</u>	<u>43,491.15</u>	<u>675.44</u>	<u>123,673.79</u>	<u>199,327.91</u>	<u>1,534.10</u>	<u>1,049,793.93</u>
<u>\$16,071.37</u>	<u>\$18,535.41</u>	<u>\$43,491.15</u>	<u>\$4,425.44</u>	<u>\$140,398.98</u>	<u>\$199,327.91</u>	<u>\$2,689.14</u>	<u>\$1,116,712.05</u>

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF
ASSETS AND LIABILITIES
DEBT SERVICE FUNDS
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE H-3

	8141 CDBG 97 FUND	AUA 2005 REVENUE REFUNDING BONDS PRINCIPAL/ INTEREST	AUA 2005 REVENUE REFUNDING BONDS RESERVE	AUA 11153 CDBG ED 03 FUND	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$3,308.93	\$0.00	\$0.00	\$1,289.36	\$4,598.29
Investments	0.00	210,417.76	269,558.79		479,976.55
TOTAL ASSETS	<u>3,308.93</u>	<u>210,417.76</u>	<u>269,558.79</u>	<u>1,289.36</u>	<u>484,574.84</u>
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES -					
Warrants & Checks Outstanding	520.83	0.00	0.00	1,138.01	1,658.84
Encumbrances	0.00				0.00
Total Liabilities	<u>520.83</u>	<u>0.00</u>	<u>0.00</u>	<u>1,138.01</u>	<u>1,658.84</u>
FUND BALANCES -					
Restricted Funds:					
Debt Service	2,788.10	210,417.76	269,558.79	151.35	482,916.00
Unobligated Funds	0.00	0.00	0.00	0.00	0.00
Total Fund Balances	<u>2,788.10</u>	<u>210,417.76</u>	<u>269,558.79</u>	<u>151.35</u>	<u>482,916.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$3,308.93</u>	<u>\$210,417.76</u>	<u>\$269,558.79</u>	<u>\$1,289.36</u>	<u>\$484,574.84</u>

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF
ASSETS AND LIABILITIES
TRUST & AGENCY FUNDS
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE H-4

	METER DEPOSIT FUND	AEDA ECONOMIC DEVELOPMENT FUND	AEDA SCHOLARSHIP FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$110,198.28	\$180,388.91	\$151,468.08	\$442,055.27
Investments	33,615.93			33,615.93
TOTAL ASSETS	<u>143,814.21</u>	<u>180,388.91</u>	<u>151,468.08</u>	<u>475,671.20</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES -				
Warrants & Checks Outstanding	2,136.70	39,871.34	0.00	42,008.04
Encumbrances	0.00	13,283.09		13,283.09
Total Liabilities	<u>2,136.70</u>	<u>53,154.43</u>	<u>0.00</u>	<u>55,291.13</u>
FUND BALANCES -				
Restricted Funds:				
Deposits	141,677.51	0.00	0.00	141,677.51
Capital Projects	0.00	127,234.48		127,234.48
Scholarships	0.00		151,468.08	151,468.08
Unobligated Funds	<u>(0.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Fund Balances	<u>141,677.51</u>	<u>127,234.48</u>	<u>151,468.08</u>	<u>420,380.07</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$143,814.21</u>	<u>\$180,388.91</u>	<u>\$151,468.08</u>	<u>\$475,671.20</u>

CITY OF ALVA
 WOODS COUNTY
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE
 GENERAL FUNDS
 JULY 1, 2010 TO JUNE 30, 2011

	<u>GENERAL FUND</u>	<u>AUA HOMESTEAD DEPOSIT FUND</u>	<u>AUA HOMESTEAD DEVELOPMENT FUND</u>	<u>AUA HOMESTEAD HOLDING FUND</u>	<u>AUA HOMESTEAD OPERATING FUND</u>	<u>AUA HOMESTEAD REVENUE FUND</u>	<u>TOTAL</u>
<u>Revenues</u>							
Taxes	\$3,672,080.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,672,080.05
Licenses & Permits	17,066.95						17,066.95
Charges for Services	1,332,779.03	11,250.00		1,121,123.52		472,865.95	2,938,018.50
Fines & Forfeits	32,070.82						32,070.82
Interest Earned	13,835.80	1,814.26	661.51	19,729.61	525.06	265.63	36,831.87
Miscellaneous	178,198.99		11,474.70		21,336.01	451.50	211,461.20
Grants/Intergovernmental	17,357.84						17,357.84
Total	5,263,389.48	13,064.26	12,136.21	1,140,853.13	21,861.07	473,583.08	6,924,887.23
<u>Expenditures</u>							
General Government	1,887,304.80	23,857.89	75,090.09	0.00	410,149.46	0.00	2,396,402.24
Public Safety	908,566.51						908,566.51
Health	365,004.50				172,492.23		537,496.73
Utilities	1,516,498.04				25,564.15		1,516,498.04
Culture & Recreation	176,590.25						202,154.40
Bank Charges/Ret Cks/Fees	292.22						292.22
Total	4,854,256.32	23,857.89	75,090.09	0.00	608,205.84	0.00	5,561,410.14
Excess of Revenues Over/							
<Under> Expenditures	409,133.16	(10,793.63)	(62,953.88)	1,140,853.13	(586,344.77)	473,583.08	1,363,477.09
Operating Transfers	(420,560.14)	0.00	23,400.00	(1,712,783.18)	574,524.72	(476,500.00)	(2,011,918.60)
Pr Yr O/S Estopped	217.88						217.88
Pr Yr Reserves Canceled	27,623.63		2,000.00		10,876.61		40,500.24
Excess of Revenues Over/							
<Under> Expenditures	16,414.53	(10,793.63)	(37,553.88)	(571,930.05)	(943.44)	(2,916.92)	(607,723.39)
Beg Bal 07/01/10	449,323.89	100,628.86	40,164.09	1,069,297.76	4,003.26	5,591.70	1,669,009.56
End Bal 06/30/11	\$465,738.42	\$89,835.23	\$2,610.21	\$497,367.71	\$3,059.82	\$2,674.78	\$1,061,286.17

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
JULY 1, 2010 TO JUNE 30, 2011

	<u>STREET & ALLEY FUND</u>	<u>CEMETERY FUND</u>	<u>CEMETERY BEAUTIFICATION FUND</u>	<u>MUNICIPAL AIRPORT FUND</u>	<u>CHRISTMAS FUND #2</u>
<u>Revenues</u>					
Taxes	\$46,710.16	\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	0.00	26,702.50		202,026.37	
Interest Earned	0.00	1,078.60	44.42	2,789.01	
Miscellaneous	0.00	34,932.65		235,657.81	10,000.00
Grants/Intergovernmental	50,000.00				
Total	<u>96,710.16</u>	<u>62,713.75</u>	<u>44.42</u>	<u>440,473.19</u>	<u>10,000.00</u>
<u>Expenditures</u>					
General Government	0.00	52,024.12	0.00	0.00	0.00
Highways & Streets	86,541.58				
Culture & Recreation	0.00				
Municipal Maintenance	0.00			256,090.16	1,534.51
Bank Charges/Ret Cks/Fees	0.00			47.50	
Total	<u>86,541.58</u>	<u>52,024.12</u>	<u>0.00</u>	<u>256,137.66</u>	<u>1,534.51</u>
Excess of Revenues Over/ <Under> Expenditures	10,168.58	10,689.63	44.42	184,335.53	8,465.49
Operating Transfers	0.00	0.00	0.00	14,000.00	0.00
Pr Yr O/S Estopped	0.00	11.75		56.21	
Pr Yr Reserves Canceled	0.00	91.88		739.00	
Excess of Revenues Over/ <Under> Expenditures	10,168.58	10,793.26	44.42	199,130.74	8,465.49
Beg Bal 07/01/10	<u>52,427.92</u>	<u>130,934.37</u>	<u>8,841.97</u>	<u>223,210.50</u>	<u>3,583.95</u>
End Bal 06/30/11	<u><u>\$62,596.50</u></u>	<u><u>\$141,727.63</u></u>	<u><u>\$8,886.39</u></u>	<u><u>\$422,341.24</u></u>	<u><u>\$12,049.44</u></u>

SCHEDULE I-2

<u>SPECIAL LIBRARY FUND</u>	<u>MUNICIPAL COURT FUND</u>	<u>REVOLVING FUND</u>	<u>FIRE DEFENSE FUND</u>	<u>HOTEL TAX FUND</u>	<u>APD DRUG TASK FORCE FUND</u>	<u>EASTER FUND</u>	<u>TOTAL</u>
\$0.00	\$0.00	\$0.00	\$0.00	\$110,617.13	\$0.00	\$0.00	\$157,327.29
							228,728.87
331.57	41.23			2,168.05	4,646.78		11,099.66
4,015.68	26,966.00	532,263.91				2,822.95	846,659.00
26,486.15			4,397.72				80,883.87
<u>30,833.40</u>	<u>27,007.23</u>	<u>532,263.91</u>	<u>4,397.72</u>	<u>112,785.18</u>	<u>4,646.78</u>	<u>2,822.95</u>	<u>1,324,698.69</u>
0.00	0.00	0.00	0.00	72,924.73	4,525.78	0.00	129,474.63
							86,541.58
36,254.72							36,254.72
	26,512.58	521,495.24	3,750.00			2,574.08	811,956.57
							47.50
<u>36,254.72</u>	<u>26,512.58</u>	<u>521,495.24</u>	<u>3,750.00</u>	<u>72,924.73</u>	<u>4,525.78</u>	<u>2,574.08</u>	<u>1,064,275.00</u>
(5,421.32)	494.65	10,768.67	647.72	39,860.45	121.00	248.87	260,423.69
0.00	0.00	0.00	0.00	(3,318.62)	0.00	0.00	10,681.38
							67.96
<u>1,310.00</u>				<u>22,993.90</u>			<u>25,134.78</u>
(4,111.32)	494.65	10,768.67	647.72	59,535.73	121.00	248.87	296,307.81
19,066.25	18,040.76	32,722.48	27.72	64,138.06	199,206.91	1,285.23	753,486.12
<u>\$14,954.93</u>	<u>\$18,535.41</u>	<u>\$43,491.15</u>	<u>\$675.44</u>	<u>\$123,673.79</u>	<u>\$199,327.91</u>	<u>\$1,534.10</u>	<u>\$1,049,793.93</u>

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE I-3

	8141 CDBG 97 FUND	AUA 2005 REVENUE REFUNDING BONDS PRINCIPAL/ INTEREST	AUA 2005 REVENUE REFUNDING BONDS RESERVE	AUA 11153 CDBG ED 03 FUND	TOTAL
Revenues					
Interest Earned	\$52.08	\$32.01	\$259.13	\$0.00	\$343.22
Revenue Bonds	0.00	0.00			0.00
Total	<u>52.08</u>	<u>32.01</u>	<u>259.13</u>	<u>0.00</u>	<u>343.22</u>
Expenditures					
General Government	0.00	0.00	0.00	0.00	0.00
Debt Service -					
Principal	6,249.96	150,000.00		13,656.12	169,906.08
Interest	0.00	113,755.00			113,755.00
Total	<u>6,249.96</u>	<u>263,755.00</u>	<u>0.00</u>	<u>13,656.12</u>	<u>283,661.08</u>
Excess of Revenues Over/ <Under> Expenditures	(6,197.88)	(263,722.99)	259.13	(13,656.12)	(283,317.86)
Operating Transfers	<u>6,252.00</u>	<u>265,580.91</u>	<u>(255.63)</u>	<u>13,668.00</u>	<u>285,245.28</u>
Excess of Revenues Over/ <Under> Expenditures	54.12	1,857.92	3.50	11.88	1,927.42
Beg Bal 07/01/10	<u>2,733.98</u>	<u>208,559.84</u>	<u>269,555.29</u>	<u>139.47</u>	<u>480,988.58</u>
End Bal 06/30/11	<u>\$2,788.10</u>	<u>\$210,417.76</u>	<u>\$269,558.79</u>	<u>\$151.35</u>	<u>\$482,916.00</u>

CITY OF ALVA
WOODS COUNTY
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TRUST & AGENCY FUNDS
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE I-4

	METER DEPOSIT FUND	AEDA ECONOMIC DEVELOPMENT INTEREST	AUA 2005 REVENUE REFUNDING BONDS RESERVE	TOTAL
<u>Revenues</u>				
Charges for Services	\$31,479.60	\$110,162.92	\$0.00	\$141,642.52
Rent	0.00	2,572.50		2,572.50
Interest Earned	1,983.62	3,353.88	4,863.23	10,200.73
Miscellaneous	0.00	3,997.40		3,997.40
Total	<u>33,463.22</u>	<u>120,086.70</u>	<u>4,863.23</u>	<u>158,413.15</u>
<u>Expenditures</u>				
General Government	0.00	228,663.89	396,853.75	625,517.64
Utilities	5,523.01			5,523.01
Culture & Recreation	0.00	304,452.29		304,452.29
Bank Charges/Ret Cks/Fees	0.00	0.00		0.00
Total	<u>5,523.01</u>	<u>533,116.18</u>	<u>396,853.75</u>	<u>935,492.94</u>
Excess of Revenues Over/ <Under> Expenditures	27,940.21	(413,029.48)	(391,990.52)	(777,079.79)
Operating Transfers	(18,886.82)	388,456.08	388,456.08	758,025.34
Pr Yr O/S Estopped	0.00	45.00		45.00
Pr Yr Reserves Canceled	0.00	11,510.36		11,510.36
Excess of Revenues Over/ <Under> Expenditures	9,053.39	(13,018.04)	(3,534.44)	(7,499.09)
Beg Bal 07/01/10	<u>132,624.12</u>	<u>140,252.52</u>	<u>155,002.52</u>	<u>427,879.16</u>
End Bal 06/30/11	<u>\$141,677.51</u>	<u>\$127,234.48</u>	<u>\$151,468.08</u>	<u>\$420,380.07</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
GENERAL FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-00

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>INVESTMENT</u>	<u>Total</u>
<u>REVENUES</u>				
Taxes	\$3,672,080.05	\$0.00	\$0.00	\$3,672,080.05
Licenses & Permits	17,066.95			17,066.95
Charges for Services	1,332,779.03			1,332,779.03
Fines & Forfeits	32,070.82			32,070.82
Interest Earned	8,609.20		5,226.60	13,835.80
Miscellaneous	178,198.99			178,198.99
Grants/Intergovernmental	17,357.84			17,357.84
Total	<u>5,258,162.88</u>	<u>0.00</u>	<u>5,226.60</u>	<u>5,263,389.48</u>
<u>EXPENDITURES</u>				
Warrants/Checks Paid	4,503,517.81	561,198.78	0.00	5,064,716.59
Bank Charges	292.22			292.22
Total	<u>4,503,810.03</u>	<u>561,198.78</u>	<u>0.00</u>	<u>5,065,008.81</u>
Net Change	754,352.85	(561,198.78)	5,226.60	198,380.67
Operating Transfers	(420,560.14)	0.00	0.00	(420,560.14)
Beg Bal 07/01/10	<u>118,133.84</u>	<u>589,040.29</u>	<u>331,190.05</u>	<u>1,038,364.18</u>
End Bal 06/30/11	451,926.55	27,841.51	336,416.65	816,184.71
Less: Outstanding Reserves	222,646.59 127,799.70	0.00	0.00	222,646.59 127,799.70
Total	<u>350,446.29</u>	<u>0.00</u>	<u>0.00</u>	<u>350,446.29</u>
Fund Balance Forward to FY 2011-12	<u>\$101,480.26</u>	<u>\$27,841.51</u>	<u>\$336,416.65</u>	<u>\$465,738.42</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
HOMESTEAD DEPOSIT FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-01

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Deposits	\$11,250.00
Interest Earned	1,814.26
Miscellaneous	0.00
Total	<u>13,064.26</u>
<u>EXPENDITURES</u>	
Warrants/Checks Paid	23,857.89
Bank Charges	0.00
Total	<u>23,857.89</u>
Net Change	(10,793.63)
Beg Bal 07/01/10	<u>100,628.86</u>
End Bal 06/30/11	89,835.23
Less: Outstanding	<u>0.00</u>
Fund Balance Forward to FY 2011-12	<u>\$89,835.23</u> =====

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
HOMESTEAD DEVELOPMENT FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-02

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Interest Earned	\$661.51	\$0.00	\$661.51
Miscellaneous	11,474.70	0.00	11,474.70
Total	<u>12,136.21</u>	<u>0.00</u>	<u>12,136.21</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	65,092.09	850.00	65,942.09
Bank Charges	0.00		0.00
Total	<u>65,092.09</u>	<u>850.00</u>	<u>65,942.09</u>
Net Change	(52,955.88)	(850.00)	(53,805.88)
Operating Transfers	23,400.00	0.00	23,400.00
Beg Bal 07/01/10	<u>40,164.09</u>	<u>2,850.00</u>	<u>43,014.09</u>
End Bal 06/30/11	10,608.21	2,000.00	12,608.21
Less: Outstanding Reserves	0.00	0.00	0.00
	<u>9,998.00</u>		<u>9,998.00</u>
Total	<u>9,998.00</u>	<u>0.00</u>	<u>9,998.00</u>
Fund Balance Forward to FY 2011-12	<u>\$610.21</u>	<u>\$2,000.00</u>	<u>\$2,610.21</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
HOMESTEAD HOLDING FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-03

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Utility Collections	\$1,121,123.52
Interest Earned	<u>19,729.61</u>
Total	<u>1,140,853.13</u>
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>0.00</u>
Net Change	1,140,853.13
Operating Transfers	(1,712,783.18)
Beg Bal 07/01/10	<u>1,069,297.76</u>
End Bal 06/30/11	<u>\$497,367.71</u> =====

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
HOMESTEAD OPERATING FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-04

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Interest Earned	\$525.06	\$0.00	\$525.06
Miscellaneous	21,336.01	0.00	21,336.01
Total	<u>21,861.07</u>	<u>0.00</u>	<u>21,861.07</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	547,461.89	19,134.89	566,596.78
Bank Charges	0.00		0.00
Total	<u>547,461.89</u>	<u>19,134.89</u>	<u>566,596.78</u>
Net Change	(525,600.82)	(19,134.89)	(544,735.71)
Operating Transfers	574,524.72	0.00	574,524.72
Beg Bal 07/01/10	<u>4,003.26</u>	<u>30,011.50</u>	<u>34,014.76</u>
End Bal 06/30/11	52,927.16	10,876.61	63,803.77
Less: Outstanding Reserves	44,633.17	0.00	44,633.17
	<u>16,110.78</u>		<u>16,110.78</u>
Total	<u>60,743.95</u>	<u>0.00</u>	<u>60,743.95</u>
Fund Balance Forward to FY 2011-12	<u>(\$7,816.79)</u>	<u>\$10,876.61</u>	<u>\$3,059.82</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
HOMESTEAD REVENUE FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-05

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Rent	\$467,659.45
Services	5,206.50
Interest Earned	265.63
Miscellaneous	451.50
Total	<u>473,583.08</u>
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>0.00</u>
Net Change	473,583.08
Operating Transfers	(476,500.00)
Beg Bal 07/01/10	<u>5,591.70</u>
End Bal 06/30/11	<u><u>\$2,674.78</u></u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
STREET & ALLEY FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-06

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Motor Vehicle Tax	\$31,639.47	\$0.00	\$31,639.47
Gas Excise Tax	15,070.69		15,070.69
Grants/Intergovernmental	50,000.00		50,000.00
Total	<u>96,710.16</u>	<u>0.00</u>	<u>96,710.16</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	75,843.30	2,683.43	78,526.73
Bank Charges	0.00		0.00
Total	<u>75,843.30</u>	<u>2,683.43</u>	<u>78,526.73</u>
Net Change	20,866.86	(2,683.43)	18,183.43
Beg Bal 07/01/10	<u>52,427.92</u>	<u>2,683.43</u>	<u>55,111.35</u>
End Bal 06/30/11	73,294.78	0.00	73,294.78
Less: Outstanding Reserves	4,720.15 5,978.13	0.00	4,720.15 5,978.13
Total	<u>10,698.28</u>	<u>0.00</u>	<u>10,698.28</u>
Fund Balance Forward to FY 2011-12	<u>\$62,596.50</u>	<u>\$0.00</u>	<u>\$62,596.50</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
CEMETERY FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-07

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>INVESTMENT</u>	<u>Total</u>
<u>REVENUES</u>				
Service Fees	\$25,685.00	\$0.00	\$0.00	\$25,685.00
Sales	1,017.50			1,017.50
Interest Earned	1,078.60			1,078.60
Miscellaneous	34,932.65			34,932.65
Total	<u>62,713.75</u>	<u>0.00</u>	<u>0.00</u>	<u>62,713.75</u>
<u>EXPENDITURES</u>				
Warrants/Checks Paid	48,112.68	3,141.42	0.00	51,254.10
Bank Charges	0.00			0.00
Total	<u>48,112.68</u>	<u>3,141.42</u>	<u>0.00</u>	<u>51,254.10</u>
Net Change	14,601.07	(3,141.42)	0.00	11,459.65
Beg Bal 07/01/10	<u>57,025.28</u>	<u>3,245.05</u>	<u>73,909.09</u>	<u>134,179.42</u>
End Bal 06/30/11	71,626.35	103.63	73,909.09	145,639.07
Less: Outstanding Reserves	3,238.86	0.00	0.00	3,238.86
	672.58			672.58
Total	<u>3,911.44</u>	<u>0.00</u>	<u>0.00</u>	<u>3,911.44</u>
Fund Balance Forward to FY 2011-12	<u>\$67,714.91</u>	<u>\$103.63</u>	<u>\$73,909.09</u>	<u>\$141,727.63</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
CEMETERY BEAUTIFICATION FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-08

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Interest Earned	\$44.42
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>0.00</u>
Net Change	44.42
Beg Bal 07/01/10	<u>8,841.97</u>
End Bal 06/30/11	<u><u>\$8,886.39</u></u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
MUNICIPAL AIRPORT FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-09

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>INVESTMENT</u>	<u>Total</u>
<u>REVENUES</u>				
Fuel	\$179,303.29	\$0.00	\$0.00	\$179,303.29
Hangar	22,723.08			22,723.08
Leases	207,225.11			207,225.11
Interest Earned	473.78		2,315.23	2,789.01
Miscellaneous	28,432.70			28,432.70
Total	<u>438,157.96</u>	<u>0.00</u>	<u>2,315.23</u>	<u>440,473.19</u>
<u>EXPENDITURES</u>				
Warrants/Checks Paid	226,528.43	11,440.71	0.00	237,969.14
Bank Charges	47.50			47.50
Total	<u>226,575.93</u>	<u>11,440.71</u>	<u>0.00</u>	<u>238,016.64</u>
Net Change	211,582.03	(11,440.71)	2,315.23	202,456.55
Operating Transfers	14,000.00	0.00	0.00	14,000.00
Beg Bal 07/01/10	<u>31,703.46</u>	<u>12,235.92</u>	<u>191,507.04</u>	<u>235,446.42</u>
End Bal 06/30/11	257,285.49	795.21	193,822.27	451,902.97
Less: Outstanding Reserves	8,278.95	0.00	0.00	8,278.95
	<u>21,282.78</u>			<u>21,282.78</u>
Total	<u>29,561.73</u>	<u>0.00</u>	<u>0.00</u>	<u>29,561.73</u>
Fund Balance Forward to FY 2011-12	<u>\$227,723.76</u>	<u>\$795.21</u>	<u>\$193,822.27</u>	<u>\$422,341.24</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
CHRISTMAS FUND #2
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-10

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Donations	\$10,000.00
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>1,534.51</u>
Net Change	8,465.49
Beg Bal 07/01/10	<u>3,583.95</u>
End Bal 06/30/11	<u><u>\$12,049.44</u></u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
SPECIAL LIBRARY FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-11

	FISCAL YEAR 2010-11	FISCAL YEAR 2009-10	INVESTMENT	Total
<u>REVENUES</u>				
Interest Earned	\$331.57	\$0.00	\$0.00	\$331.57
Miscellaneous	4,015.68			4,015.68
Grants/Intergovernmental	26,486.15			26,486.15
Total	<u>30,833.40</u>	<u>0.00</u>	<u>0.00</u>	<u>30,833.40</u>
<u>EXPENDITURES</u>				
Warrants/Checks Paid	29,138.28	835.61	6,000.00	35,973.89
Bank Charges	0.00			0.00
Total	<u>29,138.28</u>	<u>835.61</u>	<u>6,000.00</u>	<u>35,973.89</u>
Net Change	1,695.12	(835.61)	(6,000.00)	(5,140.49)
Beg Bal 07/01/10	<u>1,066.25</u>	<u>2,145.61</u>	<u>18,000.00</u>	<u>21,211.86</u>
End Bal 06/30/11	2,761.37	1,310.00	12,000.00	16,071.37
Less: Outstanding Reserves	105.44	0.00	0.00	105.44
Total	<u>1,116.44</u>	<u>0.00</u>	<u>0.00</u>	<u>1,116.44</u>
Fund Balance Forward to FY 2011-12	<u>\$1,644.93</u>	<u>\$1,310.00</u>	<u>\$12,000.00</u>	<u>\$14,954.93</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
MUNICIPAL COURT FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-12

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Fines	\$26,966.00
Interest Earned	41.23
Total	<u>27,007.23</u>
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>26,512.58</u>
Net Change	494.65
Beg Bal 07/01/10	<u>18,040.76</u>
End Bal 06/30/11	<u><u>\$18,535.41</u></u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
REVOLVING FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-13

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Services	\$531,170.66	\$0.00	\$531,170.66
Miscellaneous	1,093.25		1,093.25
Total	<u>532,263.91</u>	<u>0.00</u>	<u>532,263.91</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	521,495.24	828.10	522,323.34
Bank Charges	0.00		0.00
Total	<u>521,495.24</u>	<u>828.10</u>	<u>522,323.34</u>
Net Change	10,768.67	(828.10)	9,940.57
Beg Bal 07/01/10	<u>32,722.48</u>	<u>828.10</u>	<u>33,550.58</u>
End Bal 06/30/11	43,491.15	0.00	43,491.15
Less: Outstanding Reserves	0.00 0.00	0.00	0.00 0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund Balance Forward to FY 2011-12	<u>\$43,491.15</u>	<u>\$0.00</u>	<u>\$43,491.15</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
FIRE DEFENSE FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-14

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Grants/Intergovernmental	\$4,397.72
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>0.00</u>
Net Change	4,397.72
Beg Bal 07/01/10	<u>27.72</u>
End Bal 06/30/11	4,425.44
Less: Outstanding Reserves	<u>0.00</u> <u>3,750.00</u>
Total	<u>3,750.00</u>
Fund Balance Forward to FY 2011-12	<u>\$675.44</u> =====

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
HOTEL TAX FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-15

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Hotel Tax	\$110,617.13	\$0.00	\$110,617.13
Interest Earned	2,168.05		2,168.05
Total	<u>112,785.18</u>	<u>0.00</u>	<u>112,785.18</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	56,199.54	14,593.74	70,793.28
Bank Charges	0.00		0.00
Total	<u>56,199.54</u>	<u>14,593.74</u>	<u>70,793.28</u>
Net Change	56,585.64	(14,593.74)	41,991.90
Operating Transfers	(3,318.62)	0.00	(3,318.62)
Beg Bal 07/01/10	<u>64,138.06</u>	<u>37,587.64</u>	<u>101,725.70</u>
End Bal 06/30/11	117,405.08	22,993.90	140,398.98
Less: Outstanding Reserves	4,932.13	0.00	4,932.13
	<u>11,793.06</u>		<u>11,793.06</u>
Total	<u>16,725.19</u>	<u>0.00</u>	<u>16,725.19</u>
Fund Balance Forward to FY 2011-12	<u>\$100,679.89</u>	<u>\$22,993.90</u>	<u>\$123,673.79</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
APD DRUG TASK FORCE FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-16

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Interest Earned	\$4,646.78
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>4,525.78</u>
Net Change	121.00
Beg Bal 07/01/10	<u>199,206.91</u>
End Bal 06/30/11	<u>\$199,327.91</u> =====

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
EASTER FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-17

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Donations	\$2,822.95
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>1,419.04</u>
Net Change	1,403.91
Beg Bal 07/01/10	<u>1,285.23</u>
End Bal 06/30/11	2,689.14
Less: Outstanding Reserves	<u>1,155.04</u> 0.00
Total	<u>1,155.04</u>
Fund Balance Forward to FY 2011-12	<u>\$1,534.10</u> =====

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
AIRPORT GRANT FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-18

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Grants/Intergovernmental	\$1,480,560.01	\$0.00	\$1,480,560.01
Miscellaneous	<u>61,829.00</u>	<u> </u>	<u>61,829.00</u>
Total	<u>1,542,389.01</u>	<u>0.00</u>	<u>1,542,389.01</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	993,134.79	546,834.33	1,539,969.12
Bank Charges	<u>0.00</u>	<u> </u>	<u>0.00</u>
Total	<u>993,134.79</u>	<u>546,834.33</u>	<u>1,539,969.12</u>
Net Change	549,254.22	(546,834.33)	2,419.89
Operating Transfers	(14,000.00)	0.00	(14,000.00)
Beg Bal 07/01/10	<u>(492,539.81)</u>	<u>546,834.33</u>	<u>54,294.52</u>
End Bal 06/30/11	42,714.41	0.00	42,714.41
Less: Outstanding Reserves	0.00 <u>0.00</u>	0.00 <u> </u>	0.00 <u>0.00</u>
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund Balance Forward to FY 2011-12	<u>\$42,714.41</u>	<u>\$0.00</u>	<u>\$42,714.41</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
8141 CDBG 97 FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-19

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Interest Earned	\$52.08
<u>EXPENDITURES</u>	
Warrants/Checks Paid	<u>5,729.13</u>
Net Change	(5,677.05)
Operating Transfers	6,252.00
Beg Bal 07/01/10	<u>2,733.98</u>
End Bal 06/30/11	3,308.93
Less: Outstanding Reserves	520.83 <u>0.00</u>
Total	<u>520.83</u>
Fund Balance Forward to FY 2011-12	<u><u>\$2,788.10</u></u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY RETIREMENT CENTER
2005 REVENUE REFUNDING BONDS
BOND FUND PRINCIPAL/INTEREST
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-20

	<u>Total Cash</u>	<u>Princpal</u>	<u>Investment</u>
<u>REVENUES</u>			
Dividends	\$32.01	\$0.00	\$0.00
<u>EXPENDITURES</u>			
Principal Paid	0.00	150,000.00	0.00
Interest Paid	0.00	113,755.00	0.00
Total	<u>0.00</u>	<u>263,755.00</u>	<u>0.00</u>
Net Change	32.01	(263,755.00)	0.00
Operating Transfers	0.00	265,580.91	0.00
Inv Pur/<Liq> (Net)	(32.01)	(1,825.91)	1,857.92
Beg Bal 07/01/10	<u>0.00</u>	<u>0.00</u>	<u>208,559.84</u>
End Bal 06/30/11	<u>0.00</u>	<u>(0.00)</u>	<u>210,417.76</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY RETIREMENT CENTER
2005 REVENUE REFUNDING BONDS
BOND FUND RESERVE
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-21

	<u>Total Cash</u>	<u>Princpal</u>	<u>Investment</u>
<u>REVENUES</u>			
Dividends	\$259.13	\$0.00	\$0.00
<u>EXPENDITURES</u>			
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Change	259.13	0.00	0.00
Operating Transfers	(255.63)	0.00	0.00
Inv Pur/<Liq> (Net)	(3.50)	0.00	3.50
Beg Bal 07/01/10	<u>0.00</u>	<u>0.00</u>	<u>269,555.29</u>
End Bal 06/30/11	<u>0.00</u>	<u>0.00</u>	<u>269,558.79</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA UTILITY AUTHORITY
11153 CDBG-ED 03 FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-22

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
	\$0.00
<u>EXPENDITURES</u>	
Warrants/Checks Paid	12,518.11
Bank Charges	0.00
	<u>-----</u>
Total	12,518.11
	<u>-----</u>
Net Change	(12,518.11)
Operating Transfers	13,668.00
Beg Bal 07/01/10	139.47
	<u>-----</u>
End Bal 06/30/11	1,289.36
Less: Outstanding	1,138.01
Reserves	0.00
	<u>-----</u>
Total	1,138.01
	<u>-----</u>
Fund Balance Forward to FY 2011-12	\$151.35
	<u>=====</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
METER DEPOSIT FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-23

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Deposits	\$31,479.60	\$0.00	\$31,479.60
Interest Earned	1,983.62		1,983.62
Total	<u>33,463.22</u>	<u>0.00</u>	<u>33,463.22</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	4,293.46	607.47	4,900.93
Bank Charges	0.00		0.00
Total	<u>4,293.46</u>	<u>607.47</u>	<u>4,900.93</u>
Net Change	29,169.76	(607.47)	28,562.29
Operating Transfers	(18,886.82)	0.00	(18,886.82)
Beg Bal 07/01/10	<u>132,624.12</u>	<u>1,514.62</u>	<u>134,138.74</u>
End Bal 06/30/11	142,907.06	907.15	143,814.21
Less: Outstanding Reserves	1,229.55	907.15	2,136.70
	<u>0.00</u>		<u>0.00</u>
Total	<u>1,229.55</u>	<u>907.15</u>	<u>2,136.70</u>
Fund Balance Forward to FY 2011-12	<u>\$141,677.51</u>	<u>\$0.00</u>	<u>\$141,677.51</u>

CITY OF ALVA
 WOODS COUNTY
 CHANGES IN FUND BALANCE
 ALVA ECONOMIC DEVELOPMENT AUTHORITY
 ECONOMIC DEVELOPMENT FUND
 JULY 1, 2010 TO JUNE 30, 2011

	FISCAL YEAR <u>2010-11</u>	FISCAL YEAR <u>2009-10</u>	<u>Total</u>
<u>REVENUES</u>			
Charges for Services	\$110,162.92	\$0.00	\$110,162.92
Rent	\$2,572.50		2,572.50
Interest Earned	\$3,353.88		3,353.88
Miscellaneous	\$3,997.40		3,997.40
Total	<u>120,086.70</u>	<u>0.00</u>	<u>120,086.70</u>
<u>EXPENDITURES</u>			
Warrants/Checks Paid	479,961.75	22,249.15	502,210.90
Bank Charges	0.00		0.00
Total	<u>479,961.75</u>	<u>22,249.15</u>	<u>502,210.90</u>
Net Change	(359,875.05)	(22,249.15)	(382,124.20)
Operating Transfers	388,456.08	0.00	388,456.08
Beg Bal 07/01/10	<u>140,252.52</u>	<u>33,804.51</u>	<u>174,057.03</u>
End Bal 06/30/11	168,833.55	11,555.36	180,388.91
Less: Outstanding Reserves	39,871.34	0.00	39,871.34
	<u>13,283.09</u>		<u>13,283.09</u>
Total	<u>53,154.43</u>	<u>0.00</u>	<u>53,154.43</u>
Fund Balance Forward to FY 2011-12	<u>\$115,679.12</u>	<u>\$11,555.36</u>	<u>\$127,234.48</u>

CITY OF ALVA
WOODS COUNTY
CHANGES IN FUND BALANCE
ALVA ECONOMIC DEVELOPMENT AUTHORITY
SCHOLARSHIP FUND
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE 1-25

	FISCAL YEAR <u>2010-11</u>
<u>REVENUES</u>	
Interest Earned	\$4,863.23
<u>EXPENDITURES</u>	
Warrants/Checks Paid	396,853.75
Bank Charges	<u>0.00</u>
Total	<u>396,853.75</u>
Net Change	(391,990.52)
Operating Transfers	388,456.08
Beg Bal 07/01/10	<u>155,002.52</u>
End Bal 06/30/11	<u>\$151,468.08</u> =====

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES FOR OTHER SUPPLEMENTARY INFORMATION

The other supplemental schedules of the City of Alva, Woods County, Oklahoma have been prepared on a statutory basis of accounting. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The accounting and reporting relating to the funds included in the combined financial statements demonstrates conformity with a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The following is a summary of the more significant accounting policies:

A. Fund Accounting

The Schedules use funds and account groups to present the City's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

The following funds are utilized by the City of Alva.

Governmental Fund Types -	Fiduciary Fund Types -
General Fund	Trust and Agency Fund
Special Revenue Funds	
Capital Project Fund	
Debt Service Fund	

Governmental Fund Types

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

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the City. Land, buildings, nonstructural improvements, and all other physical assets in all funds are considered expenditures in the year of acquisition and are not recorded as assets for financial statements purposes. The City does not present the General Fixed Asset Account Group.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

NOTES FOR OTHER SUPPLEMENTARY INFORMATION

A. Fund Accounting (continued)

Memorandum Only - Total Column

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

B. Basis of Presentation

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

All governmental and expendable trust funds are accounted for using the statutory basis of accounting. Revenues, except for certain grant revenues, are recognized when they are received rather than earned. Under the Statutory basis of accounting, expenditures are generally recognized when encumbered/ reserved rather than at the time the related fund liability is incurred. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.

C. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund--is utilized in all governmental funds of the City. Appropriations not used or encumbered lapse at the end of the year.

D. Assets, Liabilities and Fund Equity

Cash and Cash Equivalents - The City considers all cash on hand, demand deposits and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments - Investments consist of certificates of deposits issued by banks with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2011 are not presented in accordance with the statutory basis of accounting.

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group is not presented.

Chas. W. Carroll, P.A.

The Broadway Tower - Suite 805
114 E. Broadway

Enid, Oklahoma 73701
Phone 580-234-5468
Fax 580-234-5425

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Council
City of Alva
Woods County, Oklahoma

I have audited the basic accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alva, Woods County, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued my unqualified report thereon dated December 31, 2011. I did not audit the financial statements of Alva Hospital Authority d/b/a Share Medical Center, which represent 100 percent of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amount included for the Alva Hospital Authority d/b/a Share Medical Center, is based on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the City's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a reasonable possibility that a misstatement of the City's financial statement that is more than inconsequential will not be prevented, or detected and corrected by the City's internal control on a timely basis. I consider the deficiency described in the Schedule of Findings as item 11-01 to be a deficiency in internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, that results in more than a reasonable possibility that a material misstatement of the 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 would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

I noted certain matters that I reported to management of the City in a separate letter titled Schedule of Other Matters as item B-I.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and should not be used by anyone other than these specified parties.

Sincerely,



Chas. W. Carroll, P.A.
December 31, 2011

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2011

No reportable conditions or material instances of noncompliance were noted during the 2009-10 fiscal.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE OF FINDINGS
JUNE 30, 2011

Section 1 – Summary of Auditor’s Results

A) The audit disclosed one reportable condition in internal control which is not considered to be a material weakness.

Section 2 – Findings related to the financial statements required to be reported in accordance with GAGAS.

11-01 Safeguard of Funds

Finding: Municipal funds were gifted to a foundation which was not established as part of the City.

Criteria: A good system of internal control provides for a proper segregation of duties for approval, authorization, control distribution and reconciliation of fund.

Cause/Effect: Due to the funds being invested in an institution other than the City’s depositories, an investment was liquidated and transferred to a private foundation.

Recommendation: The board should address investing and depository policies to insure proper safeguard of all securities and contact legal counsel concerning any necessary actions required.

Chas. W. Carroll, P.A.

The Broadway Tower - Suite 805
114 E. Broadway

Enid, Oklahoma 73701
Phone 580-234-5468
Fax 580-234-5425

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and City Council
City of Alva
Woods County, Oklahoma

Compliance

I have audited the compliance of the City of Alva, Woods County, Oklahoma with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. My responsibility is to express an opinion on the City's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the City's compliance with those requirements.

In my opinion, the City of Alva complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining an effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in the City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a reasonable possibility that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented, or detected and corrected by the City's internal control on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, that results in more than a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chas. W. Carroll, P.A.", written in black ink.

Chas. W. Carroll, P.A.
December 31, 2011

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I have audited the accompanying financial statements of City of Alva, Woods County, Oklahoma, as of and for the year ended June 30, 2011, and have issued my report dated December 31, 2011, which was unqualified. My audit did not disclose any instances of noncompliance which are material to those financial statements. In addition, I have issued an unqualified opinion concerning compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs and no audit findings were disclosed which are required to be reported.

The major federal programs audited are as follows: Federal Aviation Administration Grant. The dollar threshold used to distinguish between Type A and Type B programs is established at \$300,000 or 3% (0.3) of total federal awards expended for Type A, other programs which are not labeled as Type A are labeled as Type B. The City was determined to be a high-risk auditee.

One significant deficiency in internal control to the financial statements disclosed during the audit is reported in the 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 as described in item 11-01.

No findings and questioned costs relating to the financial statements and federal awards as described in OMB Circular A-133 were noted or brought to my attention during the 2010-11 fiscal year.

Financial Statement Finding:

11-01 Safeguard of Funds

Finding: Municipal funds were gifted to a foundation which was not established as part of the City.

Criteria: A good system of internal control provides for a proper segregation of duties for approval, authorization, control distribution and reconciliation of fund.

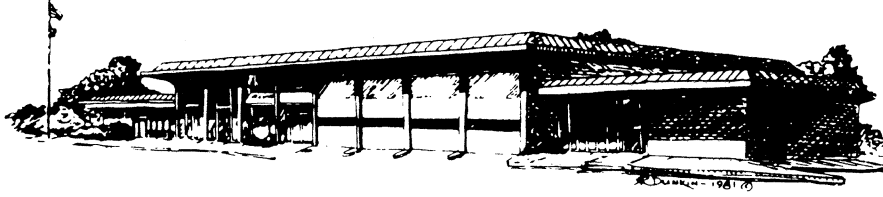
Cause/Effect: Due to the funds being invested in an institution other than the City's depositories, an investment was liquidated and transferred to a private foundation.

Recommendation: The board should address investing and depository policies to insure proper safeguard of all securities and contact legal counsel concerning any necessary actions required.

CITY OF ALVA
WOODS COUNTY - OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

SCHEDULE OF OTHER MATTERS - PRIOR YEAR

All other matters of the prior year have since been resolved unless they are presented in the current year Schedule of Other Matters followed by "A similar exception was presented in the previous years audit report".



CITY OF ALVA

415 4th Street

Alva, Oklahoma 73717
(580) 327-1340
Fax: (580) 327-4965

March 19, 2012

Chas. W. Carroll, P.A.
The Broadway Tower – Suite 805
114 E. Broadway
Enid, Oklahoma 73701

Re: Response to City of Alva Findings.

Dear Mr. Carroll;

In response to the findings noted in the City of Alva June 30, 2011 audit, I have prepared the following responses.

11-01 Safeguard of Funds

Response: The City agrees with the recommendation of the auditor and will have the board address investing and depository policies to insure proper safeguarding of all funds.

B-1 Prior Year Obligations

Response: The City agrees with the recommendation of the auditor and will establish proper cut-off dates to pay for year-end obligations.

If you have any other questions or concerns please do not hesitate to get in contact with me.

Sincerely,

Joe Don Dunham,
City Business Manager