

**CITY OF COALGATE
COAL COUNTY, OKLAHOMA**

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2010**

*WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA*

CITY OF COALGATE
COAL COUNTY, OKLAHOMA
CITY COUNCIL AND OFFICERS

Mike Elkins
Joe Ward
Muriel Parker
Jahree Standridge
Russ Waller

Mayor
Councilmember
Councilmember
Councilmember
Councilmember

Roger Cospers
Sherlyn Walker
Trae Gray

City Manager
City Clerk
City Attorney

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Coalgate provides this Management's Discussion and Analysis, a format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis of the City of Coalgate's financial activities is for the fiscal year ending June 30, 2010. Please consider this information in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- Net Assets increased \$422,256 or 3.4%.
- Oil & Gas activity increased \$609,027.
- Expenses increased \$994,239.
- Capital Grants received \$453,825.

FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Coalgate's basic financial statements. The City's basic financial statements include three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information (combining financial statement) in addition to the basic financial statements themselves. These components are described below:

Basic Financial Statements

The *Government-Wide Financial Statements* present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have been made in regards to interfund activity, payables and receivables.

The *Fund Financial Statements* include statements for two categories of activities, government and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's tax revenue and the conditions of the City's Roads.

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Governmental activities report all of the City's basic activities that include general government services, law enforcement, public works and parks, recreation services, and community development services. Sales tax, franchise fees, user fees and licenses, state and federal grants, donations, and interest income finance these activities.

Fund Financial Statements

The Fund financial statements provide detailed information about the major funds, not the City as a whole. Some funds are required to be established by State law and bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds consist of the City's basic services, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

Fiduciary Funds involves the City's role as a trustee or fiduciary for certain funds held on behalf of other organizations or districts. These funds are used to account for assets held by the City and are purely custodial in nature, where assets equal liabilities therefore, related results of operations are not measured or reported. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. In addition, the City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Notes

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes can be found immediately following the fund financial statements.

Supplementary Information

Required supplementary information follows the basic financial statements and includes budgetary comparison schedules that include a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the General Fund and the City's major special revenue funds as presented in the governmental fund financial statements

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As mentioned earlier, the City of Coalgate has prepared the fiscal year ending June 30, 2010 in a format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34) and for comparative purposes, the City is also presenting the fiscal 2009 data where needed.

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THE CITY AS A WHOLE

Net Assets

As shown in Table 1, the City's net assets total \$12,564,089, reflecting a \$422,256 or 3.4% increase compared to 2009. The largest portion of the City's net assets \$8,908,947, or 71% reflects its investments in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, utilities and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The assets are used to provide services to residents; consequentially, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

	2010	2009
Current Assets	\$ 2,856,252	\$ 2,588,117
Non-current Assets	12,203,177	12,061,431
Total Assets	15,059,429	14,649,548
Current Liabilities	110,340	47,714
Long-Term Debt	2,385,000	2,460,000
Total Liabilities	2,495,340	2,507,714
Net Assets:		
Invested in Capital Assets, net of debt	8,908,947	8,718,521
Restricted	1,000,395	1,008,330
Unrestricted	2,654,747	2,414,983
Total Net Assets	\$ 12,564,089	\$ 12,141,833

In 2009 there were restrictions on \$1,008,330 or 8.3%; however, as of June 30, 2010 the City had reduced the restricted net assets to \$1,000,395 or 7.96% in resources that were subject to external restrictions on how they could be used. This leaves unrestricted net assets of \$2,654,747 or 21% that may be used to meet the City's ongoing obligations to residents and creditors if needed as of June 30, 2010. This is a \$239,764 increase from 2009.

Note that internally imposed designations of resources are not presented as restricted net assets.

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Changes in Net Assets

The following table compares 2010 to 2009 revenue sources and how they were used.

Table 2

	2010	2009
PROPRIETARY REVENUES:		
Public Works Charges for Services:		
Water	\$ 526,658	\$ 554,971
Sewer	55,160	57,587
Sanitation	194,408	198,453
Operating & Capital Grants	107,955	75,000
Industrial Authority	41,390	37,267
Oil & Gas Lease	379,623	0
Miscellaneous	20,545	13,650
Transfers	0	(364,157)
Interest Revenue	3,656	7,836
Total Proprietary Revenues	1,329,395	580,607
GOVERNMENTAL REVENUES:		
Taxes	1,242,994	1,238,554
Permits, Fees and Licenses	8,171	31
Fines and Forfeitures	95,422	99,458
Charges for Services	206,358	260,089
Swimming Pool	20,366	21,687
Operating & Capital Grants	345,870	156,193
Oil & Gas Lease	322,055	92,651
Cemetery	25,261	0
Parks & Recreation	8,293	0
Interest Revenue	2,877	4,526
Transfers	0	364,157
Miscellaneous	113,354	96,025
Total Governmental Revenues	2,391,021	2,333,371
EXPENSES		
Enterprise Funds	932,010	736,021
Cemetery	29,487	5,135
General Government	517,220	487,758
Parks & Recreation	8,539	9,059
Public Safety	782,543	873,153
Swimming Pool	23,860	25,483
Streets	641,056	62,403
Interest	0	0
Housing	258,536	-
Total Expenses	3,193,251	2,199,012
Changes in Net Assets	\$ 527,165	\$ 714,966
Net Assets- Ending 2009	\$ 12,141,833	
Net Assets- Ending 2010	\$ 12,564,089	

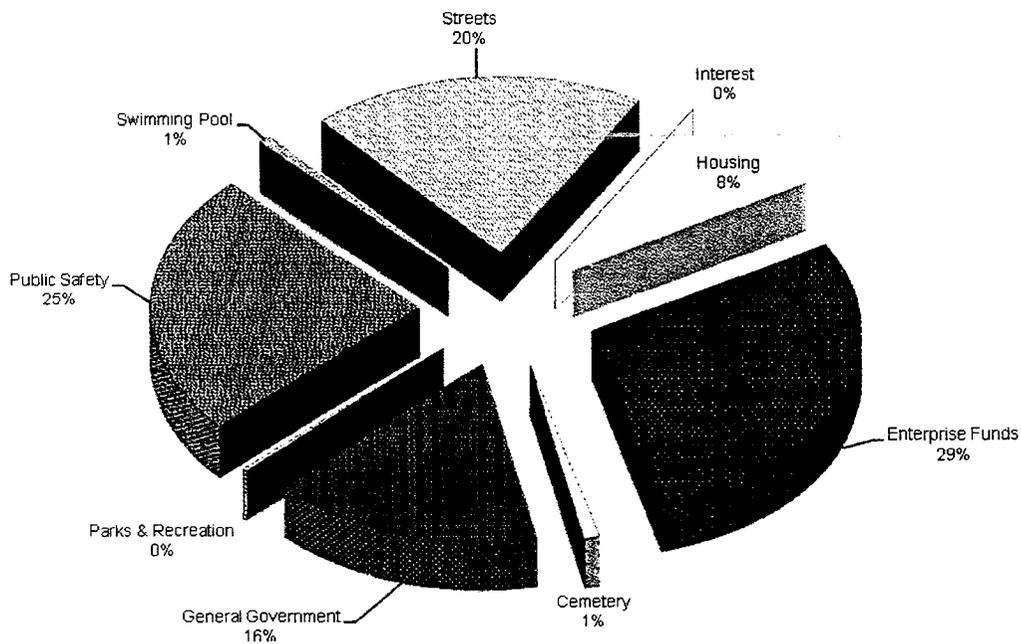
In 2010 most of the City's general service programs are supported by General Revenues that represent \$2,391,021 or just over 64% of total citywide revenues. Whereas in 2009, \$2,333,371 of total citywide revenues were available from general service programs. There is a \$57,650 increase from 2009 to 2010. Most of the increase seen in General Revenues for 2010 was from a increase in Operating and Capital Grants \$345,870 in 2010 from \$156,193 that was available in 2009 and an increase in Oil and Gas activity of 609,027 citywide. Charges for service revenues in 2010 represent \$982,584 or 26.4% of total revenues

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and are used to support programs related to intergovernmental indirect services, public safety, environmental services, public works, recreation and community services, and community development services. Down from 2009 when \$1,071,100 was available.

The following chart represents the distribution of city-wide programs expenses:



The largest expense of the City is for Public Safety (25%), which includes Fire and Police operations. This segment has some charges for services but is mainly supported by taxes. The next largest segment (29%) is activities resulting from business-type operations. Primarily these are water, sewer, and sanitation. Funding comes from the fees collected from the services of these utilities. General Government and Street are supported by taxes with a combined total of 16%. The Swimming Pool and Parks result in less than 2% of expense compared to the total expenses of the City and support most of their operations from fees collected from their operations. In 2010 the City used \$258,536 or 8% of available funds, mostly from grants, for housing.

THE CITY'S FUNDS

The City's General Government Fund is still being affected by fluctuating revenues as a result of local activity from oil and gas leases and the increased sales tax generated directly as well as indirectly by the oil and gas industry. These new revenues when available are being treated as a windfall and are being used for investment and capital improvements.

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CAPITAL ASSETS

As of June 30, 2010 the City is invested in \$11,338,947 of Capital Assets, net of depreciation.

Table 3

	2010	2009
Land	407,432	407,432
Buildings	1,665,753	1,665,753
Machinery and Equipment	2,683,448	2,554,845
Infrastructure	7,596,530	7,472,630
Utility Property	2,792,027	2,792,027
Construction in Progress	107,955	0
Total Cost	\$ 15,253,145	\$ 14,892,687
Less: Accumulated Depreciation	(3,914,198)	(3,699,166)
Total Capital Assets, Net	\$ 11,338,947	\$ 11,193,521

	Activities
June 30, 2010 Balance	\$ 11,193,521
Additions	145,426
Disposals/Transfers	0
June 30, 2009 Balance	\$ 11,338,947

This year's major additions included:

Asphalting of Streets \$134,152

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DEBT ADMINISTRATION

Compared to 2009, Long-term debt was decreased by \$60,000 as of June 30, 2010. This information is shown in the following table.

Table 4
Outstanding Debt, at year-end

	2010	2009
2007 Revenue Bonds	\$ 2,400,000	\$ 2,430,000
1992 General Obligation Bond	45,000	60,000
Short-Term Note		
Total Long-Term Debt.	2,445,000	2,490,000
Less Current Portion Long-Term Debt.	45,000	45,000
Less Current Portion Short-Term Debt.	-	-
Long-Term Debt. Net of Current Portion	2,400,000	2,460,000

Further information on the City's outstanding debt can be found in the notes to the financial statements.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

Sales Tax revenues have started to stabilize in 2010. Citizens continue to shop locally as a result of high fuel prices, however, business activity related to drilling operations in the immediate area have not increased.

The Wrangler building is occupied by a growing small machine company (A&W) with over 20 employees. The Choctaw Nation has three small businesses in the industrial park and continues to add jobs. The Louis B. Sandmann Building is now being marketed for white-collar work and a new incubator building has been completed in the industrial park. This aids in the diversity of jobs available and opportunities for citizens of Coalgate.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Coalgate's finances for all of Coalgate's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Manager, 3 S. Main St. Coalgate, Oklahoma 74538.

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CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditors' Report

Honorable City Council
City of Coalgate
Coalgate, Oklahoma

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Coalgate, Oklahoma as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Coalgate, Oklahoma's management. My responsibility is to express opinions on these financial statements based on our audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Coalgate, Oklahoma, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient

Honorable City Council
December 27, 2010
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evidence to express an opinion or provide any assurance.



William K. Gauer
Watonga, Oklahoma
December 27, 2010

CITY OF COALGATE, OKLAHOMA
Statement of Net Assets
June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Unrestricted			
Cash and Cash Equivalents (Note 2)	\$ 887,195	\$ 742,595	\$ 1,629,791
Accounts Receivable, net (Note 3)	36,920	59,609	96,529
Due From Other Funds	7,535	-	7,535
Investments (Note 2)	774,398	201,833	976,231
Inventory	-	10,001	10,001
Prepaid Interest - Bonds	-	-	-
Bond Issuance Costs, net	-	136,165	136,165
Total Current Assets	1,706,048	1,150,204	2,856,252
Restricted Cash and Investments	-	863,230	863,230
Note Receivable	-	1,000	1,000
Capital Assets (Note 4)			
Capital Assets, net	6,521,302	4,817,645	11,338,947
Total Non-Current Assets	6,521,302	5,681,875	12,203,177
Total Assets	8,227,350	6,832,079	15,059,429
LIABILITIES			
Accounts Payable	12,189	17,793	29,982
Notes Payable-Current (Note 5)	15,000	30,000	45,000
Accrued Expenses	26,472	8,887	35,359
Due to Other Funds	-	-	-
Total Current Liabilities	53,660	56,680	110,340
Long-term Liabilities (Note 5)			
Notes Payable-Non-Current	45,000	2,340,000	2,385,000
Total Liabilities	98,660	2,396,680	2,495,340
NET ASSETS			
Invested in capital assets, net of related debt	6,461,302	2,447,645	8,908,947
Restricted	-	1,000,395	1,000,395
Unrestricted	1,667,388	987,359	2,654,747
Total Net Assets	\$ 8,128,690	\$ 4,435,399	\$ 12,564,089

See accompanying notes to the basic financial statements.

CITY OF COALGATE, OKLAHOMA
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functional Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Governmental Activities:							
General Government	\$ 517,220	\$ 8,171	\$ -	\$ -	\$ (509,049)	\$ -	\$ (509,049)
Public Safety							
Police	207,326	95,422	-	-	(111,904)	-	(111,904)
Fire and EMS	575,217	206,358	8,850	87,020	(272,989)	-	(272,989)
Streets	641,056	-	-	-	(641,056)	-	(641,056)
Swimming Pool	23,860	20,366	-	-	(3,494)	-	(3,494)
Parks and Recreation	8,539	8,293	-	-	(247)	-	(247)
Cemetery	29,487	25,261	-	-	(4,226)	-	(4,226)
Housing Project	258,536	-	-	250,000	(8,536)	-	(8,536)
Depreciation	104,910	-	-	-	(104,910)	-	(104,910)
Total governmental activities	2,366,150	363,869	8,850	337,020	(1,656,411)	-	(1,656,411)
Business-Type Activities:							
Sanitation	185,672	194,408	-	-	-	8,737	8,737
Sewer	17,595	55,160	-	-	-	37,565	37,565
Water	631,593	526,658	-	-	-	(104,935)	(104,935)
Industrial Authority	97,150	41,390	-	107,955	-	52,195	52,195
Total business-type activities	932,010	817,616	-	107,955	-	(6,439)	(6,439)
Total Primary Government	3,298,160	1,181,485	8,850	444,975	(1,656,411)	(6,439)	(1,662,850)
Total Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Revenues:							
Taxes					1,242,994	-	1,242,994
Oil and Gas Lease					322,055	379,623	701,678
Investment					2,877	3,656	6,533
Miscellaneous					113,354	20,545	133,901
Transfers-Internal Activity					-	-	-
Total general revenues and transfers					1,681,281	403,824	2,085,105
Changes in Net Assets					24,869	397,385	422,255
Net Assets - Beginning					8,103,821	4,038,013	12,141,833
Net Assets - Ending					\$ 8,128,690	\$ 4,435,399	\$ 12,564,089

See accompanying notes to the basic financial statements.

CITY OF COALGATE, OKLAHOMA
STATEMENT OF FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Housing Authority	Construction Fund	Non-Major Funds	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 353,810	50	\$ 50	\$ 533,285	\$ 887,195
Accounts Receivable, net	36,920	-	-	-	36,920
Due from Other Funds	7,535	-	-	-	7,535
Investments	270,000	-	-	504,398	774,398
Inventory	-	-	-	-	-
Total Current Assets	668,265	50	50	1,037,683	1,706,048
Non-current Assets:					
Capital Assets					
Capital assets, net of accumulated depreciation	-	-	-	-	-
Total Non-Current Assets	-	-	-	-	-
Total Assets	668,265	50	50	1,037,683	1,706,048
LIABILITIES					
Accounts payable	8,281	-	-	3,907	12,189
Accrued expenses	25,530	-	-	942	26,472
Long-term debt	-	-	-	-	-
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total Liabilities	33,811	-	-	4,849	38,660
FUND BALANCE					
Unreserved	634,454	50	50	1,032,834	1,667,388
Total Net Assets	634,454	50	50	1,032,834	1,667,388

Reconciliation to Statement of Net Assets:

Amount reported for governmental activities in the statement of net assets

Capital assets	6,521,302
Bonds Payable are not due and payable in the current period and not reported	(60,000)
Adjustment to reconcile prior reserves to current balances	-
	<u>\$ 8,128,690</u>

See accompanying notes to the basic financial statements.

CITY OF COALGATE, OKLAHOMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Public Works Authority	Line Improvement Fund	Industrial Park Authority	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 641,383	\$ 44,803	\$ 56,409	\$ 742,595
Accounts Receivable, net	59,609	-	-	59,609
Investments	51,833	-	150,000	201,833
Inventory	10,001	-	-	10,001
Prepaid Interest - Bonds	-	-	-	-
Bond Issuance Costs, net	136,165	-	-	136,165
Total Current Assets	898,992	44,803	206,409	1,150,204
Noncurrent Assets:				
Restricted cash and cash equivalents	25,314	18,481	-	43,795
Restricted Investments	819,435	-	-	819,435
Note Receivable, net	-	-	1,000	1,000
Capital Assets, net of accumulated depreciation	4,445,286	-	372,359	4,817,645
Total noncurrent assets	5,290,035	18,481	373,359	5,681,875
Total Assets	6,189,027	63,284	579,768	6,832,079
LIABILITIES				
Current Liabilities:				
Accounts payable	17,793	-	-	17,793
Notes payable-current portion	30,000	-	-	30,000
Accrued expenses	7,287	1,600	-	8,887
Due to other funds	-	-	-	-
Total current liabilities	55,080	1,600	-	56,680
Noncurrent Liabilities:				
2007 Revenue Bond	2,340,000	-	-	2,340,000
Total noncurrent liabilities	2,340,000	-	-	2,340,000
Total Liabilities	2,395,080	1,600	-	2,396,680
NET ASSETS				
Invested in Capital Assets, net of debt	2,075,286	-	372,359	2,447,645
Restricted	980,914	18,481	1,000	1,000,395
Unrestricted	737,747	43,203	206,409	987,359
Total Net Assets	\$ 3,793,947	\$ 61,684	\$ 579,768	\$ 4,435,399

See accompanying notes to the basic financial statements.

CITY OF COALGATE, OKLAHOMA
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 JUNE 30, 2010

	General Fund	Housing Authority	Construction Fund	Non-Major Funds	Total
Revenues:					
Taxes	\$ 1,087,036	\$ -	\$ -	\$ 155,958	\$ 1,242,994
Permits, Fees and License	8,171	-	-	-	8,171
Fines and forfeitures	95,422	-	-	-	95,422
Charges for Services	189,732	-	-	16,626	206,358
Swimming Pool	20,366	-	-	-	20,366
Grants	90,855	-	107,955	5,100	203,910
Royalties	63,520	258,536	-	-	322,055
Interest	1,468	-	-	1,409	2,877
Miscellaneous	81,309	-	-	32,045	113,354
Total Revenues	<u>1,637,877</u>	<u>258,536</u>	<u>107,955</u>	<u>211,138</u>	<u>2,215,506</u>
Expenditures:					
Administration	91,367	-	-	-	91,367
General Government	420,105	-	-	-	420,105
Police Department	206,677	-	-	-	206,677
Fire Department	565,837	-	-	10,029	575,866
Emergency Management Department	498	-	-	-	498
Street Department	149,631	-	-	22,568	172,199
Parks and Recreation	2,665	-	-	5,874	8,539
Swimming Pool	23,860	-	-	-	23,860
Cemetery	-	-	-	29,487	29,487
Capital Expenditures	-	258,536	107,955	319,251	685,742
Debt Payments	-	-	-	15,000	15,000
Interest Sinking Fund	-	-	-	5,250	5,250
Grant Expenditures/Reserves	118,640	-	-	-	118,640
Total Expenditures	<u>1,579,279</u>	<u>258,536</u>	<u>107,955</u>	<u>407,460</u>	<u>2,353,230</u>
Excess (deficiency) of revenues over expenditures	58,598	-	-	(196,321)	(137,724)
Other Financing Sources					
Transfers In	-	-	-	12,000	12,000
Transfers Out	(12,000)	-	-	-	(12,000)
Total Other Financing Sources	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Net Changes in Fund Balance	46,598	-	-	(184,321)	(137,724)
Fund Balance - Beginning	587,856	50	50	1,217,155	1,805,112
Fund Balance - Ending	<u>\$ 634,454</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 1,032,834</u>	<u>\$ 1,667,388</u>

Reconciliation to the Statement of Activities:

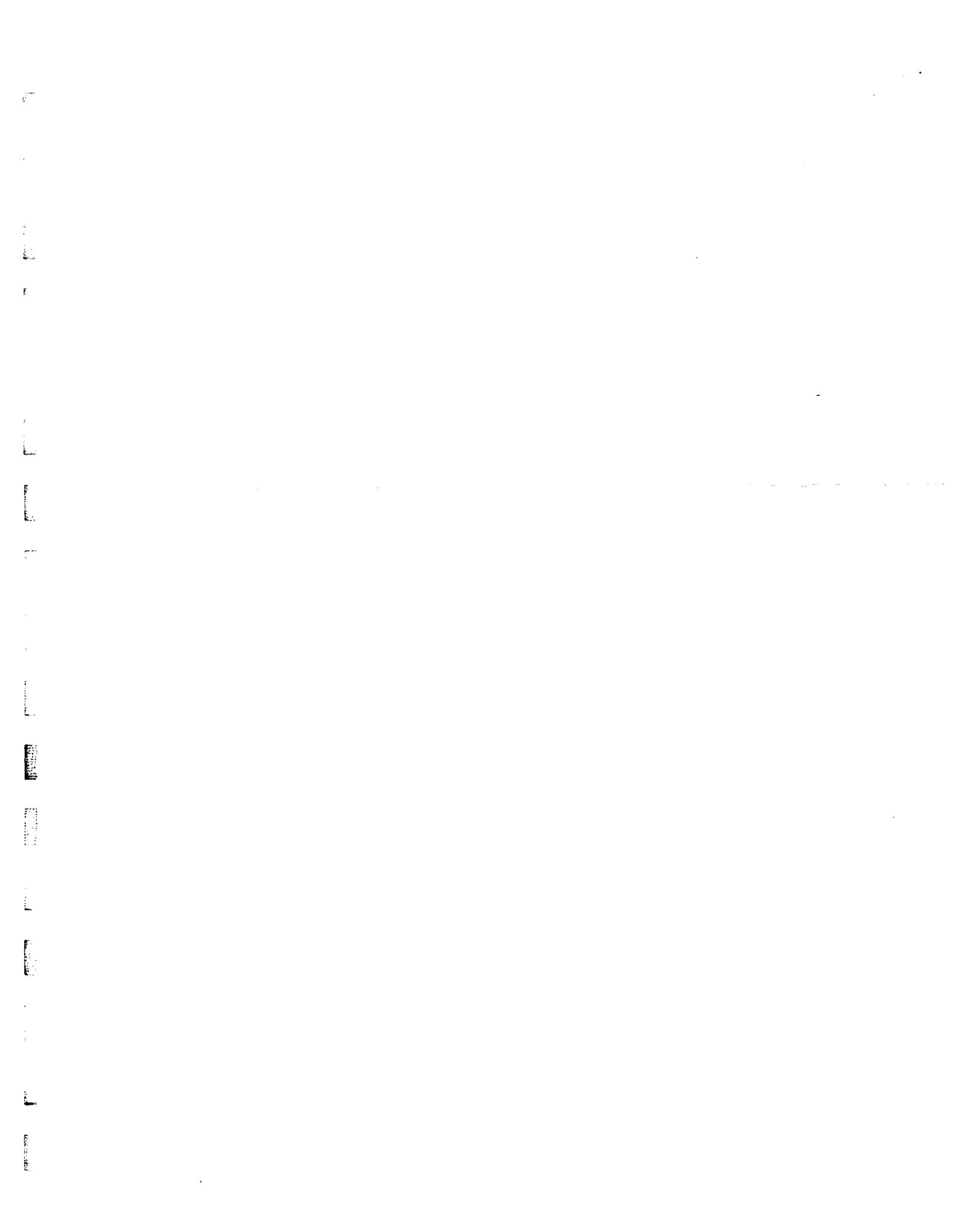
Net change in fund balances	(137,724)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets capitalized	252,503
Depreciation	(104,910)
Payments of Current Debt not recorded as an expense on Government-Wide Statements	15,000
Change in net assets of governmental activities	<u>\$ 24,869</u>

CITY OF COALGATE, OKLAHOMA
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2010

	Public Works Authority	Line Improvement Fund	Industrial Park Authority	Total
Revenues:				
Charges for services:				
Water	\$ 495,642	\$ 31,016	\$ -	\$ 526,658
Sewer	55,160	-	-	55,160
Sanitation	194,408	-	-	194,408
Miscellaneous	397,203	-	2,966	400,169
Industrial Park Authority	-	-	41,390	41,390
Total Revenues	<u>1,142,413</u>	<u>31,016</u>	<u>44,356</u>	<u>1,217,785</u>
Expenses:				
Line Improvements	-	24,498	-	24,498
Industrial Authority	-	-	85,893	85,893
Water Plant	381,903	-	-	381,903
Sewer Plant	17,595	-	-	17,595
Sanitation	185,672	-	-	185,672
Depreciation	110,122	-	11,257	121,379
Total Expenses	<u>695,291</u>	<u>24,498</u>	<u>97,150</u>	<u>816,940</u>
Operating Income (Loss)	<u>447,122</u>	<u>6,517</u>	<u>(52,794)</u>	<u>400,845</u>
Non-operating revenues (expenses):				
Interest Expense	(110,815)	-	-	(110,815)
Investment income	1,818	96	1,741	3,656
Amortization of Debt Issuance 2007 Bonds	(4,255)	-	-	(4,255)
Other-Transfers In	-	5,800	107,955	113,755
Other-Transfers Out	(5,800)	-	-	(5,800)
Total Non-operating Revenues (Expenses)	<u>(119,052)</u>	<u>5,896</u>	<u>109,696</u>	<u>(3,459)</u>
Changes in Net Assets	<u>328,070</u>	<u>12,414</u>	<u>56,902</u>	<u>397,386</u>
Net Assets - Beginning	<u>3,465,876</u>	<u>49,270</u>	<u>522,866</u>	<u>4,038,013</u>
Net Assets - Ending	<u>\$ 3,793,947</u>	<u>\$ 61,684</u>	<u>\$ 579,768</u>	<u>\$ 4,435,399</u>

CITY OF COALGATE, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

	Public Works Authority	Line Improvement Fund	Industrial Park Authority	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 763,473	\$ 31,016	\$ 44,356	\$ 838,845
Other income	397,203	-	-	397,203
Payments to Suppliers	(423,248)	(24,498)	(85,893)	(533,640)
Payments to Employees	(139,919)	-	-	(139,919)
Net Cash Provided (Used) by Operating Activities	<u>597,510</u>	<u>6,517</u>	<u>(41,537)</u>	<u>562,490</u>
Cash Flows from Capital and Related Financing Activities				
Receipts from Capital Grants and reserves	-	-	-	-
Bond Payments	(30,000)	-	-	(30,000)
Interest Paid on Debt	(110,815)	-	-	(110,815)
Trustee Fees on 2007 Bond	(2,000)	-	-	(2,000)
Purchases of Capital Assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities:	<u>(142,815)</u>	<u>-</u>	<u>-</u>	<u>(142,815)</u>
Cash Flows from Investing Activities				
Investment Sales (Purchases)	41,904	-	-	41,904
Investment Receipts	1,818	96	1,741	3,656
Transfers	(5,800)	5,800	-	-
Cash Flows provided (Used) by Investing Activities	<u>37,922</u>	<u>5,896</u>	<u>1,741</u>	<u>45,560</u>
Net Increase (Decrease) In Cash	492,617	12,414	(39,796)	465,235
Cash, Beginning of Fiscal Year	224,080	50,870	46,205	321,156
Cash, End of Fiscal Year	<u>\$ 716,697</u>	<u>\$ 63,284</u>	<u>\$ 6,409</u>	<u>\$ 786,390</u>
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:				
Operating Loss	\$ 447,122	\$ 6,517	\$ (52,794)	\$ 400,845
Adjustments to reconcile Net Income to Net Cash				
Depreciation	110,122	-	11,257	121,379
Amortization of 2007 Bonds Issuance Costs	4,255	-	-	4,255
(Increase) Decrease in Accounts Receivable	18,263	-	-	18,263
(Increase) Decrease in Prepaid Interest	-	-	-	-
Increase (Decrease) in Accounts Payable	17,793	-	-	17,793
Increase (Decrease) in Accrued Expenses	(45)	-	-	(45)
Net Cash Provided (Used) by Operating Activities	<u>\$ 597,510</u>	<u>\$ 6,517</u>	<u>\$ (41,537)</u>	<u>\$ 562,490</u>



CITY OF COALGATE
COAL COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2010

Note 1 - Summary of Significant Accounting Policies

The accounting policy of the City of Coalgate is to prepare its financial statements on the accrual cash basis of accounting. This basis of accounting is the prescribed accounting principles generally accepted in the United States of America. These principles include all relevant Governmental Accounting Standards Board announcements.

Financial Reporting Entity

The City's financial reporting entity is composed of the following:

Primary Government:	City of Coalgate
Blended Component Units	Coalgate Public Works Authority
Discretely Presented Component Units	None

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

BASIS OF PRESENTATION

MANAGEMENT DISCUSSION AND ANALYSIS

GASB No. 34 required the financial statements be accompanied by a narrative and analytical overview of the city's financial activities in the form of management, discussion and analysis (M,D&A).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and Statements of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charges 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 a separate accounting entity. Each fund is accounted for by providing a

separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized in to three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria: (1) Total assets, liabilities, revenues, or expenses total at least 10 percent of the total of all funds, of that type and (2) Total assets, liabilities, revenues, or expenses of the individual fund are at least 5 percent of all funds combined.

Governmental Funds

General Fund

The General Fund is the principal fund of the City, which accounts for all revenue that can be legally expended within a certain specific fiscal year and for all financial transactions not properly accounted for in other funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of the specific revenue source that are either legally restricted for specific purposes or designated to finance particular functions or activities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal and interest on general debt obligations.

Capital Project Fund – The capital project fund accounts for all capital improvements which are financed from the City's general obligation bond issues, certain Federal and State grants and monies specified for capital improvement projects. The principal sources of revenue are grant, interest, and sales tax revenues.

Proprietary Funds

Enterprise Fund

Enterprise funds are used to account for business-like

activities provided to the general public. The reporting activity entity includes the following enterprise funds: (1) Coalgate Public Works Authority Fund, and (2) Industrial Development Fund.

Fiduciary Funds

Agency funds are used to account for assets held by the City in a fiduciary capacity for individuals, private organizations, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds consist of the Meter Deposit Fund and the Police Bond Fund.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental, business-like, and component unit activities are presented using an accrual basis of accounting. This basis recognizes revenues as soon as they are both measurable and available. Revenues are considered available when they are collectible with the current period or soon thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

A. Cash and Time Certificates of Deposit

The City's investment policies are governed by Oklahoma Statutes. 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 and savings certificates of savings and loan associations, and trust companies.

B. Restricted Assets

Under the terms of the bond indentures, the Coalgate Public Works Authority must maintain certain "funds". These are not funds in the sense of fiscal accounting entities with self-balancing sets of accounts; they merely represent mandatory assets segregation. The primary restricted assets are related to bond trustee accounts and utility meter deposits. These assets are restricted as to use. Unrestricted assets have no restrictions and can be used for any legal purpose to manage the assets of the City

C. Receivables

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of these receivables.

D. Use of Estimates

The preparation of financial statements in conformity with the accrual basis of accounting used by the City requires management to make estimates and assumptions that effect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation and the estimated amounts collections of the receivables); accordingly results could differ from these estimates.

E. Fixed Assets

Historically, small municipal governments treated all capital disbursements or expenditures as an expense in the year of the transaction. Under GASB No. 34 these transactions are recorded as assets at the historical transaction amount. After these assets are recorded the governmental entity now uses an estimated economical life of each individual asset to record a non-cash expense called depreciation. The concept of depreciation takes the cost of the assets and spreads that cost over the estimated useful life of the asset. It could also be stated that depreciation could be stating the replacement costs of the related asset.

Prior to July 1, 2003, governmental funds did not capitalize or otherwise record these assets. These assets have been valued at estimated historical costs. The depreciation of these fixed assets is recorded on a straight-line basis. The range of estimated useful lives by type of assets is as follows:

Buildings	30 – 40 years
Improvements	15 – 20 years
Machinery and Equipment	3 – 20 years
Infrastructure	15 – 40 years

F. Long-Term Debt

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and bonds payable.

Under fund accounting the payment of debt is recorded as expenditures.

G. Compensated Absences

The City maintains a policy of compensating employees for vacation time based upon years of service. The amount owed by the in unpaid vacation compensation is recorded as a current liability in the government-wide financial statements. As of June 30, 2010 the City and the Public Works Authority had \$25,530 and \$6,123 in accrued compensated absences, respectively.

H. Budget

In accordance with Oklahoma Statutes, Title 68, §2483, the City of Coalgate and the Coalgate Public Works Authority formally adopt budgets which include the general, special revenue and debt service funds. These annual budgets are adopted on a basis consistent with the guidelines established by the Oklahoma Municipal Code. (§17-201, Municipal Budget Act)

I. Property Taxes

The City's has two separate property taxes assessed during the year; (1) EMS receives these taxes to support the service and (2) a bond that is payable through the collection of taxes. The city collected \$200,000 for EMS and \$21,761 for Bond repayment. No receivable is recorded as of June 30, 2010.

Note 2 – Cash and Cash Equivalents

Permissible investments include direct obligations of the United States Government and its 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. As of the current fiscal year end all cash and investments of the City were entirely insured or collateralized as required by Oklahoma Statutes.

Deposits

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

(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.

	Deposit Categories of Credit Risk			Bank Balance	Carrying Amount	Market Value
	A	B	C			
Cash	\$ 750,000	\$ 1,690,372	\$	\$ 2,440,372	\$ 2,440,372	\$ 2,440,372
Investments		1,098,227		1,098,227	1,098,227	1,098,227
Total	\$ 750,000	\$ 2,788,599	\$ 0	\$ 3,538,599	\$ 3,538,599	\$ 3,538,599

INVESTMENTS

The City's investments consisted of bank certificates of deposit during the year and are categorized as (A)&(B) type deposits identified above. The carrying amount and market value are reported in the chart above as of June 30, 2010.

Restricted Cash

The City maintains funds through a Trustee for collateral for the 2007 Bond Issue;

RCB Corporate Trustee Construction Funds - \$675,485
 RCB Corporate Trustee Debt Reserve Funds - 143,931
 RCB Corporate Trustee Debt Service Funds - 18

Note 3 – Accounts Receivable

Utility billing in the enterprise fund due from utility billings are the most common receivable of the city. No estimated allowance for doubtful accounts is deemed necessary.

Note 4 – Capital Assets

The following chart details the activity related to capital assets for the Fiscal Year June 30, 2010:

See Table I.

Note 5 – Long-Term Debt

Long-term debt consists of general obligation bonds payable and short-term note payable in the governmental fund type debt service and revenue bonds and promissory notes issued by the public works authority. A summary of long-term debt is as follows:

General Obligation Bonds

\$285,000, 1992 street improvement bonds, due in annual installments through June 1, 2013, interest at 7.0%	\$ 60,000
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2007 Revenue Bonds

\$2,460,000, Series 2007 Capital Improvement Revenue Bonds	2,370,000
--	-----------

Total Long-Term Debt	\$ 2,430,000
----------------------	--------------

Less: Current Portion	<u>(45,000)</u>
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Long-Term Debt, net of current portion	<u>\$ 2,385,000</u>
--	---------------------

Maturities of Long-Term debt are as follows:

June 30, 2011	\$ 45,000
June 30, 2012	50,000
June 30, 2013	50,000
June 30, 2014	50,000
June 30, 2015	40,000
Thereafter	2,130,000

Note 6 – Interfund Transfers

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Capital Improvement	\$12,000
Public Works Fund	Line Improvement	5,800

The transfers from the General Fund are to subsidize annual operations and capital improvements and acquisitions,

The Public Works transfers are to subsidize the line improvements.

Note 6 – Litigation and Contingencies

Neither the City nor the Authority has any pending claim against them that would have a material effect on the financials statements as of June 30, 2010.

A. Grants

In the normal course of operations, the City receives grant funds from various agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to insure compliance with

conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of audits of grant funds, is not believed to be material.

B. Litigation

The City, due to the nature of municipal government, potentially can be named as a defendant in various lawsuits for which no reasonable estimate of actual damages, if any, can be made. Management would vigorously contest any litigation and believes that damages if any, assessed against the City would be covered by insurance policies and would not materially affect the financial position of the City.

C. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering a portion of those risks of loss. Management believes such coverage is sufficient to preclude significant uninsured losses to the City.

In the event settled claims exceed the commercial coverage provided by the City, Oklahoma statutes provide for payment by tax levy through the Sinking Fund at the rate of one-third each year. As an alternative to paying money judgments out of the Sinking Fund at the rate of one-third each year, the court, based on consideration of evidence and proof, may provide for the judgment to be paid over a period of not less than one nor more than ten years. The interest rate on any judgment when payment is extended more than three years shall be the rate prescribed by law for the first three years and at the rate of six percent for each remaining year.

Note 5 – Note Receivable

The Industrial Park Authority has a note receivable from a former tenant in the amount of \$114,263. This tenant has ceased operations and closed its facilities. The payments due under the note are no longer being made. Management has estimated an allowance of \$113,263, leaving an anticipated recovery amount of \$1,000.

Note 6 - Retirement Plan

The City of Coalgate adopted by ordinance a retirement fund and system designated the "Employee Retirement System of Coalgate, Oklahoma" under authority granted by Oklahoma Statutes Title 11 § 48-101. The City participates with other cities in

the Oklahoma Municipal Retirement System, which is a cost sharing, multiple-employer public employee retirement system (PERS). The police officers of the City participate in this plan. Regular full time employees are eligible to participate upon commencement of employment.

Oklahoma Municipal Retirement Fund

The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Normal retirement is age 65 with ten (10) or more years of vesting service, or age 62, with thirty (30) years of service. The normal retirement benefit is equal to 2.625% of final average compensation multiplied by the number of years of credited service. The voluntarily contributes to the retirement plans on a year by year basis. No mandatory requirement to fund has been adopted by the City.

Early retirement is age 55 with ten (10) or more years of vesting service. The accrued benefit payable starting at age 65, or an actuarially reduced benefit starting at early retirement age.

Disability retirement is available to employees who become totally and permanently disabled. The accrued benefit is payable upon disablement without reduction for early retirement

An employee who dies while in-service before vesting is eligible for return of all contributions made into the plan with interest. Benefits for a married, vested employee who dies while in-service will be 50% of the accrued benefit payable to the spouse until death or remarriage. Benefits of a single, vested employee who dies while in-service will be 50% of the accrued benefit payable for 60 months certain to the beneficiary.

The City's cost paid during the fiscal year ended:

June 30, 2008	\$26,610
June 30, 2009	31,044
June 30, 2010	31,204

Firefighters pension plan

Eligible members of the City fire department participate in a retirement and pension plan under the direction of the Oklahoma Firefighters Pension and Retirement System administered by a 13-member Oklahoma Firefighters Pension and Retirement System Board, which is a cost-sharing multiple-employer public employee retirement system (PERS). The Board acts as the fiduciary for investment and administration of the Plan.

The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Normal retirement is the first day following the day the member completes twenty (20) years of service, regardless of age. A member who terminates after

ten years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination. The benefit is payable at age 50 or when the member would have completed twenty years of service, whichever is later, provided the member's contribution accumulation is not withdrawn.

Paid firefighters' normal retirement benefit is equal to 50% of final average compensation.

There is no provision for an early retirement benefit. All firefighters are eligible for immediate disability or death benefits. Disabilities due to heart disease, injury to the respiratory system, or cancer are considered in the line of duty. If there is no eligible surviving spouse, the death benefit is divided between the children under age 18 or age 22 if children are enrolled as full-time students.

No employee contributions are required of volunteer firefighters. Participating municipalities and fire protection districts contribute 13% of gross salary for each paid firefighter and \$60.00 per year for each volunteer firefighter. Municipalities with revenues under \$25,000 make no contribution for volunteers. The state contributes 34% of the Insurance Premium Tax.

Eligible members of the City fire department participate in the pension plans under the direction of the Oklahoma Firefighters Pension and Retirement System. The City contributes 10% and the fireman contribute 8% of their gross wages. These benefits vest after ten years of service.

The City's costs paid during the fiscal year ended:

June 30, 2008	\$31,701
June 30, 2009	47,371
June 30, 2010	50,181

TABLE I - Continuation of Notes
CITY OF COALGATE, OKLAHOMA
Schedule of Changes in Capital Assets

	July 1, 2009	Additions	Disposals	June 30, 2010
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 262,992	\$ -	\$ -	\$ 262,992
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>262,992</u>	<u>-</u>	<u>-</u>	<u>262,992</u>
Other capital assets				
Buildings	1,134,701	-	-	1,134,701
Machinery and equipment	2,314,956	128,603	-	2,443,559
Infrastructure	4,051,937	123,900	-	4,175,837
Total other capital assets at historical costs	<u>7,501,594</u>	<u>252,503</u>	<u>-</u>	<u>7,754,097</u>
Less accumulated depreciation for:	1,390,877	104,910	-	1,495,787
Other capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 6,373,709</u>	<u>\$ 147,593</u>	<u>\$ -</u>	<u>\$ 6,521,302</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	144,440	-	-	144,440
Construction in progress	-	107,955	-	107,955
Total capital assets not being depreciated	<u>144,440</u>	<u>107,955</u>	<u>-</u>	<u>252,395</u>
Other capital assets				
Buildings	531,052	-	-	531,052
Machinery and equipment	239,889	-	-	239,889
Utility Property	2,792,027	-	-	2,792,027
Infrastructure	3,420,693	-	-	3,420,693
Total other capital assets at historical costs	<u>6,983,661</u>	<u>-</u>	<u>-</u>	<u>6,983,661</u>
Less accumulated depreciation for:	2,308,289	110,122	-	2,418,411
Other capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 4,819,812</u>	<u>\$ (2,167)</u>	<u>\$ -</u>	<u>\$ 4,817,645</u>

WILLIAM K. GAUER

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

To the Honorable City Council
City of Coalgate

To the Board of Trustees
Coalgate Public Works Authority.

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Coalgate, Oklahoma, as of and for the year ended June 30, 2010, which collectively comprise the City of Coalgate, Oklahoma's basic financial statements and have issued my report thereon dated December 27, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify

CITY OF COALGATE, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON - GENERAL FUND
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2010

	Original	Final	General Fund	Variance Over (Under)
Revenues:				
Taxes	\$ 1,232,250	\$ 1,232,250	\$ 1,087,036	\$ (145,214)
Permits, Fees and License	12,950	12,950	8,171	(4,780)
Fines and forfeitures	60,000	60,000	95,422	35,422
Charges for Services	160,000	160,000	189,732	29,732
Swimming Pool	18,000	18,000	20,366	2,366
Grants	4,726	4,726	90,855	86,129
Royalties	10,000	10,000	63,520	53,520
Interest	3,000	3,000	1,468	(1,532)
Miscellaneous	55,000	55,000	81,309	26,309
Total Revenues	<u>1,555,926</u>	<u>1,555,926</u>	<u>1,637,877</u>	<u>81,952</u>
Expenditures:				
Administration	70,296	70,296	91,367	21,071
General Government	420,709	420,709	420,105	(604)
Police Department	236,867	238,867	206,677	(32,190)
Fire Department	622,250	622,250	565,837	(56,413)
Emergency Management	500	500	498	(2)
Street Department	173,628	173,628	149,631	(23,997)
Parks and Recreation	2,450	2,450	2,665	215
Swimming Pool	22,500	22,500	23,860	1,360
Grant Expenditures	4,726	4,726	90,890	86,164
Reserves	475,000	475,000	27,750	(447,250)
Total Expenditures	<u>2,030,926</u>	<u>2,030,926</u>	<u>1,579,279</u>	<u>(451,646)</u>
Excess (deficiency) of revenues over expenditures	(475,000)	(475,000)	58,598	533,598
Other Financing Sources				
Transfers In	-	-	-	-
Transfers Out	-	-	(12,000)	(12,000)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>
Net Changes in Fund Balance	(475,000)	(475,000)	46,598	521,598
Fund Balance - Beginning	475,000	475,000	587,856	112,856
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,454</u>	<u>\$ 634,454</u>