

**TOWN OF GOLTRY
ALFALFA OUNTY, OKLAHOMA**

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2010**

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

**TOWN OF GOLTRY
ALFALFA COUNTY, OKLAHOMA
BOARD OF TRUSTEES AND OFFICERS**

Douglas D. Buller
Jeff Greb
Betty Powers
Michael Goddard
Cam Perkul

Mayor
Trustee
Trustee
Trustee

Mary L. Page

Town Clerk/Treasurer

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Honorable Board of Trustees
Town of Goltry
Goltry Public Works Authority
Goltry, Oklahoma

Independent Auditors' Report

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Goltry, Oklahoma, (Town) as of and for the year ended June 30, 2010, which collectively comprises the Town's basis financial statements. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position, modified cash basis, of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Goltry as of June 30, 2010, and the respective changes in financial position, cash basis, and cash flows, where applicable, thereof for the year then ended in conformity with the basis which is a comprehensive basis of accounting other than Accounting Principles generally accepted in the United States of America..

The management's discussion and analysis, which has been omitted, are not a required part of the basis financial statements but are supplementary information required by accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 26, 2012, on my consideration of the Town of Goltry's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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

Honorable Town Council
June 26, 2012
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integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.


June 26, 2012

TOWN OF GOULTRY, Oklahoma
Statement of Net Assets - Modified Cash Basis
June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Unrestricted:</i>			
Cash and Cash Equivalents	\$ 54,578	\$ 61,559	\$ 116,137
Certificates of deposits	-	106,968	106,968
<i>Restricted:</i>			
Restricted Cash and Investments	-	36,336	36,336
Certificates of deposits	-	7,500	7,500
Capital Assets (Note			
Land, infrastructure	-	-	-
Depreciable capital assets, net	-	1,278,237	1,278,237
Total Assets	54,578	1,490,601	1,545,179
LIABILITIES			
Customer Deposits	-	13,278	13,278
Long-term Liabilities (Note			
Due within one year	-	18,762	18,762
Due in more than one year	-	464,866	464,866
Total Liabilities	-	496,906	496,906
NET ASSETS			
Invested in capital assets, net of related debt	-	794,609	794,609
Restricted	-	30,558	30,558
Unrestricted	54,578	168,528	223,105
Total Net Assets	\$ 54,578	\$ 993,695	\$ 1,048,273

See accompanying notes to the basic financial statements.

TOWN OF GOULTRY, Oklahoma
Statement of Activities - Modified Cash Basis
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 Government:							
Governmental Activities:							
General Government	\$ 32,567	\$ -	\$ -	\$ -	\$(32,567)	\$ -	\$(32,567)
Public Safety	37,199	1,063	5,100	5,336	(25,700)	-	(25,700)
Parks and recreation	2,500	-	-	-	(2,500)	-	(2,500)
Highway and streets	3,546	-	-	-	(3,546)	-	(3,546)
Total governmental activities	75,812	1,063	5,100	5,336	(64,313)	-	(64,313)
Business-Type Activities:							
Electrical service system	120,236	194,469	-	48,400	-	122,633	122,632.51
Water utility system	164,704	51,462	-	129,909	-	16,667	16,667
Sewer system	-	18,885	-	177,900	-	196,785	196,785
Sanitation services	20,644	22,666	-	-	-	2,022	2,022
Miscellaneous	-	51,815	-	-	-	51,815	51,815
Total business-type activities	305,584	339,296	-	356,209	-	389,921	389,921
Total Primary Government	381,397	340,359	5,100	361,545	(64,313)	389,921	325,608
General Revenues:							
Taxes:							
Sales, Use & Tobacco Tax					20,783	-	20,783
Franchise Tax					1,827	-	1,827
Intergovernmental					8,010	-	8,010
Investment Income					210	2,370	2,580
Miscellaneous					3,724	-	3,724
Transfers-Internal Activity					25,000	(25,000)	-
Total general revenues and transfers					59,554	(22,630)	36,924
Changes in Net Assets					(4,759)	367,291	362,533
Net Assets - Beginning					59,337	626,403	685,740
Net Assets - Ending					\$ 54,578	\$ 993,695	\$ 1,048,273

See accompanying notes to the basic financial statements.

TOWN OF GOULTRY, Oklahoma
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Street & Alley Fund	Grant Fund	Total
ASSETS				
Cash and cash equivalents	\$ 52,739	\$ 1,838	\$ 1	\$ 54,578
Investments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Restricted investments	-	-	-	-
Capital Assets				
Land, inexhaustible assets and construction-in-process	-	-	-	-
Other capital assets, net of accumulated depreciation	-	-	-	-
Total Assets	<u>52,739</u>	<u>1,838</u>	<u>1</u>	<u>54,578</u>
LIABILITIES				
Customer deposits	-	-	-	-
Long-term debt	-	-	-	-
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Invested in Capital Assets, net of debt	-	-	-	-
Restricted	-	-	-	-
Debt Service	-	-	-	-
Other	-	-	-	-
Unrestricted	52,739	1,838	1	54,578
Total Net Assets	<u>52,739</u>	<u>1,838</u>	<u>1</u>	<u>54,578</u>

Reconciliation to Statement of Net Assets:

Amount reported for governmental activities in the statement of net assets

Capital assets

Certain liabilities not payable in the reporting period

\$ 54,578

See accompanying notes to the basic financial statements.

TOWN OF GOULTRY, Oklahoma
 STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
 PROPRIETARY FUNDS
 JUNE 30, 2010

	Public Works Authority	Total
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 61,559	\$ 61,559
Certificates of Deposit	106,968	106,968
Noncurrent Assets:		
Restricted cash and cash equivalents	36,336	36,336
Restricted certificates of Deposits	7,500	7,500
Capital Assets, net of accumulated depreciation	1,278,237	1,278,237
Total noncurrent assets	<u>1,322,073</u>	<u>1,322,073</u>
Total Assets	<u>1,490,601</u>	<u>1,490,601</u>
LIABILITIES		
Current Liabilities:		
Notes payable-current portion	18,762	18,762
Total current liabilities	<u>18,762</u>	<u>18,762</u>
Noncurrent Liabilities:		
Refundable deposits	13,278	13,278
Notes payable-long-term portion	464,866	464,866
Total noncurrent liabilities	<u>478,144</u>	<u>478,144</u>
Total Liabilities	<u>496,906</u>	<u>496,906</u>
NET ASSETS		
Invested in Capital Assets, net of debt	794,609	794,609
Restricted	30,558	30,558
Unrestricted	168,528	168,528
Total Net Assets	<u>\$ 993,695</u>	<u>\$ 993,695</u>

See accompanying notes to the basic financial statements,

TOWN OF GOULTRY, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	General Fund	Street & Alley	Grant Fund	Total
Revenues:				
Taxes	\$ 22,610	\$ -	\$ -	\$ 22,610
Intergovernmental	5,833	2,177	-	8,010
Charges for services	1,063	-	-	1,063
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Investment income	210	-	-	210
Miscellaneous	3,724	-	-	3,724
Total Revenues	33,440	2,177	-	35,617
Expenditures:				
Administration				
Personnel Service	16,854	-	-	16,854
Maintenance and Operation	10,836	3,546	-	14,382
Capital Outlay	134,786	-	183,927	318,713
Total Expenditures	162,476	3,546	183,927	349,949
Police Department				
Personnel Service	1,654	-	-	1,654
Maintenance and Operation	481	-	-	481
Capital Outlay	-	-	-	-
Total Expenditures	2,135	-	-	2,135
Fire Department				
Personnel Service	3,181	-	-	3,181
Maintenance and Operation	10,567	-	-	10,567
Capital Outlay	7,353	-	-	7,353
Total Expenditures	21,101	-	-	21,101
Excess (deficiency) of revenues over expenditures	(152,272)	(1,369)	(183,927)	(337,568)
Other Financing Sources				
Transfers In	25,000	-	-	25,000
Transfers Out	-	-	-	-
Grant Proceeds	129,909	-	177,900	307,809
Total Other Financing Sources	154,909	-	177,900	332,809
Net Changes in Fund Balances	2,637	(1,369)	(6,027)	(4,759)
Fund Balance - Beginning	50,102	3,207	6,028	59,337
Fund Balance - Ending	\$ 52,739	\$ 1,838	\$ 1	\$ 54,578

Reconciliation to the Statement of Activities:

Net change in fund balances (4,759)

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 -
 Depreciation expense -

Change in net assets of governmental activities \$ (4,759)

TOWN OF GOULTRY, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
PROPRIETARY FUNDS

	Public Works Authority	Total
Revenues:		
Charges for services:		
Electricity	\$ 194,469	\$ 194,469
Water	51,462	51,462
Sewer	18,885	18,885
Sanitation	22,666	22,666
Other	51,815	51,815
Total Revenues	339,296	339,296
Cost of Revenues		
Utility Purchases	120,236	120,236
Trash Collection	20,644	20,644
Operating Expenses		
Personal Services and Benefits	56,391	56,391
Office Expense	5,420	5,420
Maintenance, Repairs, and Supplies	60,088	60,088
Insurance	9,691	9,691
Other	1,914	1,914
Depreciation	13,810	13,810
Total Expenses	288,194	288,194
Operating Income (Loss)	51,102	51,102
Non-operating revenues (expenses):		
Investment income	2,370	2,370
Interest and borrowing costs	(17,390)	(17,390)
Grant Proceeds	356,209	356,209
Other revenue		
Transfers In	-	-
Transfers Out	(25,000)	(25,000)
Total Non-operating Revenues (Expenses)	316,189	316,189
Changes in Net Assets	367,291	367,291
Net Assets - Beginning	626,404	626,404
Net Assets - Ending	\$ 993,695	\$ 993,695

TOWN OF GOULTRY, Oklahoma
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
PROPRIETARY FUNDS

	Public Works Authority	Total
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 339,296	\$ 339,296
Payments to Suppliers	(217,994)	(217,994)
Payments for personnel services	(56,391)	(56,391)
Net cash provided (used) by operating activities	64,912	64,912
CASH FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers to General Fund	(25,000)	(25,000)
Reclass to restricted cash for debt service	(36,361)	(36,361)
	(61,361)	(61,361)
CASH FLOW FROM CAPITAL RELATED ACTIVITIES		
Principle repaid	(31,350)	(31,350)
Interest and administrative fees	(17,390)	(17,390)
Proceeds from Grants	48,400	48,400
Capital expenditures	(21,700)	(21,700)
Water Tower Project	129,909	129,909
Water Tower Project	(131,297)	(131,297)
Sewer - Lagoon Repairs	177,900	177,900
Sewer - Lagoon Repairs	(167,625)	(167,625)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	2,370	2,370
Net change in cash and cash equivalents	(7,232)	(7,232)
Balance Beginning of the year	68,791	68,791
Balance End of the year	\$ 61,559	\$ 61,559
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating Income (Loss)	\$ 51,102	\$ 51,102
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	13,810	13,810
Increase in customer deposits	-	-
	\$ 64,912	\$ 64,912

Note 1. Summary of Significant Accounting Policies

The accounting policy of the Town of gOLTRY is to prepare its financial statements on the cash basis of accounting (Governmental Funds) and the modified cash basis of accounting (Proprietary Funds). This basis of accounting differs from accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Financial Reporting Entity

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

Primary Government	Town of Goltry
Blended Component Units	Goltry Public Works Authority
Discretely Presented Component Units	None

Government-wide and fund financial statements

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenues are recognized as when they are received. Expenditures generally are recognized when a liability is paid.

The Town reports the following major governmental funds.

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are wither legally restricted for a specific purposes or designated to finance particular functions or activities. These funds include the Street and Alley Fund and the Grant Fund.

The Public works Authority, a proprietary fund, is used to account for the business-like activities provided to the general public. Included in this fund is the Meter Deposit Fund.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses and expenditures during

Cash and cash equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based upon quoted market prices. All investments of the Town are currently held as certificate of deposits.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental columns in the government-wide financial statements. Capital assets are omitted from the Town's financial statements. The Town has presented the capital assets in the Public Works or proprietary fund. The Town capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for equipment, \$10,000 for improvements, and \$50,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Water Utility System	40
Machinery and equipment	5
Vehicles	7

Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is not reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund. No liability for compensated absences has been presented on the basic financial statements.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute either expenditures or liabilities. No encumbrances exist as of the end of the fiscal year.

Fund equity and net assets

In the government-wide financial statements, net assets are classified in the following categories: Invested in Capital Assets, Net of Related Debt—This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets—This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets—This category represents the net assets of the Town that are not restricted for any project or other purpose by third parties.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved fund balance—indicates that portion of fund equity that is not available for appropriation or that has been legally segregated for specific purposes.

Unreserved/Designated fund balance—indicates that portion of fund equity for which the Town has made tentative plans that are subject to change.

Unreserved/Undesignated fund balance—indicates that portion of fund equity that is available for appropriation and expenditure in future periods, or if a deficit, for which future funding will be required.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance—total governmental funds, and net assets—governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including

bonds payable, are not due and payable in the current period and therefore are not reported in the funds." There are no reconciling items to be reported under the current accounting method utilized by the Town.

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities
The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances—total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." There are no reconciling items to be reported under the Town's accounting basis.

Note 3. Budgets and Budgetary Accounting

The Town's general budget policies are as follows:

General Fund

The Town, in accordance with Oklahoma Statutes, Title 69 the Town of Fort Supply formally adopt budgets which include the General Fund. This annual budget is adopted or based upon historical analysis of prior years.

Special revenue funds

The Town does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies.

Note 4. Cash, Cash Equivalents and Investments

The Town utilizes the services of a Treasurer for cash and investment control and accountability. The treasurer is authorized to deposit funds in accounts that are either fully insured or collateralized by acceptable collateral valued at no more than market value. 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 Town were entirely insured or collateralized as required by Oklahoma Statutes.

Deposits

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

Insured or collateralized with securities held by the Town or by its agent in the Town's name.

Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

All deposits of the Town are categorized as (A) type deposits identified above. The carrying amount and market value is equal to the cash balance reported in the financial statement and in the following chart as of June 30, 2010.

Deposit Categories of Credit Risk-Unrestricted

	Category			Bank Balance	Carrying Amount	Market Value
	A	B	C			
Cash	\$ 116,137	\$	\$	\$ 116,137	\$ 116,137	\$ 116,137
Investments	106,968			106,968	106,968	106,968
Total	<u>\$ 223,105</u>	<u>\$</u>	<u>\$</u>	<u>\$ 223,105</u>	<u>\$ 223,105</u>	<u>\$ 223,105</u>

Investments

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

Restricted Funds

Cash held for restrictions due to debt service are \$26,941.

Cash held for customer deposits in the amount of \$17,345.

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

NONE

Interfund transfers during the year ended June 30, 2010 were as follows:

TOWN OF GOLTRY
 NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Transfers To General Fund	Transfers From Public Works Authority	\$ 25,000
Total Transfers		<u>\$ 25,000</u>

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations.

Special revenue funds transfer excess revenues to fund various projects within the Town.

Note 6. Capital Assets

See TABLE 1.

Note 7. Unearned Revenue/Deferred Revenue

The Town has no Unearned or Deferred revenues as of June 30, 2010.

Note 8. Long-Term Debt and Bond Anticipation Notes

Public Works Authority

The Goltry PWA has a note payable with the Oklahoma Water Resources Board (ORF-07-0007-DW) under the Clean Water and Drinking Water State Revolving Fund. The term of the note is twenty years and has an interest rate of 3.59%. The final payment is due on September 15, 2028.

OWRB ORF-07-0007-DW, as of June 30, 2010	\$ 483,628
Less: Current Portion	<u>18,762</u>
Long-Term Portion	464,886

	<u>FYE</u>	<u>Interest</u>	<u>Admin</u>	<u>Principle</u>
Annual				
	06/30/11	14,926	2,415	18,762
	06/30/12	14,455	2,339	19,367
	06/30/13	13,803	2,234	20,124
	06/30/14	13,167	2,131	20,863
	06/30/15	12,507	2,024	21,629
Five Year				
	06/30/20	51,825	8,386	120,591
	06/30/25	31,264	5,059	144,478
	06/30/29	7,526	1,218	117,815
	Totals	159,474	25,805	483,628

Subsequent event

There are no reportable subsequent events as of the report date.

Note 9. Lease Commitments

There are no current lease commitments as of June 30, 2010 or as of the report date.

Note 10. Contingent Liabilities and Commitments

Amounts received or receivable from Federal and State 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 Town expects such amounts, if any, to be immaterial.

The Town is not currently involved in any litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not have a material adverse effect on the financial condition of the Town.

Note 11. Fund Deficits

There are no fund deficits as of June 30, 2010, or as of the report date.

Note 12. Pension Fund

The Town of Fort Supply participated in two pension and retirement plans. The plans in which the city participated are as follows:

*Oklahoma Municipal Retirement Fund – Public Works Authority
The Oklahoma Firefighters Pension*

Oklahoma Municipal Retirement Fund

The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Normal retiree 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.

Early retirement is age 55 with ten (10) or more years of vesting service. The accrued benefit payable starting at age 55 or an actuarially reduced benefit starting at early retirement age. During the fiscal year ended June 30, 2010, 2009, 2008 the Town of Fort Supply made total payments, including employee contributions of \$14,597, \$10,249,