Town of Big Cabin
Craig County, Oklahoma

Independent Auditor's Report and Financial Statements

For the Fiscal Year Ended
June 30, 2015

Town of Big Cabin
Craig County, Oklahoma

TABLE OF CONTENTS

Independent Auditor's Report on the Financial Statements

Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Management's Discussion and Analysis	1-5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements	
Balance Sheet – Governmental Fund	8
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balance	10
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	11
Statement of Net Assets – Proprietary Funds	12
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	13
Statement of Cash Flows	14
Notes to the Financial Statements	15-25
Required Supplementary Information	
Budget and Actual – General Fund	26
Other Supplemental Information	
Schedule of Audit Findings and Questioned Costs	27

HOOD & ASSOCIATES CPAs, PC

Certified Public Accountant
2727 E 21st St. – Ste 600
Tulsa, OK 74114
Phone (918) 747-7000

Independent Auditor's Report

Town of Big Cabin

We have audited the accompanying modified cash-basis 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 Town of Big Cabin as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with modified cash basis of accounting, which is described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Big Cabin, as of June 30, 2015, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matter

We draw attention to Note 1 of the financial statements that describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 3 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 my audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015, on our consideration of the Town of Big Cabin internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Big Cabin internal control over financial reporting and compliance.

Hood & Associates CPAs PC

Hood & Associates CPAs, PC

December 16, 2015

HOOD & ASSOCIATES CPAS, PC

Certified Public Accountant
2727 E 21st St. – Ste 600
Tulsa, OK 74114
Phone (918) 747-7000

Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Town of Big Cabin

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of Big Cabin, as of and for the year ended June 30, 2015, which collectively comprise the Town of Big Cabin's basic financial statements and have issued my report thereon dated November 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Big Cabin internal control over financial reporting as a basis for designing our 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 Town of Big Cabin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Big Cabin's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in the internal control that is less severe than a material weakness, yet important enough to merit attention by those charged by governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hood & Associates CPA PC

Hood & Associates CPAs, PC

December 16, 2015

Town of Big Cabin, Oklahoma
Managements Discussion and Analysis
June 30, 2015

Our discussion and analysis of the Town of Big Cabin's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements which begin on page 6. Since the current fiscal year numbers are the only ones provided with this report comparisons with prior fiscal years are not provided.

FINANCIAL HIGHLIGHTS

- The Town's total expenses exceeded revenues by $144,930 for the year. The governmental activities resulted in expenses exceeded revenues by $90,174 with an decrease in net assets. The operations of its business-type activities, the Big Cabin Public Works Authority (PWA), resulted in expenses exceeded revenues by $54,756 with a increase in net assets.
- The Town's General Fund ended the year with a fund balance of $895,628
- The PWA ended the year with a fund balance of $1,655,329.

Report Components

This annual report consists of four parts as follows:

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities (on pages 6-7) provide information about the activities of the Town government-wide (or "as a whole") and present a longer-term view of the Town's finances.

Fund Financial Statements: Fund financial (starting on page 9) focus on the individual parts of the Town government. Fund financial statements also report the Town's operations in more detail then the government-wide statements by providing information about the Town's most significant ("major") funds. For *governmental activities*, these statements tell how these services were financed in the short term as well as what remains for future spending. For *proprietary funds*, these statements offer short-term and long-term financial information about activities the Town operates like business, such as the water, sewer and sanitation services.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the notes (referred to as "the basis financial statements").

Required Supplementary Information: This Management's Discussion and Analysis represents financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Basis of Accounting

The Town has elected to present its financial statements on the accrual basis of accounting. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues and expenses and their related assets and liabilities.

Reporting on the Town as a Whole
The Town's Reporting Entity Presentation
This annual report includes all activities for which the *Town of Big Cabin* Town Board is fiscally responsible. These activities, defined as the Town's reporting entity, are operated within separate legal entities that make up the primary government and another separate legal entity that is included as a component unit.

The primary government includes the following legal entities:
- Town of Big Cabin
- Big Cabin Public Works Authority

The Government-Wide Statement of Net Assets and the Statement of Activities
Our analysis of the Town as a whole begins on page 6. The government-wide financial statements are presented on pages 6-7. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities provide information about the Town as a whole and about its activities in a way that helps answer this question. The statements include *all* assets and liabilities using the accrual basis of accounting.

These two statements report the Town's net assets and changes in those net assets. You can think of the Town's net assets—the difference between assets and liabilities—as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Assets and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental activities – Most of the Town's basic services are reported here, including the fire, general administration, streets, animal control and police. Sales taxes, franchise fees, fines and state grants finance most of these activities.

Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and sanitation system is reported here.

Fund Financial Statements
Our analysis of the Town's major funds begins on page 6. The fund financial statements begin on page 8 and provide detailed information about the Town's most significant funds—not the Town as a whole. Some funds are required to be established by State Law and by bond covenants. However, the Town Council establishes certain other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Town's two kinds of funds – governmental and proprietary – use different accounting approaches.

Governmental Funds – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to assets and debt balances. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The Town considers the General Fund to be its significant or major governmental fund. The other governmental fund is in a single column entitled Street & Alley fund.

Proprietary Funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability. In fact, the Town's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements but the fund statements provide more detail and additional information, such as cash flows. The town has an enterprise fund – the Public Works Authority.

A FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Government – Wide Net Assets

The Statement of Net Assets looks at the Town as a whole and is a useful indicator of the Town's overall financial position, but other factors should also be considered when evaluating the Towns financial picture for 2014-15. Since only current year numbers are covered in this audit report, a prior year comparison is not presented.

	Governmental Activities	Business-Type Activities	Total
Current Assets	$435,495	$333,818	$769,313
Capital Assets	498,800	1,420,695	1,919,495
Total Assets	934,295	1,754,513	2,688,808
Other Liabilities	38,667	41,522	80,189
Long-term Debt Outstanding	0	57,663	57,663
Total Liabilities	38,667	99,185	137,852
Net Assets Invested in Capital Assets, net of related debt	498,800	1,309,119	1,807,919
Restricted Net Assets	41,674	24,388	66,062
Unrestricted Net Assets	355,154	321,822	676,976
Total Net Assets	$895,628	$1,655,329	$2,550,957

Net assets of the Town's governmental activities increased to $895,628. However, $540,474 of those net assets either are restricted as to the purpose they can be used for or are invested in capital assets (buildings, roads, bridges and so on). Consequently, unrestricted net assts at the end of this year showed $355,154.

A FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format this significantly different from a typical Statement of Revenues, Expenses and Changes in Fund Balance. You will notice that expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each function on the Town's taxpayers. It also identifies how much each function draws from general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

For the year ended June 30, 2015, total expenses for governmental activities amounted to $486,232. Of these total expenses, taxpayers and other general revenues funded $576,406. This resulted in a change in net assets of $90,174.

Business-type Activities

In reviewing the business-type activities Net (Expense)/Revenue there are certain activities that need to be examined more closely. The water, sewer and sanitation service activities reported net revenues of $54,756. Additional revenues received were transfers from the Town of $65,588 and interest income of $461. Total expenses were $170,985. This resulted in a change in net assets of $54,756 for the year.

General Fund Budgetary Highlights

The Town's budget is prepared according to Oklahoma law and is based on the beginning surplus plus ninety percent of the previous years recurring revenues. The most significant budged fund is the General Fund. An annual appropriation budget is required for the general fund. The Town Council is provided with a detailed line-item budget for the general fund. Normally, several meetings are devoted to discussion and explanation of the proposed budget by staff. The Town Council may transfer appropriations from one line item to another after the budget is adopted. The Council must approve any budget amendments that would alter total budget or make any interfund transfers of money. The Town Council closely monitors the budget through the year through use of monthly financial statements comparing budget to actual revenue and expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the Town had $1,880,928 invested in capital assets, net of depreciation including police equipment, buildings, park facilities, water and sewer lines.

Long-Term Debt

At June 30, 2015, the Town had $57,663 in long term debt. The debt is related to business-type activities, the Town's long term debt comprises long-term refundable deposits and capital debt obligations.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Clerk's office at the Municipal Building or telephone (918) 783-5704.

Town of Big Cabin
Craig County, Oklahoma
Statement of Net Assets
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 271,539.17	$ 264,045.88	$ 535,585.05
Certificates of Deposit	105,084.06	27,894.21	132,978.27
Prepaid insurance	6,405.13	1,965.44	8,370.57
Accounts receivable	11,090.00	27,169.15	38,259.15
Due from PWA	2,665.08		2,665.08
Due from other Governments	38,711.39	12,743.20	51,454.59
Total Current Assets	435,494.83	333,817.88	769,312.71
Non-current Assets:			
Restricted Assets:			
Cash and Cash Equivalents		38,567.72	38,567.72
Property, Plant and Equipment, net	498,800.22	1,382,127.94	1,880,928.16
Total Non-current Assets	498,800.22	1,420,695.06	1,919,495.88
Total Assets	934,295.05	1,754,513.54	2,688,808.59
LIABILITIES			
Current Liabilities:			
Accounts Payable	34,552.80	10,828.78	45,381.58
Payroll Tax Payable		621.25	621.25
Due to Town	4,114.00	545.97	4,659.97
Accrued Interest			
Payable from Restricted Assets:			
Meter Deposits Payable		14,180.00	14,180.00
Current Portion of Notes Payable		15,346.46	15,346.46
Total Current Liabilities	38,666.80	41,522.46	80,189.26
Non-Current Liabilities:			
Notes Payable		57,662.58	57,662.58
Total Liabilities	38,666.80	99,185.04	137,851.84
NET ASSETS			
Invested in capital assets, net of related debt	498,800.22	1,309,118.90	1,807,919.12
Nonspendable Fund Balance	6,405.13		6,405.13
Assigned Fund Balance	41,674.04		41,674.04
Unassigned Fund Balance	348,748.86		348,748.86
Restricted		24,387.72	24,387.72
Unrestricted		321,821.88	321,821.88
Total Net Assets	$ 895,628.25	$ 1,655,328.50	$ 2,550,956.75

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/ Revenue
Governmental Activities:					
General Government:					
General Government	$ 216,480.24	$ 5,147.85	$ 24,691.80	$	$ (186,640.59)
Cemetery	6,483.15	6,663.00			179.85
Police	237,388.49	206,073.35			(31,315.14)
Street	974.70				(974.70)
Fire	24,905.28	7,745.00	19,184.35		2,024.07
TOTAL GOVERNMENTAL ACTIVITIES	486,231.86	225,629.20	43,876.15	0.00	(216,726.51)
Business Type Activities					
Water and Sewer	225,180.40	170,984.86	0.00	42,903.35	(11,292.19)
TOTAL	$ 711,412.26	$ 396,614.06	$ 43,876.15	$ 42,903.35	$ (228,018.70)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Totals
Changes in Net Assets:			
Net (expense) revenue	$ (216,726.51)	$ (11,292.19)	$ (228,018.70)
General revenues:			
Taxes:			
Sales and Use Taxes	163,991.45		163,991.45
Use Tax	12,293.38		12,293.38
Alcoholic Beverage Tax	3,408.64		3,408.64
Franchise Tax	9,399.32		9,399.32
Motel Tax	12,116.00		12,116.00
Cigarette Tax	1,869.72		1,869.72
Court Costs and Fees	160,262.82		160,262.82
Reimbursements	3,685.88		3,685.88
Sale/Rental	842.00		842.00
Restricted for transportation purposes:			
Motor Vehicle Tax	1,968.61		1,968.61
Gasoline Tax	2,023.53		2,023.53
Interest Income	752.59	460.70	1,213.29
Transfers - Internal Activity	(65,713.18)	65,587.56	(125.62)
Total Taxes	306,900.76	66,048.26	372,949.02
Change in Net Assets	90,174.25	54,756.07	144,930.32
Net Assets-beginning	805,454.00	1,600,572.43	2,411,715.47
Net Assets-ending	$ 895,628.25	$ 1,655,328.50	$ 2,550,956.75

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Balance Sheet – Governmental Funds
June 30, 2015

	General Fund	Other Govt'l Funds	Totals
ASSETS			
Cash	$ 242,523.96	$ 29,015.21	$ 271,539.17
Certificates of Deposit	93,589.80	11,494.26	105,084.06
Prepaid insurance	6,405.13		6,405.13
Accounts Receivable	11,090.00		11,090.00
Due from PWA	2,665.08		2,665.08
Due from other Governments	37,546.82	1,164.57	38,711.39
Total Assets	$ 393,820.79	$ 41,674.04	$ 435,494.83
LIABILITIES & FUND EQUITY			
Liabilities:			
Accounts Payable	$ 38,666.80	$ 0.00	$ 38,666.80
Fund Equity:			
Reserved	0.00	41,674.04	41,674.04
Unreserved	355,153.99	0.00	355,153.99
Total Fund Equity	355,153.99	41,674.04	396,828.03
Total Liabilities & Fund Equity	$ 393,820.79	$ 41,674.04	$ 435,494.83

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2015

Total Fund Balances – Governmental Funds	$	396,828.03
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		498,800.22
Net Assets of Governmental Activities	$	895,628.25

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Other Govt'l Funds	Totals
REVENUES			
Charges for Services	$ 7,745.00	$	$ 7,745.00
Donations		6,663.00	6,663.00
Reimbursements/miscellaneous	8,833.73		8,833.73
Fines	205,767.85	305.50	206,073.35
Court Costs and Fees	160,262.82		160,262.82
Grants	43,876.15		43,876.15
Investment Income	693.03	59.56	752.59
Sale of Property	542.00		542.00
Rental of Property	300.00		300.00
Taxes	203,078.51	3,992.14	207,070.65
Total Revenues	631,099.09	11,020.20	642,119.29
EXPENDITURES			
Personal Services	188,966.98		188,966.98
Maintenance/Operations	241,962.40	6,560.60	248,522.40
Capital Outlay	19,619.80		19,619.80
Total Expenditures	450,549.18	6,560.00	457,109.18
Excess (deficit) of revenues over expenditures	180,549.91	4,460.20	185,010.11
Other Financing Sources (Uses)			
Transfer Out	(65,713.18)	0.00	(65,713.18)
Net Change in Fund Balance	114,836.73	4,460.20	119,296.93
Fund Balance - Beginning of Year	240,317.26	37,213.84	277,531.10
Fund Balance - End of Year	$ 355,153.99	$ 41,674.04	$ 396,828.03

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Reconciliation of Change in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Net Change in Fund Balances – Total Governmental Funds	$	119,296.93
Amounts reported for governmental activities in the statement of activities are different because:		
In the governmental funds, capital outlays are reported as expenditures while in the government-wide statement of activities, depreciation expense is reported to allocate those expenditures over the life of the assets.		
Capital expenditures		19,619.80
Depreciation expense		(48,742.48)
Change in Net Assets of Governmental Activities	$	90,174.25

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Statement of Net Assets
Proprietary Funds-Enterprise Funds
June 30, 2015

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 264,045.88
Investments	27,894.21
Sales tax receivable	12,743.20
Prepaid insurance	1,965.44
Accounts receivable	27,169.15
Total Current Assets	333,817.88
Non-current Assets:	
Restricted Assets:	
Cash and Cash Equivalents	38,567.72
Capital Assets:	
Property, Plant and Equipment, net of Accumulated Depreciation	1,382,127.94
Total Non-current Assets	1,420,695.66
Total Assets	1,754,513.54
LIABILITIES	
Current Liabilities:	
Accounts Payable	8,163.70
Due to Town	2,665.08
Payroll Taxes Payable	545.97
Accrued Interest	621.25
Payable from Restricted Assets:	
Meter Deposits Payable	14,180.00
Current Portion of Notes Payable	15,346.46
Total Current Liabilities	41,522.46
Non-Current Liabilities:	
Note Payable	57,662.58
Total Liabilities	99,185.04
NET ASSETS	
Invested in capital assets, net of related debt	1,309,118.90
Restricted	24,387.72
Unrestricted	321,821.88
Total Net Assets	$ 1,655,328.50

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2015

Operating Revenues:		
Water Revenues	$	93,962.89
Sewer Revenues		64,305.42
Trash Revenues		12,716.55
Other Revenues		0.00
Total Operating Revenues		170,984.86
Operating Expenses:		
Personnel Expenses:		
Salaries and payroll taxes		24,022.85
Depreciation		70,490.78
Insurance		5,970.74
Miscellaneous		3,134.05
Office Expenses		1,706.44
Professional Fees		11,809.24
Repairs and Maintenance		30,324.24
Trash Contractor Fees		12,716.55
Travel		2,070.39
Utilities		13,057.03
Water Purchased		47,640.73
Total Operating Expenses		222,943.04
Operating Income		(51,958.18)
Non-Operating Revenues (Expenses):		
Interest Income		460.70
Grant Income		42,903.35
Interest Expense		(2,237.36)
Sales Tax - Town of Big Cabin		65,587.56
Total Non-Operating Revenues (Expenses)		106,714.25
Net Income (Loss)		54,756.07
Total Net Assets-Beginning		1,600,572.43
Total Net Assets-Ending	$	1,655,328.50

The accompanying notes are an integral part of the combined financial statements.

Town of Big Cabin
Craig County, Oklahoma
Statement of Cash Flows
Proprietary Fund Type - Enterprise Fund
For the Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$	171,863.42
Payments for salaries and benefits		(24,022.85)
Payments for goods and services		(132,135.13)
Net Cash Provided (Used) by Operating Activities		15,705.44
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grant income		42,903.35
Sales Tax and Other Income		63,967.39
Net Cash Provided (Used) by NonCapital Financing Activities		106,870.74
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments for the purchase of capital assets		(87,896.00)
Payments made on capital debt		(9,641.68)
Interest paid on capital debt		(2,146.10)
Net Cash Provided (Used) by Capital and Related Financing Activities		(99,683.78)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends on investments		460.70
Net cash inflow (outflow) from all activities		23,353.10
Cash and cash equivalents, beginning of year		307,154.71
Cash and cash equivalents, end of year	$	333,507.81

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$	(51,958.18)
Depreciation		70,490.78
(Increase) Decrease in:		
Accounts Receivable		(741.61)
Prepaid Insurance		(1,154.63)
Increase (Decrease) in:		
Accounts Payable		(604.45)
Other		(326.47)
Net Cash Provided (Used) by Operating Activities	$	15,705.44

The accompanying notes are an integral part of the combined financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following notes to the financial statements are an integral part of the Town's financial statements.

As discussed further in Note 1, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurements and recognition criteria of the modified cash basis of accounting.

Reporting Entity

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

Primary Government:	Town of Big Cabin
Blended Component Unit:	Big Cabin Public Works Authority

In determining the financial reporting entity, the Town complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and includes all component units of which the Town appointed a voting majority of the units' board and the Town 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 Town Council or the component unit provides services entirely to the Town. The component unit's fund is blended into those of the Town's by appropriate activity type to comprise the primary government presentation.

Component Unit	Brief Description/Inclusion Criteria	Reporting
Big Cabin Public Works Authority	Created to finance, develop and operate the water and sewer services activities.	Enterprise Fund

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. Currently, the Town has no discretely presented component units.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the Town). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-accounting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

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 which constitute its assets, liabilities, fund equity, revenues and expenditure/expenses. Fund are organized into 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 Town or meets the following criteria:

A. Total assets, liabilities, revenues or expenditure/expenses of that individual governmental or enterprisefund are at least 10 percent of the corresponding total for all funds of that category or type, and

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

GOVERNMENTAL FUNDS

General Fund. This 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.

PROPRIETARY FUND

Enterprise Fund. Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund:

Big Cabin Public Works Authority	Accounts for activities of the public trust in providing water and sewer services to the public.

MAJOR AND NON-MAJOR FUNDS

Major:	General fund
	Proprietary Fund: Big Cabin Public Works Authority
Non-Major:	None

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Measurement Focus, Basis of Accounting

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

MEASUREMENT FOCUS

The government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below:

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 balance as their measure of available spendable financial resources at the end of the period.
b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary 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 applied to them.

BASIS OF ACCOUNTING

The financial statements are presented on a modified ash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. The basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or even occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short term and long term liabilities arising from cash transactions or events.

The modified cash basis of accounting differs from GAAP primarily because certain other economic assets, deferred outflows, liabilities, and deferre3d inflows that do not arise from a cash transaction or even are not reported, and the measurement of reported assets and liabilities does not involve adjustments to the fair value.

If the Town utilized he basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Cash and Investments

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales, use and franchise taxes. Business-type activities report water and sewer charges as its major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax and other intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables.

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 is actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed 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:

Asset Class	Estimated Useful Lives
Buildings	15-50 years
Other Improvements	5-100 years
Machinery and Equipment	10-40 years
Office Machinery and Equipment	2-15 years
Vehicles	5-15 years
Infrastructure	25-50 years

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. Fixed assets used in proprietary fund operations are accounted for the same as in government-wide statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. Restricted assets include funds on deposit representing utility customer meter deposits which are refundable to the customer and funds on deposit required to be reserved by terms of promissory notes.

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 note payable and capitalized lease obligations.

Long term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as revenue and payments of principal and interest are reported as expenditures. The accounting for long-term debt of the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The town is not able to reasonably estimate the accrual for compensated absences. Therefore, the balance has not been recorded.

Equity Classifications

Government-Wide Statements

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

a. Invested in capital assets, net of related debt – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
b. Restricted net assets – consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, 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, net of related debt".
d. Assigned fund balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
e. Nonspendable fund balance – the amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained in tact.
f. Unassigned fund balance – the fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purpose within the general fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fund Statements
Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, the unreserved further split between designated. Proprietary fund equity is classified the same as in the government-wide statements.

Revenues, Expenditures and Expenses
SALES TAX
The town presently levies a sales tax on taxable sales within the Town. The sales tax is collected by the Oklahoma Tax Commission and remitted to the Town in the month following receipt by the Oklahoma Tax Commission. The Tax Commission receives the sales tax approximately on month after collection by vendors. The sales tax is recorded entirely in the General Fund. Sales taxes collected by the State in June and July (which represent sales for May and June) are received by the Town in July and August have been accrued and are included under the caption "Due from other governments".

OPERATING REVENUES AND EXPENSES
Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expense not related to capital and related financing, noncapital financing or investing activities.

EXPENDITURES/EXPENSES
In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

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

Governmental Funds – By Character: Current (further classified by function), Debt Service, Capital Outlay
Proprietary Funds – By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

INTERFUND TRANSFERS
Permanent re-allocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

USE OF 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 and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Town and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the Town's compliance with significant laws and regulations and demonstration of its stewardship over Town resources follows:

Fund Accounting Requirements

The Town complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the town include the following:

Fund	Required By
Pubic Works Authority Fund	Trust Indenture

Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Town must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note III A., all deposits were fully insured or collateralized.

Investments of the Town (excluding Public Trusts) whose population exceeds 3,000 according to the latest census information are limited by state law to the following:

-1- Direct obligations of the U.S. Government, its agencies or instrumentalities to the payment of which the full faith and credit of the Government of the United States is pledged, or obligations to the payment of which the full faith and credit of this state is pledged;
-2- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions;
-3- With certain limitation, negotiable certificates of deposit, prime bankers acceptance, prime commercial paper and repurchase agreements with certain limitations;
-4- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district;
-5- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligation of national mortgage associations;
-6- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts created under O.S. Title 60 are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2015, the Town and its public trusts complied, in all material respects, with these investment restrictions.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Gasoline Excise Tax	Street and Alley Purposes
Commercial Vehicle Tax	Street and Alley Purposes
Water and Sewer Revenue	Debt Service and Utility Operations

For the year ended June 30, 2015 the Town complied, in all material respects, with those revenue restrictions.

Debt Restrictions and Covenants

GENERAL OBLIGATION DEBT

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2015, the Town had no outstanding general obligation debt.

OTHER LONG-TERM DEBT

Except as noted in the following paragraph, as required by the Oklahoma State Constitution, the Town (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2015, the Town incurred no such indebtedness.

Fund Equity Restrictions

DEFICIT PROHIBITION

Title 11, Section 17-211 of Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. The Town complied with this statute in all material respects for the year ended June 30, 2015.

Economic Dependence

The Authority is dependent upon the City of Vinita, Oklahoma, for the Authority's water supply. If the Authority could not purchase its water, the Authority's alternative would be to build its own plant at substantial costs, or find an alternative supply.

Budget Policy

The Town operates under the Oklahoma Estimates of Needs (Title 68) budget law. A budget is legally adopted by the Board of Trustees for the General Fund of the Town. The Budget is prepared using the cash basis and budget laws of the State of Oklahoma. The financial statements are prepared using the modified accrual basis of accounting that complies with generally accepted accounting principles in the United States of America. There are timing differences related to encumbrances between the financial statements presentation and the budget that are reconciled on page 27 of this report. The Board of Trustees can legally amend the budget once it has been approved by filing a supplemental appropriation with the county excise board, state auditor and inspector and town clerk. Budget transfers between funds have to be approved by the Board of Trustees. There were no supplemental appropriations made during the fiscal year. All appropriations lapse at year-end. The level of control at which expenditures may not legally exceed appropriations is a the fund level for each legally adopted fiscal operating budget.

NOTE 3: DETAILED NOTES ON TRANSACTIONS CLASSES/ACCOUNTS
CASH AND INVESTMENTS

State statutes govern the Town's investment policy. 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. Investments are stated at cost. The Town invests entirely in certificates of deposit.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's cash deposits, including interest-bearing certificates of deposits, are maintained in financial institutions. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, none of the Town's investments were exposed to custodial credit risk because there were uninsured or uncollateralized.

Restricted Assets

The amounts reported as restricted assets are comprised of cash held in trust on behalf of the Public Works Authority related to their required note payable reserve account and amounts held in trust for customer utility meter deposits.

The restricted assets as of June 30, 2015 are as follows:

Meter Deposits	$ 38,567.72

Accounts Receivable

Accounts receivable of the governmental activities consists of franchise tax, occupation tax, sales tax, motor vehicle collections and gasoline tax, and alcoholic beverage tax. Accounts receivable of the business-type activities consists of utilities and sales tax receivable.

Accounts receivable as of June 30, 2015 is as follows:

Governmental Activities	Business-Type Activities	Total
$ 52,466.47	$ 39,912.35	$ 92,378.82

NOTE 3: DETAILED NOTES ON TRANSACTIONS CLASSES/ACCOUNTS (cont.d)

CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Land	$ 13,047	$	$	$ 13,047
Construction in Progress	0	3,270		3,270
Equipment	685,373		10,393	678,249
Building/Improvements	537,185	2,900		540,085
Total capital assets	1,235,605	$ 6,170	$ 10,393	1,231,381
Less accumulated depreciation	733,339	$ 48,742	$ 49,500	732,581
Governmental activity capital assets, net	$ 502,266			$ 498,800
Business-type activities:				
Land	$ 38,000	$	$	$ 38,000
Equipment	70,514			70,514
Construction in Progress	13,798		13,798	0
Water System	801,814			801,814
Sewer System	2,051,717	101,694		2,153,411
Total capital assets	2,975,843	$ 101,694	$ 0	3,063,739
Less accumulated depreciation	1,611,120	$ 70,491	$ 0	1,681,611
Business-type activity capital assets, net	$1,360,593			$ 1,382,128

LONG TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Business-Type Activities

As of June 30, 2015, the long-term debt payable from proprietary fund resources consisted of the following:

On December 7, 2000, the Authority executed promissory note OWRB-ORF-98-016 with the Oklahoma Water Resources Board. The amount of the loan was $436,000 with a maturity date of March 15, 2021, for improvements to the sewer system. As of June 30, 2015, $306,541 had been advanced on the note at an interest rate of 3.043% with an additional .5% administration fee. Semi-annual payments of $10,900 plus interest and administration fees are being made. The note is secured by the water and sewer system, having a book value of $1,429,134 and a pledge and assignment of revenues, receipts and a year to year pledge of certain sales tax revenue of the Authority. $ 68,009.04

NOTE 3: DETAILED NOTES ON TRANSACTIONS CLASSES/ACCOUNTS (cont.d)

LONG TERM DEBT (cont.d)

Business-Type Activities (cont.d)

On October 6, 1996, funds were advanced from two locations for future expansion of the water and sewer system. As of June 30, 2015 the expansion has not been completed.	5,000.00
Less: current portion	(15,346.46)
Total long-term debt	$ 57,662.58

The principal maturities of long-term debt are as follows:

Year Ended June 30	Governmental Type Activities	Business Type Activities
2016	$ 0	$ 15,346
2017	0	16,695
2018-2019	0	40,968
Totals	$ 0	$ 73,009

CHANGES IN LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	Balance June 30, 2014	Proceeds	Payments	Balance June 30, 2015	Amount Due Within One Year
Business-Type Activities:					
Notes Payable	$ 83,000	$ 0	$ 9,991	$ 73,009	$ 15,346

NOTE 4: OTHER INFORMATION

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The Town purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

COMMITMENTS AND CONTINGENCIES

As of June 30, 2015 there were no pending commitments or contingencies.

SUBSEQUENT EVENTS

As of December 16, 2015 there were not subsequent events that were to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Big Cabin
Craig County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance
Budget and Actual
Regulatory Basis - General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts			Budget Variance	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues:					
Local sources	$ 255,621	$ 255,621	$ 411,441	$ 0	$ 155,820
Charges for services	7,565	7,565	7,745	0	180
State Sources	139,363	139,363	137,366	0	(1,997)
Federal Sources	3,636	3,636	0	0	(3,636)
Miscellaneous	7,867	7,867	8,834	0	967
Total revenues	414,052	414,052	565,386	0	151,334
Expenditures					
Personal Services	185,000	185,000	188,967	0	(3,967)
Maintenance and Operations	310,000	310,000	241,962	0	68,038
Capital Outlay	184,426	184,426	19,620	0	164,806
	679,426	679,426	450,549	0	228,877
Excess of Revenues over/(under) Expenditures	(265,374)	(265,374)	114,837	0	380,211
Fund Balance, beginning	265,374	265,374	240,317	0	(25,057)
Fund Balance, end of year	$ 0	$ 0	$ 355,154	$ 0	$ 355,154

.....

Prior Year Findings

NONE

A. Audit Findings

NONE

B. Questioned Costs

NONE