
Town of Caney, Oklahoma

Annual Financial Report
June 30, 2012

TOWN OF CANEY, OKLAHOMA
ANNUAL FINANCIAL REPORT
JUNE 30, 2012

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Town of Caney, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balance -- Cash Basis
General Fund
For the Year Ended June 30, 2012
(Unaudited)

Revenues	
General sales and use taxes	\$ 16,471
Special sales taxes - fire department	39,592
Franchise taxes	3,785
Alcoholic beverage tax	5,929
Gas excise and motor vehicle taxes	2,000
Cigarette tax	220
Fines and forfeitures, traffic related	133,480
Fines and forfeitures, all others	93,835
CLEET / AFIS fees	26,531
Drug seizure proceeds	-
Fire dues, fees and donations	975
Rent income	3,050
Interest income	76
Sale of assets / insurance proceeds	9,850
Other revenues	6,286
Grant proceeds:	
Okla. Dept. of Agriculture fire dept. support	4,413
Community Development Block Grant (CDBG)	147,750
Federal Emergency Management Agency (FEMA)	6,835
Department of Homeland Security	8,175
Southern Oklahoma Development Assoc (REAP)	<u>15,000</u>
 Total revenues	 <u>524,253</u>
Expenditures	
General government	
Personal services	12,622
Materials and supplies	3,564
Other charges and services	25,425
Capital expenditures	-
Police department	
Personal services	116,901
Materials and supplies	17,042
Other charges and services	126,443
Debt Service Payments	7,596
Capital expenditures	12,446
Fire department	
Personal services	-
Materials and supplies	14,700
Other charges and supplies	11,871
Debt Service Payments	20,000
Capital expenditures	26,712
Street department	
Personal services	5,506
Materials and supplies	5,440
Other charges and services	3,833
Capital expenditures	<u>173,221</u>
 Total expenditures	 <u>583,322</u>
Excess of revenues over (under) expenditures	(59,069)
Beginning fund balance	<u>95,597</u>
Ending fund balance	<u>\$ 36,528</u>

See Accountant's Report

Town of Caney, Oklahoma
 Budgetary Comparison Schedule -- Cash Basis
 General Fund
 For the Year Ended June 30, 2012
 (Unaudited)

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Sales and use taxes	\$ 16,500	-	16,500	16,471	(29)
County sales tax - fire department support	-	39,592	39,592	39,592	-
Franchise taxes	3,000	-	3,000	3,785	785
Alcoholic beverage tax	13,200	-	13,200	5,929	(7,271)
Gas excise and motor vehicle taxes	4,250	-	4,250	2,000	(2,250)
Cigarette tax	200	-	200	220	20
Fines and forfeitures, traffic related	183,000	-	183,000	133,480	(49,520)
Fines and forfeitures, all others	98,000	-	98,000	93,835	(4,165)
CLETT / AFIS fees	33,000	-	33,000	26,531	(6,469)
Drug seizure proceeds	-	-	-	-	-
Fire dues, fees and donations	-	-	-	975	975
Rent income	3,000	-	3,000	3,050	50
Interest income	350	-	350	76	(274)
Sale of assets / insurance proceeds	-	9,850	9,850	9,850	-
Loan proceeds	-	-	-	-	-
Other revenues	5,000	-	5,000	6,286	1,286
Grant proceeds:					
Okla. Dept. of Agriculture fire dept. support	4,398	-	4,398	4,413	15
Community Development Block Grant	147,750	-	147,750	147,750	-
Homeland Security FEMA	45,785	-	45,785	6,835	(38,950)
Radio grant	8,175	-	8,175	8,175	-
REAP	15,000	-	15,000	15,000	-
Total revenues	580,608	49,442	630,050	524,253	(105,797)
Expenditures					
General government					
Personal services	17,292	-	17,292	12,622	4,670
Materials and supplies	8,000	-	8,000	3,564	4,436
Other charges and services	30,000	-	30,000	25,425	4,575
Capital expenditures	3,000	-	3,000	-	3,000
Total general government	58,292	-	58,292	41,611	16,681
Police department					
Personal services	165,388	(6,800)	158,588	116,901	41,687
Materials and supplies	33,000	-	33,000	17,042	15,958
Other charges and services	133,000	-	133,000	126,443	6,557
Debt service payments	16,000	6,800	22,800	7,596	15,204
Capital expenditures	5,000	9,850	14,850	12,446	2,404
Total police department	352,388	9,850	362,238	280,428	81,810
Fire department					
Personal services	-	-	-	-	-
Materials and supplies	9,000	6,592	15,592	14,700	892
Other charges and services	3,500	3,000	6,500	11,871	(5,371)
Debt service payments	-	20,000	20,000	20,000	-
Capital expenditures	55,000	10,000	65,000	26,712	38,288
Total fire department	67,500	39,592	107,092	73,283	33,809
Street department					
Personal services	6,558	-	6,558	5,506	1,052
Materials and supplies	5,000	-	5,000	5,440	(440)
Other charges and services	10,000	-	10,000	3,833	6,167
Capital expenditures	165,000	-	165,000	173,221	(8,221)
Total street department	186,558	-	186,558	188,000	(1,442)
Total expenditures	664,738	49,442	714,180	583,322	130,858
Excess of revenues over or (under) expenditures	(84,130)	-	(84,130)	(59,069)	25,061
Beginning fund balance, adjusted	92,636	-	92,636	95,597	2,961
Ending fund balance	\$ 8,506	-	8,506	36,528	28,022

See Accountant's Report

Town of Caney, Oklahoma
 Schedule of Grant Activity -- Cash Basis
 For the Fiscal Year Ended June 30, 2012
 (Unaudited)

Grant Program Agency and Description	Beginning of the Year Unexpended Funds	Current Year Receipts	Current Year Disbursements	End of the Year Unexpended Funds
<u>Federal Award Programs</u>				
U.S. Department of Homeland Security				
Passed through Federal Emergency Mgmt Agency (FEMA)				
Assistance to Firefighters Grant (CFDA 97.044)				
Grant No. EMW-2010-FO-05227				
Total Amount of Award: \$53,960				
	-	6,835	6,835	-
Passed through Oklahoma Office of Homeland Security				
Interoperable Communications (CFDA 97.055)				
Grant No. 180.008				
Total Amount of Award: \$8,175				
	-	8,175	8,175	-
U.S. Department of Housing and Urban Development				
Passed through Oklahoma Department of Commerce				
Community Development Block Grant (CFDA 14.228)				
Grant No. 14152-CDBG-04				
Total Amount of Award: \$150,000				
	-	147,750	147,750	-
Total Federal Award Programs				
	-	162,760	162,760	-
<u>State and Other Award Programs</u>				
Southern Oklahoma Development Association (SODA)				
Rural Economic Action Plan (REAP)				
Contract No. 11-022 Street Resurface				
	-	15,000	15,000	-
Okla. Dept of Agriculture				
Rural fire department operational assistance				
	-	4,413	4,413	-
Total State and Other Award Programs				
	\$ -	19,413	19,413	-

See Accountant's Report

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Council, Town of Caney
Caney, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the following accompanying financial statements of Town of Caney, Oklahoma – General Fund for the year ended June 30, 2012:

Statement of Revenues, Expenditures and Changes in Fund Balance – Cash Basis
Budgetary Comparison Schedule – Cash Basis
Schedule of Grant and Award Program Activity – Cash Basis

These financial statements have been prepared in a format and basis of accounting that demonstrates compliance with the cash basis, and budget laws of the State of Oklahoma, which are comprehensive bases of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with such bases of accounting.

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with the selected bases of accounting and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, fund balance, revenues and expenditures. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Caney is responsible for the Town's financial accountability and its compliance with those legal and contractual agreements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes (Sec 11-17.105-.107). The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

(continued)

Procedures and Findings

As to the Town of Caney as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town's trial balances and financial reports, we prepared a schedule of changes in fund balance for the General Fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We noted no instances of noncompliance.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual comparison schedule for the General Fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: We noted one instance of noncompliance as to expenditures exceeding appropriations at the legal level of control (department totals) for the street department; department expenditures of \$188,000 exceeded the department budget of \$186,558 by \$1,442. This immaterial isolated instance occurred as a result of expenditures on a major street resurfacing project exceeding expected amounts and a budget adjustment to reallocate appropriations from another department not being executed prior to the year end. Such appropriations were available as the total General Fund expenditures were less than the total budget by \$130,858. The Town's management indicated that more attention will be given to departmental expenditure status in the future so that adequate budget adjustments can be made on a timely basis.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: We noted no findings in regards to this procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: All of the Town's depository account balances were fully insured.

(continued)

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: We noted no instances of noncompliance.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: We noted no instances of noncompliance.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Town did not have any outstanding debt issues which carried reserve requirements or debt service coverage requirements.

8. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of grant activity for each grant / contract (see accompanying Exhibit 3) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

Findings: We noted no instances of noncompliance.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



COLLIER, FOX & ASSOCIATES, P.C.
November 20, 2012