TOWN OF CANEY, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2013

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Exhibit 1

Town of Caney, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balance -- Cash Basis
General Fund
For the Year Ended June 30, 2013
(Unaudited)

Revenues		
General sales and use taxes	$	17,441
Special sales taxes - fire department		38,210
Franchise taxes		3,356
Alcoholic beverage tax		13,395
Gas excise and motor vehicle taxes		3,883
Cigarette tax		193
Fines and forfeitures, traffic related		210,045
Fines and forfeitures, all others		129,490
CLEET / AFIS fees		35,759
Drug siezure proceeds		-
Dues and donations		500
Rent income		3,230
Interest income		57
Sale of assets / insurance proceeds		13,887
Other revenues		102
Grant proceeds:		
Okla. Dept. of Agriculture fire dept. support		4,484
Okla. Dept. of Agriculture wildfire protection plan		10,000
Total revenues		484,032
Expenditures		
General government		
Personal services		13,805
Materials and supplies		2,686
Other charges and services		17,834
Capital expenditures		-
Police department		
Personal services		94,723
Materials and supplies		30,299
Other charges and services		139,131
Debt Service Payments		20,202
Capital expenditures		-
Fire department		
Personal services		-
Materials and supplies		13,692
Other charges and supplies		19,543
Debt Service Payments		14,858
Capital expenditures		17,111
Street department		
Personal services		4,819
Materials and supplies		2,814
Other charges and services		3,093
Capital expenditures		-
Total expenditures		394,610
Excess of revenues over (under) expenditures		89,422
Beginning fund balance - cash basis		36,528
Ending fund balance - cash basis	$	125,950

See Accountant's Report

Town of Caney, Oklahoma
Budgetary Comparison Schedule -- Cash Basis
General Fund
For the Year Ended June 30, 2013
(Unaudited)

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Sales and use taxes	$ 16,600	-	16,600	17,441	841
County sales tax - fire department support	-	36,000	36,000	38,210	2,210
Franchise taxes	3,200	-	3,200	3,356	156
Alcoholic beverage tax	5,900	-	5,900	13,395	7,495
Gas excise and motor vehicle taxes	1,990	-	1,990	3,883	1,893
Cigarette tax	200	-	200	193	(7)
Fines and forfeitures, traffic related	175,000	-	175,000	210,045	35,045
Fines and forfeitures, all others	95,000	-	95,000	129,490	34,490
CLETT / AFIS fees	30,000	-	30,000	35,759	5,759
Drug siezure proceeds	-	-	-	-	-
Dues & donations	500	-	500	500	-
Rent income	3,000	-	3,000	3,230	230
Interest income	65	-	65	57	(8)
Sale of assets / insurance proceeds	-	13,287	13,287	13,887	600
Other revenues	6,500	-	6,500	102	(6,398)
Grant proceeds:					
Okla. Dept. of Agriculture fire dept. support	4,400	-	4,400	4,484	84
Okla. Dept. of Agriculture wildfire protection plan	-	10,000	10,000	10,000	-
Total revenues	342,355	59,287	401,642	484,032	82,390
Expenditures					
General government					
Personal services	18,625	-	18,625	13,805	4,820
Materials and supplies	4,500	-	4,500	2,686	1,814
Other charges and services	20,000	-	20,000	17,834	2,166
Capital expenditures	-	-	-	-	-
Total general government	43,125	-	43,125	34,325	8,800
Police department					
Personal services	151,309	(52,000)	99,309	94,723	4,586
Materials and supplies	20,000	10,000	30,000	30,299	(299)
Other charges and services	100,000	40,287	140,287	139,131	1,156
Debt service payments	19,210	1,000	20,210	20,202	8
Capital expenditures	-	-	-	-	-
Total police department	290,519	(713)	289,806	284,355	5,451
Fire department					
Personal services	-	-	-	-	-
Materials and supplies	9,000	6,000	15,000	13,692	1,308
Other charges and services	3,500	20,000	23,500	19,543	3,957
Debt service payments	-	15,000	15,000	14,858	142
Capital expenditures	-	19,000	19,000	17,111	1,889
Total fire department	12,500	60,000	72,500	65,204	7,296
Street department					
Personal services	6,190	-	6,190	4,819	1,371
Materials and supplies	6,000	-	6,000	2,814	3,186
Other charges and services	10,000	-	10,000	3,093	6,907
Capital expenditures	-	-	-	-	-
Total street department	22,190	-	22,190	10,726	11,464
Total expenditures	368,334	59,287	427,621	394,610	33,011
Excess of revenues over or (under) expenditures	(25,979)	-	(25,979)	89,422	115,401
Beginning fund balance - cash basis	26,170	-	26,170	36,528	10,358
Ending fund balance - cash basis	$ 191	-	191	125,950	125,759

See Accountant's Report

Town of Caney, Oklahoma
Schedule of Grant Activity -- Cash Basis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Grant Program Agency and Description	Beginning of the Year Unexpended Funds	Current Year Receipts	Current Year Disbursements	End of the Year Unexpended Funds
Federal Award Programs				
No Federal Award Programs This Fiscal Year	-	-	-	-
Total Federal Award Programs	-	-	-	-
State and Other Award Programs				
Okla. Dept of Agriculture Community wildfire protection plan grant #10-45	-	10,000	10,000	-
Okla. Dept of Agriculture Rural fire department operational assistance	-	4,484	4,484	-
Total State and Other Award Programs	$ -	14,484	14,484	-

See Accountant's Report

Collier, Fox & Associates, P.C.

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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, 2013:

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, 2013. 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, 2013:

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: There were no deficit fund balances at June 30, 2013.

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: The Town was in compliance with all legal appropriation limitations.

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: At June 30, 2013, 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 & Assoc P.C.

COLLIER, FOX & ASSOCIATES, P.C.
January 2, 2014