

TOWN OF CANEY, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2014

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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, 2014
(Unaudited)

Revenues	
General sales and use taxes	\$ 22,217
Special sales taxes - fire department	45,793
Franchise taxes	3,995
Alcoholic beverage tax	13,428
Gas excise and motor vehicle taxes	3,982
Cigarette tax	224
Fines and forfeitures, traffic related	151,852
Fines and forfeitures, all others	113,280
CLEET / AFIS fees	26,722
Drug seizure proceeds	150
Dues and donations	5,500
Rent income	3,260
Interest income	139
Sale of assets / insurance proceeds	-
Other revenues	1,481
Grant proceeds:	
FEMA / OEMA Disaster Relief	6,735
Okla. Dept. of Agriculture fire dept. support	4,474
SODA REAP CIP	<u>12,000</u>
Total revenues	<u>415,232</u>
Expenditures	
General government	
Personal services	12,065
Materials and supplies	14,289
Other charges and services	12,090
Capital expenditures	9,001
CIP Grant Project Services	12,000
Police department	
Personal services	104,783
Materials and supplies	34,479
Other charges and services	121,910
Debt Service Payments	20,202
Capital expenditures	10,616
Fire department	
Personal services	-
Materials and supplies	13,629
Other charges and supplies	17,007
Debt Service Payments	14,255
Capital expenditures	19,847
Street department	
Personal services	6,494
Materials and supplies	4,047
Other charges and services	5,129
Capital expenditures	<u>-</u>
Total expenditures	<u>431,843</u>
Excess of revenues over (under) expenditures	(16,611)
Beginning fund balance - cash basis	<u>125,950</u>
Ending fund balance - cash basis	<u>\$ 109,339</u>

See Accountant's Report

Town of Caney, Oklahoma
Budgetary Comparison Schedule -- Cash Basis
General Fund
For the Year Ended June 30, 2014
(Unaudited)

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Sales and use taxes	\$ 16,200	3,500	19,700	22,217	2,517
County sales tax - fire department support	34,000	-	34,000	45,793	11,793
Franchise taxes	3,200	-	3,200	3,995	795
Alcoholic beverage tax	10,000	2,000	12,000	13,428	1,428
Gas excise and motor vehicle taxes	2,860	-	2,860	3,982	1,122
Cigarette tax	200	-	200	224	24
Fines and forfeitures, traffic related	175,000	-	175,000	151,852	(23,148)
Fines and forfeitures, all others	95,000	-	95,000	113,280	18,280
CLETT / AFIS fees	30,000	-	30,000	26,722	(3,278)
Drug seizure proceeds	-	-	-	150	150
Dues & donations	-	-	-	5,500	5,500
Rent income	3,000	-	3,000	3,260	260
Interest income	35	-	35	139	104
Sale of assets / insurance proceeds	-	-	-	-	-
Other revenues	6,500	-	6,500	1,481	(5,019)
Grant proceeds:					
FEMA / OEMA Disaster Relief	-	6,735	6,735	6,735	-
Okla. Dept. of Agriculture fire dept. support	4,400	-	4,400	4,474	74
SODA REAP CIP	-	12,000	12,000	12,000	-
Total revenues	<u>380,395</u>	<u>24,235</u>	<u>404,630</u>	<u>415,232</u>	<u>10,602</u>
Expenditures					
General government					
Personal services	18,548	-	18,548	12,065	6,483
Materials and supplies	4,500	1,100	5,600	14,289	(8,689)
Other charges and services	20,000	-	20,000	12,090	7,910
Capital expenditures	-	10,500	10,500	9,001	1,499
CIP Grant Project Services	-	12,000	12,000	12,000	-
Total general government	<u>43,048</u>	<u>23,600</u>	<u>66,648</u>	<u>59,445</u>	<u>7,203</u>
Police department					
Personal services	146,438	-	146,438	104,783	41,655
Materials and supplies	30,000	-	30,000	34,479	(4,479)
Other charges and services	140,000	-	140,000	121,910	18,090
Debt service payments	20,200	-	20,200	20,202	(2)
Capital expenditures	-	-	-	10,616	(10,616)
Total police department	<u>336,638</u>	<u>-</u>	<u>336,638</u>	<u>291,990</u>	<u>44,648</u>
Fire department					
Personal services	-	-	-	-	-
Materials and supplies	13,000	-	13,000	13,629	(629)
Other charges and services	16,000	-	16,000	17,007	(1,007)
Debt service payments	15,000	-	15,000	14,255	745
Capital expenditures	19,000	-	19,000	19,847	(847)
Total fire department	<u>63,000</u>	<u>-</u>	<u>63,000</u>	<u>64,738</u>	<u>(1,738)</u>
Street department					
Personal services	4,037	350	4,387	6,494	(2,107)
Materials and supplies	6,000	285	6,285	4,047	2,238
Other charges and services	5,000	-	5,000	5,129	(129)
Capital expenditures	-	-	-	-	-
Total street department	<u>15,037</u>	<u>635</u>	<u>15,672</u>	<u>15,670</u>	<u>2</u>
Total expenditures	<u>457,723</u>	<u>24,235</u>	<u>481,958</u>	<u>431,843</u>	<u>50,115</u>
Excess of revenues over or (under) expenditures	(77,328)	-	(77,328)	(16,611)	60,717
Beginning fund balance - cash basis	80,027	-	80,027	125,950	45,923
Ending fund balance - cash basis	<u>\$ 2,699</u>	<u>-</u>	<u>2,699</u>	<u>109,339</u>	<u>106,640</u>

See Accountant's Report

Town of Caney, Oklahoma
Schedule of Grant Activity -- Cash Basis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

<u>Grant Program Agency and Description</u>	<u>Beginning of the Year Unexpended Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of the Year Unexpended Funds</u>
<u>Federal Award Programs</u>				
Federal Emergency Management Agency Through Oklahoma Dept of Emergency Mgmt Disaster Relief Grant # FEMA-4117-DR-OK CFDA# 97.036	-	6,735	6,735	-
Total Federal Award Programs	-	6,735	6,735	-
<u>State and Other Award Programs</u>				
Okla. Dept of Agriculture Rural fire department operational assistance	-	4,474	4,474	-
Southern Oklahoma Development Association - SODA Capital Improvement Plan REAP CIP 10-303	-	12,000	12,000	-
Total State and Other Award Programs	\$ -	16,474	16,474	-

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, 2014:

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, 2014. 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, 2014:

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, 2014.

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: Actual total expenditures for the fire department exceeded the budget by \$1,738

Cause: Fire department expenditures paid through the Atoka County Clerk's office from designated special sales tax revenues were greater than expected and a budget adjustment was not prepared to cover such additional expenditures.

Effect: Overspending budget appropriations could result in the determination that expenditures were not properly authorized.

Recommendation: The Town's management should track fire department expenditures paid through the County more closely during the year and make timely budget adjustments as necessary.

Response: The Town's management will follow the above recommendation in the future.

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, 2014, 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 6, 2014