

TOWN OF CANEY, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

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Town of Caney, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balance -- Cash Basis
General Fund and County Sales Tax Fund
For the Year Ended June 30, 2016
(Unaudited)

	General Fund	County Sales Tax Fund
Revenues		
General sales and use taxes	\$ 17,740	\$ -
Special sales taxes - fire department - Large	-	39,166
Special sales taxes - fire department - Small	-	3,917
Franchise taxes	3,817	-
Alcoholic beverage tax	5,454	-
Gas excise and motor vehicle taxes	2,145	-
Cigarette tax	198	-
Fines and forfeitures, traffic related	185,983	-
Fines and forfeitures, all others	119,156	-
CLEET / AFIS fees	30,489	-
Rent income	2,589	-
Interest income	128	-
Loan proceeds	-	-
Other revenues	8,545	-
Grant proceeds:		
Okla. Dept. of Agriculture fire dept. support	4,290	-
Forest Service Wildfire Mitigation	15,871	-
FEMA/OEMA	18,993	-
OMEA Old Grant	1,122	-
	<u>416,520</u>	<u>43,083</u>
Total revenues		
Expenditures		
General government		
Personal services	28,792	-
Materials and supplies	4,059	-
Other charges and services	25,964	-
Capital expenditures	-	-
Police department		
Personal services	113,844	-
Materials and supplies	14,386	-
Other charges and services	137,154	-
Debt Service Payments	12,640	-
Capital expenditures	3,279	-
Fire department		
Personal services	-	-
Materials and supplies	14,524	7,863
Other charges and supplies	10,012	10,628
Debt Service Payments	-	13,361
Capital expenditures	11,238	13,072
Street department		
Personal services	8,164	-
Materials and supplies	1,804	-
Other charges and services	5,384	-
Capital expenditures	-	-
	<u>391,244</u>	<u>44,923</u>
Total expenditures		
Excess of revenues over (under) expenditures	25,276	(1,841)
Beginning fund balance - cash basis	<u>80,373</u>	<u>18,722</u>
Ending fund balance - cash basis	<u>\$ 105,649</u>	<u>16,881</u>

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Town of Caney, Oklahoma
 Budgetary Comparison Schedule -- Cash Basis
 General Fund
 For the Year Ended June 30, 2016
 (Unaudited)

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Sales and use taxes	\$ 18,900	-	18,900	17,740	(1,160)
County sales tax - fire department support	-	-	-	-	-
Franchise taxes	3,250	-	3,250	3,817	567
Alcoholic beverage tax	5,700	-	5,700	5,454	(246)
Gas excise and motor vehicle taxes	2,370	-	2,370	2,145	(225)
Cigarette tax	200	-	200	198	(2)
Fines and forfeitures, traffic related	170,000	-	170,000	185,983	15,983
Fines and forfeitures, all others	118,000	-	118,000	119,156	1,156
CLETT / AFIS fees	29,000	-	29,000	30,489	1,489
Rent income	2,400	-	2,400	2,589	189
Interest income	90	-	90	128	38
Loan proceeds	-	-	-	-	-
Other revenues	-	8,438	8,438	8,545	107
Grant proceeds:					
Okla. Dept. of Agriculture fire dept. support	4,400	-	4,400	4,290	(110)
Forest Service Wildfire Mitigation	-	15,871	15,871	15,871	-
FEMA/OEMA	-	18,993	18,993	18,993	(0)
OMEA Old Grant	-	1,122	1,122	1,122	0
Total revenues	<u>354,310</u>	<u>44,424</u>	<u>398,734</u>	<u>416,520</u>	<u>17,786</u>
Expenditures					
General government					
Personal services	20,023	10,000	30,023	28,792	1,231
Materials and supplies	5,500	2,000	7,500	4,059	3,441
Other charges and services	23,000	6,197	29,197	25,964	3,233
Capital expenditures	4,000	-	4,000	-	4,000
Total general government	<u>52,523</u>	<u>18,197</u>	<u>70,720</u>	<u>58,814</u>	<u>11,906</u>
Police department					
Personal services	158,246	(20,000)	138,246	113,844	24,402
Materials and supplies	33,000	-	33,000	14,386	18,614
Other charges and services	136,000	-	136,000	137,154	(1,154)
Debt service payments	12,700	-	12,700	12,640	60
Capital expenditures	10,000	-	10,000	3,279	6,721
Total police department	<u>349,946</u>	<u>(20,000)</u>	<u>329,946</u>	<u>281,303</u>	<u>48,643</u>
Fire department					
Personal services	-	-	-	-	-
Materials and supplies	13,300	4,219	17,519	14,524	2,995
Other charges and services	10,000	4,219	14,219	10,012	4,207
Debt service payments	15,000	-	15,000	-	15,000
Capital expenditures	-	20,115	20,115	11,238	8,877
Total fire department	<u>38,300</u>	<u>28,553</u>	<u>66,853</u>	<u>35,774</u>	<u>31,079</u>
Street department					
Personal services	7,536	3,000	10,536	8,164	2,372
Materials and supplies	5,800	2,500	8,300	1,804	6,496
Other charges and services	5,500	2,500	8,000	5,384	2,616
Capital expenditures	-	-	-	-	-
Total street department	<u>18,836</u>	<u>8,000</u>	<u>26,836</u>	<u>15,352</u>	<u>11,484</u>
Total expenditures	<u>459,605</u>	<u>34,750</u>	<u>494,355</u>	<u>391,244</u>	<u>103,111</u>
Excess of revenues over or (under) expenditures	(105,295)	9,674	(95,621)	25,276	120,897
Beginning fund balance - cash basis	108,769	(9,674)	99,095	80,373	(18,722)
Ending fund balance - cash basis	\$ <u>3,474</u>	<u>-</u>	<u>3,474</u>	<u>105,649</u>	<u>102,175</u>

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Town of Caney, Oklahoma
Budgetary Comparison Schedule -- Cash Basis
 County Sales Tax - Fire Fund
 For the Year Ended June 30, 2016
 (Unaudited)

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
County sales tax - Large account	\$ 30,000	-	30,000	39,166	9,166
County sales tax - Small account	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>3,917</u>	<u>(83)</u>
Total revenues	<u>34,000</u>	<u>-</u>	<u>34,000</u>	<u>43,083</u>	<u>9,083</u>
Expenditures					
Fire department					
Personal services	-	-	-	-	-
Materials and supplies	10,000	-	10,000	7,863	2,137
Other charges and services	15,000	-	15,000	10,628	4,372
Debt service payments	14,000	-	14,000	13,361	639
Capital expenditures	<u>13,000</u>	<u>-</u>	<u>13,000</u>	<u>13,072</u>	<u>(72)</u>
Total fire department	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>44,923</u>	<u>7,077</u>
Total expenditures	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>44,923</u>	<u>7,077</u>
Excess of revenues over or (under) expenditures	(18,000)	-	(18,000)	(1,841)	16,159
Beginning fund balance - cash basis	<u>18,722</u>	<u>-</u>	<u>18,722</u>	<u>18,722</u>	<u>-</u>
Ending fund balance - cash basis	\$ <u>722</u>	<u>-</u>	<u>722</u>	<u>16,881</u>	<u>16,159</u>

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Town of Caney, Oklahoma
 Schedule of Grant Activity -- Cash Basis
 For the Fiscal Year Ended June 30, 2016
 (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>				
Federal Emergency Management Agency (FEMA) Hazard mitigation and storm recovery FEMA DR 4222 - OK CFDA# 97.036	-	18,993	18,993	-
US Forestry Service Through Oklahoma Dept of Food and Forestry Wildfire Mitigation HMEQP-14-1 CFDA# 10.664	(15,871)	15,871	-	-
Total Federal Award Programs	<u>(15,871)</u>	<u>34,864</u>	<u>18,993</u>	<u>-</u>
<u>State and Other Award Programs</u>				
Okla. Dept of Agriculture, Food and Forestry Rural fire department operational assistance	-	4,290	4,290	-
Oklahoma Emergency Management Agency (OEMA) Hazard mitigation and storm recovery	(1,122)	1,122	-	-
Total State and Other Award Programs	<u>\$ (1,122)</u>	<u>5,412</u>	<u>4,290</u>	<u>-</u>

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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

The Town's management is responsible for the following accompanying financial statements of the Town of Caney, Oklahoma for the year ended June 30, 2016:

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

The Town's management is also responsible for determining that the cash basis of accounting is an acceptable financial reporting framework and for designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by the Town's management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, fund balances, revenues and expenses. 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 this 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 Oklahoma Statutes (Sec 11-17 (105-107)) and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2016. Management of the Town of Mead is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. 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 by Oklahoma Statutes. 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, 2015:

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 and County Sales Tax 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 fund balance deficits.

2. **Procedures Performed:** From the Town's trial balances, we prepared budget and actual comparison schedules for the General Fund and the County Sales Tax Fund (see accompanying Exhibits 2 and 3) and compared the actual expenditures to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: We noted no instances of expenditures exceeding authorized appropriation limits.

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: The Town's reconciled bank account balances agreed with the year-end fund balances in the accounting records and all reconciling items were properly accounted for.

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, 2016, all of the Town's depository account balances were fully insured.

(continued)

5. **Procedures Performed:** We compared the use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance. Such revenues consisted of gasoline excise tax, motor vehicle tax, grant proceeds and designated fire department sales tax received through the County.

Findings: We noted no instances of noncompliance regarding restricted revenues.

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: All required funds have been established consisting of the General Fund and the County Sales Tax Fund.

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 searched for grant program activity, prepared a schedule of grant activity for each grant / contract (see accompanying Exhibit 4) 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.
September 15, 2016