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State Auditor & Inspector

**TOWN OF CANEY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2011

TOWN OF CANEY, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2011

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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, 2011  
(Unaudited)

Revenues	
General sales and use taxes	\$ 16,495
Special sales taxes - fire department	27,152
Franchise taxes	3,668
Alcoholic beverage tax	13,885
Gas excise and motor vehicle taxes	4,359
Cigarette tax	219
Fines and forfeitures, traffic related	176,916
Fines and forfeitures, all others	131,447
Drug seizure proceeds	-
Fire dues, fees and donations	435
Rent income	3,150
Interest income	384
Sale of assets / insurance proceeds	44,082
Other revenues	897
Grant proceeds:	
Okla. Dept. of Agriculture fire dept. support	4,398
Community Development Block Grant (CDBG)	2,250
Homeland Security / FEMA	<u>47,125</u>
 Total revenues	 <u>476,862</u>
Expenditures	
General government	
Personal services	14,267
Materials and supplies	3,171
Other charges and services	19,103
Capital expenditures	-
 Police department	
Personal services	112,615
Materials and supplies	31,144
Other charges and services	125,493
Capital expenditures	41,175
 Fire department	
Personal services	-
Materials and supplies	9,381
Other charges and supplies	3,018
Capital expenditures	67,846
Expenditures from county sales tax	27,152
 Street department	
Personal services	4,771
Materials and supplies	2,114
Other charges and services	7,113
Capital expenditures	-
 Total expenditures	 <u>468,363</u>
 Excess of revenues over (under) expenditures	 8,499
 Beginning fund balance	 <u>76,370</u>
 Ending fund balance	 \$ <u>84,869</u>

See Accountant's Report

Town of Caney, Oklahoma  
 Budgetary Comparison Schedule -- Cash Basis  
 General Fund  
 For the Year Ended June 30, 2011  
 (Unaudited)

	Original Budget	Budget Adjustments	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues</b>					
Sales and use taxes	\$ 13,000	-	13,000	16,495	3,495
County sales tax - fire department support	-	27,152	27,152	27,152	-
Franchise taxes	2,500	-	2,500	3,668	1,168
Alcoholic beverage tax	13,000	-	13,000	13,885	885
Gas excise and motor vehicle taxes	4,150	-	4,150	4,359	209
Cigarette tax	175	-	175	219	44
Fines and forfeitures, traffic related	198,000	-	198,000	176,916	(21,084)
Fines and forfeitures, all others	138,950	-	138,950	131,447	(7,503)
Drug seizure proceeds	-	-	-	-	-
Fire dues, fees and donations	-	-	-	435	435
Rent income	3,000	-	3,000	3,150	150
Interest income	600	-	600	384	(216)
Sale of assets / insurance proceeds	-	44,082	44,082	44,082	-
Other revenues	2,000	-	2,000	897	(1,103)
Grant proceeds:					
Okla. Dept. of Agriculture fire dept. support	5,100	-	5,100	4,398	(702)
Community Development Block Grant	-	2,250	2,250	2,250	-
Homeland Security FEMA	-	47,125	47,125	47,125	-
<b>Total revenues</b>	<b>380,475</b>	<b>120,609</b>	<b>501,084</b>	<b>476,862</b>	<b>(24,222)</b>
<b>Expenditures</b>					
<b>General government</b>					
Personal services	16,000	-	16,000	14,267	1,733
Materials and supplies	13,000	-	13,000	3,171	9,829
Other charges and services	42,000	-	42,000	19,103	22,897
Capital expenditures	3,000	-	3,000	-	3,000
<b>Total general government</b>	<b>74,000</b>	<b>-</b>	<b>74,000</b>	<b>36,541</b>	<b>37,459</b>
<b>Police department</b>					
Personal services	148,000	-	148,000	112,615	35,385
Materials and supplies	35,000	-	35,000	31,144	3,856
Other charges and services	103,000	9,952	112,952	125,493	(12,541)
Capital expenditures	21,000	34,130	55,130	41,175	13,955
<b>Total police department</b>	<b>307,000</b>	<b>44,082</b>	<b>351,082</b>	<b>310,427</b>	<b>40,655</b>
<b>Fire department</b>					
Personal services	1,200	-	1,200	-	1,200
Materials and supplies	8,000	-	8,000	9,381	(1,381)
Other charges and services	7,000	-	7,000	3,018	3,982
Capital expenditures	16,700	47,125	63,825	67,846	(4,021)
Expenditures from county sales tax	-	27,152	27,152	27,152	-
<b>Total fire department</b>	<b>32,900</b>	<b>74,277</b>	<b>107,177</b>	<b>107,397</b>	<b>(220)</b>
<b>Street department</b>					
Personal services	7,500	-	7,500	4,771	2,729
Materials and supplies	4,000	-	4,000	2,114	1,886
Other charges and services	5,000	2,250	7,250	7,113	137
Capital expenditures	15,000	-	15,000	-	15,000
<b>Total street department</b>	<b>31,500</b>	<b>2,250</b>	<b>33,750</b>	<b>13,998</b>	<b>19,752</b>
<b>Total expenditures</b>	<b>445,400</b>	<b>120,609</b>	<b>566,009</b>	<b>468,363</b>	<b>97,646</b>
Excess of revenues over or (under) expenditures	(64,925)	-	(64,925)	8,499	73,424
Beginning fund balance, adjusted	65,282	-	65,282	76,370	11,088
Ending fund balance	\$ 357	-	357	84,869	84,512

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Town of Caney, Oklahoma  
Schedule of Grant Activity -- Cash Basis  
For the Fiscal Year Ended June 30, 2011  
(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				
	-	47,125	47,125	-
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				
	-	2,250	2,250	-
	-	49,375	49,375	-
<u>State and Other Award Programs</u>				
Okla. Dept of Agriculture				
Rural fire department operational assistance				
	-	4,398	4,398	-
	\$ -	4,398	4,398	-

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, 2011:

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, 2011. 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)

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.  
December 2, 2011