

# CITY OF KONAWA

Konawa, Oklahoma

FINANCIAL STATEMENTS  
As of June 30, 2015  
With Independent Auditors Report Thereon



**America Counts on CPAs®**

**Dwight Bomer**  
**Certified Public Accountant**

# **CITY OF KONAWA**

**Konawa, Oklahoma**

**FINANCIAL STATEMENTS**

**As of June 30, 2015**

**With Independent Auditor's Report Thereon**

**Audited By**

**Dwight Bomer  
Certified Public Accountant  
McAlester, Oklahoma**

**CITY OF KONAWA  
KONAWA, OKLAHOMA**

June 30, 2015

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# **CITY OF KONAWA**

**Konawa, Oklahoma**

**Independent Auditor's Report**

**June 30, 2015**

## Independent Auditor's Report

September 1, 2016

Honorable Mayor and City Council  
City of Konawa  
Konawa, Oklahoma

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Konawa, Oklahoma (the "City") as of and for the fiscal year ended June 30, 2015, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. My responsibility is to express opinions on these financial statements based on my audit.

This audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that this audit provides a reasonable basis for my opinion.

In my opinion, based on this audit, and the previous years audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information for the City of Konawa, Oklahoma, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 1, 2016 on my consideration of the City's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The

purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of this audit.

Auditing principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of City personnel about the methods of preparing the information and comparing the information for consistency with the personnel of the City's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

This audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Konawa, Oklahoma's financial statements as a whole. The supplementary information as listed in the table of contents is the responsibility of management and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.



Dwight Bomer  
Certified Public Accountant

September 1, 2016

# **CITY OF KONAWA**

Konawa, Oklahoma

Reports Required By  
Government Auditing Standards

June 30, 2015

September 1, 2016

Honorable Mayor and Trustees

City of Konawa  
Konawa, Oklahoma

I have audited the basic financial statements of The City for the fiscal year ended June 30, 2015, and have issued my report thereon dated September 1, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered The City of Konawa's internal control over financial reporting as a basis for designing my auditing procedures. This was for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing my opinion on the City of Konawa's control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of The City of Konawa's internal control over financial reporting.

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I did not identify any deficiencies in internal control that I consider to be material weaknesses as defined above.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I identified no significant deficiencies as a result of my test.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Konawa's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Trustees, Management, State Auditor and Inspector's office, others within the organization, and federal and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Dwight Bomer  
Certified Public Accountant

September 1, 2016

# **CITY OF KONAWA**

Konawa, Oklahoma

Schedule of Findings and Questioned Cost

Current Year

June 30, 2015

**CITY OF KONAWA**  
Schedule of Findings and Questioned Costs- Current Year  
For the Year Ending June 30, 2015

NONE

**CITY OF KONAWA**  
Konawa, Oklahoma

Schedule of Findings and Questioned Cost  
Prior Year

June 30, 2015

**CITY OF KONAWA**  
Schedule of Findings and Questioned Costs- Prior Year  
For the Year Ending June 30, 2015

NONE

**CITY OF KONA**  
**Statement of Net Assets**  
June 30, 2015

Schedule A

	<b>Primary Government</b>		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 252,726	\$ 6,372	\$ 259,098
Investments	\$ -	\$ -	\$ -
Restricted Assets:			
Cash and Cash Equivalents	\$ -	\$ 43,725	\$ 43,725
Accounts Receivable, net	\$ -	\$ -	\$ -
Capital Assets:			
Other Capital Assets, Net of Depreciation	\$ 509,212	\$ 6,406,889	\$ 6,916,101
<b>Total Assets</b>	<b>\$ 761,938</b>	<b>\$ 6,456,986</b>	<b>\$ 7,218,924</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ -	\$ -	\$ -
Deferred Revenues	\$ -	\$ -	\$ -
Customer Deposits	\$ -	\$ -	\$ -
Payroll Taxes Payable	\$ -	\$ -	\$ -
Long-Term liabilities:			
Due within one year	\$ 11,355	\$ 68,500	\$ 79,855
Due within more than one year	\$ 25,749	\$ 1,896,641	\$ 1,922,390
<b>Total Liabilities</b>	<b>\$ 37,104</b>	<b>\$ 1,965,141</b>	<b>\$ 2,002,245</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	\$ 472,108	\$ 4,441,748	\$ 4,913,856
Restricted for:			
Debt Service	\$ -	\$ -	\$ -
Other Restricted Funds	\$ 225,343	\$ -	\$ 225,343

**CITY OF KONA**  
Statement of Net Assets  
June 30, 2015

Unrestricted	\$ 27,383	\$ 50,097	Schedule A \$ 77,480
Total Net Assets	<u>\$ 724,834</u>	<u>\$ 4,491,845</u>	<u>\$ 5,216,679</u>

CITY OF KONAHA

Statement of Activities

For Fiscal Year Ended June 30, 2015

Exhibit B

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
Administration	\$ 210,470	\$ -	\$ (44,776)	\$ -	\$ (44,776)
Public Safety	\$ 473,649	\$ 2,454	\$ (438,293)	\$ -	\$ (438,293)
Streets	\$ 31,698	\$ -	\$ (31,698)	\$ -	\$ -
Culture and Recreation	\$ 5,131	\$ 8,123	\$ 6,343	\$ -	\$ 6,343
Cemetery and Parks	\$ 17,260	\$ -	\$ (17,260)	\$ -	\$ (17,260)
Legal and Judicial	\$ 12,314	\$ -	\$ (12,314)	\$ -	\$ (12,314)
Interest on Long-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Governmental Activities</b>	<b>\$ 750,522</b>	<b>\$ 10,577</b>	<b>\$ (537,998)</b>	<b>\$ -</b>	<b>\$ (489,040)</b>
<b>Business-Type Activities</b>					
Utilities	\$ 549,265	\$ 2,978,967	\$ -	\$ 2,942,225	\$ 2,942,225
<b>Total Business-Type Activities</b>	<b>\$ 549,265</b>	<b>\$ 2,978,967</b>	<b>\$ -</b>	<b>\$ 2,942,225</b>	<b>\$ 2,942,225</b>
<b>Total Primary Government</b>	<b>\$ 1,299,787</b>	<b>\$ 2,989,544</b>	<b>\$ (537,998)</b>	<b>\$ 2,942,225</b>	<b>\$ 2,453,185</b>
<b>General Revenues:</b>					
Taxes	\$ -	\$ -	\$ 485,137	\$ -	\$ 485,137
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	\$ -	\$ 367	\$ 660	\$ 367	\$ 1,027
Miscellaneous	\$ -	\$ -	\$ 14,038	\$ -	\$ 14,038
Transfers	\$ -	\$ 109,643	\$ (109,643)	\$ 109,643	\$ -

**CITY OF KONA**  
**Statement of Activities**  
**For Fiscal Year Ended June 30, 2015**

			<b>Exhibit B</b>
<b>Total General Revenues</b>	\$ 390,192	\$ 110,010	\$ 500,202
<b>Change in Net Assets</b>	(147,806)	3,052,235	2,904,429
<b>Net Assets-Beginning</b>	872,640	1,439,610	2,312,250
<b>Net Assets Ending</b>	<u>724,834</u>	<u>4,491,845</u>	<u>5,216,679</u>

**CITY OF KONAWA**  
**Balance Sheet—Governmental Funds**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit C**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 27,383	\$ 225,343	\$ 252,726
Investments	\$ -	\$ -	\$ -
Receivables:			
Accounts Receivable	\$ -	\$ -	\$ -
<b>Total Assets</b>	<b>\$ 27,383</b>	<b>\$ 225,343</b>	<b>\$ 252,726</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -
Payroll Taxes Payable	\$ -	\$ -	\$ -
Deferred Revenues	\$ -	\$ -	\$ -
Customers Deposits	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>			
Restricted	\$ -	\$ 225,343	\$ 225,343
Unrestricted	\$ 27,383		\$ 27,383
<b>Total Fund Balances</b>	<b>\$ 27,383</b>	<b>\$ 225,343</b>	<b>\$ 252,726</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 27,383</b>	<b>\$ 225,343</b>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

**CITY OF KONA**  
**Balance Sheet—Governmental Funds**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit C**

Capital assets used in governmental activities are not financial resources and, therefore,  
are not reported in the funds, net of accumulated depreciation

\$ 472,108

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**Net Assets of Governmental Activities**

**\$ 724,834**

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**CITY OF KONAWA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Fund  
For Fiscal Year Ended June 30, 2015**

**Exhibit: D**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 385,056	\$ 100,081	\$ 485,137
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	\$ 117,474	\$ 3,351	\$ 120,825
Fines and Court Fees	\$ 32,902	\$ -	\$ 32,902
Rent	\$ 19,354	\$ 18,000	\$ 37,354
Reimbursement	\$ 10,849	\$ 17	\$ 10,866
Miscellaneous	\$ 14,042	\$ 5,516	\$ 19,558
Interest	\$ 239	\$ 421	\$ 660
Grants	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 579,916</b>	<b>\$ 127,386</b>	<b>\$ 707,302</b>
<b>Expenditures:</b>			
Administration	\$ 188,309	\$ 3,023	\$ 191,332
Public Safety	\$ 410,996	\$ 5,351	\$ 416,347
Streets	\$ 29,634	\$ 2,273	\$ 31,907
Culture and Recreation	\$ 5,131	\$ 3,308	\$ 8,439
Cemetery and Parks	\$ 10,738	\$ -	\$ 10,738
Legal and Judicial	\$ 12,314	\$ -	\$ 12,314
Capital Outlay	\$ -	\$ 181,463	\$ 181,463
Debt Service	\$ -	\$ 14,516	\$ 14,516
Interest and Fiscal Charges	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 657,122</b>	<b>\$ 206,911</b>	<b>\$ 867,056</b>
<b>Excess of Revenues Over (Under)</b>	<b>\$ (77,206)</b>	<b>\$ (79,525)</b>	<b>\$ (159,754)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	\$ 36,000	\$ -	\$ 36,000
Transfers Out	\$ -	\$ 503	\$ 503
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 36,000</b>	<b>\$ 503</b>	<b>\$ 36,503</b>

CITY OF KONAWA

Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Fund  
For Fiscal Year Ended June 30, 2015

Exhibit D

<b>Net Change in Fund Balance</b>	\$ (41,206)	\$ (80,028)	\$ (121,234)
<b>Fund Balances, Beginning</b>	<u>\$ 68,589</u>	<u>\$ 305,371</u>	<u>\$ 373,960</u>
<b>Fund Balances, Ending</b>	<u>\$ 27,383</u>	<u>\$ 225,343</u>	<u>\$ 252,726</u>

CITY OF KONAWA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of  
Governmental Funds to the Statement of Activities  
For Fiscal Year Ended June 30, 2015

Exhibit E

**Net Change in Fund Balance-Total Governmental Funds** \$ (121,234)

Amount reported for governmental activities in the Statement of Activities are different because:

Governmental funds reported capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Depreciation Expense	\$ 104,208
	<u>\$ 104,208</u>

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

	<u>\$ 12,326</u>
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Change in Net Assets of Governmental Activities	<u>\$ (4,700)</u>
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(See Independent Auditor's Report)

**CITY OF KONAWA**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit F**

**ASSETS**

Konawa Public Works Authority

Current Assets:

Cash and Cash Equivalents	\$	6,372
Accounts Receivable, Net	\$	43,725

Total Current Assets	\$	50,097
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Non-Current Assets:

Restricted Cash and Cash Equivalents	\$	-
Investments	\$	-
Capital Assets, Net of Depreciation	\$	6,406,889

Total Non-Current Assets	\$	6,406,889
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<b>Total Assets</b>	<b>\$</b>	<b>6,456,986</b>
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**LIABILITIES:**

Current Liabilities:

Accounts Payable and Accrued Liabilities	\$	-
Deferred Revenues	\$	-
Customer Deposits	\$	-
Notes Payable	\$	68,500
Total Current Liabilities	\$	68,500

Noncurrent Liabilities

Notes Payable	\$	1,896,641
Total Noncurrent Liabilities	\$	1,896,641

<b>Total Liabilities</b>	<b>\$</b>	<b>1,965,141</b>
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Investment in Capital Assets, Net of Related Debt Restricted for Debt Service	\$	4,441,748
	\$	-

**CITY OF KONAWA**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit F**

Unrestricted	\$	50,097	
Total Net Assets	\$	4,491,845	

**CITY OF KONA**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit G**

	Konawa Public Works Authority
<b>Operating Revenues:</b>	
Water	\$ 207,221
Sewer	\$ 188,121
Sanitation	\$ 106,203
Miscellaneous	\$ 10,978
Total Operating Revenues	\$ 512,523
 <b>Operating Expenses:</b>	
Water	\$ 210,913
Sewer	\$ 116,100
Garbage	\$ 36,060
Administrative	\$ 104,274
Depreciation	\$ 40,590
Total Operating Expenses	\$ 507,937
Net Operating Income (Loss)	\$ 4,586
 <b>Non-Operating Revenues (Expenses)</b>	
Investment Income	\$ 367
Grant Revenues	\$ 2,984,024
Interest Expense	\$ (41,328)
Total Non-Operating Revenue (Expense)	\$ 2,943,063
Income (Loss) Before Transfers	\$ 2,947,649
Transfers In (Out)	\$ 104,586
Change in Net Assets	\$ 3,052,235
<b>Total Net Assets- Beginning</b>	\$ 1,439,610
<b>Total Net Assets- Ending</b>	\$ 4,491,845

**CITY OF KONAWA**  
**Statement of Cash Flows—Proprietary Fund**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit H**

	<b>Konawa Public Works Authority</b>
<b>Cash Flows from Operating Activities</b>	
Receipts From Customers	\$ 512,523
Payments to Suppliers	\$ (187,936)
Payments to Employees	\$ (279,411)
Net Cash Provided (Used) by Operating Activities	\$ 45,176
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfers, Net	\$ 2,945,504
Net Cash Provided by noncapital Financing Activities	\$ 2,945,504
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	\$ (2,953,587)
Principal Paid on Capital Debt	\$ 1,367
Interest Paid on Capital Debt	\$ (41,328)
Proceeds from Capital Debt	\$ (24,359)
Net Cash Used by Capital and Related Financing Activities	\$ (3,017,907)
<b>Cash Flows from Investing Activities</b>	
Interest Income	\$ 367
Net Cash Provided by Investing Activities	\$ 367
Net Increase in Cash and Cash Equivalents	\$ (26,860)
Cash and Cash Equivalents, Beginning of Year	\$ 76,957
Cash and Cash Equivalents, End of Year	\$ 50,097
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 4,586
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	

**CITY OF KONAWA**  
**Statement of Cash Flows—Proprietary Fund**  
**For Fiscal Year Ended June 30, 2015**

**Exhibit H**

Adjustments to Reconcile Operating Income to Net Cash Provided By	
Operating activities	
Depreciation and Amortization	\$ 40,590
Total Adjustments	\$ 40,590
<b>Net Cash Provided (used) by Operating Activities</b>	<b>\$ 45,176</b>

**CITY OF KONAWA**

Konawa, Oklahoma

**Governmental Fund Financial Statements**

**June 30, 2015**

**CITY OF KONAWA**

Konawa, Oklahoma

**Notes to Financial Statements**

**June 30, 2015**

## ***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

### **A. The Reporting Entity**

The City of Konawa is a charter city created under Title 11 of the Oklahoma Statutes. The governing body of the City is the City Council comprised of five elected members. The City Clerk/Treasurer is also elected. The appointed City Manager is the executive officer of the City.

For financial reporting purposes the financial statements included all funds and account groups over which the City Council exercises oversight responsibility. The criteria used to determine whether or not to include other entities in the financial statements were (1) the selection of governing authority, (2) designation of management, (3) ability to significantly influence operations, and (4) accountability for fiscal matters. Based on these criteria, the Konawa Public Works Authority is included.

The Konawa Public Works Authority is a Title 60.O.S. public trust. The current City Council serves as the governing body. The Konawa Public Works Authority is a blended component unit.

### **B. Government-wide and Fund Financial Statements**

#### *Government-Wide Financial Statements – Modified Cash Basis*

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

#### *Fund Financial Statements*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Board (FASB) pronouncements and Accounting

(See Independent Auditor's Report)

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The governmental funds are reported on a modified cash basis of accounting and current financial resources measurement focus. Only current financial assets and liabilities resulting from cash transactions are included on the fund balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period. The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the economic resources measurement focus at the government-wide level. The proprietary fund also uses the economic resources measurement focus.

The statement of net position and activities and the fund financial statements are reported on a modified basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, inventories, receivables, capital assets, deferred outflows, short-term liabilities, long-term liabilities, and deferred inflows arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

The government reports the following major government funds:

*General Fund* - is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*One Cent Sales Tax Fund* - accounts revenues collected from voter designated sales tax and expenditures of those revenues in accordance with the voter approved purpose.

*OWRB Grant Fund* - accounts for revenues and expenses associated with Oklahoma Water Resources Board grant funds for wastewater treatment plant improvements.

**CITY OF KONA**  
Notes to the Financial Statements  
June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

The government reports the Konawa Public Works Authority as a major proprietary fund. It accounts for activities related to operating the water, wastewater and sanitation systems.

The government reports the following non-major governmental funds:

*Special Revenue Funds*

Grant Fund

*Capital Project Funds*

Cemetery Care

Cemetery Perpetual

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Position or Equity**

*Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City does not have a written investment policy that limits its investment choices other than the limitations stated in the *Oklahoma Statutes*. *Oklahoma Statutes* allow the City to invest in bonds of cities, school districts, or counties within the State of Oklahoma; public trust bonds whose beneficiary is a county, municipality or school district, except industrial development bonds; direct obligations of the United States; and certificates of deposit. Public trusts created under O.S. Title 60, are not subject to the above investment limitations and are primarily governed by any restrictions in their trust or note indenture.

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued***

Investments for the government, as well as for its component units, are reported at cost.

***D. Assets, Liabilities and Net Position or Equity – continued***

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to October 1, 2003.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	50
Infrastructure	30
Vehicles	5
Computer Equipment	5
Machinery and Equipment	10

***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

***Fund Equity***

***Government-wide Statements***

Equity is classified as net position and displayed in three components:

1. *Invested in capital assets* – consists of capital assets net of accumulated depreciation.

2. *Restricted net position* – consists of net position with constraints on the use either by (1) external groups or (2) law through constitutional provisions or enabling legislation.

**CITY OF KONA**  
Notes to the Financial Statements  
June 30, 2015

***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued***

3. *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “invested in capital position”.

*Fund Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Non-spendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted*: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed*: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned*: This classification includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Council or through the Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has assigned interest earnings to the funds where earned for the purposes defined by the fund.
- *Unassigned*: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

*Estimates*

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management’s best judgments and may vary from actual results.

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation of the \$472,108 difference between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.”

Capital Leases	\$ 37,104
Net adjustment to reduce fund balance-total governmental funds to arrive at net position governmental activities	\$ (37,104)

Another element of that reconciliation is capital assets used in governmental activities that are not financial resources.

Land	\$	-
Land Improvements	\$	76,401
Buildings	\$	782,867
Machinery & Equipment	\$	216,182
Infrastructure	\$	148,284
Vehicles	\$	452,175
	\$	1,675,909
Accumulated Depreciation	\$	(1,166,697)
Capital Assets Net	\$	509,212

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation of the \$116,534 difference between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures”. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS-continued**

Capital Outlay	\$ 38,357
Capital Assets Transferred to Enterprise Fund	\$ 143,106
Depreciation Expense	<u>\$ (77,255)</u>
Net adjustment to increase net change in fund balance-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ 104,208</u>

Another element of that reconciliation explains that “repayment of principal of long term debt consumes the current financial resources of governmental funds.”

Capital Lease Principal Payments	\$ 12,326
Net adjustment to increase net change in fund balance-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ 12,326</u>

**II. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

*Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a written deposit policy for custodial credit risk, but *Oklahoma Statutes* required collateral for all uninsured deposits of municipal funds in financial institutions. As of June 30, 2015, the City’s bank balances of \$728,211 were not exposed to custodial credit risk.

*Investment Interest Rate Risk*

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk*

The City has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investments in: (1) full faith and credit, direct obligations of the U.S. Government, its agencies and instrumentalities, and the State of Oklahoma and certain mortgage insured federal debt; (2) certificates of deposit or savings accounts that are either insured or secured with acceptable collateral; (3) negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations; (4) county, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county,

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

**I. DETAILED NOTES ON ALL FUNDS-continued**

municipality or school district; and government money market funds regulated by the SEC. These investment limitations do not apply to the City's public trust.

*Concentration of Credit Risk*

The City places no limit on the amount it may invest in any one issuer.

*Restricted Cash*

Restricted cash in the Konawa Public Works Authority at June 30, 2015 consists of refundable meter deposits of \$43,725.

**B. Capital Assets**

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Total Capital Assets, not being depreciated	\$ -	\$ -	\$ -	\$ -
Capital Assets, being depreciated				
Land Improvements	\$ 76,401	\$ -	\$ -	\$ 76,401
Buildings	\$ 782,867	\$ -	\$ -	\$ 782,867
Machinery & Equipment	\$ 177,825	\$ 38,357	\$ -	\$ 216,182
Infrastructure	\$ 148,284	\$ -	\$ -	\$ 148,284
Vehicles	\$ 452,175	\$ -	\$ -	\$ 452,175
Total Capital Assets, being depreciated	\$ 1,637,552	\$ 38,357	\$ -	\$ 1,675,909
Less Accumulated Depreciation	\$ (1,089,442)	\$ (77,255)	\$ -	\$ (1,166,697)
Total Capital Assets, being depreciated, net	\$ 548,110	\$ (38,898)	\$ -	\$ 509,212
Governmental Activities Capital Assets, net	\$ 548,110	\$ (38,898)	\$ -	\$ 509,212
<b>Business Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction In Progress	\$ 3,001,834	\$3,087,743	\$ -	\$ 6,089,577
Total Capital Assets, not being depreciated	\$ 3,006,834	\$3,087,743	\$ -	\$ 6,094,577
Capital Assets, being depreciated				
Land Improvements	\$ 18,202	\$ -	\$ -	\$ 18,202
Buildings	\$ 23,584	\$ -	\$ -	\$ 23,584
Machinery & Equipment	\$ 185,569	\$ 1,450	\$ -	\$ 187,019
Utility System	\$ 365,969	\$ -	\$ -	\$ 365,969
Vehicles	\$ 21,199	\$ 7,499	\$ -	\$ 28,698

**CITY OF KONA WA**  
Notes to the Financial Statements  
June 30, 2015

Total Capital Assets, being depreciated	\$ 614,523	\$ 8,949	\$ -	\$ 623,472
Less Accumulated Depreciation	\$ (270,570)	\$ (40,590)	\$ -	\$ (311,160)
Total Capital Assets, being depreciated, net	\$ 343,953	\$ (31,641)	\$ -	\$ 312,312
Business Type Activities Capital Assets, net	\$ 3,350,787	\$3,056,102	\$ -	\$ 6,406,889

**B. Capital Assets - continued**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

General Government	\$ 10,479
Public Safety	\$ 58,190
Streets	\$ 6,522
Cemetery & Parks	\$ 2,064

Total Depreciation Expense Governmental Activities	<u>\$ 77,255</u>
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**Business Type Activities**

Water	\$ 26,065
Sewer	\$ 14,525

Total Depreciation Expense Business Type Activities	<u>\$ 40,590</u>
--	------------------

**C. Inter-fund Receivables, Payables and Transfers**

The composition of inter-fund balances as of June 30, 2015 is as follows:

*Inter-fund Transfers*

	<b>Transfers Out:</b>				<b>Total</b>
	<b>General</b>	<b>Enterprise</b>	<b>One Cent Sales Tax</b>	<b>Other Governmental</b>	
<b>Transfers In:</b>					
General Fund	\$ -	\$ -	\$ 36,000	\$ -	\$ 36,000
One Cent Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Other Governmental	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise	\$ -	\$ -	\$ -	\$ 104,586	\$ 104,586
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ 104,586</u>	<u>\$ 140,586</u>

Reason / Purpose – budgeted operating transfers

**CITY OF KONAWA**  
**Notes to the Financial Statements**  
**June 30, 2015**

**D. Long Term Debt**

*Changes in Long-Term Liabilities*

Long term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Capital Leases	\$ 49,430	\$ -	\$ 12,326	\$ 37,104	\$ 11,355
Total Long Term Liabilities	<u>\$ 49,430</u>	<u>\$ -</u>	<u>\$ 12,326</u>	<u>\$ 37,104</u>	<u>\$ 11,355</u>
<b>Business Type Activities</b>					
Notes Payable/ Capital Leases	\$1,988,134	\$ 44,200	\$ 67,193	\$1,965,141	\$ 68,500
Total Long Term Liabilities	<u>\$1,988,134</u>	<u>\$ 44,200</u>	<u>\$ 67,193</u>	<u>\$1,965,141</u>	<u>\$ 68,500</u>

*Notes Payable – Business-type Activities*

The Enterprise Fund incurs bank, association, and individual debt to purchase equipment and improve the water and sewer utility system. The notes have various maturities with rates of 4.70% to 6.50% percent annum.

BancFirst (refinanced June 2012) - 4.50% interest, monthly payments of \$3,013. Matures May 2017. Proceeds used for the upgrade of the utility system. Secured by assigned sales tax revenues.

\$ 66,235

USDA Rural Development- Note Payable

\$ 1,898,906

Total Other Notes Payable

\$ 1,965,141

Principal maturities are as follows:

<i>Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>
2016	\$ 68,500	\$ 39,184
2017	\$ 67,768	\$ 36,888
2018	\$ 36,079	\$ 35,414
2019	\$ 36,806	\$ 34,670
2020	\$ 37,549	\$ 34,282
2021-2025	\$ 199,412	\$ 162,388
2026-2030	\$ 220,353	\$ 141,447
2031-2035	\$ 243,504	\$ 118,296

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

2036-2040	\$ 269,097	\$ 92,703
2041-2045	\$ 297,392	\$ 64,408
2046-2050	\$ 328,674	\$ 33,126
2051-2052	\$ 160,007	\$ 3,870
	<hr/>	<hr/>
Total	<u>\$1,965,141</u>	<u>\$ 796,676</u>

*Capital Leases*

The City has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum payments as of the inception date.

The assets acquired through capital leases are as follows:

**Assets:**

Vehicles

Less Accumulated Depreciation

**Governmental Activities**

\$	60,942
<hr/>	<hr/>
\$	60,942
<hr/>	<hr/>
\$	(23,573)
<hr/>	<hr/>
\$	37,369
<hr/>	<hr/>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<i>Year Ending June 30,</i>	<i>Governmental Activities</i>
2016	\$ 12,928
2017	\$ 10,704
2018	\$ 10,704
2019	\$ 6,085
Total minimum lease payments	<hr/> \$ 40,421
Less amount representing interest	\$ (3,317)
Present value of minimum lease payments	<hr/> \$ 37,104

Interest expense was charged to the functions/programs of the primary government as follows:

<i>Business Type Activities</i>	<i>Governmental Activities</i>
Water \$ 41,328	Public Safety \$ 2,190
<hr/> \$ 41,328	<hr/> \$ 2,190

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS – continued**

**E. Fund Equity**

*Net Position - Restricted*

The government-wide statement of net position reports \$91,052 of restricted net position. Details of restricted net position are as follows:

<b>Restricted Net Assets</b>	
Cemetery Care Fund	\$ 18,779
Cemetery Perpetual Fund	\$ 35,666
Grant Fund	\$ 5,590
One Cent Sales Tax Fund	\$ 77,931
	\$ 137,966

*Governmental Fund Balance Classifications*

As of June 30, 2015, fund balances of the Governmental Funds were classified as follows:

<i>Restricted</i>	General	Sales Tax	Grant	Governmental	Total
Cemetery Capital Purchases	\$ -	\$ -	\$ -	\$ 54,445	\$ 54,445
Grant Fund Expenditures	\$ -	\$ -	\$ 87,377	\$ 5,590	\$ 92,967
Dedicated Sales Tax Capital Improvement	\$ -	\$ 77,931	\$ -	\$ -	\$ 77,931
<i>Unassigned</i>	\$ 27,383	\$ -	\$ -	\$ -	\$ 27,383
	\$ 27,383	\$ 77,931	\$ 87,377	\$ 60,035	\$ 252,726

**F. Risk Management**

The City is exposed to various risks of loss (torts, theft of, damage to, or destruction of assets, business interruptions, errors and omissions, job-related illnesses or injuries to employees, and acts of God) and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage in the past three years.

*General Liability, Physical Property and Automobile Liability/ Physical Damage* - general liability, physical property and automobile liability/physical damage are insured through the Oklahoma Municipal Assurance Group risk entity pool. Deductibles range from \$0 to \$5,000. Risk of loss retained is limited to the excess of insurance liability coverage limits set by OMAG.

*Worker's Compensation* - Workers' compensation is insured through CompSource Oklahoma. Risk of loss retained is limited to the excess of insurance liability coverage limits set by CompSource Oklahoma.

**CITY OF KONAWA**  
Notes to the Financial Statements  
June 30, 2015

***III. DETAILED NOTES ON ALL FUNDS – continued***

**G. Commitments and Contingencies**

*Grant Programs*

In the normal course of operations; the City participates in various federal and state grant programs from year to year. Amounts received or receivable from grantor agencies are often subject to audit and adjustment by the grantor agency. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor agency cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**Note 8      Subsequent Events**

The Board of Trustees has evaluated all events subsequent to the balance sheet date of June 30, 2015, through the financial statement issuance date of September 1, 2016 and determined that there are no subsequent events requiring additional disclosure.

**CITY OF KONAWA**

Konawa, Oklahoma

**Required Supplementary Financial Information**

**June 30, 2015**

**(See Independent Auditor's Report)**

**CITY OF KONAWA**

Konawa, Oklahoma

**Budgetary Comparison Schedule—General Fund**

**June 30, 2015**

City of Konawa  
Budgetary Information  
June 30, 2015

The city manager submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. In June the City Council adopts annual fiscal year appropriated budgets for all city funds.

The appropriated budget is prepared by fund, department and categories (personnel services, materials and supplies, other services and charges, capital outlay, debt services and transfers). Transfers of appropriations between departments within a fund require the approval of the City Manager. Transfers of appropriations between funds and supplements to the budget require City Council approval. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The budgetary comparison schedules are reported on the same modified cash basis as governmental funds within the basic financial statements. For budgetary comparison purposes, the City considers all encumbrances to lapse at year end; therefore, encumbrances are not considered expenditures for budgetary comparison purposes. However, the City will re-appropriate these lapsed encumbrances in the subsequent year budget.

**CITY OF KONA**  
**Budgetary Comparison Schedule**  
**General Fund**  
**June 30, 2015**

Exhibit f

	Budgeted Amounts		Actual Amount	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Resources(Inflows)</b>				
Taxes	\$ 416,600	\$ 416,600	\$ 385,056	\$ (31,544)
Charges for Services	\$ 135,550	\$ 135,550	\$ 117,474	\$ (18,076)
Fine Revenues	\$ 26,560	\$ 26,560	\$ 32,902	\$ 6,342
Rent	\$ 4,250	\$ 4,250	\$ 19,354	\$ 15,104
Reimbursement	\$ 12,050	\$ 12,050	\$ 10,849	\$ (1,201)
Miscellaneous	\$ 22,240	\$ 22,240	\$ 14,042	\$ (8,198)
Interest	\$ 330	\$ 330	\$ 239	\$ (91)
Amounts Available for Appropriation	\$ 617,580	\$ 617,580	\$ 579,916	\$ (37,664)
<b>Charges to Appropriation (Outflows)</b>				
General Government	\$ 180,385	\$ 180,385	\$ 188,309	\$ (7,924)
Public Safety	\$ 400,380	\$ 400,380	\$ 410,996	\$ (10,616)
Other Funds	\$ 59,910	\$ 59,910	\$ 57,817	\$ 2,093

(See Independent Auditor's Report)

Total Charges to Appropriations \$ 640,675 \$ 640,675 \$ 657,122 \$ (18,540)

**Budgetary Fund Balance, June 30, 2015**

\$ 23,095 \$ 23,095 \$ (77,206) \$ (56,204)

(See Independent Auditor's Report)