

In-Depth Analysis of the 2005–2006 CAFR Executive Summary

Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan

Cross-Referenced with SAA-2007-01-16 Meeting (Shawnee Airport Authority)

Overview and Context

The 2005–2006 Comprehensive Annual Financial Report (CAFR) for the City of Shawnee provides a detailed snapshot of the City's financial performance for the fiscal year ending June 30, 2006. This executive summary outlines key financial metrics, revenue and expenditure trends, changes in net assets, and fund balances. In the SAA-2007-01-16 meeting (Shawnee Airport Authority), City Treasurer/Finance Director Becky Cragin presented an overview of this CAFR as part of the consent agenda, noting that a complete audit report would follow at a later date. This two-tiered process underscores the importance of fiscal accountability, transparency, and due process in public financial management.

Key Financial Highlights

Net Assets and Overall Financial Position

- **Net Assets:** *The City reported total net assets of approximately \$59.2 million—a year-over-year increase of around \$3.93 million.*
- **Capital Assets:** *Approximately 77.9% of these net assets are tied up in capital investments (e.g., land, buildings, infrastructure) net of related debt, while the remaining balance is divided between restricted and unrestricted funds.*
- **Meeting Cross-Reference:** *These improvements were emphasized during Agenda Item 3(b) as evidence of strong fiscal management and adherence to budgeting rules.*

Revenues and Expenditures

- **Revenues:** *The CAFR reports robust increases in general revenues, particularly driven by sales taxes, franchise taxes, and additional tax sources. Grants—both operating and capital—also played a significant role.*
- **Expenditures:** *Overall expenditures decreased by nearly \$119,000, contributing to the net asset growth.*
- **Agenda Item Connection:** *The preliminary overview presented at the meeting highlighted these revenue gains and expenditure controls, with a note that the complete audit verification was pending.*

Fund Balances and Debt Management

- **Fund Balances:** *Governmental funds recorded a significant increase in ending fund balances. For instance, the general fund's unreserved balance increased by over \$600,000.*

Disclaimer: This summary is presented in a formal, academic style, reflecting both legal and community perspectives. The findings herein are based on the data compiled in the Research and do not constitute legal advice. The opinions expressed regarding municipal failures are those of the investigator(s) and do not necessarily represent an official stance by any governing body.

In-Depth Analysis of the 2005–2006 CAFR Executive Summary

Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan

- **Debt Reduction:** The total debt decreased by approximately \$1.14 million, mainly due to consistent payments on notes and revenue obligations, despite some increases in liabilities such as claims and accrued compensated absences.
- **Implications:** These results reflect effective debt management strategies and strict adherence to financial policies, reinforcing the accountability highlighted in the meeting.

Governmental vs. Business-Type Activities

- **Segmentation:** The CAFR separates the analysis of governmental activities from business-type activities. Governmental activities (e.g., public safety, public works) contributed roughly \$2.07 million to net asset growth, while business-type activities (such as the operations of the Shawnee Municipal Authority and the Airport Authority) added about \$1.38 million.
 - **Strategic Value:** This segmentation allows stakeholders to clearly understand both the ongoing service provision and the fee-based operational functions of the City.
-

Detailed Analysis

Management's Discussion and Analysis (MD&A)

- **Narrative Explanation:** The MD&A section explains that improved sales tax collections, controlled personnel costs, and disciplined capital expenditure management have collectively enhanced the City's financial position.
- **Verification Process:** The CAFR overview was part of the initial review process, with the complete audit (and therefore detailed verification) scheduled for later presentation. This step-by-step review process ensures accuracy and transparency in financial reporting.

Capital Assets and Investments

- **Investment Strategy:** The report highlights the substantial investment in capital assets, which are reported net of related debt. Although these assets enhance the City's capacity to provide services, they are not immediately liquid, underscoring the City's long-term financial stewardship.
- **Legal Implications:** The proper segregation of current operational funds from long-term capital investments aligns with statutory requirements and best practices in municipal accounting.

Budgetary Comparisons and Supplementary Information

- **Budgetary Control:** Detailed budgetary comparisons in the CAFR provide transparency in how actual revenues and expenditures compare to initial and final budgets. This reinforces the City's commitment to prudent financial management.
- **Supplementary Data:** Additional schedules and reconciliations—detailing fund balances, interfund transactions, and long-term debt—further validate the City's adherence to open meeting statutes and municipal recordkeeping requirements.

Legal and Regulatory Implications

Disclaimer: This summary is presented in a formal, academic style, reflecting both legal and community perspectives. The findings herein are based on the data compiled in the Research and do not constitute legal advice. The opinions expressed regarding municipal failures are those of the investigator(s) and do not necessarily represent an official stance by any governing body.

In-Depth Analysis of the 2005–2006 CAFR Executive Summary

Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan

- **Compliance:** *The structured presentation of the CAFR, along with subsequent independent audit verification, ensures compliance with statutory and regulatory requirements, including open meeting laws and recordkeeping mandates.*
 - **Due Process:** *By following a two-step process (overview followed by detailed audit), the City maintains a transparent and legally sound framework for managing public funds, ensuring accountability to both citizens and oversight bodies.*
-

Conclusion

The executive summary of the 2005–2006 CAFR reveals that the City of Shawnee maintained a strong financial position through increased net assets, disciplined revenue and expenditure management, and effective debt reduction. The detailed management discussion and analysis, coupled with robust budgetary comparisons and capital asset management, underscore the City's commitment to fiscal accountability and transparency. These insights, cross-referenced with Agenda Item 3(b) of the SAA-2007-01-16 meeting, demonstrate that the preliminary financial overview presented by City Treasurer/Finance Director Becky Cragin is consistent with the CAFR data, reinforcing the City's adherence to legal and regulatory requirements in public financial management.

Reference Documentation

- **City of Shawnee 2005–2006 CAFR**
(Source Document: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2006; File: 2005-2006_LOCAL_Audit_Record_Request_City_of_Shawnee_Comprehensive_Annual_Financial_Report.rtf)
- **SAA-2007-01-16 Meeting Minutes (Shawnee Airport Authority)**
(Official Minutes of the Shawnee Airport Authority meeting on January 16, 2007)
- **Supplementary Information and Financial Statements**
(Referenced data include the MD&A, budgetary comparisons, and detailed capital asset and debt information as provided in the CAFR)