
THE TOWN OF JONES CITY
(Including the Jones City Public Works Authority)

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION - MODIFIED CASH BASIS.....	3
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS	4
FUND FINANCIAL STATEMENTS	
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND - MODIFIED CASH BASIS	6
STATEMENT OF NET POSITION - PROPRIETARY FUND - MODIFIED CASH BASIS	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND - MODIFIED CASH BASIS	8
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS.....	9
NOTES AND OTHER INFORMATION	
NOTES TO THE BASIC FINANCIAL STATEMENTS.....	10
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	19
SCHEDULE OF FINDINGS AND RESPONSES	21
BUDGETARY COMPARISON SCHEDULE	25
SCHEDULE OF EXPENDITURES OF STATE AWARDS	26

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Town of Jones City, Oklahoma

Report on Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jones City, Oklahoma, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Town of Jones City, Oklahoma, as of June 30, 2018, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.


Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Town of Jones City's basic financial statements. The budgetary comparison schedule on page 25 and the schedule of expenditures of state awards on page 26, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2019, on our consideration of the internal control over financial reporting of the Town of Jones City and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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* in considering the Town of Jones City's internal control over financial reporting and compliance.



, C.P.A., Inc.

Becky Fleming, C.P.A., Inc.
June 13, 2019

THE TOWN OF JONES CITY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total 2018
ASSETS			
Current Assets			
Cash and demand deposits	73,716	390,094	463,810
Restricted cash	228,417	54,275	282,692
Prepaid expenses	0	436	436
Internal balances	(19,200)	19,200	0
Total current assets	282,933	464,005	746,938
Noncurrent Assets			
Depreciable property and equipment	4,115,027	4,141,767	8,256,794
Accumulated depreciation	(1,100,907)	(2,554,344)	(3,655,251)
Land	68,000	0	68,000
Construction in progress	306,897	36,597	343,494
Total noncurrent assets	3,389,017	1,624,020	5,013,037
TOTAL ASSETS	3,671,950	2,088,025	5,759,975
LIABILITIES			
Current Liabilities			
Payroll withholding payable	18,525	0	18,525
Current portion of capital leases	67,342	0	67,342
Current portion of notes payable	0	34,500	34,500
Total current liabilities	85,867	34,500	120,367
Noncurrent Liabilities			
Meter deposits refundable	0	54,275	54,275
Capital leases, less current portion	199,890	0	199,890
Notes payable, less current portion	0	301,702	301,702
Total noncurrent liabilities	199,890	355,977	555,867
TOTAL LIABILITIES	285,757	390,477	676,234
NET POSITION			
Net investment in capital assets	3,121,785	1,624,020	4,745,805
Restricted for:			
Debt	83,221	0	83,221
Capital improvements	96,096	0	96,096
Capital outlay	32,274	0	32,274
Splash pad	16,826	0	16,826
Unrestricted	35,991	73,528	109,519
TOTAL NET POSITION	\$3,386,193	\$1,697,548	\$5,083,741

The accompanying notes are an integral part of these financial statements

**THE TOWN OF JONES CITY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total 2018
Governmental activities:							
General government	(219,605)	1,574	0	94,354	(123,677)	0	(123,677)
Community building department	(2,186)	0	1,950	0	(236)	0	(236)
Code enforcement	(40,459)	27,112	0	0	(13,347)	0	(13,347)
Police department	(526,062)	136,551	4,386	0	(385,125)	0	(385,125)
Fire department*	(122,815)	5,117	16,856	0	(100,842)	0	(100,842)
Library department	(14,002)	0	1,449	0	(12,553)	0	(12,553)
Park department**	(53,115)	250	9,583	0	(43,282)	0	(43,282)
Street department	(92,117)	0	15,872	0	(76,245)	0	(76,245)
Total governmental activities	(1,070,361)	170,604	50,096	94,354	(755,307)	0	(755,307)
Business-type activities:							
Sewer department	(271,381)	133,653	0	0	0	(137,728)	(137,728)
Trash department	(253,522)	335,089	0	0	0	81,567	81,567
Water department	(195,089)	161,451	0	0	0	(33,638)	(33,638)
Gas department	(312,599)	374,069	0	0	0	61,470	61,470
Total business-type activities	(1,032,591)	1,004,262	0	0	0	(28,329)	(28,329)
Total all activities	(2,102,952)	1,174,866	50,096	94,354	(755,307)	(28,329)	(783,636)
General revenues:							
Taxes:							
					672,044	0	672,044
					191,417	0	191,417
					77,700	0	77,700
					2,368	85,021	87,389
					1,007	1,190	2,197
					69,456	0	69,456
					(156,977)	156,977	0
					857,015	243,188	1,100,203
					101,708	214,859	316,567
					3,284,485	1,482,689	4,767,174
					\$3,386,193	\$1,697,548	\$5,083,741
* Interest expense of \$7,946 is included in the fire department							
** Interest expense of \$4,482 is included in the park department							
*** Interest expense of \$2,068 is included in each of the sewer, trash, water, and gas departments							

The accompanying notes are an integral part of these financial statements

**THE TOWN OF JONES CITY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u> <u>Fund</u>
ASSETS	
Cash and demand deposits	73,716
Restricted cash	228,417
TOTAL ASSETS	<u><u>302,133</u></u>
LIABILITIES	
Payroll liabilities payable	18,525
Due to other funds	19,200
TOTAL LIABILITIES	<u><u>37,725</u></u>
FUND BALANCE	
Restricted for:	
Debt	83,221
Capital improvements	96,096
Capital outlay	32,274
Splash pad	16,826
Unassigned	35,991
TOTAL FUND BALANCE	<u><u>264,408</u></u>
TOTAL LIABILITIES AND	<u><u>\$302,133</u></u>
FUND BALANCE	

Reconciliation of fund balance to net position of governmental activities:

Fund balance	264,408
Depreciable capital assets	4,115,027
Accumulated depreciation	(1,100,907)
Land	68,000
Construction in progress	306,897
Capital lease payable	(267,232)
Net position	<u><u>\$3,386,193</u></u>

**THE TOWN OF JONES CITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>
REVENUES	
Sales and use taxes	672,044
Sales taxes - restricted	191,417
Franchise taxes	77,700
Shared taxes	18,241
Fines and fees	136,551
Licenses, permits, inspections	27,112
Donations	27,415
Grants	98,098
Sales of capital assets	130,000
Other revenues	10,005
Interest	<u>1,007</u>
TOTAL REVENUES	1,389,590
EXPENDITURES	
General government	211,309
Community building	2,186
Code enforcement	36,698
Police department	498,597
Fire department	70,035
Park department	29,381
Street department	64,435
Debt service	102,093
Capital outlay	<u>142,459</u>
TOTAL EXPENDITURES	1,157,193
REVENUES OVER (UNDER) EXPENDITURES	232,397
OTHER FINANCING SOURCES (USES)	
Transfers-in (out)	<u>(156,977)</u>
TOTAL OTHER FINANCING SOURCES (USES)	(156,977)
NET CHANGE IN FUND BALANCES	75,420
BEGINNING FUND BALANCE	<u>188,988</u>
ENDING FUND BALANCE	<u><u>\$264,408</u></u>
Reconciliation of net change in fund balance to change in net position of governmental activities:	
Net change in fund balances - governmental funds	75,420
Capital asset purchases capitalized	142,459
Gain on sale of capital assets	69,456
Sale of capital assets	(130,000)
Depreciation expense	(145,293)
Principal payments on capital leases	<u>89,666</u>
Change in Net Position of Governmental Activities	<u><u>\$101,708</u></u>

The accompanying notes are an integral part of these financial statements

THE TOWN OF JONES CITY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Jones City Public Works Authority</u>
ASSETS	
Current Assets	
Cash and demand deposits	390,094
Restricted cash	54,275
Prepaid expenses	436
Due from other funds	19,200
Total current assets	<u>464,005</u>
Noncurrent Assets	
Depreciable property and equipment	4,141,767
Accumulated depreciation	(2,554,344)
Construction in progress	36,597
Total noncurrent assets	<u>1,624,020</u>
TOTAL ASSETS	<u><u>2,088,025</u></u>
LIABILITIES	
Current Liabilities	
Current portion of notes payable	34,500
Total current liabilities	<u>34,500</u>
Noncurrent Liabilities	
Meter deposits refundable	54,275
Notes payable, less current portion	301,702
Total noncurrent liabilities	<u>355,977</u>
TOTAL LIABILITIES	<u>390,477</u>
NET POSITION	
Net investment in capital assets	1,287,818
Unrestricted	409,730
TOTAL NET POSITION	<u><u>\$1,697,548</u></u>

The accompanying notes are an integral part of these financial statements

**THE TOWN OF JONES CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Jones City Public Works Authority</u>
OPERATING REVENUES	
Sewer revenues	133,653
Trash revenues	335,089
Water revenues	161,451
Gas revenues	374,069
Late fees	20,129
Other income	<u>64,892</u>
TOTAL OPERATING REVENUES	1,089,283
OPERATING EXPENSES	
Administration	128,115
Sewer department	200,586
Storm water department	36,698
Trash department	219,426
Water department	160,992
Gas department	<u>278,502</u>
TOTAL OPERATING EXPENSES	1,024,319
OPERATING INCOME	64,964
NON-OPERATING REVENUES (EXPENSES)	
Interest income	1,190
Interest expense	<u>(8,272)</u>
NET NON-OPERATING REVENUES (EXPENSES)	(7,082)
INCOME BEFORE TRANSFERS	57,882
TRANSFERS	
Transfers-in (out)	<u>156,977</u>
CHANGE IN NET POSITION	214,859
BEGINNING NET POSITION	<u>1,482,689</u>
ENDING NET POSITION	<u><u>\$1,697,548</u></u>

The accompanying notes are an integral part of these financial statements

**THE TOWN OF JONES CITY
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Jones City Public Works Authority</u>
Cash flows from operations:	
Cash received from:	
Customers	1,089,283
Cash payments for:	
Goods and services	(597,989)
Employees	<u>(277,099)</u>
Net cash provided from operations	214,195
Cash flows from capital financing activities:	
Principal payments	(68,577)
Interest payments	(8,272)
Purchases of capital assets	<u>(211,043)</u>
Net cash from capital financing activities	(287,892)
Cash flows from non-capital financing activities:	
Interfund transfers	<u>156,977</u>
Net cash from non-capital financing activities	156,977
Cash flows from investing activities:	
Interest income	<u>1,190</u>
Net cash from investing activities	<u>1,190</u>
Net (decrease) in cash	<u>84,470</u>
Beginning cash	<u>305,624</u>
Ending cash	<u><u>\$390,094</u></u>
Reconciliation of income from operations to net cash from operations:	
Operating income	64,964
Adjustments to income from operations:	
Depreciation	129,267
Change in assets and liabilities:	
(Increase) decrease in prepaid expenses	160
(Increase) decrease in due from other funds	<u>19,804</u>
Net cash provided by operations	<u><u>\$214,195</u></u>

The accompanying notes are an integral part of these financial statements

**The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018**

1. Summary of Significant Accounting Policies

1A. Introduction

The Town's financial statements are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP in substance but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting. Generally, that means that only items arising from cash transactions are recorded. Accounts receivable and accounts payable, for instance, are not recorded.

1B. Financial Reporting Entity

The Town of Jones City, Oklahoma, was incorporated January 4, 1909, under the laws of the State of Oklahoma. The Town of Jones City (Town) operates under the Statutory Town Board of Trustees form of government and provides the following major services: public safety, streets, public improvements, planning and zoning, and general administration. Sewer, trash, water, and gas utilities are provided by the Town's public works authority.

1B1. Blended Component Units

The Jones City Public Works Authority (JCPWA) was established to finance, establish, and operate utility services for the citizens of the Town. JCPWA is a legally separate entity from the Town and is governed by the same board of trustees that governs the Town. For financial reporting purposes, the JCPWA is reported as if it were part of the Town's operations. The JCPWA does not present separate financial statements.

1C. Basis of Presentation

1C1. Fund Accounting

The Town uses fund accounting to maintain its financial records. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures/expenses. The Town's funds are organized into two categories: governmental and proprietary. Within these categories, funds are further defined as major or non-major. The emphasis in fund financial statements is on major funds in either the governmental or business-type activities categories as defined by GASB 34. The Town has one governmental fund and one business-type fund.

1C2. Basis of Accounting and Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Measurement focus is a term used to describe which transactions are recorded.

**The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018**

1C2a. Modified Cash Basis of Accounting

The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP, and is a modification of the pure cash basis of accounting. Professional standards define the cash basis of accounting *as a basis of accounting an entity uses to record cash receipts and disbursements, and modifications of the cash basis having substantial support (for example, recording depreciation on fixed assets.)* Although the modified cash basis of accounting is not separately defined by professional standards, the modifications to the cash basis have evolved over time through common practice, and generally result when cash receipts or disbursements provide a benefit or obligation covering multiple reporting periods, and the reporting of the cash transaction would be more meaningful to financial statement users if spread over those multiple periods.

For modifications to be considered to have substantial support, they should:

1. be made as a result of cash receipts or disbursements;
2. have substantial support in GAAP or other accounting literature; and
3. be logical.

1C3. Government-wide Financial Statements

The government-wide financial statements are highly aggregated financial statements that present financial information for all assets, deferred outflows, liabilities, deferred inflows, and net assets using the economic resources measurement focus within the limitations of the modified cash basis of accounting. This means that revenues are recorded when received and expenses, with the exception of capitalizing and depreciating capital assets, are recorded when paid. The government-wide financial statements required are the statement of net assets and the statement of activities. These financial statements are designed to help users assess the finances of a government in its entirety, including the year's operating results; determine whether the government's overall financial position improved or deteriorated; and evaluate whether the government's current-year revenues were sufficient to pay for current year services. They are also designed to help users assess the cost of providing services to its citizenry; determine how the government finances its programs; understand the extent to which the government has invested in capital assets; and make better comparisons between governments.

1C4. Governmental Fund Financial Statements

The general fund of the Town is a governmental fund. The governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources. They are presented using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized when they are received, and expenditures are recorded when paid. The financial statements required for governmental funds are the balance sheet and the statement of revenues, expenditures, and changes in fund balance. The governmental fund balance sheet does not present capital assets or long-term liabilities. Instead, the statement of revenues, expenditures and changes in fund balance reports the financial resource inflows and outflows arising from the disposition and acquisition of capital assets, the issuance and repayment of long-term debt, and maturation of non-debt long-term liabilities. Capital assets and long-term liabilities associated with and generally arising from activities reported in governmental funds are reported only in the government-wide financial statements.

1C5. Proprietary Fund Financial Statements

The utility fund of the Town is a proprietary fund. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting, the objectives of which involves the determination of operating income, changes in net position, net position, and cash flows. The

**The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018**

accounting principles applicable are those similar to businesses in the private sector. The Town maintains one proprietary fund, which is an enterprise fund. Enterprise funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues; has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges; or establishes fees and charges based on a pricing policy designed to recover similar costs.

1D. Cash and Cash Equivalents

Cash and cash equivalents for purposes of the statement of cash flows are defined as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1E. Deposits and Investments

The governing body has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and address the specific types of risk to which the government is exposed. However, it is the policy of the governing body to require deposits in excess of FDIC limits to be collateralized as required by Oklahoma Statutes.

Investments are accounted for in accordance with GASB-31, *Accounting and Financial Reporting for Certain Investments*, which states that investments held at year end with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

1F. Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other Interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

1G. Capital Assets

Capital assets purchased or acquired with an original cost of \$3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	15 to 40 years
Vehicles and equipment	5 to 25 years
Infrastructure	25 to 40 years

GASB-34 required the Town to report and depreciate new infrastructure assets effective with the 2004 year. Infrastructure assets include roads, sidewalks, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has been reported in the financial statements. Retroactive reporting is not required.

**The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018**

Since management did not maintain sufficient financial records to adequately support the valuation of capital assets prior to July 1, 2008, the cost of significant capital assets purchased or constructed prior to July 1, 2008, is estimated based on the recollection of past board members and current employees.

1H. Equity Classifications

In the government-wide statements, equity is classified as net position and reported in three components as follows:

1. Net investment in capital assets – Capital assets, net of accumulated depreciation, are reduced by the outstanding balances of any debt attributable to their acquisition, construction, or improvement.
2. Restricted – Net assets that have had constraints placed upon them either by external sources such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net assets that do not meet the definition of the previous two classifications.

In the fund financial statements, governmental fund equity is classified as fund balance and reported as needed in five components as follows:

1. Nonspendable – amounts not in a spendable form, or legally or contractually required to be maintained intact.
2. Restricted – constraints placed on fund balance are externally imposed by creditors, grantors, or other governments; or are imposed by law through constitutional provisions or enabling legislation.
3. Committed – amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the individual government's highest level of decision making authority.
4. Assigned – constraints placed on fund balance are imposed by the government's intent that it be used for specific purposes but are neither restricted nor committed. An individual government must define and disclose how it expresses its intent for purposes of making assignments. For the Town, this intent is expressed by a vote of the board of trustees encumbering amounts for assigned purposes.
5. Unassigned – remaining fund balance in excess of all other classifications.

1I. Revenues and Expenditures

Program revenues in the government-wide statements include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. In proprietary funds, operating revenues and expenses result from providing the goods or services that are the funds principal ongoing operations. Revenues and expenses not meeting this definition are nonoperating revenues and expenses. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB-33. In applying GASB-33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources

The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018

transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

1J. Use of Restricted Resources

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

2. Deposits and Investments

Custodial credit risk relates to deposits that are uninsured and uncollateralized; collateralized with securities held by a pledging financial institution or by its trust department or agent but not in the Town's name; or collateralized without a written or approved collateral agreement. The Town's policy is to comply with state law and secure its uninsured deposits with collateral. The State of Oklahoma allows municipalities to invest in the following: direct obligations of the U.S. Government, its agencies or instrumentalities; collateralized or insured certificates of deposit; insured savings accounts or savings certificates; and county, municipal or school district direct debt.

At year end, the Town had deposits of \$470,673 that were neither insured nor collateralized.

3. Restricted Cash and Investments

Restricted taxes, as discussed in note 7, and restricted donations, are maintained in separate accounts of the general fund of the Town. Customer meter deposits are maintained in separate accounts of the JCPWA.

4. Capital Assets

Capital asset activity for the year just ended is summarized as follows:

	Beginning			Ending			Beginning			Ending			Book
	Balance	Additions	Disposals	Balance	Depreciation	Additions	Disposals	Depreciation	Additions	Disposals	Depreciation	Value	
Governmental Activities													
Construction in progress	1,419,583	7,500	(1,120,185)	306,897	0	0	0	0	0	0	0	306,897	
Land	68,000	0	0	68,000	0	0	0	0	0	0	0	68,000	
Total non-depreciable	1,487,583	7,500	(1,120,185)	374,897	0	0	0	0	0	0	0	374,897	
Buildings & bldg equipment	415,006	1,171,484	(113,840)	1,472,651	240,211	33,419	(63,847)	209,783				1,262,868	
Equipment	1,395,475	83,660	(28,550)	1,450,586	628,192	78,816	(19,985)	687,023				763,563	
Roads, bridges, sidewalks	1,191,791	0	0	1,191,791	171,044	33,058	0	204,102				987,689	
Total depreciable	3,002,273	1,255,144	(142,390)	4,115,028	1,039,446	145,293	(83,832)	1,100,907				3,014,120	
Total governmental	4,489,855	1,262,644	(1,262,575)	4,489,925	1,039,446	145,293	(83,832)	1,100,907				3,389,017	
Business-type Activities													
Construction in progress	47,488	0	(10,891)	36,597	0	0	0	0				36,597	
Total non-depreciable	47,488	0	(10,891)	36,597	0	0	0	0				36,597	
Buildings & bldg equipment	80,167	0	0	80,167	60,630	3,329	0	63,959				16,208	
Equipment	371,444	10,000	0	381,444	255,795	25,246	0	281,041				100,403	
Utility systems	3,468,222	211,934	0	3,680,156	2,108,651	100,692	0	2,209,343				1,470,812	
Total depreciable	3,919,833	221,934	0	4,141,767	2,425,076	129,267	0	2,554,344				1,587,423	
Total business-type	3,967,321	221,934	(10,891)	4,178,364	2,425,076	129,267	0	2,554,344				1,624,020	

The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018

Depreciation (including amortization of equipment under capital leases) by department is as follows:

Governmental Activities		Business-type Activities	
General government	8,295	Sewer	68,459
Code enforcement	3,761	Water	45,275
Police department	27,465	Gas	15,534
Fire department	44,835		<u>129,267</u>
Library department	14,002		
Park department	19,252		
Street department	27,682		
	<u>145,292</u>		

Capital assets under capital leases	Gross Amount	Accumulated Amortization	Net Amount
Governmental	494,463	(59,375)	435,088
Business-type	0	0	0
	<u>494,463</u>	<u>(59,375)</u>	<u>435,088</u>

5. Capital Leases

Capital leases outstanding at June 30, 2018, consisted of the following:

Fund		Interest Rate	Maturity Date	Amount Issued	Outstanding	Security
Governmental	Tanker	3.720%	3/14/24	306,848	191,493	Tanker truck
Governmental	Lights	4.022%	12/22/19	178,715	75,739	Ballfield lights
				<u>\$485,563</u>	<u>\$267,232</u>	

Long-term capital lease activity for the year ended June 30, 2018, was as follows:

Fund	Capital Leases	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental	Fire truck	245,471	0	(53,978)	191,493	30,219
Governmental	Ballfield lights	111,427	0	(35,688)	75,739	37,123
Governmental	Total	356,898	0	(89,666)	267,232	67,342
Proprietary	Truck	9,077	0	(9,077)	0	0
Combined total		<u>\$365,975</u>	<u>\$0</u>	<u>(\$98,743)</u>	<u>\$267,232</u>	<u>\$67,342</u>

The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018

Capital lease payment requirements to maturity are as follows:

Governmental	Principal	Interest
2019	67,342	9,751
2020	69,980	7,113
2021	32,582	4,341
2022	33,833	3,091
2023	35,131	1,793
2024-2028	28,364	463
	<u>\$267,232</u>	<u>\$26,553</u>

6. Notes Payable

Notes outstanding at June 30, 2018, consisted of the following:

Fund		Interest Rate	Maturity Date	Amount Issued	Outstanding	Security
Proprietary	Library building	2.250%	3/10/28	\$484,624	\$336,202	Building and 1% sales tax

Long-term debt activity for the year ended June 30, 2018, was as follows:

Fund	Notes Payable	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Proprietary	Library building	\$395,702	\$0	(\$59,500)	\$336,202	\$34,500

Loan payments to maturity are as follows:

Business-Type	Principal	Interest
2019	34,500	7,209
2020	34,500	6,433
2021	34,500	5,656
2022	34,500	4,880
2023	34,500	4,104
2024-2028	163,702	8,892
	<u>\$336,202</u>	<u>\$37,174</u>

7. Restricted Taxes

1 cent of the 4-cent sales tax of the town is restricted as follows: 60% for the payment of long-term debt; 20% for capital improvements of the Town and the JCPWA; and 20% for capital outlay for the Town and JCPWA.

**The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018**

8. Pension Plans

Defined Benefit Pension Plans

Oklahoma Firefighters Pension and Retirement System – Defined Benefit Pension Plan

Plan Description. The Town contributes to the Oklahoma Firefighters Pension and Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by a 13-member board which acts as fiduciary for investment of funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System is a component unit of the State of Oklahoma and is authorized under Title 11, Oklahoma Statutes 1981, sections 48-101 et. seq. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plan and may be obtained from their offices at 4545 N. Lincoln Blvd., Suite 265, Oklahoma City, OK 73105, or by calling 1-800-525-7461.

Funding Policy. Volunteer firefighters are not required to contribute, but the Town is required to contribute \$60 per volunteer per year. The contribution requirements of the System are an established rate determined by Oklahoma Statute and are not based on actuarial calculations. The Town's contribution to the System for the years ended June 30, 2018, 2017, and 2016 were \$1,080, \$1,080 and \$1,080 respectively, equal to the required contribution for each year.

Oklahoma Police Pension and Retirement System - Defined Benefit Pension Plan

Plan Description. The city contributes to the Oklahoma Police Pension and Retirement System (OPPRS), a cost-sharing multiple-employer defined benefit pension plan administered by a 13-member board which acts as fiduciary for investment of funds and the application of plan interpretations. The OPPRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The OPPRS is a component unit of the State of Oklahoma and is authorized under Title 11, Oklahoma Statutes 1981, sections 48-101 et. seq. The OPPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan and may be obtained from their offices at 4545 N. Lincoln Blvd., Suite 265, Oklahoma City, OK 73105, or by calling 1-800-525-7461.

Funding Policy. Police are required to contribute 8% of eligible salary, while the city is required to contribute 13%. The contribution requirement of OPPRS is an established rate determined by Oklahoma Statute and is not based on actuarial calculations. The city and employee contributions to OPPRS for 2018, 2017 and 2016 were as follows: \$35,395, \$31,259 and \$28,951; and \$21,782, \$19,236 and \$17,816, equal to the required contributions for each year. Eligible payroll was \$272,269, \$240,456 and \$222,697.

Defined Contribution Pension Plan

The Town employees participate in the Oklahoma Municipal Retirement System as authorized by Town ordinance. Title 11, Oklahoma Statutes 1981, section 48-101 et. seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the System to the respective employer entities. All full-time and part-time employees of the Town are eligible to participate in the System and full-time employees are fully vested after 10 years. Covered employees are required to contribute from 1% to 4% of their gross payroll which the Town must match. Employee contributions over 4% are optional and are not matched by the Town. The payroll for Town employees for the year was \$607,358. The payroll for Town employees covered by the Fund for the year was \$279,249. Actual Town and employee contributions for the year were \$7,813 each, equal to the required contributions for the year.

The Town of Jones City
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2018

9. Inter-fund Transactions

	General Fund	Utility Fund	Net Transfers
Operating	276,331	(276,331)	0
Debt	(25,000)	25,000	0
Capital assets	(94,354)	94,354	0
	<u>156,977</u>	<u>(156,977)</u>	<u>0</u>

	General Fund	Utility Fund	Net Interfund
Operating	(19,200)	19,200	0
Capital assets	0	0	0
	<u>(19,200)</u>	<u>19,200</u>	<u>0</u>

10. Budgets

The board of trustees adopts legally required annual operating budgets each year for each fund. The same generally accepted accounting principles basis of accounting used for fund financial reporting purposes is used for budgetary purposes. At the fund level, actual expenditures cannot exceed budgeted appropriations at the department level. Budgetary transfers between departments of the same fund are approved by the board when required. Supplemental appropriations, if needed, are approved by the board and submitted to the state auditor's office as required by state statutes. All appropriations lapse at the end of the fiscal year. Encumbrance accounting is not used. One budget amendment was approved during the year.

11. Risk Management

The Town is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town manages this risk through the purchase of commercial insurance policies. Risk management activities are accounted for by fund, and claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. During the year just ended, no claims were made.

12. Subsequent Events

Management performed an evaluation of the Town's activity through June 13, 2019, the date the audit report was ready to be released, and concluded the following significant subsequent event requires disclosure.

During fiscal year 2019 town employees discovered discrepancies concerning the recording of police fines and fees and the collections relating to those fines and fees. An investigation concerning these discrepancies has been instituted but is not yet complete. Town officials believe the amounts related to fiscal year 2018 are not material to the financial statements, but that the amounts related to fiscal year 2019 may be material to those financial statements. At this time, an amount cannot be determined, but the investigation should be completed before the end of 2019.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
The Town of Jones City, Oklahoma

We have audited 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, the modified cash basis financial statements of the governmental activities, the business-type activities, and each fund of the Town of Jones City, Oklahoma, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Jones City, and have issued our report thereon, dated June 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting of the Town of Jones City to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jones City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jones City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies 2018-1, 2018-2 and 2018-6 described in the accompanying schedule of findings and responses to be material weaknesses.

A *significant deficiency* is a deficiency, or 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. We consider the deficiencies 2018-3, 2018-4, and 2018-5 to be significant deficiencies.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the financial statements of the Town of Jones City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2018-5 and 2018-7.

The Town of Jones City's Response to Findings

The Town of Jones City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town of Jones City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



C.P.A., Inc.

Becky Fleming, C.P.A., Inc.
June 13, 2019

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2018

2018-1 Criteria: Procedures should be established to ensure that the general ledger is reviewed at least monthly for posting errors and inappropriate account balances.

Condition: The general ledger is not being reviewed at least monthly for posting errors and inappropriate account balances.

Cause: There are no established procedures to ensure that the general ledger is reviewed at least monthly for posting errors and inappropriate account balances.

Effect: Because there are no established procedures to ensure that the general ledger is reviewed at least monthly for posting errors and inappropriate account balances, the general ledger contains posting errors and inappropriate account balances, causing the board financial statements to be misstated and town departments to be out of compliance with adopted budgets once the corrections are made.

Recommendation: We recommend that procedures be established to make sure that the general ledger is reviewed at least monthly for posting errors and inappropriate account balances.

Response: We will establish procedures to ensure that the general ledger is reviewed at least monthly for posting errors and inappropriate account balances.

2018-2 Criteria: Procedures should be established to insure that capital assets are correctly recorded in the general ledger; that subsidiary schedules of capital assets are adequately maintained; and that capital assets are reconciled to the general ledger and to insurance policies at least annually.

Condition: Capital assets are not being correctly recorded in the general ledger; subsidiary schedules of capital assets are not being adequately maintained; and capital assets are not being reconciled to the general ledger or to insurance policies at least annually.

Cause: There are no established procedures to ensure that capital assets are correctly recorded in the general ledger; that subsidiary schedules of capital assets are adequately maintained; or that capital assets are reconciled to the general ledger and to insurance policies at least annually.

Effect: Because there are no established procedures to ensure that capital assets are correctly recorded in the general ledger; that subsidiary schedules of capital assets are adequately maintained; or that capital assets are reconciled to the general ledger and insurance policies at least annually, errors in either the general ledger, subsidiary schedules, or insurance policies may exist and not be corrected on a timely basis.

Recommendation: We recommend that procedures be established to make sure that capital assets are correctly recorded in the general ledger; that subsidiary schedules of capital assets are adequately maintained; and that capital assets are reconciled to the general ledger and to insurance policies at least annually.

Response: We will establish procedures to ensure that capital assets are correctly recorded in the general ledger; that subsidiary schedules of capital assets are adequately maintained;

and that capital assets are reconciled to the general ledger and to insurance policies at least annually.

2018-3

Criteria: Policies and procedures should be established to ensure that grants are adequately administered; that grant records are adequately maintained; and that grant revenues and expenditures are correctly recorded in the general ledger.

Condition: Grants are not being adequately administered; grant records are not being adequately maintained; and grant revenues and expenditures are not being correctly recorded in the general ledger.

Cause: There are no established policies or procedures to ensure that grants are adequately administered; that grant records are adequately maintained; or that grant revenues and expenditures are correctly recorded in the general ledger.

Effect: Because there are no established policies or procedures to ensure that grants are adequately administered, grant revenues and expenditures are not being correctly recognized in the general ledger and grant records are not organized in a consistent and clear manner.

Recommendation: We recommend that policies and procedures be established to ensure that grants are adequately administered; grant records are adequately maintained; and grant revenues and expenditures are correctly recorded in the general ledger.

Response: We will establish policies and procedures to ensure that grants are adequately administered; grant records are adequately maintained; and that grant revenues and expenditures are correctly recorded in the general ledger.

2018-4

Criteria: Segregation of duties or other compensating procedures to provide oversight and review between those maintaining the general ledger and billing systems, performing reconciliations, or collecting payments should be established to make deliberate fraud more difficult to enact and make it more likely that innocent errors will be found and corrected.

Condition: The same employees maintain the general ledger, billing systems, perform reconciliations, and collect payments, with no compensating procedures to provide for oversight or review of those transactions.

Cause: There is not sufficient segregation of duties between those maintaining the general ledger and billing systems, performing reconciliations, or collecting payments, and no compensating procedures to provide for oversight or review of those transactions.

Effect: Because there is not sufficient segregation of duties between those maintaining the general ledger and billing systems, performing reconciliations, or collecting payments, and no compensating procedures to provide for oversight or review of those transactions, posting or other errors are occurring and not being found and corrected on a timely basis.

Recommendation: We recommend that procedures be established to provide segregation of duties between those maintaining the general ledger and billing systems, performing reconciliations, or collecting payments, or, where that is not possible, establish other compensating procedures to provide for oversight or review of those transactions.

Response: Since we are a small town, we will never be able to have sufficient segregation of duties. However, we are working on allocating office tasks to various personnel in order to develop better reconciling and oversight procedures for our accounting records.

2018-5 Criteria: Procedures should be established to ensure that budget to actual reports are prepared and reviewed at least monthly and that budgets are amended as needed during the year.

Condition: Budget to actual reports are not being prepared and reviewed at least monthly and budgets are not being amended as needed during the year.

Cause: There are no established procedures to ensure that budget to actual reports are prepared and reviewed at least monthly and that budgets are amended as needed during the year.

Effect: Because there are no established procedures to insure budget to actual reports are prepared and reviewed at least monthly, budgets are not being amended as needed during the year.

Recommendation: We recommend that procedures be established to ensure that budget to actual reports are prepared and reviewed at least monthly and that budgets are amended as needed during the year.

Response: We will establish procedures to insure budget to actual reports are prepared and reviewed at least monthly and that budgets are amended as needed during the year.

2018-6 Criteria: Procedures should be established to ensure that restricted sales taxes are accounted for and used in accordance with the ordinances that established them.

Condition: Restricted sales taxes are not always being accounted for or used in accordance with the ordinances that established them.

Cause: There are no established procedures to ensure that restricted sales taxes are accounted for or used in accordance with the ordinances that established them.

Effect: Because there are no established procedures to ensure that restricted sales taxes are accounted for or used in accordance with the ordinances that established them, restricted sales taxes are not always deposited timely into their restricted accounts or used in accordance with the ordinances that established them. In addition, restricted amounts reported in the monthly financial statements are inaccurate and misleading as to the cash balances that are available for restricted and unrestricted purposes which could cause cash flow issues for daily operations.

Recommendation: We recommend that procedures be established to ensure that restricted sales taxes are accounted for and used in accordance with the ordinances that established them.

Response: We will establish procedures to ensure that restricted sales taxes are accounted for and used in accordance with the ordinances that established them.

These are repeat findings.

2018-7

Criteria: Procedures should be established to ensure that bank deposits in excess of FDIC insurance are pledged as required by state statutes.

Condition: Deposits of \$470,673 were uninsured and uncollateralized at year end.

Cause: Insufficient pledges were maintained at the bank for all uninsured deposits.

Effect: The Town is not complying with state statutes concerning the pledging of all bank deposits in excess of FDIC insured amounts.

Recommendation: We recommend that procedures be established to ensure that all bank deposits are insured or collateralized as required by state statutes.

Response: We will establish procedures to ensure that restricted sales taxes are accounted for and used in accordance with the ordinances that established them.

**THE TOWN OF JONES CITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and use taxes	625,668	672,044	672,044	0
Sales taxes - restricted	185,520	191,417	191,417	0
Franchise taxes	71,667	77,700	77,700	0
Shared taxes	30,051	20,163	18,241	(1,922)
Fines and forfeitures	129,003	154,679	136,551	(18,128)
Licenses, permits, inspections	34,377	26,484	27,112	628
Donations	0	0	27,415	27,415
Grants	0	0	98,098	98,098
Other revenues	10,000	170,506	10,005	(160,501)
Interest	301	1,007	1,007	0
TOTAL REVENUES	1,086,587	1,314,000	1,259,590	(54,410)
EXPENDITURES				
General government	242,207	230,000	211,309	18,691
Community building	2,000	2,300	2,186	114
Code enforcement	21,264	29,000	36,698	(7,698)
Police department	387,646	510,000	498,597	11,403
Fire department	75,129	76,100	70,035	6,065
Library department	0	0	0	0
Park department	24,166	25,500	29,381	(3,881)
Street department	164,377	58,000	64,435	(6,435)
Debt service	68,046	179,807	102,093	77,714
Capital outlay	90,000	140,500	142,459	(1,959)
TOTAL EXPENDITURES	1,074,835	1,251,207	1,157,193	94,014
REVENUES OVER (UNDER) EXPENDITURES	11,752	62,793	102,397	39,604
OTHER FINANCING SOURCES				
Transfers-in (out)	0	0	(156,977)	(156,977)
NET OTHER FINANCING SOURCES (USES)	0	0	(156,977)	(156,977)
NET CHANGE IN FUND BALANCES	11,752	62,793	(54,580)	(117,373)
BEGINNING FUND BALANCE	188,988	188,988	188,988	0
ENDING FUND BALANCE	\$200,740	\$251,781	\$134,408	(\$117,373)

Notes to the budgetary comparison schedule:

1. The budget is prepared on the modified cash basis.
2. One budget amendment was adopted during the year.

THE TOWN OF JONES CITY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
 (Modified Cash Basis)

<i>STATE GRANTOR/ PASS-THROUGH GRANTOR</i>	GRANTOR'S	
PROGRAM TITLE	NUMBER	EXPENSES
Oklahoma Department of Agriculture <i>N/A</i>		
Rural Fire Protection		3,744
Oklahoma Department of Commerce <i>Association of Central Oklahoma Governments</i>		
Rural Economic Action Plan	01-2017-16	94,354
TOTAL EXPENDITURES OF STATE AWARDS		<u><u>\$98,098</u></u>