

TOWN OF DOUGLAS, OKLAHOMA  
ANNUAL FINANCIAL REPORT (Unaudited)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TOWN OF DOUGLAS  
JUNE 30, 2019

GOVERNING BOARD

CAROLYN BOWLING

BROOKE SMITH

SAMANTHA CANCHOLA

KAREN BOWLING

MAYOR/CHAIR PERSON

MEMBER/TRUSTEE

MEMBER/TRUSTEE

CLERK/TREASURER

TOWN OF DOUGLAS  
JUNE 30, 2019

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED- UPON PROCEDURES

To the Specified Users of the Report:

Town Council  
Town of Douglas  
Garfield County, Oklahoma

Board of Trustees  
Town of Douglas Public Works Authority  
Garfield County, Oklahoma

Oklahoma Offices of State Auditor & Inspector  
Oklahoma City, Oklahoma

### **Report on Complies Statement and Schedules**

Management is responsible for the accompanying financial statements and schedules of the Town of Douglas and related Public Trusts, Douglas, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2019, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, Budgetary Comparison Schedule-Modified Cash Basis-Volunteer Fire Department, Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis- Douglas Public Works Authority, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statement or schedules.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinary included in financial statements and schedules prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

### **Report on Applying Agreed-Upon Procedures**

We have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined with the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2019. Management of the Town of Douglas is responsible for the Town's financial accountability and its compliance with those legal contractual requirements. The sufficiency of the procedures so solely the responsibility of those parties specified in this report consequently, we make no representation regarding the sufficiency of the procedures describe below either for the purpose for which this report has been requested or for any other purpose.

### **Procedures and Findings**

As to the **Town of Douglas** as of and for the fiscal year ended June 30, 2019:

1. **Procedures Performed:** From the Town's trial balances, we completed a Schedule of Changes in Fund Balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Finding:** No exceptions were found as a result of applying the procedures.

2. **Procedures Performed:** From the Town's trial balances, we compiled a Budget and Actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Towns total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Finding:** No exceptions were found as a result of applying the procedures.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Finding:** No exceptions were found as a result of applying the procedures.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Finding:** No exceptions were found as a result of applying the procedures.

5. **Procedures Performed:** We compared the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of non-compliance.

**Finding:** No exceptions were found as a result of applying the procedures.

**Procedures and Findings (continued)**

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Finding:** No exceptions were found as a result of applying the procedures.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt services coverage requirements of bond indentures to the actual coverage to report any noted instances of non-compliance.

**Finding:** The Town has no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the **Douglas Public Work Authority**, as of and for the fiscal year ended June 30, 2019:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a Schedule of Revenues, Expenditures and Changes in Fund Balances for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

**Finding:** No exceptions were found as a result of applying the procedures.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Finding:** No exceptions were found as a result of applying the procedures.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Finding:** No exceptions were found as a result of applying the procedures.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of non-compliance.

**Finding:** No exceptions were found as a result of applying the procedures.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Finding:** No exceptions were found as a result of applying the procedures.

**Procedures and Findings (continued)**

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of non-compliance.

**Finding:** The Authority had no contractual or debt service requirements. This procedure does not apply.

As to the **Town of Douglas and Douglas Public Works Authority** grant programs, as of and for the fiscal year ended June 30, 2019:

1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled a Schedule of Grant Activity for each grant/contract (see accompanying Exhibit 4) and compared the schedule receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with grant agreement.

**Finding:** No exceptions were found as a result of applying the procedures.

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants to meet the requirement prescribed in Oklahoma Statutes §11-17.105-107 and §60-180.1.3. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial information and compliance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



Chas. W. Carroll, P.A.  
December 10, 2019

**Town of Douglas and Public Trust  
 Schedule of Changes in Fund Balance-Modified Cash Basis  
 For Fiscal Year Ended June 30, 2019  
 (Unaudited)**

<u>Fund</u>	<u>Beg of Year Fund Balance</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balance</u>
Town:				
General Fund	\$ 30,448.12	\$ 7,766.55	\$ 5,369.96	\$ 32,844.71
Fire Department	6,164.88	4,012.04	3,261.25	6,915.67
Total Town	<u>36,613.00</u>	<u>11,778.59</u>	<u>8,631.21</u>	<u>39,760.38</u>
Public Trust:				
Public Works Authority	<u>10,547.65</u>	<u>27,835.13</u>	<u>28,991.82</u>	<u>9,390.96</u>
Total Public Trust	<u>10,547.65</u>	<u>27,835.13</u>	<u>28,991.82</u>	<u>9,390.96</u>
Overall Total	<u>\$ 47,160.65</u>	<u>\$ 39,613.72</u>	<u>\$ 37,623.03</u>	<u>\$ 49,151.34</u>

See Independent Accountant's Report on Agreed-Upon Procedures



Town of Douglas  
 Budgetary Comparison Schedule-Modified Cash Basis  
 GENERAL FUND  
 For Fiscal Year Ended June 30, 2019  
 (Unaudited)

	Budgeted Amounts			Actual Amounts	Variance with Final Budget Over (Under)
	Original	Changes	Final		
Beg Budgetary Fund Balance	\$ 30,448.12	\$ -	\$ 30,448.12	\$ 30,448.12	\$ -
Resources (Inflows);					
Miscellaneous Revenue					
Sales tax	-	-	-	5,280.62	(5,280.62)
Alcohol beverage tax	-	-	-	210.45	(210.45)
Tobacco Tax	-	-	-	49.13	(49.13)
Gas Excise Tax	-	-	-	60.62	(60.62)
Motor Vehicle Tax	-	-	-	385.51	(385.51)
Franchise tax	-	-	-	1,720.74	(1,720.74)
Interest	-	-	-	59.48	(59.48)
Total Miscellaneous Revenue	-	-	-	7,766.55	(7,766.55)
Other Financing Sources;					
Prior Year Expenditures Recovered	-	-	-	-	-
Total Resources (Inflows)	-	-	-	7,766.55	(7,766.55)
Amounts available for appropriation	30,448.12	-	30,448.12	38,214.67	(7,766.55)
Charges to Appropriations (Outflows);					
Personal Services	4,500.00	-	4,500.00	2,101.66	2,398.34
Maintenance & Operations	21,948.12	-	21,948.12	3,268.30	18,679.82
Capital Outlay	4,000.00	-	4,000.00	-	4,000.00
Total Other	30,448.12	-	30,448.12	5,369.96	25,078.16
Other Financing Uses;					
Transfers to other funds	-	-	-	-	-
Total Charges to Appropriations (Outflows)	30,448.12	-	30,448.12	5,369.96	25,078.16
Unallocated(Restricted) Funds	-	-	-	-	-
End Budgetary Fund Balance	\$ -	\$ -	\$ -	32,844.71	\$ 32,844.71
Current Year Encumbrances				-	
Ending Fund Balance				\$ 32,844.71	

See Independent Accountant's Report on Agreed-Upon Procedures

**Town of Douglas**  
**Budgetary Comparison Schedule-Modified Cash Basis**  
**Fire Department**  
**For Fiscal Year Ended June 30, 2019**  
**(Unaudited)**

	<u>Budgeted Amounts</u>			<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Changes</u>	<u>Final</u>		
Beg Budgetary Fund Balance	6,164.88	-	6,164.88	6,164.88	-
Resources (Inflows);					
Miscellaneous Revenue					
Operational Fire Grant	-	-	-	4,000.00	(4,000.00)
Interest	-	-	-	12.04	(12.04)
Total Miscellaneous Revenue	-	-	-	4,012.04	(4,012.04)
Other Financing Sources;					
Prior Year Expenditures Recovered	-	-	-	-	-
Total Resources (Inflows)	-	-	-	4,012.04	(4,012.04)
Amounts available for appropriation	6,164.88	-	6,164.88	10,176.92	(4,012.04)
<u>Charges to Appropriations</u>					
Personal Services	1,250.00	-	1,250.00	1,216.67	33.33
Maintenance & Operations	4,914.88	-	4,914.88	2,044.58	2,870.30
Capital Outlay	-	-	-	-	-
Total Other	6,164.88	-	6,164.88	3,261.25	2,903.63
Other Financing Uses;					
Transfers to other funds	-	-	-	-	-
Total Charges to Appropriations (Outflows)	6,164.88	-	6,164.88	3,261.25	2,903.63
Unallocated(Restricted) Funds	-	-	-	-	-
End Budgetary Fund Balance	0.00	-	-	6,915.67	6,915.67
Current Year Encumbrances				-	
Ending Fund Balance				<u>\$ 6,915.67</u>	

See Independent Accountant's Report on Agreed-Upon Procedures

**Town of Douglas and Public Trust**  
**Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis**  
**Public Works Authority**  
**For Fiscal Year Ended June 30, 2019**  
**(Unaudited)**

Operating Revenues;	
Charges for Services	
Water Revenues	\$ 18,437.00
Trash Revenues	8,844.50
Water Maintenance Fee	532.00
Total Operating Revenue	<u>27,813.50</u>
Operating Expenses;	
Personal Services	4,576.66
Maintenance & Operations	25,162.29
Capital Outlay	
Total Operating Expenses	<u>29,738.95</u>
Operating Income (Loss)	(1,925.45)
Non-Operating Revenues(Expenses):	
Investment Income	21.63
Miscellaneous	-
Total Non-Operating Revenues(Expenses):	<u>21.63</u>
Net Income (Loss) Before Contributions and Transfers	(1,903.82)
Capital Contributions	-
Operating Transfer In	-
Operating Transfer Out	(189.60)
	<u>(189.60)</u>
Changes In Fund Balance	(2,093.42)
Fund Balance - Beginning	<u>10,547.65</u>
Fund Balance - Ending	<u>\$ 8,454.23</u>

See Independent Accountant's Report on Agreed-Upon Procedures

Town of Douglas and Public Trust  
 Schedule of Grant Activity-Modified Cash Basis  
 For Fiscal Year Ended June 30, 2019  
 (Unaudited)

Grant Agency	Award Amount	Prior Year Receipts	Prior Year Disbursements	Beg of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
<b>TOWN:</b> Department of Agriculture Fire Operations Grant Fire Fund	\$ 4,000.00	\$ -	\$ -	\$ -	\$ 4,000.00	\$ 3,261.25	\$ 738.75
<b>Public Trust:</b> No Current Year Activity	-	-	-	-	-	-	-
Total All Grants	\$ 4,000.00	\$ -	\$ -	\$ -	\$ 4,000.00	\$ 3,261.25	\$ 738.75