

**Town of Dougherty, Oklahoma**  
Independent Accountants' Compilation Report and  
Report on Applying Agreed Upon Procedures  
Year Ended June 30, 2015

**TOWN OF DOUGHERTY, OKLAHOMA**  
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**Independent Accountants' Compilation Report and  
Report on Applying Agreed-Upon Procedures**

*To the Specified Users of the Report:*

Town Board, Town of Dougherty  
Dougherty, Oklahoma 73032

Trustees of the Dougherty Public Works Authority  
Dougherty, Oklahoma 73032

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, Oklahoma

Oklahoma Department of Agriculture  
Oklahoma City, Oklahoma

S. O. D. A.  
Durant, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Modified Cash Basis of the Town of Dougherty, Oklahoma and Dougherty Public Works Authority, as of June 30, 2015, and the Budgetary Comparison Schedule of General Fund - Modified Cash Basis as of and the year ended June 30, 2015, and the accompanying supplementary information contained in Exhibits C and D which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis accounting, and for designing, implementing, and

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maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3. This is not intended to be a complete presentation of the Town of Dougherty’s assets and liabilities.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's Summary of Changes in Fund Balances – Modified Cash Basis, Budgetary Comparison Schedule of General Fund – Modified Cash Basis, and the accompanying supplementary information contained in Exhibits C and D which are presented only for supplementary analysis purposes. Accordingly, the financial statement is not designed for those who are not informed of such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council of the Town of Dougherty and Trustees of the Dougherty Public Works Authority, as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-.3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2015. Management of the Town of Dougherty is responsible for the Town’s financial accountability and its compliance with those legal and contractual requirements. This agreed upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Procedures and Findings**

As to the **Town of Dougherty** as of and for the fiscal year ended June 30, 2015:

1. ***Procedures Performed:*** From the Town’s trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and determined compliance with the statutory prohibition of creating fund balance deficits and noted instances of noncompliance.

***No exceptions were found as a result of applying the procedure.***

2. ***Procedures Performed:*** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund (see accompanying Exhibits B) and determined compliance with the legal level of appropriations by comparing expenditures and encumbrances to authorized appropriations.

***No exceptions were found as a result of applying the procedure.***

3. ***Procedures Performed:*** We agreed the Town's bank account balances to bank statements, and traced the timely clearance of reconciling items that exceeded \$500 to report any significant or unusual instances of reconciling items that have not cleared.

***No exceptions were found as a result of applying the procedure.***

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.

***No exceptions were found as a result of applying the procedure.***

5. ***Procedures Performed:*** We compared the Town's use of restricted revenues and resources that exceeded \$500 to their restrictions to report any noted instances of noncompliance.

***No exceptions were found as a result of applying the procedure.***

6. ***Procedures Performed:*** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to determine compliance with requirements for separate funds.

***No exceptions were found as a result of applying the procedure.***

7. ***Procedures Performed:*** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to determine compliance with reserve account and debt service coverage requirements of bond indentures.

***This procedure was not performed. The Town of Dougherty has no debt service or reserve account requirements.***

As to the **Public Works Authority** as of and for the fiscal year ended June 30, 2015:

1. ***Procedures Performed:*** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances for each fund (see accompanying Exhibit C) and determined compliance with the statutory prohibition of creating fund balance deficits and noted instances of noncompliance.

***No exceptions were found as a result of applying the procedure.***

2. ***Procedures Performed:*** We agreed the Authority's bank account balances to bank statements, and traced the timely clearance of reconciling items that exceeded \$500 to report any significant or unusual instances of reconciling items that have not cleared.

***No exceptions were found as a result of applying the procedure.***

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.

***No exceptions were found as a result of applying the procedure.***

4. ***Procedures Performed:*** We compared use of restricted revenues and resources that exceeded \$500 to their restrictions to report any noted instances of noncompliance.

***No exceptions were found as a result of applying the procedure.***

5. ***Procedures Performed:*** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to determine compliance with requirements for separate funds.

***No exceptions were found as a result of applying the procedure.***

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 determine compliance with reserve account and debt service coverage requirements of bond indentures.

***This procedure was not performed. The Public Works Authority has no debt service or reserve account requirements.***

As to the **Town of Dougherty and Dougherty Public Works Authority**, as of and for the fiscal year ended June 30, 2015:

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

***No exceptions were found as a result of applying the procedure.***

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Rahel Henderson Johnson, PLLC*

September 12, 2016  
Ardmore, Oklahoma

**EXHIBIT A**

**TOWN OF DOUGHERTY, OKLAHOMA**  
**Summary of Changes in Fund Balances – Modified Cash Basis**  
**For the Year Ended June 30, 2015**

	Fund Balances Beginning	Revenue	Expenditures	Fund Balances Ending
<b>CITY:</b>				
General Fund	\$ 1,378	17,245	17,923	\$ 700
Fire Department Fund	1,530	8,700	6,252	3,978
Grant Fund	1	22,385	22,385	1
Town Fund Balance	<u>2,909</u>	<u>48,330</u>	<u>46,560</u>	<u>4,679</u>
<b>PUBLIC WORKS AUTHORITY:</b>				
PWA Fund	477	81,712	81,996	193
Improvement Fund	20	1,300	1,318	2
Meter Deposits	3,275	440	340	3,375
PWA Fund Balance	<u>3,772</u>	<u>83,452</u>	<u>83,654</u>	<u>3,570</u>
Overall Totals	<u>\$ 6,681</u>	<u>\$ 131,782</u>	<u>\$ 130,214</u>	<u>\$ 8,249</u>

*See Accountants' Compilation Report.*

**EXHIBIT B**

**TOWN OF DOUGHERTY, OKLAHOMA**  
**Budgetary Comparison Schedule – Modified Cash Basis**  
**General Fund**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	1,378	\$ 1,378
<b>Resources (Inflows):</b>				
Sales Tax	9,700	9,700	8,353	(1,347)
Tobacco/Cigarette Tax	100	100	100	-
Alcoholic Beverage Tax	2,000	2,000	1,575	(425)
Gasoline Excise Tax	-	-	154	154
Commercial Vehicle	-	-	1,661	1,661
Franchise Tax	6,200	6,200	5,292	(908)
Taxes	-	-	120	120
Miscellaneous Income	1,800	1,800	(10)	(1,810)
Total Inflows	19,800	19,800	17,245	(2,555)
<b>Charges to Appropriations (Outflows):</b>				
General Government	19,800	19,800	17,923	1,877
Total Outflows	19,800	19,800	17,923	1,877
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	-	-	700	700
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 700	\$ 700

See Accountants' Compilation Report.

**DOUGHTERY PUBLIC WORKS AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Fund Balance – Modified Cash Basis**  
**For the Year Ended June 30, 2015**

	<u>PWA</u>	<u>IMPROVEMENT</u>	<u>DEPOSIT</u>	<u>TOTAL</u>
<b>REVENUES:</b>				
WATER	67,558	-	-	67,558
SEWER	14,153	1,300	-	15,453
WATER DEPOSITS	-	-	438	438
INTEREST INCOME	-	-	2	2
TRANSFERS IN	-	-	-	-
ROUNDING	-	-	-	-
TOTAL REVENUES	<u>81,711</u>	<u>1,300</u>	<u>440</u>	<u>83,451</u>
<b>EXPENDITURES:</b>				
Salaries and Payroll taxes	4,357	-	-	4,357
Payroll	40,215	-	-	40,215
Contract Labor	5,205	-	-	5,205
Professional Fees	427	-	-	427
Insurance	2,975	-	-	2,975
Supplies	1,610	-	-	1,610
Miscellaneous	10,555	-	-	10,555
Capital Outlay	0	-	-	-
Utilities	3,571	-	-	3,571
DEQ Fees	0	-	-	-
Travel	0	-	-	-
Office	8,153	-	-	8,153
Other Services and Charges	4,928	1,318	-	6,246
TRANSFERS OUT	-	0	311	311
REFUND OF DEPOSITS	-	-	<u>30</u>	<u>30</u>
TOTAL EXPENDITURES	<u>81,996</u>	<u>1,318</u>	<u>341</u>	<u>83,655</u>
REVENUE OVER (UNDER)	(285)	(18)	99	(204)

*See Accountants' Compilation Report.*

**EXHIBIT D**

**TOWN OF DOUGHERTY, OKLAHOMA**  
**Schedule of Grant Activity – Modified Cash Basis**  
**For the Year Ended June 30, 2015**

<b>Awarding Agency</b>	<b>Grant Number</b>	<b>Total Award</b>	<b>Amount Received Current Year</b>	<b>Amount Expended Current Year</b>
SOUTHERN OKLAHOMA DEVELOPMENT ASSOC	CB REAP 14-106	\$ 61,235	\$ 9,200	\$ 9,200
DEPARTMENT OF COMMERCE	CDBG 14-106	\$ 61,235	\$ 8,050	\$ 8,050
SOUTHERN OKLAHOMA DEVELOPMENT ASSOC	Emer REAP 15-302	\$ 10,000	\$ 5,135	\$ 5,135
SOUTHERN OKLAHOMA DEVELOPMENT ASSOC	REAP 16-010	\$ 50,000	\$ -	\$ -
OKLAHOMA DEPT OF WILDLIFE	FIRE OPERATIONAL	\$ 4,484	\$ 4,484	\$ 4,484

*See Accountants' Compilation Report.*