

**Town of Dougherty, Oklahoma**  
Independent Accountants' Compilation Report and  
Report on Applying Agreed Upon Procedures  
Year Ended June 30, 2014

**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 Agriculture  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Dougherty and Dougherty Public Works Authority, Dougherty, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund. 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.

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 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 supplementary information contained in Exhibits C and D is presented for purposes of supplementary analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We

**100 E Street S.W. , Suite 200 | Ardmore, OK 73401**

Telephone (580) 223-6454 | FAX 1-800-858-9329

have not audited or reviewed the supplementary information and, accordingly, do not express an opinion of provide any assurance on such supplementary information.

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.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council and Trustees of the Town of Dougherty, and 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, 2014. 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, 2014:

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 compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

***Findings: 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 and any other significant funds listing separately each fund (see accompanying Exhibit B) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

***Findings: Expenditures in the General Fund exceeded budgeted amounts.***

3. ***Procedures Performed:*** We agreed the Town’s 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.

***Findings: 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.

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

5. ***Procedures Performed:*** We compared use of restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

***Findings: 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 report any noted instances of noncompliance.

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

7. ***Procedures Performed:*** We determined compliance with reserve accounts and debt service coverage requirement of bond indenture.

***We did not perform this procedure since the Town of Dougherty has no debt or bond indentures.***

As to the **Dougherty Public Works Authority** as of and for the fiscal year ended June 30, 2014:

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 A) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

***Findings: 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 significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

***Findings: 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.

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

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

***Findings: 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 report any noted instances of noncompliance.

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

6. ***Procedures Performed:*** We determined compliance with reserve accounts and debt service coverage requirement of bond indenture.

***We did not perform this procedure since the Dougherty Public Works Authority has no debt or bond indentures.***

As to the **Town of Dougherty and Dougherty Public Works Authority** as of and for the fiscal year ended June 30, 2014:

1. ***Procedures Performed:*** From the Dougherty Public Works Authority trial balance, we prepared a schedule of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C) for the fiscal year ended June 30, 2014.

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

2. ***Procedures Performed:*** From the Town of Dougherty and Dougherty Public Works Authority 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.

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

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance. 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*

January 21, 2015  
Ardmore, Oklahoma

**TOWN OF DOUGHERTY, OKLAHOMA**  
**Summary of Changes in Fund Balances – Modified Cash Basis**  
**For the Year Ended June 30, 2014**

	Fund Balances Beginning	Revenue	Expenditures	Fund Balances Ending
<b>CITY:</b>				
General Fund	\$ 3,367	\$ 17,172	19,161	\$ 1,378
Fire Department Fund	762	6,328	5,560	1,530
Grant Fund	27	1	27	1
Town Fund Balance	<u>4,156</u>	<u>23,501</u>	<u>24,748</u>	<u>2,909</u>
<b>PUBLIC WORKS AUTHORITY:</b>				
PWA Fund	4,657	78,317	82,497	477
Improvement Fund	4,946	4,198	9,124	20
Meter Deposits	3,131	669	525	3,275
PWA Fund Balance	<u>12,734</u>	<u>83,184</u>	<u>92,146</u>	<u>3,772</u>
Overall Totals	<u>\$ 16,890</u>	<u>\$ 106,685</u>	<u>\$ 116,894</u>	<u>\$ 6,681</u>

*See Accountants' Compilation Report.*

**TOWN OF DOUGHERTY, OKLAHOMA**  
**Budgetary Comparison Schedule – Modified Cash Basis**  
**General Fund**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	3,367	\$ 3,367
<b>Resources (Inflows):</b>				
Sales Tax	9,400	9,400	8,082	(1,318)
Tobacco/Cigarette Tax	-	-	94	94
Alcoholic Beverage Tax	1,100	1,100	1,644	544
Gasoline Excise Tax			0	-
Commercial Vehicle			1,667	1,667
Franchise Tax	5,900	5,900	5,135	(765)
Miscellaneous Income	900	900	550	(350)
Total Inflows	<u>17,300</u>	<u>17,300</u>	17,172	(128)
<b>Charges to Appropriations (Outflows):</b>				
General Government	<u>17,300</u>	<u>17,300</u>	<u>19,161</u>	<u>(1,861)</u>
Total Outflows	17,300	17,300	19,161	(1,861)
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,378</u>	<u>1,378</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,378</u>	<u>\$ 1,378</u>

*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, 2014**

**REVENUES:**

Water	\$ 67,894
Sewer	14,622
Water Deposits	665
Interest Income	<u>3</u>
 Total Revenues	 83,184

**EXPENDITURES:**

Payroll	35,615
Insurance	1,368
Contract Labor	5,877
Payroll Taxes	2,930
Supplies	20,125
Utilities	2,620
Postage	457
Water Purchase	14,291
Miscellaneous	1,994
Deposit Refund	525
Travel	<u>6,344</u>
 Total Expenses	 <u>92,146</u>
 Revenues Over (Under) Expenses	 (8,962)
 Beginning Fund Balance	 <u>12,734</u>
Ending Fund Balance	<u><u>\$ 3,772</u></u>

*See Accountants' Compilation Report.*

**TOWN OF DOUGHERTY, OKLAHOMA  
 Schedule of Grant Activity – Modified Cash Basis  
 For the Year Ended June 30, 2014**

<b>Awarding Agency</b>	<b>Grant Number</b>	<b>Total Award</b>	<b>Amount Received Current Year</b>	<b>Amount Expended Current Year</b>
Oklahoma Department of Agriculture	Fire Operations	\$ 4,474	\$ 4,474	\$ 4,474

*See Accountants' Compilation Report.*