

***Okmulgee-Okfuskee County
Youth Services, Inc.***

Okmulgee, Oklahoma

***REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

For the Year Ended June 30, 2019

SAUNDERS & ASSOCIATES, PLLC

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OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

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June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Okmulgee-Okfuskee County Youth Services, Inc.

We have audited the accompanying financial statements of Okmulgee-Okfuskee County Youth Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 an opinion 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Okmulgee-Okfuskee County Youth Services, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2019 on our consideration of Okmulgee-Okfuskee County Youth Services, Inc.'s internal control over financial reporting and on our tests of 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 Okmulgee-Okfuskee County Youth Services, Inc.'s internal control over financial reporting and compliance.


SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

August 14, 2019

FINANCIAL STATEMENTS

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 244,710
Accounts Receivable	55,597
Total Current Assets	<u>300,307</u>

Fixed Assets:

Furniture and Equipment	27,476
Buildings	160,717
Total Fixed Assets	188,193

Less Accumulated Depreciation (152,226)

Net Fixed Assets 35,967

TOTAL ASSETS \$ 336,274

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 0
Accrued Leave	10,254
Total Current Liabilities	<u>10,254</u>

Total Liabilities 10,254

Net Assets:

Without Donor Restrictions	326,020
With Donor Restrictions	0
Total Net Assets	<u>326,020</u>

TOTAL LIABILITIES AND NET ASSETS \$ 336,274

* The accompanying notes are an integral part of the financial statements.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT:</u>			
OJA CBYS Grant - Prevention	\$ 0	\$ 218,640	\$ 218,640
OJA CBYS Grant - FTOP	0	7,344	
OJA CBYS Grant - Life Skills	116,696	0	116,696
Donations	7,815	0	7,815
OAYS/Prep	1,400	0	1,400
Fund Raising	8,490	0	8,490
Interest Income	602	0	602
United Way	123,330	0	123,330
Title XIX	181,310	0	181,310
CARS	13,474	0	13,474
OJA Formula	0	24,063	24,063
Graduated Sanctions	0	6,851	6,851
 Net Assets Released from Restrictions - Satisfaction of Program Restrictions	 <u>256,898</u>	 <u>(256,898)</u>	 <u>0</u>
 Total Support	 <u>710,015</u>	 <u>0</u>	 <u>710,015</u>
 <u>EXPENSES</u>			
<u>Program Services:</u>			
OJA Contract - Community	218,640	0	218,640
OJA Contract - FTOP	7,344	0	7,344
OJA Contract - Life Skills	102,936	0	102,936
Title XIX	201,449	0	201,449
CARS	10,154	0	10,154
OJA Formula	24,063	0	24,063
Graduated Sanctions	6,851	0	6,851
 <u>Supporting Services</u>			
Local Support	23,170	0	23,170
United Way	123,330	0	123,330
Fund Raising	3,683	0	3,683
 Total Expenses	 <u>721,620</u>	 <u>0</u>	 <u>721,620</u>
 Increase (Decrease) in Net Assets	 (11,605)	 0	 (11,605)
Gain on Disposition of Assets	0	0	0
Net Assets, Beginning of Year	<u>337,625</u>	<u>0</u>	<u>337,625</u>
 NET ASSETS, END OF YEAR	 <u>\$ 326,020</u>	 <u>\$ 0</u>	 <u>\$ 326,020</u>

* The accompanying notes are an integral part of the financial statements.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

<u>EXPENDITURES</u>	<u>OJA Prevention</u>	<u>OJA FTOP</u>	<u>OJA Life Skills</u>
Salaries	\$ 171,198	\$ 5,853	\$ 71,551
Payroll Tax	12,657	394	5,562
Worker's Compensation	3,170	50	1,506
Health Insurance	10,793	644	6,658
Retirement	2,910	71	1,297
Travel/Training	572	191	286
Meals and Lodging	0	0	0
Training/Workshop	0	0	0
Furniture	0	0	0
Equipment	0	0	1,237
Building Rent	1,100	0	1,300
Consultant	0	0	225
Utilities	2,345	19	1,948
Telephone	2,404	25	1,843
Maintenance and Repairs	906	4	4,536
Printing and Advertising	0	0	0
Supplies	0	0	0
Fund Raising	0	0	0
Office Supplies	2,882	36	1,479
Postage	0	0	0
Dues and Membership	0	0	0
Agency Certification	0	0	0
Audit	2,794	0	1,208
Insurance	4,909	57	2,300
Vehicle Expense	0	0	0
Miscellaneous	0	0	0
Utility Assistance	0	0	0
Housing Assistance	0	0	0
Depreciation	0	0	0
TOTAL EXPENDITURES	\$ 218,640	\$ 7,344	\$ 102,936

* The accompanying notes are an integral part of the financial statements.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

<u>EXPENDITURES</u>	<u>Local Support</u>	<u>United Way</u>	<u>CARS</u>	<u>Graduated Sanctions Grant</u>
Salaries	\$ (2,371)	\$ 90,233	\$ 9,204	\$ 6,127
Payroll Tax	0	6,229	703	326
Worker's Compensation	0	1,991	0	0
Health Insurance	0	6,442	153	355
Retirement	0	1,265	94	43
Travel/Training	0	1,244	0	0
Meals and Lodging	0	0	0	0
Training/Workshop	0	0	0	0
Furniture	0	0	0	0
Equipment	0	0	0	0
Building Rent	0	0	0	0
Consultant	8,847	0	0	0
Utilities	0	1,808	0	0
Telephone	0	4,292	0	0
Maintenance and Repairs	0	459	0	0
Printing and Advertising	0	0	0	0
Supplies	5,102	0	0	0
Fund Raising	3,683	0	0	0
Office Supplies	25	1,591	0	0
Postage	0	0	0	0
Dues and Membership	312	3,325	0	0
Agency Certification	6,155	0	0	0
Audit	0	1,435	0	0
Insurance	0	3,016	0	0
Vehicle Expense	0	0	0	0
Miscellaneous	392	0	0	0
Utility Assistance	0	0	0	0
Housing Assistance	0	0	0	0
Depreciation	4,708	0	0	0
TOTAL EXPENDITURES	\$ 26,853	\$ 123,330	\$ 10,154	\$ 6,851

* The accompanying notes are an integral part of the financial statements.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

<u>EXPENDITURES</u>	<u>OJA</u> <u>Formula</u>	<u>Title</u> <u>19</u>	<u>Total</u>
Salaries	\$ 19,034	\$ 156,831	\$ 527,660
Payroll Tax	1,328	11,905	39,104
Worker's Compensation	0	2,693	9,410
Health Insurance	3,320	6,994	35,359
Retirement	381	3,040	9,101
Travel/Training	0	522	2,815
Meals and Lodging	0	0	0
Training/Workshop	0	0	0
Furniture	0	0	0
Equipment	0	3,279	4,516
Building Rent	0	1,200	3,600
Consultant	0	0	9,072
Utilities	0	2,119	8,239
Telephone	0	2,368	10,932
Maintenance and Repairs	0	710	6,615
Printing and Advertising	0	473	473
Supplies	0	71	5,173
Fund Raising	0	0	3,683
Office Supplies	0	3,036	9,049
Postage	0	0	0
Dues and Membership	0	0	3,637
Agency Certification	0	0	6,155
Audit	0	2,114	7,551
Insurance	0	4,094	14,376
Vehicle Expense	0	0	0
Miscellaneous	0	0	392
Utility Assistance	0	0	0
Housing Assistance	0	0	0
Depreciation	0	0	4,708
TOTAL EXPENDITURES	\$ 24,063	\$ 201,449	\$ 721,620

* The accompanying notes are an integral part of the financial statements.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2019

<u>Cash Flows From Operating Activities</u>	
Increase in Net Assets	\$ (11,605)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:	
Depreciation	4,708
(Increase) Decrease in Operating Assets:	
Accounts Receivable	2,371
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	0
Accrued Leave	(2,371)
Net Cash Provided (Used) by Operating Activities	<u>(6,897)</u>
<u>Cash Flows From Investing Activities</u>	
Proceeds from Disposition of Assets	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>0</u>
<u>Cash Flows From Financing Activities</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,897)
Cash and Cash Equivalents, Beginning of Year	<u>251,607</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 244,710</u>

* The accompanying notes are an integral part of the financial statements.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: ORGANIZATION

Okmulgee-Okfuskee County Youth Services, Inc. is a non-profit corporation organized for the following purposes:

1. To provide a mechanism in Okmulgee and Okfuskee Counties through which interested citizens, organizations, agencies and units of government can effectively implement cooperative approaches that attack youth problems in a positive manner.
2. To act in a coordination capacity to integrate services and resources, local, state and federal into a comprehensive program of services for youth throughout the counties.
3. To apply for and receive grant-in-aid from local, state, federal or private sources for implementing programs developed for youth services within the counties.
4. To provide continuous follow-up and evaluation of programs delivering youth services within the counties.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncement - On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The organization has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the organization's financial statements:

- The temporarily restricted and permanently restricted net assets classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 4).

The changes have the following effect on net assets at June 30, 2018:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted Net Assets	\$ 337,625	\$ 0
Temporarily Restricted Net Assets	0	0
Permanently Restricted Net Assets	0	0
Net Assets Without Donor Restrictions	0	337,625
Net Assets With Donor Restrictions	<u>0</u>	<u>0</u>
Total Net Assets	<u>\$ 337,625</u>	<u>\$ 337,625</u>

Basis of Accounting – The books and records are kept on the accrual basis. For purposes of these financial statements the contracts receivable, prepaid expenses and payables have been accrued to conform to generally accepted accounting principles.

Property and Equipment – Property and equipment purchases costing \$500 or more are recorded at cost. Donated property and equipment are recorded at the fair market value at the date of their receipt. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. All assets are currently being depreciated on a five to 40 year life.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Financial Statement Presentation – The organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets with donor restrictions and net assets without donor restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Recognition of Donor Restrictions – Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Purpose Restrictions Accomplished:	
OJA CBYS Prevention Expenses	\$ 218,640
OJA CBYS FTOP Expenses	7,344
OJA Formula Expenses	24,063
Graduated Sanctions Expenses	<u>6,851</u>
Total Restrictions Released	<u>\$ 256,898</u>

Cost Allocation – Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Allocable expenses are proportioned by calculating the total of each individual program staff's salaries and dividing that amount by the organization's total salaries. This method is reviewed and adjusted as needed bi-annually.

NOTE 3: NONPROFIT STATUS

The organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business, as defined by Section 509(a)(1) of the Code. The organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examinations by taxing authorities. The organization has analyzed tax positions taken for filing with the Internal Revenue Service and the State of Oklahoma. The organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the organization's financial condition, results of operations, or cash flows. Accordingly, the organization has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at June 30, 2019.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 3: NONPROFIT STATUS - CONTINUED

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the organization has no open examinations with the Internal Revenue Service or the Oklahoma Tax Commission.

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Donor-restricted resources are available to support general expenditures to the extent that restrictions on those resources will be met by conducting the normal activities of the organization's programs in the coming year.

Financial Assets at year-end	\$ 300,307
Less those unavailable for general expenditures within one year, due to: Contractual or Donor-Imposed Restrictions	<u>0</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$300,307</u>

NOTE 5: FUNDING CONTRACTS

1. The organization received a contract with the State of Oklahoma under the Office of Juvenile Affairs for the year ended June 30, 2019. The contract provided for reimbursement of costs after submitting proof of expenditures and services and the allowability for these expenditures by the State up to a maximum of \$218,640 for Prevention and \$7,344 for First Time Offender. During the year, the organization received grant funds of \$218,640 for Prevention and \$7,344 for First Time Offender. Additionally, the contract allowed for rate based payment for Life Skills. During the year, the organization received \$116,696 for Life Skills.
2. The organization received a contract with the State of Oklahoma under the Office of Juvenile Affairs for the year ended June 30, 2019 to provide Community At-Risk Services. The contract provided for payment for services. During the year, the organization received \$13,474 for CARS services provided.
3. The organization received an allocation from the Tulsa Area United Way for the purpose of therapeutic recreation and program development. During the current fiscal year, the organization received \$123,330 from United Way.
4. The organization has a contract with the Oklahoma Health Care Authority for providing community based services for rehabilitative mental health services offered by qualified outpatient mental health providers as required by Title XIX. The contract provides for payment for services through the Federal Department of Health and Human Services, and passed through the Oklahoma Health Care Authority. During fiscal year 2019, the organization received payment for services in the amount of \$181,310.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 5: FUNDING CONTRACTS, CONTINUED

5. The organization was awarded a Juvenile Justice and Delinquency Prevention Formula Grant through the State of Oklahoma Office of Juvenile Affairs. The contract provided for reimbursement of costs up to a maximum of \$24,924. During the year, the organization received \$24,063 in grant funds.
6. The organization was awarded a Juvenile Accountability Block Grant through the State of Oklahoma Office of Juvenile Affairs. The contract provided for reimbursement of costs up to a maximum of \$10,000. During the year, the organization received \$6,851 in grant funds.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash as reflected in these financial statements is comprised of the following:

Cash in Checking Account	\$ 101,724
Cash in Savings Accounts	83,582
Cash in Certificate of Deposit	<u>59,404</u>
Total Cash	<u>\$ 244,710</u>

For the purpose of the Statement of Cash Flows, cash consists of cash in banks. All cash funds are deposited in institutions insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 7: PENSION PLAN

Okmulgee-Okfuskee County Youth Services, Inc. has a Simple IRA retirement plan. The plan is a defined contribution plan in which the organization contributes 2% of a qualified employee's salary to the plan. The amount contributed during the fiscal year was \$9,101.

NOTE 8: RISK MANAGEMENT

The organization's risk management of loss consists of commercial insurance for property and liability losses, professional liability, and worker's compensation. There have been no significant reductions in insurance coverage during the year ended June 30, 2019.

NOTE 9: ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: ECONOMIC DEPENDENCY

Okmulgee-Okfuskee County Youth Services, Inc. receives a significant portion of its revenue from funds provided through federal and state grants. The grant amounts are appropriated each year at the federal and/or state level. If significant budget cuts are made at these levels, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that would adversely affect the amount of funds the organization will receive in the next fiscal year.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The organization receives federal and state grants for specific purposes that are subject to review and audit by federal and state awarding agencies. Such audits could result in a request for reimbursement by the federal and/or state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of management, such disallowances, if any, will not be significant to the organization's financial statements.

NOTE 12: LEASES

The organization leases office space under an operating lease which is renewed annually. The space rents for \$300 per month and lease expense for the fiscal year ended June 30, 2019 was \$3,600.

The organization leases equipment under a 60 month operating lease with monthly payments of \$213. Lease expense for the fiscal year ended June 30, 2019 was \$2,555.

Future minimum lease payments are as follows:

2020	\$ 2,555
2021	2,555
2022	2,555
2023	1,491
2024	0

NOTE 13: SUBSEQUENT EVENTS

Date of Management Evaluation-Management has evaluated subsequent events through August 14, 2019, which is the date the financial statements were available to be issued.

Saunders & Associates, PLLC

Certified Public Accountants

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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*

Board of Directors
Okmulgee-Okfuskee County Youth Services, Inc.

We have audited, in accordance with the 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 financial statements of Okmulgee-Okfuskee County Youth Services, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Okmulgee-Okfuskee County Youth Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Okmulgee-Okfuskee County Youth Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Okmulgee-Okfuskee County Youth Services, Inc.'s internal control.

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 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. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Okmulgee-Okfuskee County Youth Services, Inc.'s financial statements 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results of that testing, and not to provide an opinion on the effectiveness of Okmulgee-Okfuskee County Youth Services, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Okmulgee-Okfuskee County Youth Services, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saunders & Associates, PLLC
SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

August 14, 2019

SUPPLEMENTAL INFORMATION

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS

For the Year Ended June 30, 2019

<u>Grantor/Program Title</u> <u>STATE</u>	<u>CFDA</u> <u>Number</u>	<u>Contract</u> <u>Number</u>	<u>Contract</u> <u>Period</u>	<u>Contract</u> <u>Amount</u>	<u>Revenues</u> <u>Recognized</u>	<u>Expenditures</u>
Oklahoma Office of Juvenile Affairs:						
OJA - Prevention - Community Based Youth Service		4009022425	07/01/18- 06/30/19	\$ 218,640	218,640	218,640
OJA - FTOP - Community Based Youth Service		4009022425	07/01/18- 06/30/19	\$ 7,344	\$ 7,344	7,344
TOTAL STATE ASSISTANCE					225,984	225,984
<u>FEDERAL</u>						
U. S. Department of Justice: Pass Through State of Oklahoma Office of Juvenile Affairs:						
Juvenile Justice and Delinquency Prevention Formula Grant	16.540	4009022269	07/01/18- 06/30/19	\$ 24,924	24,063	24,063
Juvenile Accountability Block Grant	16.523	4009022263	07/01/18- 06/30/19	10,000	6,851	6,851
TOTAL FEDERAL ASSISTANCE					30,914	30,914
TOTAL STATE AND FEDERAL ASSISTANCE					\$ 256,898	\$ 256,898

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL

OFFICE OF JUVENILE AFFAIRS - CBYS - PREVENTION

For the Year Ended June 30, 2019

	Community		
	Budget	Actual	Actual Over (Under)
<u>REVENUES</u>			
OJA - Prevention	\$ 218,640	\$ 218,640	\$ 0
Total Revenues	218,640	218,640	0
<u>EXPENDITURES</u>			
Salaries and Fringe	200,728	200,728	0
Travel/Training	572	572	0
Building Rent	1,100	1,100	0
Utilities	2,345	2,345	0
Telephone	2,404	2,404	0
Maintenance and Repair	906	906	0
Office Supplies	2,882	2,882	0
Audit	2,794	2,794	0
Insurance	4,909	4,909	0
Total Expenditures	218,640	218,640	0
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ 0	\$ 0	\$ 0

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL

OFFICE OF JUVENILE AFFAIRS - CBYS - FTOP

For the Year Ended June 30, 2019

	Community		
	Budget	Actual	Actual Over (Under)
<u>REVENUES</u>			
OJA - FTOP	\$ 7,344	\$ 7,344	\$ 0
Total Revenues	7,344	7,344	0
<u>EXPENDITURES</u>			
Salaries and Fringe	7,012	7,012	0
Travel/Training	191	191	0
Utilities	19	19	0
Telephone	25	25	0
Maintenance and Repair	4	4	0
Office Supplies	36	36	0
Insurance	57	57	0
Total Expenditures	7,344	7,344	0
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ 0	\$ 0	\$ 0

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

STATUS OF PRIOR AUDIT FINDINGS

June 30, 2019

None reported.

OKMULGEE-OKFUSKEE COUNTY YOUTH SERVICES, INC.
Okmulgee, Oklahoma

SCHEDULE OF FINDING AND RESPONSES

For the Year Ended June 30, 2019

None reported.