

City of Erick
Erick, Oklahoma

Agreed Upon Procedures
And Accompanying
Independent Auditor's Report

For The Year Ended
June 30, 2016



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Institute of Certified
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Board, City of Erick
Erick, Oklahoma

Trustees of the Erick Public Works Authority
Erick, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Statement of Changes in Unrestricted Fund Balances (GAAP Basis), the Budgetary Comparison Schedule-Cash Basis for the General Fund, the Budgetary Comparison Schedule-Cash Basis for the Cemetery Fund, the Budgetary Comparison Schedule-Cash Basis for the Ambulance Fund, the Budgetary Comparison Schedule-Cash Basis for the Fire Fund, the Budgetary Comparison Schedule-Cash Basis for the Hotel/Motel Fund, the Budgetary Comparison Schedule-Cash Basis for the Roger Mills Senior Citizens Fund, and the Statement of Revenues, Expenses, the Changes in Fund Balance for Erick Public Works Authority, and the Schedule of Grants for the fiscal year ended June 30, 2016, in accordance with accounting principles accepted in the State of Oklahoma for municipalities meeting the criteria for Agreed Upon Procedures. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We did not audit or review 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 statements.

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

We have performed the procedures enumerated within Appendix A and Appendix B which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the City of Erick (the City) and the Erick Public Works Authority (the Authority) in meeting its financial accountability requirements as

prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2016.

Management of the City of Erick is responsible for the City'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 and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. 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 in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. 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 these specified parties.

A handwritten signature in black ink that reads "RSMeacham CPAs & Advisors". The signature is written in a cursive, flowing style.

RSMeacham CPAs & Advisors

December 2, 2016

**City of Erick, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2016**

As to the City of Erick as of and for the fiscal year ended June 30, 2016:

- I. Prepare a schedule of changes in fund balances for each fund from the City's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I, no instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibits II-VII, no instances of noncompliance noted. The City's significant funds are Cemetery Replacement, Ambulance, Fire and Hotel/Motel, and the Roger Mills Senior Citizens Center. The City budgets under the Estimate of Needs. The City's other significant funds are appropriated as expenses are incurred.

- III. Agree the City'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.

Findings: No instances of noncompliance noted.

- IV. Compare the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare the accounting for the City's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VII. Compare the City'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 noncompliance.

Findings: No instances of noncompliance noted.

- VIII. Prepare a schedule of grant receipts and expenditures for the general fund.

Findings: See Exhibit IX, no instances of noncompliance noted.

**Erick, Oklahoma Public Works Authority
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Erick Public Works Authority, as of and for the year ended June 30, 2016:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I & VII, no instances of noncompliance noted.

- II. Agree 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.

Findings: No instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- IV. Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. Compare 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 instances of noncompliance noted.

- VI. Compare 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 noncompliance.

Findings: No instances of noncompliance noted.

CITY OF ERICK, OKLAHOMA
SUMMARY OF CHANGES IN UNRESTRICTED FUND BALANCES (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 663,478	\$ (143,537)	\$ 519,941
Street & Alley Fund	36,619	10,112	46,731
Municipal Court Fund	8,291	(702)	7,589
Cemetery Replacement Fund	46,204	1,078	47,281
Ambulance Fund	164,207	(86,986)	77,221
Fire Dept Fund	248,635	(54,606)	194,029
Motel Tax Fund	117,430	5,837	123,267
Roger Miller Center Fund	6,683	166	6,849
Meter Fund	36,009	548	36,557
Community Building Fund	13,127	800	13,927
CDBG Grant	1	-	1
REAP Grant	1	-	1
CITY TOTAL	<u>1,340,683</u>	<u>(267,290)</u>	<u>1,073,393</u>
ERICK PUBLIC WORKS AUTHORITY			
EPWA	123,150	(82,091)	41,059
EPWA TOTAL	<u>\$ 123,150</u>	<u>\$ (82,091)</u>	<u>\$ 41,059</u>

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 679,935	\$ 679,935	\$ 663,478	\$ (16,457)
Resources (Inflows):				
Taxes:				
Sales tax	299,820	299,820	327,196	27,376
Use tax	27,450	27,450	17,294	(10,156)
Tobacco tax	4,685	4,685	5,324	639
Total Taxes	<u>331,955</u>	<u>331,955</u>	<u>349,814</u>	<u>17,859</u>
Intergovernmental:				
Alcoholic beverage tax	6,545	6,545	7,173	628
Grant revenue	-	-	-	-
Franchise tax	23,170	23,170	23,330	160
Total Intergovernmental	<u>29,715</u>	<u>29,715</u>	<u>30,503</u>	<u>788</u>
Fines and Forfeitures	2,375	2,375	800	(1,575)
Investment Income	1,050	1,050	1,301	251
Miscellaneous Income	12,970	12,970	19,225	6,255
Grants-SWODA	12,505	12,505	14,926	2,421
Grants-USDA	-	-	1,106	1,106
Total current year resources	<u>390,570</u>	<u>390,570</u>	<u>417,676</u>	<u>27,106</u>
Amounts available for appropriation	<u>\$ 1,070,505</u>	<u>\$ 1,070,505</u>	<u>\$ 1,081,154</u>	<u>\$ 10,649</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	93,050	93,050	55,911	37,139
Maintenance and operations	78,000	78,000	14,534	63,466
Other services and charges	176,465	176,465	30,358	146,107
Capital outlay	146,250	146,250	7,039	139,211
Total General Government	<u>493,765</u>	<u>493,765</u>	<u>107,842</u>	<u>385,923</u>
Public Works-Street Dept:				
Personal services	171,000	171,000	153,043	17,957
Maintenance and operations	85,000	85,000	44,580	40,420
Capital outlay	20,000	20,000	41,508	(21,508)
Total Public Works-Street Dept	<u>276,000</u>	<u>276,000</u>	<u>239,130</u>	<u>36,870</u>
Police:				
Personal services	150,000	150,000	88,134	61,866
Maintenance and operations	40,000	40,000	18,109	21,891
Other services and charges	-	-	5,700	(5,700)
Capital outlay	500	500	35,371	(34,871)
Total Police	<u>190,500</u>	<u>190,500</u>	<u>147,315</u>	<u>43,185</u>
Library:				
Personal services	9,000	9,000	6,909	2,091
Maintenance and operations	4,000	4,000	1,824	2,176
Capital outlay	2,000	2,000	1,588	412
Total Library	<u>15,000</u>	<u>15,000</u>	<u>10,321</u>	<u>4,679</u>
Parks:				
Personal services	26,000	26,000	18,011	7,989
Maintenance and operations	25,000	25,000	9,761	15,239
Other services and charges	-	-	3,493	(3,493)
Capital outlay	7,500	7,500	-	7,500
Total Parks	<u>58,500</u>	<u>58,500</u>	<u>31,265</u>	<u>27,235</u>
Animal Control				
Personal services	18,796	18,796	18,796	-
Maintenance and operations	2,433	2,433	2,433	-
Other services and charges	175	175	175	-
Capital outlay	2,831	2,831	2,831	-
Total Animal Control	<u>24,235</u>	<u>24,235</u>	<u>24,235</u>	<u>-</u>
Other Financing Uses:				
Grant expenditures	-	1,106	1,106	-
Total Other Financing Uses:	<u>-</u>	<u>1,106</u>	<u>1,106</u>	<u>-</u>
Total Charges to Appropriations	<u>1,058,000</u>	<u>1,059,106</u>	<u>561,213</u>	<u>497,892</u>
Change in Fund Balance	(667,430)	(668,536)	(143,537)	524,998
Ending Budgetary Fund Balance	<u>12,505</u>	<u>11,399</u>	<u>519,941</u>	<u>508,541</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>519,941</u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 CEMETERY FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 46,204	\$ 46,204	\$ -
Resources (Inflows):			
Miscellaneous Income	<u>1,078</u>	<u>1,078</u>	<u>-</u>
Total current year resources	<u>1,078</u>	<u>1,078</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 47,281</u>	<u>\$ 47,281</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
Other Financing Uses:			
Capital Improvements	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	1,078	1,078	-
Ending Budgetary Fund Balance	<u><u>47,281</u></u>	<u><u>47,281</u></u>	<u><u>-</u></u>
 ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS		-	
 UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u><u>47,281</u></u>	

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 164,207	\$ 164,207	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	54,533	54,533	-
Use tax	2,882	2,882	-
Total Taxes	<u>57,415</u>	<u>57,415</u>	<u>-</u>
Medicare/Medicaid	25,533	25,533	-
Subscriptions	33,259	33,259	-
Donations	85	85	-
Miscellaneous Income	54,206	54,206	-
Total current year resources	<u>170,498</u>	<u>170,498</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 334,705</u>	<u>\$ 334,705</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Personal services	215,029	215,029	-
Maintenance and operations	31,402	31,402	-
Capital expenditures	11,053	11,053	-
Total General Government	<u>257,484</u>	<u>257,484</u>	<u>-</u>
Other Financing Uses:			
Debt service	-	-	-
Total Charges to Appropriations	<u>257,484</u>	<u>257,484</u>	<u>-</u>
Change in Fund Balance	(86,986)	(86,986)	-
Ending Budgetary Fund Balance	<u>77,221</u>	<u>77,221</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>77,221</u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 248,635	\$ 248,635	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	54,533	54,533	-
Use tax	2,882	2,882	-
Total Taxes	<u>57,415</u>	<u>57,415</u>	<u>-</u>
Intergovernmental:			
Grant revenue	4,290	4,290	-
Total Intergovernmental	<u>4,290</u>	<u>4,290</u>	<u>-</u>
Donations	-	-	-
Miscellaneous Income	2,059	2,059	-
Total current year resources	<u>63,764</u>	<u>63,764</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 312,399</u>	<u>\$ 312,399</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Personal services	4,107	4,107	-
Maintenance and operations	44,102	44,102	-
Other services and charges	15,161	15,161	-
Total General Government	<u>63,370</u>	<u>63,370</u>	<u>-</u>
Other Financing Uses:			
Capital Improvements	55,000	55,000	-
Total Charges to Appropriations	<u>118,370</u>	<u>118,370</u>	<u>-</u>
Change in Fund Balance	(54,606)	(54,606)	-
Ending Budgetary Fund Balance	<u>194,029</u>	<u>194,029</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>194,029</u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 HOTEL/MOTEL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 117,430	\$ 117,430	\$ -
Resources (Inflows):			
Intergovernmental:			
Lodging tax	17,845	17,845	-
Total Intergovernmental	<u>17,845</u>	<u>17,845</u>	<u>-</u>
Donations	-	-	-
Miscellaneous Income	143	143	-
Total current year resources	<u>17,988</u>	<u>17,988</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 135,418</u>	<u>\$ 135,418</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	4,577	4,577	-
Total General Government	<u>4,577</u>	<u>4,577</u>	<u>-</u>
Other Financing Uses:			
Debt service	7,573	7,573	-
Total Charges to Appropriations	<u>12,150</u>	<u>12,150</u>	<u>-</u>
Change in Fund Balance	5,838	5,838	-
Ending Budgetary Fund Balance	<u>123,268</u>	<u>123,268</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>123,268</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ROGER MILLS SENIOR CITIZENS CENTER
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 6,683	\$ 6,683	\$ -
Resources (Inflows):			
Miscellaneous Income	5,261	5,261	-
Grants	8,520	8,520	-
Total current year resources	<u>13,781</u>	<u>13,781</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 20,464</u>	<u>\$ 20,464</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Other services and charges	13,615	13,615	-
Total General Government	<u>13,615</u>	<u>13,615</u>	<u>-</u>
Other Financing Uses:			
Capital Improvements		-	-
Total Charges to Appropriations	<u>13,615</u>	<u>13,615</u>	<u>-</u>
Change in Fund Balance	166	166	-
Ending Budgetary Fund Balance	<u>6,849</u>	<u>6,849</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>6,849</u>	

ERICK PUBLIC WORKS AUTHORITY ERICK, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Operating Revenues:	
Charges for services:	
Water	184,186
Sewer	48,020
Sanitation	241,259
Grants	21,666
Other	26,037
Total Operating Revenues	<u>521,167</u>
Operating Expenses:	
Salaries	277,431
Maintenance and operations	298,910
Total Operating Expenses	<u>576,341</u>
Operating Income	(55,174)
Non-Operating Revenues and Expenses:	
Investment income	1,141
Debt service-principal	(9,462)
Debt service-interest	(18,596)
Total Non-Operating Revenues	<u>(26,917)</u>
Net Income Before Contributions and Transfers	(82,091)
Transfers out	<u>-</u>
Change in fund balance	(82,091)
Fund Balance - beginning	<u>123,150</u>
Fund Balance - ending	<u><u>41,059</u></u>

**CITY OF ERICK, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Grant revenue Grant received from:	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
SWODA	2015-2016	CENA	\$ 8,520	\$ 8,520	\$ 8,520	-
Department of Agriculture	2015-2016	Forestry Grant	4,290	4,290	4,290	-
USDA	2015-2016	Animal Shelter	15,000	1,106	2,831	(1,725)
State of Oklahoma Department of Emergency Management	2014-2015	Hazard Mitigation	30,000	21,666	**	21,666
SWODA	2014-2015	Rural Development Action Plan	69,750	13,405	13,405	-
		Total	\$ 127,560	\$ 48,987	\$ 29,046	\$ 19,941

**reimbursed for prior year expenditure