

**City of Erick**  
**Agreed Upon Procedures**  
**June 30, 2014**



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Members of American  
Institute of Certified  
Public Accountants

Members of Oklahoma  
Society of Certified  
Public Accountants

## 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, and the Statement of Revenues, Expenses, and Changes in Fund Balance for Erick Public Works Authority for the fiscal year ended June 30, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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 such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014 for the City and for the Authority. 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.

**RSMeacham** CPAs & Advisors

October 26, 2014

**City of Erick, Oklahoma  
Procedures and Findings  
For the Year Ended June 30, 2014**

As to the City of Erick as of and for the fiscal year ended June 30, 2014:

- 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-VI, no instances of noncompliance noted. The City's significant funds are Cemetery Replacement, Ambulance, Fire and Hotel/Motel. 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 VIII, no instances of noncompliance noted.

**Erick, Oklahoma Public Works Authority  
Procedures and Findings  
For the Year Ended June 30, 2014**

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

- 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 (GAAP BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
<b>TOWN:</b>			
General Fund	\$ 456,937	\$ 152,353	\$ 609,290
Street & Alley Fund	15,522	10,449	25,971
Municipal Court Fund	13,549	(4,842)	8,707
Cemetery Replacement Fund	43,374	1,314	44,688
Ambulance Fund	107,709	55,603	163,312
Fire Dept Fund	90,936	132,491	223,427
Motel Tax Fund	63,549	34,871	98,420
Roger Miller Center Fund	7,125	(318)	6,807
Meter Fund	33,923	338	34,261
Community Building Fund	8,961	1,889	10,850
CDBG Grant	1	-	1
REAP Grant	1	-	1
<b>CITY TOTAL</b>	<u>841,587</u>	<u>384,148</u>	<u>1,225,735</u>
<b>ERICK PUBLIC WORKS AUTHORITY</b>			
EPWA	524,494	70,126	594,620
<b>EPWA TOTAL</b>	<u>\$ 524,494</u>	<u>\$ 70,126</u>	<u>\$ 594,620</u>

See accountant's report.

**CITY OF ERICK, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 456,937	\$ 456,937	\$ 456,937	\$ -
<b>Resources (Inflows):</b>				
<b>Taxes:</b>				
Sales tax	305,000	305,000	412,027	107,027
Use tax	21,000	21,000	33,665	12,665
Tobacco tax	4,350	4,350	8,302	3,952
<b>Total Taxes</b>	<u>330,350</u>	<u>330,350</u>	<u>453,994</u>	<u>123,644</u>
<b>Intergovernmental:</b>				
Alcoholic beverage tax	6,100	6,100	7,347	1,247
Grant revenue	-	-	-	-
Franchise tax	23,250	23,250	25,855	2,605
<b>Total Intergovernmental</b>	<u>29,350</u>	<u>29,350</u>	<u>33,202</u>	<u>3,852</u>
<b>Fines and Forfeitures</b>	2,301	2,301	1,135	(1,166)
<b>Investment Income</b>	384	384	1,041	657
<b>Donations</b>	-	-	84	84
<b>Miscellaneous Income</b>	5,622	5,622	9,875	4,253
<b>Total current year resources</b>	<u>368,007</u>	<u>368,007</u>	<u>499,331</u>	<u>131,324</u>
<b>Amounts available for appropriation</b>	<u>\$ 824,944</u>	<u>\$ 824,944</u>	<u>\$ 956,268</u>	<u>\$ 131,324</u>
<b>Charges to Appropriations (Outflows):</b>				
<b>General government:</b>				
Personal services	55,050	55,050	34,728	20,322
Maintenance and operations	65,000	65,000	30,598	34,402
Other services and charges	114,600	114,600	-	114,600
Capital outlay	126,809	126,809	-	126,809
<b>Total General Government</b>	<u>361,459</u>	<u>361,459</u>	<u>65,326</u>	<u>296,133</u>
<b>Public Works-Street Dept:</b>				
Personal services	163,000	163,000	121,334	41,666
Maintenance and operations	60,000	60,000	52,392	7,608
Capital outlay	10,000	10,000	8,152	1,848
<b>Total Public Works-Street Dept</b>	<u>233,000</u>	<u>233,000</u>	<u>181,878</u>	<u>51,122</u>
<b>Police:</b>				
Personal services	150,000	150,000	45,824	104,176
Maintenance and operations	30,000	30,000	19,903	10,097
Capital outlay	500	500	-	500
<b>Total Police</b>	<u>180,500</u>	<u>180,500</u>	<u>65,727</u>	<u>114,773</u>
<b>Library:</b>				
Personal services	8,000	8,000	5,006	2,994
Maintenance and operations	4,000	4,000	3,365	635
Capital outlay	2,000	2,000	-	2,000
<b>Total Library</b>	<u>14,000</u>	<u>14,000</u>	<u>8,371</u>	<u>5,629</u>
<b>Parks:</b>				
Personal services	17,000	17,000	8,387	8,613
Maintenance and operations	20,000	20,000	17,221	2,780
Capital outlay	2,000	2,000	-	2,000
<b>Total Parks</b>	<u>39,000</u>	<u>39,000</u>	<u>25,608</u>	<u>13,393</u>
<b>Other Financing Uses:</b>				
Capital Improvements	-	-	-	-
Grant expenditures	-	-	68	(68)
<b>Total Charges to Appropriations</b>	<u>827,959</u>	<u>827,959</u>	<u>346,978</u>	<u>480,981</u>
<b>Change in Fund Balance</b>	(459,952)	(459,952)	152,353	612,305
<b>Ending Budgetary Fund Balance</b>	<u>(3,015)</u>	<u>(3,015)</u>	<u>609,290</u>	<u>612,305</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS</b>			-	
<b>UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>			<u>609,290</u>	

**CITY OF ERICK, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
CEMETERY FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 43,374	\$ 43,374	\$ -
<b>Resources (Inflows):</b>			
Miscellaneous Income	2,295	1,314	(981)
<b>Total current year resources</b>	<u>2,295</u>	<u>1,314</u>	<u>(981)</u>
<b>Amounts available for appropriation</b>	<u>\$ 45,669</u>	<u>\$ 44,688</u>	<u>\$ (981)</u>
<b>Charges to Appropriations (Outflows):</b>			
<b>Other Financing Uses:</b>			
Capital Improvements		-	-
<b>Total Charges to Appropriations</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Fund Balance</b>	2,295	1,314	(981)
<b>Ending Budgetary Fund Balance</b>	<u>45,669</u>	<u>44,688</u>	<u>(981)</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS</b>		-	
<b>UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>		<u>44,688</u>	

**CITY OF ERICK, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
AMBULANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 107,709	\$ 107,709	\$ -
<b>Resources (Inflows):</b>			
<b>Taxes:</b>			
Sales tax	61,171	61,171	-
Use tax	4,930	4,930	-
<b>Total Taxes</b>	<u>66,101</u>	<u>66,101</u>	<u>-</u>
Medicare/Medicaid	43,514	43,514	-
Subscriptions	28,504	28,504	-
Donations	4,456	4,456	-
Miscellaneous Income	50,717	50,717	-
<b>Total current year resources</b>	<u>193,292</u>	<u>193,292</u>	<u>-</u>
<b>Amounts available for appropriation</b>	<u>\$ 301,001</u>	<u>\$ 301,001</u>	<u>\$ -</u>
<b>Charges to Appropriations (Outflows):</b>			
<b>General government:</b>			
Personal services	57,452	57,452	-
Maintenance and operations	29,707	29,707	-
Capital expenditures	50,531	50,531	-
<b>Total General Government</b>	<u>137,690</u>	<u>137,690</u>	<u>-</u>
<b>Other Financing Uses:</b>			
Debt service	-	-	-
<b>Total Charges to Appropriations</b>	<u>137,690</u>	<u>137,690</u>	<u>-</u>
<b>Change in Fund Balance</b>	55,603	55,603	-
<b>Ending Budgetary Fund Balance</b>	<u>163,312</u>	<u>163,312</u>	<u>-</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS</b>		-	
<b>UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>		<u>163,312</u>	

**CITY OF ERICK, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
FIRE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 90,936	\$ 90,936	\$ -
<b>Resources (Inflows):</b>			
<b>Taxes:</b>			
Sales tax	61,171	61,171	-
Use tax	4,930	4,930	-
<b>Total Taxes</b>	66,101	66,101	-
<b>Intergovernmental:</b>			
Grant revenue	4,474	4,474	-
<b>Total Intergovernmental</b>	4,474	4,474	-
Donations	100,000	100,000	-
Miscellaneous Income	4,053	4,053	-
<b>Total current year resources</b>	174,628	174,628	-
<b>Amounts available for appropriation</b>	\$ 265,564	\$ 265,564	\$ -
<b>Charges to Appropriations (Outflows):</b>			
<b>General government:</b>			
Maintenance and operations	28,332	28,332	-
Other services and charges	-	-	-
<b>Total General Government</b>	28,332	28,332	-
<b>Other Financing Uses:</b>			
Capital Improvements	13,805	13,805	-
<b>Total Charges to Appropriations</b>	42,137	42,137	-
<b>Change in Fund Balance</b>	132,491	132,491	-
<b>Ending Budgetary Fund Balance</b>	223,427	223,427	-
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS</b>		-	
<b>UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>		223,427	

**CITY OF ERICK, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
HOTEL/MOTEL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 63,549	\$ 63,549	\$ -
<b>Resources (Inflows):</b>			
<b>Intergovernmental:</b>			
Lodging tax	26,287	26,287	-
<b>Total Intergovernmental</b>	26,287	26,287	-
<b>Donations</b>	25,000	25,000	-
<b>Total current year resources</b>	51,287	51,287	-
<b>Amounts available for appropriation</b>	\$ 114,836	\$ 114,836	\$ -
<b>Charges to Appropriations (Outflows):</b>			
<b>General government:</b>			
Maintenance and operations	2,653	2,653	-
Other services and charges	6,189	6,189	-
<b>Total General Government</b>	8,842	8,842	-
<b>Other Financing Uses:</b>			
Debt service	7,573	7,573	-
<b>Total Charges to Appropriations</b>	16,416	16,416	-
<b>Change in Fund Balance</b>	34,871	34,871	-
<b>Ending Budgetary Fund Balance</b>	98,420	98,420	-
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS</b>		-	
<b>UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>		98,420	

**ERICK PUBLIC WORKS AUTHORITY ERICK, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>Operating Revenues:</b>	
<b>Charges for services:</b>	
Water	200,957
Sewer	46,943
Sanitation	224,123
Grants	100,000
Other	23,826
<b>Total Operating Revenues</b>	<u>595,849</u>
<b>Operating Expenses:</b>	
Salaries	212,908
Maintenance and operations	197,813
Grant expense	100,700
<b>Total Operating Expenses</b>	<u>511,421</u>
<b>Operating Income</b>	84,428
<b>Non-Operating Revenues and Expenses:</b>	
Investment income	1,086
Debt service-principal	(9,315)
Debt service-interest	(6,073)
<b>Total Non-Operating Revenues</b>	<u>(14,302)</u>
<b>Net Income Before Contributions and Transfers</b>	70,126
<b>Transfers out</b>	<u>-</u>
<b>Change in fund balance</b>	70,126
<b>Fund Balance - beginning</b>	<u>524,494</u>
<b>Fund Balance - ending</b>	<u>594,620</u>

Exhibit VIII

CITY OF ERICK, OKLAHOMA  
 SCHEDULE OF GRANTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Grant revenue Grant received from:	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
SWODA	2013-2014	CENA	\$ 11,140	\$ 11,140	\$ 11,140	-
Department of Agriculture	2013-2014	Forestry Grant	4,474	4,474	4,474	-
SWODA	2013-2014	Water tower repairs	100,000	100,000	100,000	-
OERSSIRF	2013-2014	Ambulance equipment	37,444	37,444	37,444	-
		<b>Total</b>	<b>\$ 153,058</b>	<b>\$ 153,058</b>	<b>\$ 153,058</b>	<b>\$ -</b>

See accountant's report.