

City of Erick
Agreed Upon Procedures
June 30, 2015



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Members of American
Institute of Certified
Public Accountants

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Society 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, 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, 2015, 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, 2015.

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 blue ink, appearing to be 'RSM', is located to the left of the typed name.

RSMeacham CPAs & Advisors
November 2, 2015

**City of Erick, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2015**

As to the City of Erick as of and for the fiscal year ended June 30, 2015:

- 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, 2015**

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

- 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, 2015

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
TOWN:			
General Fund	\$ 609,290	\$ 53,033	\$ 662,323
Street & Alley Fund	25,971	10,648	36,619
Municipal Court Fund	8,707	(350)	8,357
Cemetery Replacement Fund	44,688	1,459	46,147
Ambulance Fund	163,312	943	164,255
Fire Dept Fund	223,427	25,682	249,109
Motel Tax Fund	98,420	19,030	117,450
Roger Miller Center Fund	6,807	(134)	6,673
Meter Fund	34,261	1,548	35,809
Community Building Fund	10,850	1,947	12,797
CDBG Grant	1	-	1
REAP Grant	1	-	1
CITY TOTAL	<u>1,225,735</u>	<u>113,806</u>	<u>1,339,541</u>
ERICK PUBLIC WORKS AUTHORITY			
EPWA	594,620	(471,470)	123,150
EPWA TOTAL	<u>\$ 594,620</u>	<u>\$ (471,470)</u>	<u>\$ 123,150</u>

See accountant's report.

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 609,290	\$ 609,290	\$ 609,290	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	354,000	354,000	333,144	(20,856)
Use tax	25,000	25,000	30,524	5,524
Tobacco tax	7,400	7,400	5,206	(2,194)
Total Taxes	<u>386,401</u>	<u>386,401</u>	<u>368,874</u>	<u>(17,527)</u>
Intergovernmental:				
Alcoholic beverage tax	6,600	6,600	7,275	675
Grant revenue	-	-	-	-
Franchise tax	22,915	22,915	25,745	2,830
Total Intergovernmental	<u>29,515</u>	<u>29,515</u>	<u>33,020</u>	<u>3,505</u>
Fines and Forfeitures	1,022	1,022	2,029	1,007
Investment Income	935	935	1,212	277
Donations	-	-	13,894	13,894
Miscellaneous Income	9,049	9,049	15,063	6,014
Total current year resources	<u>426,922</u>	<u>426,922</u>	<u>434,092</u>	<u>7,170</u>
Amounts available for appropriation	<u>\$ 1,036,212</u>	<u>\$ 1,036,212</u>	<u>\$ 1,043,382</u>	<u>\$ 7,170</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	93,050	93,050	34,616	58,434
Maintenance and operations	78,000	78,000	42,269	35,731
Other services and charges	201,700	187,700	-	187,700
Capital outlay	143,462	143,462	-	143,462
Total General Government	<u>516,212</u>	<u>502,212</u>	<u>76,885</u>	<u>425,327</u>
Public Works-Street Dept:				
Personal services	163,000	163,000	103,370	59,630
Maintenance and operations	85,000	85,000	51,860	33,140
Capital outlay	15,000	15,000	12,966	2,034
Total Public Works-Street Dept	<u>263,000</u>	<u>263,000</u>	<u>168,196</u>	<u>94,804</u>
Police:				
Personal services	150,000	150,000	65,375	84,625
Maintenance and operations	40,000	40,000	24,558	15,442
Capital outlay	500	500	460	40
Total Police	<u>190,500</u>	<u>190,500</u>	<u>90,393</u>	<u>100,107</u>
Library:				
Personal services	9,000	9,000	6,190	2,810
Maintenance and operations	4,000	4,000	3,345	655
Capital outlay	2,000	2,000	-	2,000
Total Library	<u>15,000</u>	<u>15,000</u>	<u>9,535</u>	<u>5,465</u>
Parks:				
Personal services	20,000	20,000	12,420	7,580
Maintenance and operations	25,000	25,000	9,737	15,263
Capital outlay	6,500	6,500	-	6,500
Total Parks	<u>51,500</u>	<u>51,500</u>	<u>22,157</u>	<u>29,344</u>
Other Financing Uses:				
Capital Improvements	-	-	-	-
Grant expenditures	-	14,000	13,894	106
Total Charges to Appropriations	<u>1,036,212</u>	<u>1,036,212</u>	<u>381,060</u>	<u>655,153</u>
Change in Fund Balance	(609,290)	(609,290)	53,033	662,323
Ending Budgetary Fund Balance	<u>(0)</u>	<u>(0)</u>	<u>662,323</u>	<u>662,323</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS				
				-
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>662,323</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 44,688	\$ 44,688	\$ -
Resources (Inflows):			
Miscellaneous Income	<u>1,513</u>	<u>1,513</u>	<u>-</u>
Total current year resources	<u>1,513</u>	<u>1,513</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 46,201</u>	<u>\$ 46,201</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	1,513	1,513	-
Ending Budgetary Fund Balance	<u><u>46,201</u></u>	<u><u>46,201</u></u>	<u><u>-</u></u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		(54)	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u><u>46,147</u></u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 AMBULANCE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 163,312	\$ 163,312	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	55,524	55,524	-
Use tax	4,935	4,935	-
Total Taxes	<u>60,459</u>	<u>60,459</u>	<u>-</u>
Medicare/Medicaid	19,961	19,961	-
Subscriptions	30,869	30,869	-
Donations	845	845	-
Miscellaneous Income	4,314	4,314	-
Total current year resources	<u>116,448</u>	<u>116,448</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 279,760</u>	<u>\$ 279,760</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Personal services	81,195	81,195	-
Maintenance and operations	34,310	34,310	-
Capital expenditures	-	-	-
Total General Government	<u>115,505</u>	<u>115,505</u>	<u>-</u>
Other Financing Uses:			
Debt service	-	-	-
Total Charges to Appropriations	<u>115,505</u>	<u>115,505</u>	<u>-</u>
Change in Fund Balance	943	943	-
Ending Budgetary Fund Balance	<u>164,255</u>	<u>164,255</u>	<u>-</u>
 ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>164,255</u>	

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 223,427	\$ 223,427	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	55,524	55,524	-
Use tax	4,935	4,935	-
Total Taxes	<u>60,459</u>	<u>60,459</u>	<u>-</u>
Intergovernmental:			
Grant revenue	4,484	4,484	-
Total Intergovernmental	<u>4,484</u>	<u>4,484</u>	<u>-</u>
Donations	-	-	-
Miscellaneous Income	5,481	5,481	-
Total current year resources	<u>70,424</u>	<u>70,424</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 293,851</u>	<u>\$ 293,851</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	41,517	41,517	-
Other services and charges	3,225	3,225	-
Total General Government	<u>44,742</u>	<u>44,742</u>	<u>-</u>
Other Financing Uses:			
Capital Improvements	-	-	-
Total Charges to Appropriations	<u>44,742</u>	<u>44,742</u>	<u>-</u>
Change in Fund Balance	25,682	25,682	-
Ending Budgetary Fund Balance	<u>249,109</u>	<u>249,109</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>249,109</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
HOTEL/MOTEL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 98,420	\$ 98,420	\$ -
Resources (Inflows):			
Intergovernmental:			
Lodging tax	19,583	19,583	-
Total Intergovernmental	<u>19,583</u>	<u>19,583</u>	<u>-</u>
Donations	36,877	36,877	-
Miscellaneous Income	114	114	-
Grants-Other	3,970	3,970	-
Total current year resources	<u>60,544</u>	<u>60,544</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 158,964</u>	<u>\$ 158,964</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	1,761	1,761	-
Capital outlay	28,170	28,170	-
Total General Government	<u>29,931</u>	<u>29,931</u>	<u>-</u>
Other Financing Uses:			
Debt service	7,573	7,573	-
Grant expenditures	4,009	4,009	-
Total Charges to Appropriations	<u>41,513</u>	<u>41,514</u>	<u>-</u>
Change in Fund Balance	19,031	19,030	-
Ending Budgetary Fund Balance	<u>117,451</u>	<u>117,450</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>117,450</u>	

**ERICK PUBLIC WORKS AUTHORITY ERICK, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

Operating Revenues:	
Charges for services:	
Water	186,204
Sewer	47,113
Sanitation	228,056
Grants	125,000
Other	22,700
Total Operating Revenues	<u>609,073</u>
Operating Expenses:	
Salaries	212,196
Maintenance and operations	704,686
Grant expense	129,013
Total Operating Expenses	<u>1,045,894</u>
Operating Income	(436,821)
Non-Operating Revenues and Expenses:	
Investment income	1,212
Debt service-principal	(20,727)
Debt service-interest	(15,134)
Total Non-Operating Revenues	<u>(34,649)</u>
Net Income Before Contributions and Transfers	(471,471)
Transfers out	<u>-</u>
Change in fund balance	(471,471)
Fund Balance - beginning	<u>594,620</u>
Fund Balance - ending	<u><u>123,150</u></u>

Exhibit VIII

CITY OF ERICK, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Grant received from:						
SWODA	2014-2015	CENA	\$ 7,458	\$ 7,458	\$ 7,458	-
Department of Agriculture	2014-2015	Forestry Grant	4,484	4,484	4,484	-
SWODA	2014-2015	Trash truck	125,000	125,000	125,000	-
State of Oklahoma Department of Emergency Management	2014-2015	Hazard Mitigation	30,000	-	30,000	(30,000)
Rural Development	2014-2015	Community Facilities	13,894	13,894	13,894	-
MODA	2014-2015	Community Center Beautification Project	3,970	3,970	3,970	-
		Total	\$ 184,806	\$ 154,806	\$ 184,806	\$ (30,000)

See accountant's report.