

City of Erick
Agreed Upon Procedures
June 30, 2012

RSMeacham CPAs & Advisors

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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 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, 2012 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

September 25, 2012

**City of Erick, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2012**

As to the City of Erick as of and for the fiscal year ended June 30, 2012:

- 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, 2012**

As to the Erick Public Works Authority, as of and for the year ended June 30, 2012:

- 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, 2012

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 172,270	\$ 33,520	\$ 205,790
Street & Alley Fund	19,542	(4,422)	15,120
Municipal Court Fund	9,726	4,024	13,750
Cemetery Replacement Fund	41,392	1,025	42,417
Ambulance Fund	53,724	30,502	84,226
Fire Dept Fund	34,543	13,952	48,495
Motel Tax Fund	53,517	25,978	79,495
Roger Miller Center Fund	8,093	(895)	7,198
Meter Fund	3,937	15,796	19,733
Community Building Fund	5,373	2,889	8,262
CDBG Grant	1	-	1
REAP Grant	1	-	1
CITY TOTAL	<u>402,120</u>	<u>122,369</u>	<u>524,488</u>
ERICK PUBLIC WORKS AUTHORITY			
EPWA	462,876	29,969	492,845
APWA TOTAL	<u>\$ 462,876</u>	<u>\$ 29,969</u>	<u>\$ 492,845</u>

See accountant's report.

CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 172,270	\$ 172,270	\$ 172,270	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	249,040	249,040	292,883	43,843
Use tax	10,947	10,947	8,008	(2,939)
Tobacco tax	3,561	3,561	4,287	726
Total Taxes	<u>263,548</u>	<u>263,548</u>	<u>305,178</u>	<u>41,630</u>
Intergovernmental:				
Alcoholic beverage tax	6,517	6,517	6,518	1
Grant revenue	-	-	-	-
Franchise tax	23,867	23,867	25,692	1,825
Total Intergovernmental	<u>30,384</u>	<u>30,384</u>	<u>32,210</u>	<u>1,826</u>
Fines and Forfeitures	-	-	-	-
Investment Income	76	76	226	150
Donations	-	-	208	208
Miscellaneous Income	7,215	7,215	19,910	12,695
Total current year resources	<u>301,223</u>	<u>301,224</u>	<u>357,732</u>	<u>56,508</u>
Amounts available for appropriation	<u>\$ 473,493</u>	<u>\$ 473,494</u>	<u>\$ 530,002</u>	<u>\$ 56,508</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	38,050	38,050	31,705	6,345
Maintenance and operations	27,000	32,100	25,255	6,845
Other services and charges	100	100	65	35
Capital outlay	2,000	2,000	-	2,000
Total General Government	<u>67,150</u>	<u>72,250</u>	<u>57,025</u>	<u>15,225</u>
Public Works-Street Dept				
Personal services	150,000	150,000	98,235	51,765
Maintenance and operations	36,000	36,000	33,252	2,748
Capital outlay	4,500	4,500	-	4,500
Total Public Works-Street Dept	<u>190,500</u>	<u>190,500</u>	<u>131,487</u>	<u>59,013</u>
Police:				
Personal services	120,000	120,000	87,646	32,354
Maintenance and operations	21,000	21,000	24,427	(3,427)
Capital outlay	500	500	-	500
Total Police	<u>141,500</u>	<u>141,500</u>	<u>112,073</u>	<u>29,427</u>
Library:				
Personal services	8,000	8,000	5,840	2,160
Maintenance and operations	3,500	3,500	3,422	78
Capital outlay	2,000	2,000	-	2,000
Total Fire	<u>13,500</u>	<u>13,500</u>	<u>9,262</u>	<u>4,238</u>
Parks:				
Personal services	15,000	15,000	12,115	2,885
Maintenance and operations	13,000	13,000	9,038	3,962
Capital outlay	500	500	-	500
Total Civil Emergency Management	<u>28,500</u>	<u>28,500</u>	<u>21,153</u>	<u>7,347</u>
Other Financing Uses:				
Capital Improvements	6,497	9,387	-	9,387
Total Charges to Appropriations	<u>447,647</u>	<u>455,637</u>	<u>331,000</u>	<u>124,637</u>
Change in Fund Balance	(146,423)	(154,413)	26,732	181,145
Ending Budgetary Fund Balance	<u>25,847</u>	<u>17,857</u>	<u>199,002</u>	<u>181,145</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			6,788	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>205,790</u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 CEMETERY FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 41,392	\$ 41,392	\$ -
Resources (Inflows):			
Miscellaneous Income	1,025	1,025	-
Total current year resources	<u>1,025</u>	<u>1,025</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 42,417</u>	<u>\$ 42,417</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
Other Financing Uses:			
Capital Improvements	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	1,025	1,025	-
Ending Budgetary Fund Balance	<u><u>42,417</u></u>	<u><u>42,417</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>42,417</u></u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 AMBULANCE FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 53,724	\$ 53,724	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	48,814	48,814	-
Use tax	1,335	1,335	-
Tobacco tax	697	697	-
Total Taxes	<u>50,846</u>	<u>50,846</u>	<u>-</u>
Medicare/Medicaid	44,172	44,172	-
Subscriptions	20,102	20,102	-
Donations	18,785	18,785	-
Miscellaneous Income	8,917	8,917	-
Total current year resources	<u>142,822</u>	<u>142,822</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 196,546</u>	<u>\$ 196,546</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Personal services	50,419	50,419	-
Maintenance and operations	38,210	38,210	-
Capital expenditures	17,741	17,741	-
Total General Government	<u>106,370</u>	<u>106,370</u>	<u>-</u>
Other Financing Uses:			
Debt service	9,103	9,103	-
Total Charges to Appropriations	<u>115,473</u>	<u>115,473</u>	<u>-</u>
Change in Fund Balance	27,349	27,349	-
Ending Budgetary Fund Balance	<u>81,073</u>	<u>81,073</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		3,153	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>84,226</u>	

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 34,543	\$ 34,543	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	48,814	48,814	-
Use tax	1,335	1,335	-
Tobacco tax	697	697	-
Total Taxes	<u>50,846</u>	<u>50,846</u>	<u>-</u>
Intergovernmental:			
Grant revenue	4,413	4,413	-
Total Intergovernmental	<u>4,413</u>	<u>4,413</u>	<u>-</u>
Donations	100	100	-
Miscellaneous Income	450	450	-
Total current year resources	<u>55,809</u>	<u>55,809</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 90,352</u>	<u>\$ 90,352</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	44,104	44,104	-
Other services and charges	3,000	3,000	-
Total General Government	<u>47,104</u>	<u>47,104</u>	<u>-</u>
Other Financing Uses:			
Capital Improvements	-	-	-
Total Charges to Appropriations	<u>47,104</u>	<u>47,104</u>	<u>-</u>
Change in Fund Balance	8,705	8,705	-
Ending Budgetary Fund Balance	<u>43,248</u>	<u>43,248</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		5,247	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>48,495</u>	

See accountant's report.

CITY OF ERICK, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 HOTEL/MOTEL FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 53,517	\$ 53,517	\$ -
Resources (Inflows):			
Intergovernmental:			
Lodging tax	39,117	39,117	-
Total Intergovernmental	<u>39,117</u>	<u>39,117</u>	<u>-</u>
Investment Income	66	66	-
Total current year resources	<u>39,183</u>	<u>39,183</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 92,700</u>	<u>\$ 92,700</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	6,401	6,401	-
Total General Government	<u>6,401</u>	<u>6,401</u>	<u>-</u>
Other Financing Uses:			
Debt service	7,573	7,573	-
Total Charges to Appropriations	<u>13,974</u>	<u>13,974</u>	<u>-</u>
Change in Fund Balance	25,209	25,209	-
Ending Budgetary Fund Balance	<u>78,726</u>	<u>78,726</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		769	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>79,495</u>	

ERICK PUBLIC WORKS AUTHORITY ERICK, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Operating Revenues:	
Charges for services:	
Water	202,871
Sewer	43,883
Sanitation	200,984
Other	34,451
Total Operating Revenues	<u>482,189</u>
Operating Expenses:	
Salaries	226,611
Maintenance and operations	211,093
Total Operating Expenses	<u>437,704</u>
Operating Income	44,485
Non-Operating Revenues and Expenses:	
Investment income	872
Debt service-principal	(8,234)
Debt service-interest	(7,153)
Total Non-Operating Revenues	<u>(14,516)</u>
Net Income Before Contributions and Transfers	29,969
Transfers out	<u>-</u>
Change in fund balance	29,969
Fund Balance - beginning	<u>462,876</u>
Fund Balance - ending	<u><u>492,845</u></u>

Exhibit VIII

CITY OF ERICK, OKLAHOMA
 SCHEDULE OF GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Grant revenue Grant received from:	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
SWODA	2011-2012	CENA	5,476	\$ 5,476	\$ 5,476	-
SWODA	2011-2012	CENA	8,920	8,920	8,920	-
SWODA	2010-2011, 2011-2012	REAP/street overlay	100,000	17,582	17,582	-
Oklahoma Department of Commerce	2011-2012, 2012-2013	CDBG	150,000	118,500	118,500	-
	Total		\$ 264,396	\$ 150,477	\$ 150,477	\$ -

See accountant's report.