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Members of American
Institute of Certified
Public Accountants

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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, 2013, 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, 2013 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
November 19, 2013

**City of Erick, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2013**

As to the City of Erick as of and for the fiscal year ended June 30, 2013:

- 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, 2013**

As to the Erick Public Works Authority, as of and for the year ended June 30, 2013:

- 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, 2013

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 205,790	\$ 251,147	\$ 456,937
Street & Alley Fund	15,120	402	15,522
Municipal Court Fund	13,750	(201)	13,549
Cemetery Replacement Fund	42,417	957	43,374
Ambulance Fund	84,226	23,530	107,756
Fire Dept Fund	48,495	42,441	90,936
Motel Tax Fund	79,495	(15,946)	63,549
Roger Miller Center Fund	7,198	(73)	7,125
Meter Fund	19,733	14,190	33,923
Community Building Fund	8,062	899	8,961
CDBG Grant	1	-	1
REAP Grant	1	-	1
CITY TOTAL	<u>524,288</u>	<u>317,346</u>	<u>841,634</u>
ERICK PUBLIC WORKS AUTHORITY			
EPWA	492,845	31,649	524,494
EPWA TOTAL	<u>\$ 492,845</u>	<u>\$ 31,649</u>	<u>\$ 524,494</u>

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 205,790	\$ 205,790	\$ 205,790	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	264,377	264,377	479,817	215,440
Use tax	7,883	7,883	23,340	15,457
Tobacco tax	3,820	3,820	4,845	1,025
Total Taxes	<u>276,080</u>	<u>276,080</u>	<u>508,002</u>	<u>231,922</u>
Intergovernmental:				
Alcoholic beverage tax	5,280	5,280	6,782	1,502
Grant revenue	-	-	46,584	46,584
Franchise tax	23,716	23,716	26,351	2,635
Total Intergovernmental	<u>28,996</u>	<u>28,996</u>	<u>79,717</u>	<u>50,721</u>
Fines and Forfeitures	522	522	470	(52)
Investment Income	109	109	427	318
Donations	-	-	375	375
Miscellaneous Income	12,341	12,341	13,033	692
Total current year resources	<u>318,048</u>	<u>318,048</u>	<u>602,024</u>	<u>283,976</u>
Amounts available for appropriation	<u>\$ 523,838</u>	<u>\$ 523,838</u>	<u>\$ 807,814</u>	<u>\$ 283,976</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	53,050	53,050	31,493	21,557
Maintenance and operations	40,000	40,000	42,328	(2,328)
Other services and charges	2,600	2,600	126	2,474
Capital outlay	21,660	21,660	1,478	20,182
Total General Government	<u>117,310</u>	<u>117,310</u>	<u>75,425</u>	<u>41,885</u>
Public Works-Street Dept:				
Personal services	136,027	136,027	82,995	53,032
Maintenance and operations	45,000	45,000	35,035	9,965
Capital outlay	2,500	2,500	5,793	(3,293)
Total Public Works-Street Dept	<u>183,527</u>	<u>183,527</u>	<u>123,823</u>	<u>59,704</u>
Police:				
Personal services	150,000	150,000	58,189	91,811
Maintenance and operations	25,000	25,000	18,500	6,500
Capital outlay	500	500	-	500
Total Police	<u>175,500</u>	<u>175,500</u>	<u>76,689</u>	<u>98,811</u>
Library:				
Personal services	8,000	8,000	5,579	2,421
Maintenance and operations	4,000	4,000	2,908	1,092
Capital outlay	2,000	2,000	-	2,000
Total Library	<u>14,000</u>	<u>14,000</u>	<u>8,487</u>	<u>5,513</u>
Parks:				
Personal services	16,500	16,500	9,750	6,750
Maintenance and operations	16,000	16,000	10,119	5,881
Capital outlay	1,000	1,000	-	1,000
Total Parks	<u>33,500</u>	<u>33,500</u>	<u>19,869</u>	<u>13,631</u>
Other Financing Uses:				
Capital Improvements	-	-	-	-
Grant expenditures	-	-	46,584	(46,584)
	-	-	46,584	(46,584)
Total Charges to Appropriations	<u>523,837</u>	<u>523,837</u>	<u>350,877</u>	<u>172,960</u>
Change in Fund Balance	(205,789)	(205,789)	251,147	456,936
Ending Budgetary Fund Balance	<u>1</u>	<u>1</u>	<u>456,937</u>	<u>456,936</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS				
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>456,937</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 42,417	\$ 42,417	\$ -
Resources (Inflows):			
Miscellaneous Income	957	957	-
Total current year resources	<u>957</u>	<u>957</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 43,374</u>	<u>\$ 43,374</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	957	957	-
Ending Budgetary Fund Balance	<u>43,374</u>	<u>43,374</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>43,374</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 81,073	\$ 81,073	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	56,583	56,583	-
Use tax	3,875	3,875	-
Tobacco tax	421	421	-
Total Taxes	<u>60,879</u>	<u>60,879</u>	<u>-</u>
Medicare/Medicaid	32,931	32,931	-
Subscriptions	23,989	23,989	-
Donations	31,550	31,550	-
Miscellaneous Income	5,486	5,486	-
Total current year resources	<u>154,835</u>	<u>154,835</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 235,908</u>	<u>\$ 235,908</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Personal services	53,932	53,932	-
Maintenance and operations	39,536	39,536	-
Capital expenditures	34,802	34,802	-
Total General Government	<u>128,270</u>	<u>128,270</u>	<u>-</u>
Other Financing Uses:			
Debt service	3,035	3,035	-
Total Charges to Appropriations	<u>131,305</u>	<u>131,305</u>	<u>-</u>
Change in Fund Balance	23,530	23,530	-
Ending Budgetary Fund Balance	<u>104,603</u>	<u>104,603</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
OTHER ACCRUALS		3,153	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>107,756</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 48,495	\$ 48,495	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	56,583	56,583	-
Use tax	3,875	3,875	-
Tobacco tax	421	421	-
Total Taxes	<u>60,879</u>	<u>60,879</u>	<u>-</u>
Intergovernmental:			
Grant revenue	4,484	4,484	-
Total Intergovernmental	<u>4,484</u>	<u>4,484</u>	<u>-</u>
Donations	2,255	2,255	-
Miscellaneous Income	139	139	-
Total current year resources	<u>67,757</u>	<u>67,757</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 116,252</u>	<u>\$ 116,252</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	25,127	25,127	-
Other services and charges	189	189	-
Total General Government	<u>25,316</u>	<u>25,316</u>	<u>-</u>
Other Financing Uses:			
Capital Improvements	-	-	-
Total Charges to Appropriations	<u>25,316</u>	<u>25,316</u>	<u>-</u>
Change in Fund Balance	42,441	42,441	-
Ending Budgetary Fund Balance	<u>90,936</u>	<u>90,936</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			-
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>90,936</u>	

**CITY OF ERICK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
HOTEL/MOTEL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 79,495	\$ 79,495	\$ -
Resources (Inflows):			
Intergovernmental:			
Lodging tax	25,113	25,113	-
Total Intergovernmental	<u>25,113</u>	<u>25,113</u>	<u>-</u>
Investment Income	79	79	-
Total current year resources	<u>25,192</u>	<u>25,192</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 104,687</u>	<u>\$ 104,687</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):			
General government:			
Maintenance and operations	23,164	23,164	-
Other services and charges	4,300	4,300	-
Capital outlay	6,100	6,100	-
Transfers	-	-	-
Total General Government	<u>33,564</u>	<u>33,564</u>	<u>-</u>
Other Financing Uses:			
Debt service	7,573	7,573	-
Total Charges to Appropriations	<u>41,137</u>	<u>41,137</u>	<u>-</u>
Change in Fund Balance	(15,945)	(15,945)	-
Ending Budgetary Fund Balance	<u>63,550</u>	<u>63,550</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS		-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)		<u>63,550</u>	

ERICK PUBLIC WORKS AUTHORITY ERICK, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013

Operating Revenues:	
Charges for services:	
Water	195,587
Sewer	45,023
Sanitation	211,851
Other	25,489
Total Operating Revenues	<u>477,950</u>
Operating Expenses:	
Salaries	212,611
Maintenance and operations	190,347
Grant expense	28,986
Total Operating Expenses	<u>431,944</u>
Operating Income	46,006
Non-Operating Revenues and Expenses:	
Investment income	1,031
Debt service-principal	(8,819)
Debt service-interest	(6,569)
Total Non-Operating Revenues	<u>(14,357)</u>
Net Income Before Contributions and Transfers	31,649
Transfers out	<u>-</u>
Change in fund balance	31,649
Fund Balance - beginning	<u>492,845</u>
Fund Balance - ending	<u><u>524,494</u></u>

Exhibit VIII

CITY OF ERICK, OKLAHOMA
 SCHEDULE OF GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grant revenue Grant received from:	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
SWODA	2012-2013	CENA	\$ 8,000	\$ 7,999	\$ 7,999	-
Department of Agriculture	2012-2013	Forestry Grant	4,484	4,484	4,484	-
SWODA	2013-2014	Water tower repairs	100,000	-	-	-
Oklahoma Department of Commerce	2011-2013	14574 and 14818	46,584	46,584	46,584	-
		Total	\$ 159,068	\$ 59,067	\$ 59,067	\$ -

See accountant's report.