



City of
MEDFORD,
OKLAHOMA

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2023

THE CITY OF MEDFORD, OKLAHOMA

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



Independent Accountant's Report

To the Specified Users of the Report:

City Council, City of Medford
Medford, Oklahoma

Trustees of the Medford Public Works Authority
Medford, Oklahoma

Trustees of the Medford Economic Development Authority
Medford, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below 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, Public Works Authority and Economic Development Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Management of the City of Medford (the City), Medford Public Works Authority (the Authority) and Medford Economic Development Authority (MEDA) are responsible for the City's and Authorities' financial accountability and its compliance with those legal and contractual requirements.

The City, the Authority and MEDA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the City of Medford as of and for the fiscal year ended June 30, 2023:

1. **Procedures Performed:** From the City's trial balances and other accounting records, we prepared a cash basis schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any observed instances of noncompliance.

Findings: No instances of noncompliance observed.

2. **Procedures Performed:** From the City's trial balances and other accounting records, we prepared a cash basis budget and actual financial schedule for the General Fund, the Restricted Sales Tax Fund and the Nichols-Pitts Fund (see accompanying Exhibit 2) and compared the actual expenditures reported to the authorized appropriations to report any observed instances of noncompliance with the appropriation limitations.

Findings: The city clerk/treasurer has the authority to move unexpended appropriations from one-line item to another within a fund without approval by the council. Therefore, we look at the department level. No instances of noncompliance were observed.

3. **Procedures Performed:** We agreed 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 unusual reconciling items were observed that did not clear on a timely basis.

4. **Procedures Performed:** We compared the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: All deposits were insured or collateralized at June 30, 2023.

5. **Procedures Performed:** We compared the City's use of material restricted revenues and resources to their restrictions to report any observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

6. **Procedures Performed:** We compared the accounting for the City's activities by fund to the legal and contractual requirements for separate funds to report any observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

7. **Procedures Performed:** A search for City debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

Findings: No such compliance requirements were identified that were applicable to the City.

City of Medford, Medford Public Works Authority and Medford Economic Development Authority
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As to the Medford Public Works Authority and the Medford Economic Development Authority, as of and for the fiscal year ended June 30, 2023:

1. **Procedures Performed:** From the Authorities' trial balances, we prepared a schedule of revenues, expenses and changes in fund balances – cash basis for the Authorities (see accompanying Exhibits 1 and 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

2. **Procedures Performed:** We agreed the Authorities' 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 unusual reconciling items were observed that did not clear on a timely basis.

3. **Procedures Performed:** We compared the Authorities' uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: All deposits were insured or collateralized at June 30, 2023.

4. **Procedures Performed:** We compared the Authorities' use of material restricted revenues and resources to their restrictions to report any observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

5. **Procedures Performed:** We compared the accounting for the Authorities' activities by fund to the legal and contractual requirements for separate funds to report any observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

6. **Procedures Performed:** A search for Authority debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

Findings: No such compliance requirements were identified that were applicable to the Authority.

City of Medford, Medford Public Works Authority and Medford Economic Development Authority
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As to the City of Medford, Medford Public Works Authority and Medford Economic Development Authority grant programs, as of and for the fiscal year ended June 30, 2023:

1. **Procedures Performed:** From the City and Authorities' trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any observed instances of noncompliance with the grant agreement.

Findings: No instances of noncompliance were observed.

We were engaged to conduct this agreed-upon procedures engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City and the Authorities meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and the Authorities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Crawford & Associates, P.C.

Crawford & Associates, P.C.
August 15, 2023

EXHIBIT 1
CITY OF MEDFORD AND PUBLIC TRUSTS
SUMMARY SCHEDULE OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Beginning of Year <u>Fund Balances</u>	Current Year <u>Revenues</u>	Current Year <u>Expenditures/Expenses</u>	End of Year <u>Fund Balances</u>
CITY:				
General Fund	\$ 570,761	\$ 1,007,376	\$ 926,397	\$ 651,740
Restricted Sales Tax Fund	378,134	199,213	19,827	557,520
Nichols-Pitts Fund	1,339,563	19,708	26,110	1,333,161
City Subtotal	<u>2,288,458</u>	<u>1,226,297</u>	<u>972,334</u>	<u>2,542,421</u>
PUBLIC TRUST AUTHORITY:				
Medford Public Works Authority	882,804	795,000	1,234,071	443,733
Medford Economic Development Authority	105,274	2,100,442	2,139,728	65,988
PWA Subtotal	<u>988,078</u>	<u>2,895,442</u>	<u>3,373,799</u>	<u>509,721</u>
Overall Totals	<u>\$ 3,276,536</u>	<u>\$ 4,121,739</u>	<u>\$ 4,346,133</u>	<u>\$ 3,052,142</u>

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
CITY OF MEDFORD, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$235,755	\$243,355	\$570,761	\$327,406
Resources (Inflows):				
Taxes:				
Sales tax	360,000	360,000	417,017	57,017
Franchise tax	37,500	37,500	41,038	3,538
Use tax	80,000	80,000	182,877	102,877
Total Taxes	<u>477,500</u>	<u>477,500</u>	<u>640,932</u>	<u>163,432</u>
Intergovernmental:				
Alcoholic beverage tax	50,000	50,000	60,918	10,918
Cigarette tax	-	-	4,050	4,050
Motor vehicle tax	8,000	8,000	6,451	(1,549)
Gasoline excise tax	2,500	2,500	940	(1,560)
Grant revenue	7,000	7,000	18,479	11,479
Total Intergovernmental	<u>67,500</u>	<u>67,500</u>	<u>90,838</u>	<u>23,338</u>
Charges for services:				
Ambulance subscriptions	3,800	3,800	3,750	(50)
Ambulance	60,000	60,000	49,806	(10,194)
Fire calls	4,000	4,000	2,025	(1,975)
Swimming pool	9,000	9,000	14,914	5,914
Miniature golf	700	700	637	(63)
Golf club dues/green fees	25,000	25,000	41,342	16,342
Rent	4,000	4,000	40,081	36,081
Cemetery	600	600	700	100
Total Charges for Services	<u>107,100</u>	<u>107,100</u>	<u>153,255</u>	<u>46,155</u>
Fines and Forfeitures	<u>15,000</u>	<u>15,000</u>	<u>11,135</u>	<u>(3,865)</u>
Licenses and Permits	<u>4,000</u>	<u>4,000</u>	<u>9,766</u>	<u>5,766</u>
Investment Income	<u>1,800</u>	<u>1,800</u>	<u>4,979</u>	<u>3,179</u>
Miscellaneous Income:				
Fire donations	7,000	7,000	1,338	(5,662)
Ambulance donations	600	5,600	4,596	(1,004)
Park donations	-	-	10,925	10,925
Library donations	300	300	-	(300)
Police donations	1,500	6,500	11,053	4,553
CIA sponsorships/donations	10,000	10,000	9,648	(352)
Library fines and sales	200	200	200	-
Reimbursements	1,100	1,100	40,868	39,768
Reserve revenue	15,000	15,000	-	(15,000)
Emergency services tax reimbursement	26,000	26,000	13,063	(12,937)
Other	3,327	3,327	4,780	1,453
Total Miscellaneous	<u>65,027</u>	<u>75,027</u>	<u>96,471</u>	<u>21,444</u>
Other Financing Sources:				
Transfers from other funds	120,000	120,000	-	(120,000)
Total Resources (Inflows)	<u>857,927</u>	<u>867,927</u>	<u>1,007,376</u>	<u>139,449</u>
Amounts available for appropriation	<u>1,093,682</u>	<u>1,111,282</u>	<u>1,578,137</u>	<u>466,855</u>

(Continued)

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
CITY OF MEDFORD, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$10,705	\$10,705	\$10,253	\$452
Materials and supplies	8,800	8,800	5,397	3,403
Other services and charges	32,150	27,650	22,884	4,766
Total General Government	<u>51,655</u>	<u>47,155</u>	<u>38,534</u>	<u>8,621</u>
City Manager:				
Personal services	115,210	115,210	110,980	4,230
Other services and charges	2,600	2,600	1,771	829
Total City Manager	<u>117,810</u>	<u>117,810</u>	<u>112,751</u>	<u>5,059</u>
Clerk-Treasurer:				
Personal services	31,938	31,964	30,490	1,474
Materials and supplies	350	300	2,975	(2,675)
Other services and charges	6,950	6,974	435	6,539
Total Clerk-Treasurer	<u>39,238</u>	<u>39,238</u>	<u>33,900</u>	<u>5,338</u>
City Attorney:				
Personal services	3,000	3,000	2,970	30
Other services and charges	500	500	-	500
Total City Attorney	<u>3,500</u>	<u>3,500</u>	<u>2,970</u>	<u>530</u>
Municipal Court:				
Personal services	2,940	2,940	2,886	54
Other services and charges	625	625	-	625
Total Municipal Court	<u>3,565</u>	<u>3,565</u>	<u>2,886</u>	<u>679</u>
Civil Defense:				
Personal services	300	300	-	300
Materials and supplies	4,000	4,000	615	3,385
Total Civil Defense	<u>4,300</u>	<u>4,300</u>	<u>615</u>	<u>3,685</u>
Inspections:				
Personal services	5,000	3,700	1,305	2,395
Other services and charges	15,200	16,500	6,645	9,855
Total Inspections	<u>20,200</u>	<u>20,200</u>	<u>7,950</u>	<u>12,250</u>
Library:				
Personal services	45,220	44,102	42,484	1,618
Materials and supplies	30,036	30,851	9,387	21,464
Other services and charges	2,800	3,453	3,310	143
Capital outlay	400	50	-	50
Total Library	<u>78,456</u>	<u>78,456</u>	<u>55,181</u>	<u>23,275</u>
Fire:				
Personal services	5,958	6,024	5,548	476
Materials and supplies	35,060	35,660	16,918	18,742
Other services and charges	2,900	2,234	2,155	79
Total Fire	<u>43,918</u>	<u>43,918</u>	<u>24,621</u>	<u>19,297</u>

(Continued)

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
CITY OF MEDFORD, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks:				
Personal services	\$ 54,325	\$ 45,025	\$ 37,388	\$ 7,637
Materials and supplies	14,800	23,500	22,518	982
Other services and charges	6,100	6,700	6,388	312
Capital outlay	-	-	-	-
Total Parks	<u>75,225</u>	<u>75,225</u>	<u>66,294</u>	<u>8,931</u>
Police:				
Personal services	240,903	239,823	168,622	71,201
Materials and supplies	17,890	24,470	23,305	1,165
Other services and charges	46,421	46,421	1,881	44,540
Capital outlay	900	400	307	93
Total Police	<u>306,114</u>	<u>311,114</u>	<u>194,115</u>	<u>116,999</u>
Ambulance:				
Personal services	109,776	109,301	97,756	11,545
Materials and supplies	4,455	9,630	8,444	1,186
Other services and charges	3,900	4,200	2,683	1,517
Total Ambulance	<u>118,131</u>	<u>123,131</u>	<u>108,883</u>	<u>14,248</u>
Community in Action:				
Materials and supplies	12,000	13,500	13,464	36
Total CDBG Grant	<u>12,000</u>	<u>13,500</u>	<u>13,464</u>	<u>36</u>
Streets:				
Personal services	78,370	74,170	61,779	12,391
Materials and supplies	14,500	16,900	16,561	339
Other services and charges	63,700	64,000	61,584	2,416
Total Streets	<u>156,570</u>	<u>155,070</u>	<u>139,924</u>	<u>15,146</u>
General Fund reserve expenditures	<u>63,000</u>	<u>75,100</u>	<u>67,565</u>	<u>7,535</u>
Total Charges to Appropriations	1,093,682	1,111,282	869,653	241,629
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 708,484</u>	<u>\$ 708,484</u>
			Correction of required sales tax transfer (56,744)	
			<u>\$ 651,740</u>	

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
CITY OF MEDFORD, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RESTRICTED SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2023

RESTRICTED SALES TAX FUND				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 375,000	\$ 375,000	\$ 378,134	\$ 3,134
Resources (Inflows):				
Taxes	100,000	100,000	139,005	39,005
Investment income	2,000	2,000	3,464	1,464
Amounts available for appropriation	477,000	477,000	520,603	43,603
Charges to appropriations (outflows):				
Streets	477,000	477,000	19,827	457,173
Total Streets	477,000	477,000	19,827	457,173
Total Charges to Appropriations	477,000	477,000	19,827	457,173
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 500,776	\$ 500,776
			Correction of required sales tax transfer	
			56,744	
			\$ 557,520	

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
CITY OF MEDFORD, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
NICHOLS-PITTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

NICHOLS-PITTS FUND				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 153,200	\$ 153,200	\$ 1,339,563	\$ 1,186,363
Resources (Inflows):				
Cell tower income	4,500	4,500	5,076	576
Farm income	8,000	8,000	2,508	(5,492)
Investment income	5,100	5,100	12,124	7,024
	<u>170,800</u>	<u>170,800</u>	<u>1,359,271</u>	<u>1,188,471</u>
Charges to appropriations (outflows):				
Materials and supplies	6,000	5,200	2,520	2,680
Other services and charges	4,300	1,100	1,100	-
Farm expense	-	3,900	3,830	70
Capital Outlay:				
Mini Golf	3,000	2,300	-	2,300
Golf course	82,000	82,000	13,005	68,995
Parks and recreation	2,000	3,300	3,300	-
Ball fields	2,000	1,500	1,017	483
Emergency services	-	-	-	-
Beautification projects	60,000	60,000	338	59,662
Streets	10,000	10,000	1,000	9,000
Swimming pool	1,000	1,000	-	1,000
Library	500	500	-	500
Total Capital Outlay	<u>160,500</u>	<u>160,600</u>	<u>18,660</u>	<u>141,940</u>
Total Charges to Appropriations	<u>170,800</u>	<u>170,800</u>	<u>26,110</u>	<u>144,690</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,333,161</u>	<u>\$ 1,333,161</u>

See independent accountant's report on agreed-upon procedures.

EXHIBIT 3
CITY OF MEDFORD, OKLAHOMA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
MEDFORD PUBLIC WORKS AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenues:	
Charges for services:	
Water	\$477,072
Sewer	75,089
Sanitation	113,428
Total Operating Revenues	665,589
Operating Expenses:	
Water	285,993
Sewer	17,033
General and administration	275,147
Airport	7,025
Capital outlay	578,873
Total Operating Expenses	1,164,071
Operating Income (loss)	(498,482)
Non-Operating Revenues:	
Investment income	3,557
Grant revenue	82,778
Rent income	6,604
Miscellaneous	36,472
Total Non-Operating Revenues	129,411
Net Income (loss) Before Transfers	(369,071)
Transfers out	(70,000)
Change in fund balance	(439,071)
Fund Balance - beginning	882,804
Fund Balance - ending	\$443,733

See independent accountant's report on agreed-upon procedures.

EXHIBIT 3
CITY OF MEDFORD, OKLAHOMA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
MEDFORD ECONOMIC DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenues:	
Charges for services:	
Sales tax revenue	\$152,795
Grocery sales	1,857,088
Rebates and refunds	20,309
Total Operating Revenues	2,030,192
Operating Expenses:	
Grocery Store:	
Personal services	246,727
Materials and supplies	1,469,147
Other services and charges	246,560
Capital outlay	77,353
Total grocery store	2,039,787
MEDA:	
Personal services	50,053
Materials and supplies	1,000
Total MEDA	51,053
Total Operating Expenses	2,090,840
Operating Income (loss)	(60,648)
Non-Operating Revenues:	
Debt service - principal	(41,207)
Debt service - interest	(7,681)
Miscellaneous	250
Total Non-Operating Revenues	(48,638)
Net Income (loss) Before Transfers	(109,286)
Non-Operating Revenues:	
Transfers in	70,000
Change in fund balance	(39,286)
Fund Balance - beginning	105,274
Fund Balance - ending	\$65,988

See independent accountant's report on agreed-upon procedures.

EXHIBIT 4

CITY OF MEDFORD , OKLAHOMA
 SCHEDULE OF GRANT ACTIVITY - CASH BASIS
 Year Ended June 30, 2023

	<u>Volunteer Fire Assistance Grant</u>	<u>Library State Aid FY 2023</u>	<u>Coronavirus State and Local Fiscal Recovery Funds</u>
Awarding agency	State Department of Agriculture	Oklahoma Department of Libraries	U.S. Department of Treasury
ALN	N/A	N/A	21.027
Award Amount	\$ 10,053	\$ 8,426	\$ 164,784
Program Budget	10,053	8,426	164,784
Current Year Activity:			
Current Year Receipts:			
Received from agency	10,053	8,426	82,778
Received from local funds	-	-	-
Total current year receipts	10,053	8,426	82,778
Disbursements in current year	10,053	8,426	164,779
Beginning of Year Due to Agency	-	-	82,001
End of Year Due to Agency	-	-	-
Program To-Date Activity:			
Program To-Date Receipts:			
Received from agency	10,053	8,426	164,779
Received from local funds	-	-	-
Total program To-Date Receipts	10,053	8,426	164,779
Program To-Date Disbursements	10,053	8,426	164,779
Program To-Date Due to Agency	\$ -	\$ -	\$ -

See independent accountant's report on agreed-upon procedures.