

Part IB OTHER REVENUES — Other than tax and intergovernmental revenues — Continued			
Enter below amounts of the stated types of revenue (net of refunds and interfund transfers) received by your government during the fiscal year. Be sure to include revenues of all funds other than the exceptions noted in the special instructions.			
2. Other sales and service revenue — Continued	Amount (Omit cents)	5. Interest earnings-Interest received on all deposits & investment holdings of your government and its agencies excluding earnings of any employee pension fund.	Amount (Omit cents)
d. Recreation charges (swimming, golf, auditoriums etc.)	A61 42,739		U20 149,626
e. Airports — Include rentals and gross sales of gas and oil.	A01 1,750	6. Rents-Exclude rev. reported in Item 2	U40 17,339
f. Parking facilities (parking lots, garages, parking meters)	A60 0	7. Royalties-Compensation or portion of proceed from extraction of natural resources	U41 150,428
g. Municipal housing project rentals (gross)	A50 0	8. Fines & forfeitures (City or Town share on)	U30 56,163
h. Ambulance services	A89 86,766	9. Private donations	U50 3,874
i. Miscellaneous commercial activities (cemeteries)	A03 0	10. Miscellaneous other revenue — Revenue of your government and its agencies not covered by items above, except tax and intergovernmental revenues. Include insurance adjustments, etc. DO NOT include: (1) proceeds from borrowing; (2) receipts from sale of holdings; (3) transfers between funds or agencies of your government; or (4) employee's contributions to, and interest earnings of, any employee pension fund.	
j. Other (including miscellaneous fee collections)	A89 8,986	a. MISC.	U99 91,993
3. Special assessments — Compulsory contributions and reimbursements from owners or property benefited by improvements (streets, sewers, sidewalks, water extensions, etc.) Do not include proceeds from sales of special assessment bonds. Report maintenance assessments under item 2 on page 1.	U01 0	b. Cemetery	550
4. Receipts from sale of property — Amounts from sale of realty, other than by tax sales, including property sold to other governments.	U11 0	c.	0
		Total misc other revenue	U99 92,543
		Sum of items 10a-10c →	92,543

Part II DIRECT EXPENDITURES BY PURPOSE AND TYPE

Please note that payments made to other governments (State or local) should NOT be included in amounts reported here, but should be reported at part III.

Enter below all amounts expended during the fiscal year for the purposes listed (net of interfund transfers). Be sure to include expenditures of all funds other than the exceptions noted in the instructions on the first page.

Column (a) — Gross salaries and wages without deduction of withholdings for income taxes, employee contributions for Social Security or retirement coverage, etc. Exclude: (1) capital outlay (report in columns (c.) & (d)). and (2) amounts paid to other governments (report in part III)

Column (b) — Enter in the appropriate functional category direct expenditure for supplies, materials, and contractual services.

Column (c.) — Report construction outlays from all sources; i.e., bond proceeds, assessments, grants, etc.

PURPOSE	EXPENDITURES BY PURPOSE AND TYPE			
	Personal Services (a)	Operations & Maintenance (b)	CAPITAL OUTLAY	
			Construction (c.)	Purchase of land, equip. & structures (d)
GOVERNMENTAL ADMINISTRATION				
1. Financial administration — Office of the finance director, auditor, comptroller, treasurer, tax assessment and collection, central accounting and purchasing services, budgeting, etc. (including related data processing).	E23 0	E23 0	F23 0	G23 0
2. Judicial and legal — All municipal court and court-related activities including juries, probate officials, prosecutors, public defenders, municipal attorneys, and legal departments. Exclude probation and parole (report in item 16).	E25 5,151	E25 416	F25 0	G25 0
3. Central administration — City council, aldermen or commissioners, mayor, manager, city clerk's office, recorder, planning, zoning, and personnel.	E29 136,486	E29 7,326	F29 0	G29 0
HEALTH AND WELFARE				
4. Social services	E79 0	E79 0	F79 0	G79 0
5. Own hospitals — Construction and operation of hospitals by your government. Nursing homes are to be reported in item 7.	E36 0	E36 0	F36 0	G36 0
6. Other hospitals — Payments to hospitals operated privately. Exclude here and report in item 6, any payments under public welfare programs. Report payments to hospitals operated by other governments in part III.	0	0	0	0
7. Welfare institutions — Construction and operation of nursing homes and welfare institutions by your government for veterans and needy persons.	E77 0	E77 0	F77 0	G77 0
8. Health (other than hospitals) — All public health activities except provision of hospital care. Include environmental health activities; health regulation and inspection, water and air pollution control, mosquito control, and inspection of food handling establishments. Also include public health nursing, vital statistics collection, and all other services performed directly by the public health department. Report in item 6 payments under public welfare programs.	E32 0	E32 0	F32 0	G32 0
TRANSPORTATION				
9. Highways — Construction and maintenance of municipal streets, sidewalks, bridges and toll facilities. Also includes street lighting, snow removal, and highway engineering, control, and safety. Exclude here and report in item 21f, street cleaning, expenditure. Include in part III any payments to the State or county for highway purposes. Report interest on highway debt in item 22e.	E44 64,213	E44 55,994	F44 0	G44 0
10. Toll highways and facilities — Operation and maintenance of highways, roads and bridges operated on fee or toll basis	E45 0	E45 0	F45 0	G45 0
11. Municipal airports	E01 7,200	E01 2,517	F01 205,802	G01 16,780
12. Parking facilities — Municipal garages, parking lots, etc. and all purchase and maintenance of meters (including on-street meters).	E60 0	E60 0	F60 0	G60 0
PUBLIC SAFETY				
13. Police — Include municipal police agencies for preventing, controlling, or reducing crime; coroners, medical examiners; special police for highways, tunnels, bridges, and vehicular control; vehicular inspection activities; and traffic control and safety activities. Exclude highway engineering and planning (report in item 9).	E62 191,920	E62 18,486	F62	G62 1,025
14. Fire — All costs incurred for firefighting and fire prevention, including contributions to volunteer fire units. Include any municipal contribution to a State fire pension fund.	3,870	12,856		0

PART II DIRECT EXPENDITURES BY PURPOSE AND TYPE — Continued				
PURPOSE	EXPENDITURES BY PURPOSE AND TYPE			
	Personal Services (a)	Operations & Maintenance (b)	CAPITAL OUTLAY	
			Construction (c.)	Purchase of land, equip. & structures (d)
PUBLIC SAFETY — Continued	E05	E05	F05	G06
15. Correction institutions — Operation of facilities for confinement, correction and rehabilitation of adults or juveniles.	0	0	0	0
16. Other corrections — Probation and parole activities - But exclude "lock up" operations (report in item 16).	E04	E04	F04	G04
	0	0	0	0
17. Protection inspection and regulation, n.e.c. — Regulation of private enterprise for the protection of the public and inspection of hazardous activities (including building inspection), except when related to major functions, such as health, natural resources, etc.	E66	E66	F66	G66
	0	10,498	0	0
AMBULANCE	E32	E32	F32	G32
18. All expenditures for city operated or subsidized ambulance services	47,024	25,036	0	11,372
CULTURE AND RECREATION	E61	E61	F61	G61
19. Parks, cultural activities, and other recreation — Include playgrounds, golf courses, swimming pools, museums, marinas, community music, drama, celebrations, and zoos.	24,294	45,081	0	35,851
20. Libraries — Include payments to nongovernmental libraries as well as libraries operated by the city. <i>Aid to other governmental libraries should be excluded and reported in part III.</i>	E52	E52	F52	G52
	17,467	10,942	0	7,654
UTILITIES				
21. Gross expenditures for utility systems operated by your government. <i>Exclude interest (report in item 19); also exclude utility contributions to the parent government and deduct the cost of providing services to the parent government (e.g., for street lighting, hydrant rental, etc.).</i>	E91	E91	F91	G91
a. Water supply system	208,852	125,384	173,313	0
b. Electric power system	0	0	0	0
c. Gas supply system	E93	E93	F93	G93
	0	0	0	0
d. General Operating	E94	E94	F94	G94
	89,918	155,535	0	2,035
e. Sewers and storm sewers — Construction, maintenance and operation of sanitary and storm systems and sewage disposal plants	E80	E80	F80	G80
		14,004	0	3,915
f. Solid waste and landfill — The collection and disposal of garbage and landfill operations	E81	E81	F81	G81
	0	0	0	0
INTEREST ON DEBT				
22. Amounts of interest paid, including any interest on short-term or nonguaranteed obligations, as well as general obligations.		I91		
a. Water supply system				
b. Electric power system		2431	0	
c. Gas supply system		I93	0	
d. Transit		I94	0	
e. All interest not covered by items 19a through 19c		I89	534	
ALL OTHER EXPENDITURES				
23. Include any amounts which have not been allocated above by purpose, such as: your employee contribution to a State administered retirement system or to the Federal Social Security System; judgements and insurance premiums; and municipal service agencies, such as a central garage or an engineering department, which serve more than one functional agency, and whose expenses are not allocated to the various departments.				
<i>Do not include: (1) Payments for retirement of debt, (2) payments for purchase of securities, (3) transfer between funds or agencies of your government, or (4) benefits and payments from distinct employee pension funds.</i>				
a. Housing and community development — Gross expenditure for urban renewal, slum clearance, municipal housing projects, and similar activities.	E50	E50	F50	G50
	0	0	0	0
b. Economic development (Industrial)	E89	E89	F89	G89
	0	0	0	0
c. Civil defense	E89	E89	F89	G89
	300	0	0	0
d. Cemetery operations and maintenance	E89	E89	F89	G89
	0	0	0	0
e. Miscellaneous commercial activities	E03	E03	F03	G03
	0	0	0	0
Other — <i>Specify</i>	E89	E89	F89	G89
f. General Gov't.	6,657	50,375	0	0
g. Farm expense	0	3,913	0	0
h.	0	0	0	0

Part III INTERGOVERNMENTAL EXPENDITURES

Please detail all payments made to other governments for services or programs performed on a reimbursement or cost-sharing basis — e.g., for hospital care, highways, school tuition, or support, etc. (Such amounts should be excluded from expenditure figures reported in column (b) of part II.) Enter "None" if your government made no reportable payments to other governments during the fiscal year.

Item	Type of recipient government(s) (County, State, school districts, etc.) (a)	Amount (Omit cents) (b)	Item	Type of recipient government(s) (County, State, school districts, etc.) (a)	Amount (Omit cents) (b)
1.		0	5.		0
2.		0	6.		0
3.		0	7.		0
4.		0	8.		0

Part IV SALARIES, WAGES, AND FORCE ACCOUNT	Amount (Omit cents)
Report the total expenditure for salaries and wages included in column (a) of part II, as well as any salaries and wages paid on force account construction projects.	200 457,335

Part V DEBT OUTSTANDING, ISSUED, AND RETIRED — Report special obligations of all agencies of your government as well as general city or town debt.

1. Long term debt — Bonds, mortgages, etc., with an original term of more than one year issued in the name of your government or of particular agencies. Include revenue and nonguaranteed special assessment bonds payable solely from pledged earnings or special assessments on property owners (column (e)). Report also general obligations and any debt backed by pledged resources but guaranteed by your government if these sources are insufficient (column (f)). When an advance refunding has resulted in a legal or in-substance defeasance, the debt may be considered extinguished, reported as retired in the year of defeasance and should not be reported herein in subsequent years.

	AMOUNT, BY PURPOSE (Omit cents)					
	Outstanding at beginning of fiscal year (a)	DURING FISCAL YEAR		Outstanding total (a) plus (b) minus © (d)	DETAIL OF LONG-TERM DEBT OUTSTANDING	
		Issued (b)	Retired ©		Revenue and nonguaranteed bonds (e)	Guaranteed bonds (f)
a. Sewer debt	19X 0	29X 0	39X 0	0	44X 0	41X 0
b. Water supply system debt	19A 0	29A 0	39A 0	0	44A 0	41A 0
c. Electric power system debt	19B 0	29B 0	39B 0	0	44B 0	41B 0
d. Gas supply system debt	19C 0	29C 0	39C 0	0	44C 0	41C 0
e. Transit	19D 0	29D 0	39D 0	0	44D 0	41D 0
f. Industrial revenue and pollution control debt	19T 0	24T 0	34T 0	0	44T 0	41T 0
g. All other purposes	19X 13,049	29X 15,200	39X 17,727	10,522	44X 10,522	41X 0

2. Short-term (interest-bearing) debt — Tax anticipation notes, bond anticipation notes, interest-bearing warrants, and other obligations with a term of one year or less — Exclude accounts payable and other noninterest-bearing obligations.	Amount (Omit cents)
a. Amount outstanding at beginning of fiscal year	61V 0
b. Amount outstanding at end of fiscal year	64V 0

Part VI CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR

Report separately for each of the three types of funds listed below, the total amount of cash on hand and on deposit and investments in Federal Government, Federal agency, State and local government, and non-governmental securities. Report all investments at carrying value. Include in the sinking fund total any mortgages and notes receivable held as offsets to housing and industrial financing loans. Exclude accounts receivable, value of real property, and all non-security assets. Assets obtained and held pursuant to an advance refunding that results in a legal or in-substance defeasance should not be reported herein.

Type of fund	Amount at end of fiscal year (Omit cents)
1. Sinking funds — Reserves held for redemption of long-term debt. All cash held for statutory sinking fund and revenue bond related accounts and any other reserves held for redemption of long-term debt.	W01 0
2. Bond funds — Unexpended proceeds from sale of G.O. and revenue bond issues held pending disbursement.	W31 0
3. All other funds except employee retirement funds	W61 2,330,332
4. Retirement systems — Single employer plans only	0

Part VII AUDITOR INFORMATION

NOTE — This report will not be considered complete unless an accompanying "accountants compilation report on financial statements included in certain prescribed forms" is attached to the report. The municipality's auditor should follow the in AR Section 300 of the AICPA Professional Standards in preparing such compilation report.

Auditor's firm name

Crawford & Associates, PC

Address — *Number and street*

10308 Greenbriar Place

City

Oklahoma City

State

OK

ZIP Code

73159

TELEPHONE

Area
Code

405

Number

691-5550

Extension

Name of contact person/Email

COVERAGE OF THIS REPORT

The financial reporting entity for which information is to be presented should comply with generally accepted accounting principles for governments. Current authoritative guidance is provided in GASB Codification Section 2100 and/or GASB Statement No. 14. These statements prescribe that the financial reporting entity should consist of the primary government or oversight unit and all blended and discreetly presently component units.

Oklahoma Statutes, Section 17-105.1 of Title 11 require that municipalities include information relating to all of its duly constituted authorities. Copies of this form may be distributed to component units for their completion. Forms completed by component units should not be filed separately but should be returned to the appropriate municipality for inclusion in the report filed for the financial reporting entity. Such component units would include special districts, hospitals, boards, trusts, and authorities meeting the inclusion criteria of the statements reference above.

SUPPLEMENTARY INSTRUCTIONS FOR OKLAHOMA MUNICIPALITIES
2012 ANNUAL SURVEY OF CITY AND TOWN FINANCES

COVERAGE OF THIS REPORT

In addition to the fiscal activities of your general government, **include** the revenues, expenditures, assets and debt of the following types of agencies, if they are operative in your city or town.

- City water districts
- Medical center authorities
- Joint airport boards
- Municipal parking districts
- Rural water, sewer, gas, and solid waste management districts with ex officio boards
- Public trust (Title 60, Section 176 of the Oklahoma Statutes)
- Separate road districts
- Sewer districts
- Utilities authorities
- Zoning districts

Part I — TAX REVENUES

This part refers to all city-imposed taxes. It does not include service charges, special assessments (such as those for paving districts), or interest earnings, fines, or any other sources which are not taxes or licenses.

1. Property taxes (code T01)

Also include city-imposed ad valorem property taxes collected by the county and paid to the city for the repayment of G.O. bonds.

2. Local sales taxes

a. General sales tax (code T09)

Report revenue from city-imposed sales tax only. This tax is collected by the State and paid back to the city minus a small percentage withheld by the State for handling expenses. Be sure to enter only the amount of the check received from the State.

b. Franchise fee or tax - public utilities (code T15)

Enter here any franchise tax collected from a private utility to operate within the city such as gas, electric, telephone, cable TV, etc.

d. Other — *Specify any sales tax not mentioned above.*

3. Licenses, permits, and other taxes

a. Occupation and business licensing and permits (code T28)

Enter here licenses and inspection charges on occupation and business.

b. Report only licenses and permits not included in 3a. (code T29)

Part IA — INTERGOVERNMENTAL REVENUE

1. General support

From State (code C30) — Enter amount received from alcoholic beverage tax county distribution.

2. Streets and highways (codes C46, D46, and B46)

Enter receipts from commercial vehicle tags, gasoline tax, bus mileage tax, registration tags.

3. Health or hospitals (codes C42, D42, and B42)

In the appropriate column, list any intergovernmental revenues received for operation of a hospital, health facility or health department, (grants, not loans) or funds received from other government jurisdictions for health services or facilities operated by your government.

7. Grants received for mass transit and/or bus systems (codes C94 to B94)

9. All other (From State — code C-89; From Federal Government — code B89)

Include in the appropriate box, receipts from various payments such as:

- Park and recreation (BOR or HUD)
- Community development and urban renewal
- Civic defense
- Water and sewer facilities
- Manpower planning and utilization

Part IB — OTHER REVENUE

3. Special assessment funds

Include —

- All transactions of special assessment funds established to finance streets, sidewalks, or other local improvements within the city.
- Assessments collected from property owners at part IB, item 3.
- Expenditure from improvements at part II. Report as capital outlay.
- Interest paid on special assessment obligations as part II, Item 19e.
- Transactions of special assessment bonds at part V.
- Cash and security holdings of special assessment funds at part VI.

Part IV — SALARIES, WAGES, AND FORCE ACCT.

Report salaries and wages for all employees full- and part-time. Include salaries paid for employees of any utility owned and operated by your government. Report salaries in gross amounts before deductions for income taxes, Social Security, or retirement coverage.

Part V — DEBT OUTSTANDING, ISSUED & RETIRED

Also include industrial revenue or pollution control bonds, if issued by your city or town.

Hospitals — The following hospitals are classified as agencies of various municipal governments and their transactions should be included in the appropriate parts of this report.

Municipality	Hospital
Anadarko	Anadarko Municipal Hospital
Bethany	Bethany General Hospital
Carnegie	Carnegie Tri-County Municipal Hospital
Cleveland	Cleveland Area Hospital
Clinton	Clinton Regional Hospital
El Reno	Park View Hospital
Fairfax	Fairfax Municipal Hospital
Fairview	Fairview Hospital
Healdton	Healdton Municipal Hospital
Holdenville	Holdenville General Hospital
Lindsay	Lindsay Municipal Hospital
Mangum	Mangum City Hospital
Norman	Norman Municipal Hospital
Okeene	Okeene Municipal Hospital
Pauls Valley	Pauls Valley General Hospital
Pawnee	Pawnee Municipal Hospital
Sayre	Sayre Memorial Hospital
Seminole	Seminole Municipal Hospital
Tahlequah	Tahlequah City Hospital
Watonga	Watonga Municipal Hospital

THE CITY OF MEDFORD, OKLAHOMA

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

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

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the City of Medford and related Public Trusts for the year ended June 30, 2013, the Budgetary Comparison Schedule- Cash Basis - General Fund, Budgetary Comparison Schedule – Cash Basis - Restricted Sales Tax Fund, Budgetary Comparison Schedule - Cash Basis – Nichols-Pitts Fund, the Budgetary Comparison Schedule-Cash Basis - CDBG Waterline Fund, Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis - Medford Public Works Authority and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2013. The financial statements and schedules 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 applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes § 11-17-105-.107 and § 60-180-1-3, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have not audited or reviewed the aforementioned financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements and schedules in accordance with the cash basis of accounting and applicable Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and schedules, in order to meet the requirements of applicable Oklahoma Statutes, without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the City's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

City of Medford and Medford Public Works Authority
Page 2

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 and Public Works 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, 2013. Management of the City of Medford and the Medford Public Works Authority are responsible for the City's and Authority'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 to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

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

1. **Procedures Performed:** From the City's trial balances, we compiled 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 noted instances of noncompliance.

Findings: No instances of noncompliance noted.

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

Findings: No instances of noncompliance noted.

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 noted 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, 2013.

City of Medford and Medford Public Works Authority
Page 3

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

Findings: No instances of noncompliance were noted.

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 noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

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.

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

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

Findings: No instances of noncompliance were noted.

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

3. **Procedures Performed:** We compared the Authority'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, 2013.

4. **Procedures Performed:** We compared 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 were noted.

5. **Procedures Performed:** We compared 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.

EXHIBIT 1
CITY OF MEDFORD AND PUBLIC TRUSTS
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Revenues</u>	<u>Current Year Expenditures</u>	<u>End of Year Fund Balances</u>
CITY:				
General Fund	\$ 955,929	\$ 1,527,908	\$ 769,638	\$ 1,714,199
Restricted Sales Tax Fund	155,218	233,651	11,570	377,299
Nichols-Pitts Fund	1,406,511	187,990	42,364	1,552,137
CDBG Waterline Fund	-	109,101	109,101	-
City Subtotal	<u>2,517,658</u>	<u>2,058,650</u>	<u>932,673</u>	<u>3,643,635</u>
PUBLIC WORKS AUTHORITY:				
Medford Public Works Authority	525,181	1,018,620	939,218	604,583
PWA Subtotal	<u>525,181</u>	<u>1,018,620</u>	<u>939,218</u>	<u>604,583</u>
Overall Totals	<u>\$ 3,042,839</u>	<u>\$ 3,077,270</u>	<u>\$ 1,871,891</u>	<u>\$ 4,248,218</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$172,989	\$172,989	\$955,929	\$782,940
Resources (Inflows):				
Taxes:				
Sales tax	255,000	255,000	700,674	445,674
Franchise tax	41,200	41,200	42,694	1,494
Use tax	8,000	8,000	289,084	281,084
Total Taxes	304,200	304,200	1,032,452	728,252
Intergovernmental:				
Alcoholic beverage tax	25,000	25,000	30,224	5,224
Cigarette tax	-	-	11,793	11,793
Motor vehicle tax	8,500	8,500	7,129	(1,371)
Gasoline excise tax	2,000	2,000	1,107	(893)
FEMA grant	-	-	14,820	14,820
State of Oklahoma library grant	9,000	9,999	9,999	-
State of Oklahoma fire grant	-	-	4,484	4,484
Total Intergovernmental	44,500	45,499	79,556	34,057
Charges for services:				
Ambulance subscriptions	5,500	5,500	5,070	(430)
Ambulance	75,000	75,000	81,696	6,696
Fire calls	2,500	2,500	8,545	6,045
Swimming pool	8,000	8,000	9,329	1,329
Miniature golf	1,000	1,000	627	(373)
Golf club dues/green fees	22,000	22,000	32,783	10,783
Rent	3,500	3,500	4,582	1,082
Cemetery	1,000	1,000	550	(450)
Total Charges for Services	118,500	118,500	143,182	24,682
Fines and Forfeitures	22,000	22,000	56,163	34,163
Licenses and Permits	1,800	1,800	3,830	2,030
Investment Income	3,500	3,500	126,168	122,668
Miscellaneous Income:				
Fire donations	6,000	6,000	2,685	(3,315)
Ambulance donations	1,200	1,200	915	(285)
Park donations	200	200	30	(170)
Library donations	500	500	244	(256)
Library fines and sales	300	300	441	141
Insurance reimbursements	10,076	10,076	756	(9,320)
Insurance deposits	-	-	-	-
Reserve revenue	30,000	30,000	19,955	(10,045)
Other	33,574	33,574	28,951	(4,623)
Total Miscellaneous	81,850	81,850	53,977	(27,873)
Other Financing Sources:				
Transfers from other funds	100,000	100,000	32,580	(67,420)
Total Resources (Inflows)	676,350	677,349	1,527,908	850,559
Amounts available for appropriation	849,339	850,338	2,483,837	1,633,499

EXHIBIT 2
CITY OF MEDFORD, 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		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$7,150	\$7,150	\$6,657	\$493
Materials and supplies	10,500	12,028	10,596	1,432
Other services and charges	31,350	44,822	39,779	5,043
Capital outlay	46,900	31,900	-	31,900
Total General Government	<u>95,900</u>	<u>95,900</u>	<u>57,032</u>	<u>38,868</u>
City Manager:				
Personal services	89,594	89,594	88,897	697
Other services and charges	2,700	2,700	2,318	382
Total City Manager	<u>92,294</u>	<u>92,294</u>	<u>91,215</u>	<u>1,079</u>
Clerk-Treasurer:				
Personal services	47,476	47,665	47,590	75
Materials and supplies	100	100	100	-
Other services and charges	5,300	5,411	4,907	504
Total Clerk-Treasurer	<u>52,876</u>	<u>53,176</u>	<u>52,597</u>	<u>579</u>
City Attorney:				
Personal services	3,000	2,700	1,273	1,427
Total City Attorney	<u>3,000</u>	<u>2,700</u>	<u>1,273</u>	<u>1,427</u>
Municipal Court:				
Personal services	3,920	3,920	3,878	42
Other services and charges	825	825	416	409
Total Municipal Court	<u>4,745</u>	<u>4,745</u>	<u>4,294</u>	<u>451</u>
Civil Defense:				
Personal services	300	300	300	-
Total Civil Defense	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
Inspections:				
Personal services	500	300	-	300
Other services and charges	20,300	20,500	10,498	10,002
Total Inspections	<u>20,800</u>	<u>20,800</u>	<u>10,498</u>	<u>10,302</u>
Library:				
Personal services	28,651	30,841	17,467	13,374
Materials and supplies	11,640	12,316	10,753	1,563
Other services and charges	2,600	2,038	2,036	2
Capital outlay	2,200	895	895	-
Total Library	<u>45,091</u>	<u>46,090</u>	<u>31,151</u>	<u>14,939</u>
Fire:				
Personal services	4,500	4,485	3,870	615
Materials and supplies	9,765	10,114	10,040	74
Other services and charges	2,650	2,816	2,816	-
Total Fire	<u>17,415</u>	<u>17,415</u>	<u>16,726</u>	<u>689</u>

(Continued)

EXHIBIT 2
CITY OF MEDFORD, 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		
Parks:				
Personal services	\$ 31,240	\$ 31,240	\$ 24,294	\$ 6,946
Materials and supplies	20,800	21,400	19,494	1,906
Other services and charges	6,300	6,300	6,265	35
Capital outlay	40,000	40,483	11,031	29,452
Total Parks	<u>98,340</u>	<u>99,423</u>	<u>61,084</u>	<u>38,339</u>
Police:				
Personal services	179,161	191,936	191,920	16
Materials and supplies	10,300	17,400	17,187	213
Other services and charges	1,100	1,100	1,080	20
Capital outlay	16,000	1,025	1,025	-
Total Police	<u>206,561</u>	<u>211,461</u>	<u>211,212</u>	<u>249</u>
Ambulance:				
Personal services	53,730	47,830	47,024	806
Materials and supplies	11,001	13,301	9,472	3,829
Other services and charges	3,750	2,450	2,430	20
Total Ambulance	<u>68,481</u>	<u>63,581</u>	<u>58,926</u>	<u>4,655</u>
Streets:				
Personal services	64,953	64,953	64,213	740
Materials and supplies	9,000	9,000	6,950	2,050
Other services and charges	38,500	38,500	37,474	1,026
Total Streets	<u>112,453</u>	<u>112,453</u>	<u>108,637</u>	<u>3,816</u>
Medical Gap Reserve	<u>30,000</u>	<u>30,000</u>	<u>29,364</u>	<u>636</u>
Total Charges to Appropriations	<u>848,256</u>	<u>850,338</u>	<u>734,309</u>	<u>116,029</u>
Ending Budgetary Fund Balance	<u>\$ 1,083</u>	<u>\$ -</u>	<u>\$ 1,749,528</u>	<u>\$ 1,749,528</u>

RECONCILIATION TO CHANGES IN FUND BALANCE - CASH BASIS

Ending Budgetary Fund Balance	\$ 1,749,528
Reclassifications for budgetary purposes:	
Transfer of governmental activity:	
Library capital outlay	4,365
Park capital outlay	25,142
Ambulance capital outlay	3,073
Ambulance other services and charges	2,530
Police other services and charges	219
End of Year Fund Balance - Cash Basis	<u>\$ 1,714,199</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, 2013

	RESTRICTED SALES TAX FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance	\$ 30,000	\$ 30,000	\$ 155,218	\$ 125,218
Resources (Inflows):				
Taxes	90,000	90,000	232,601	142,601
Investment income	500	500	1,050	550
Amounts available for appropriation	120,500	120,500	388,869	268,369
Charges to appropriations (outflows):				
Streets	120,500	120,500	11,570	108,930
Total Streets	120,500	120,500	11,570	108,930
Total Charges to Appropriations	120,500	120,500	11,570	108,930
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 377,299	\$ 377,299

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, 2013

	NICHOLS-PITTS FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 42,000	\$ 42,000	\$ 1,406,511	\$ 1,364,511
Resources (Inflows):				
Cell tower income	-	-	3,838	3,838
Farm income	-	-	16,384	-
Oil income	-	-	150,428	150,428
Investment income	1,000	1,000	17,340	16,340
Miscellaneous revenue	-	-	-	-
Amounts available for appropriation	<u>43,000</u>	<u>43,000</u>	<u>1,594,501</u>	<u>1,535,117</u>
Charges to appropriations (outflows):				
Capital Outlay:				
Farm expense	0	4,068	3,914	154
Golf course	3,000	385	-	385
Parks and recreation	5,000	4,000	4,000	-
Ball fields	1,000	1,000	1,000	-
Emergency services	15,000	19,000	18,903	97
Beautification projects	14,000	14,000	14,000	-
Streets	2,000	-	-	-
Library	1,000	547	547	-
Swimming pool	2,000	-	-	-
Total Capital Outlay	<u>43,000</u>	<u>43,000</u>	<u>42,364</u>	<u>636</u>
Total Charges to Appropriations	<u>43,000</u>	<u>43,000</u>	<u>42,364</u>	<u>636</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,552,137</u>	<u>\$ 1,552,137</u>

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

EXHIBIT 2
CITY OF MEDFORD, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CDBG WATERLINE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	CDBG WATERLINE FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
CDBG drainage project	-	120,000	103,783	(16,217)
Other financing sources:				
Transfers in	-	-	5,318	5,318
Amounts available for appropriation	<u>-</u>	<u>120,000</u>	<u>109,101</u>	<u>(10,899)</u>
Charges to appropriations (outflows):				
CDBG Waterline:				
Capital outlay	-	120,000	109,101	10,899
Total CDBG Waterline	<u>-</u>	<u>120,000</u>	<u>109,101</u>	<u>10,899</u>
Total Charges to Appropriations	<u>-</u>	<u>120,000</u>	<u>109,101</u>	<u>10,899</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT 3
CITY OF MEDFORD, OKLAHOMA

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

Operating Revenues:	
Charges for services:	
Water	\$543,134
Sewer	86,355
Sanitation	121,125
Airport charges	1,750
Total Operating Revenues	752,364
Operating Expenses:	
Water	334,236
Sewer	16,004
General and administration	248,619
Airport	9,717
Capital outlay	292,744
Total Operating Expenses	901,320
Operating Income (Loss)	(148,956)
Non-Operating Revenues:	
Investment income	5,071
Grant revenue	226,321
Rent income	8,918
Miscellaneous	25,946
Total Non-Operating Revenues	266,256
Net Income Before Transfers	117,300
Transfers out	(37,898)
Change in fund balance	79,402
Fund Balance - beginning	525,181
Fund Balance - ending	\$604,583

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

CITY OF MEDFORD, OKLAHOMA
 SCHEDULE OF GRANT ACTIVITY - CASH BASIS
 Year Ended June 30, 2011

	Volunteer Fire Assistance Grant	Library State Aid FY 2012	Federal Portion PA-06-OK-4064	State Portion PA-06-OK-4064	14581 CDBG 10	FAA Grant #3-10-0058-005-2010	2012 REAP Fund GR12-2
Awarding agency	State Department of Agriculture	Oklahoma Department of Libraries	Federal Emergency Management Agency	Federal Emergency Management Agency	Oklahoma Department of Commerce	U.S. Dept. of Transportation Federal Aviation Administration	Northern Oklahoma Development Authority
CFDA No.	N/A	N/A	97.036	N/A	14.228	20.106	N/A
Award Amount	\$ 4,484	\$ 9,999	\$ 12,734	\$ 2,086	\$ 120,193	\$ 253,731	\$ 45,000
Program Budget	4,484	9,999	12,734	2,086	141,351	267,085	45,000
Current Year Activity:							
Current Year Receipts:							
Received from agency	4,484	9,999	12,734	2,086	103,783	190,802	35,519
Received from local funds	-	-	-	-	21,158	11,520	-
Total current year receipts	4,484	9,999	12,734	2,086	124,941	202,322	35,519
Current Year Disbursements	4,484	9,999	12,734	2,086	134,851	202,322	35,519
Beginning of Year Due from Agency	-	-	-	-	-	-	-
End of Year Due from Agency	-	-	-	-	(9,910)	-	-
Program To-Date Activity:							
Program To-Date Receipts:							
Received from agency	4,484	9,999	12,734	2,086	103,783	212,987	35,519
Received from local funds	-	-	-	-	21,158	13,354	-
Total program To-Date Receipts	4,484	9,999	12,734	2,086	124,941	226,341	35,519
Program To-Date Disbursements	4,484	9,999	12,734	2,086	134,851	226,341	35,519
Program To-Date Unexpended Grant Funds or Due From Agency	\$ -	\$ -	\$ -	\$ -	\$ (9,910)	\$ -	\$ -

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