Town of Carter

Carter, Oklahoma

Agreed Upon Procedures

And Accompanying

Independent Auditor's Report

For The Year Ended

June 30, 2016

rsmeacham
CPAs+ADVISORS
801 Frisco, Clinton, OK 73601
580-323-1766 | 580-323-1768 fax

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:

Town Board, Town of Carter
Carter, Oklahoma

Trustees of the Carter Utility Authority
Carter, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Carter and the Carter Utility Authority, which comprise the Statement of Changes in Unrestricted Fund Balances (Cash Basis), the Budgetary Comparison Schedule-Cash Basis for the General Fund, the Budgetary Comparison Schedule-Cash Basis for the Fire Fund, The Carter Utility Authority Balance Sheet, the Statement of Revenues, Expenses, and Changes in Fund Balance for the Carter Utility Authority, and the Schedule of Grants for the fiscal year ended June 30, 2016, in accordance with accounting principles accepted in the State of Oklahoma for municipalities meeting the criteria for Agreed Upon Procedures. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We did not audit or review the accuracy or completeness of the information provided by management. Accordingly, we do not express and opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

We have performed the procedures enumerated within Appendix A and Appendix B which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town of Carter (the Town) and the Carter Utility Authority (the Authority) in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal

or contractual requirements for the fiscal year ended June 30, 2016. Management of the Town of Carter is responsible for the Town'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

RSMeacham CPAs & Advisors
December 12, 2016

Town of Carter, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2016

As to the Town of Carter as of and for the fiscal year ended June 30, 2016:

I. Prepare a schedule of changes in fund balances for each fund from the Town'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 and III, no instances of noncompliance noted.

III. Agree the Town'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 Town'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 Town'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 Town'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 VI, no instances of noncompliance noted.

Carter Utility Authority
Procedures and Findings
For the Year Ended June 30, 2016

As to the Carter Utility Authority, as of and for the year ended June 30, 2016:

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 & V, 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.

VII. Prepare a balance sheet for the Authority.

Findings: See Exhibit IV. No instances of noncompliance noted.

Exhibit I

TOWN OF CARTER, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES (CASH)
FOR THE YEAR ENDED JUNE 30, 2016

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
TOWN (GAAP):			
General Fund	$ 185,155	$ (17,080)	$ 168,075
Street & Alley	3,095	(2,017)	1,078
Fire Department	5,898	11,753	17,651
TOWN TOTAL	194,148	(7,344)	186,804
CARTER PUBLIC WORKS AUTHORITY			
PWA	721,726	75,232	796,958
Meter Fund	12,310	150	12,460
PWA TOTAL	734,036	75,382	809,418

See accountant's report.

Exhibit II

TOWN OF CARTER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 147,945	$ 147,945	$ 185,155	$ 37,210
Resources (Inflows):				
Taxes:				
Sales tax	40,000	40,000	40,240	240
Use tax	20,000	20,000	14,025	(5,975)
Tobacco tax	500	500	524	24
Total Taxes	60,500	60,500	54,790	(5,711)
Intergovernmental:				
Alcohol beverage tax	1,000	1,000	1,746	746
Franchise tax	4,500	4,500	4,853	353
Total Intergovernmental	5,500	5,500	6,598	1,098
Fines and Forfeitures				-
Investment Income	509	509	718	209
Miscellaneous Income	-	-	2,340	2,340
Grants	127,000	127,000	1,700	(125,300)
Total current year resources	193,509	193,509	66,146	(127,363)
Amounts available for appropriation	$ 341,454	$ 341,454	$ 251,301	$ (90,153)
Charges to Appropriations (Outflows):				
General government:				
Personal services	65,000	65,000	49,568	15,432
Materials and supplies	75,000	75,000	33,658	41,342
Capital outlay	242,163	242,163	-	242,163
Total General Government	382,163	382,163	83,226	298,937
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	382,163	382,163	83,226	298,937
Change in Fund Balance	(188,654)	(188,654)	(17,080)	171,574
Ending Budgetary Fund Balance	(40,709)	(40,709)	168,075	208,784

ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	
OTHER ACCRUALS	-
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)	168,075

See accountant's report.

Exhibit III

TOWN OF CARTER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	$ 5,898	$ 5,898	$ 5,898	$ -
Resources (Inflows):				
Fire fees	10,009	10,009	10,009	-
Restitution	333	333	333	-
Donations	4,200	4,200	4,200	-
Miscellaneous	5,000	5,000	5,000	-
Grant-USDA	4,290	4,290	4,290	-
Grant-OK DHS Emergency Systems	37,500	37,500	37,500	-
Total current year resources	61,332	61,332	61,332	-
Amounts available for appropriation	$ 67,230	$ 67,230	$ 67,230	$ -
Charges to Appropriations (Outflows):				
General government:				
Personal services	2,475	2,475	2,475	-
Materials and supplies	14,778	14,778	14,778	-
Other services and charges	4,500	4,500	4,500	-
Grant expense	37,500	37,500	37,500	-
Total General Government	59,254	59,254	59,254	-
Other Financing Uses:				
Transfers from other funds	(47,175)	(47,175)	(47,175)	-
Transfers to other funds	37,500	37,500	37,500	-
Total Other Financing Uses	(9,675)	(9,675)	(9,675)	-
Total Charges to Appropriations	49,579	49,579	49,579	-
Change in Fund Balance	11,753	11,753	11,753	-
Ending Budgetary Fund Balance	17,651	17,651	17,651	-

ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	
OTHER ACCRUALS	-
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)	17,651

Exhibit IV

CARTER UTILITY AUTHORITY, CARTER, OKLAHOMA
BALANCE SHEET
JUNE 30, 2016

	2016
ASSETS	
Current assets:	
Cash, including time deposits	$ 245,201
Accounts receivable (net)	13,125
Total current assets	258,326
Restricted assets:	
Cash, including time deposits	12,460
Total restricted assets	12,460
Non-current assets:	
Capital assets (net)	538,632
Total non-current assets	538,632
Total assets	809,418
LIABILITIES	
Liabilities, payable from restricted assets	
Meter deposits payable	12,460
Total liabilities payable from restricted assets	12,460
Total liabilities	12,460
FUND BALANCE	
Unrestricted	796,958

See accountant's report.

Exhibit V

CARTER UTILITY AUTHORITY, CARTER, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	2016
Operating Revenues:	
Charges for services:	
Water	65,170
Sewer	11,752
Sanitation	35,115
Other	5,184
Total Operating Revenues	117,221
Operating Expenses:	
Administration	29,720
Water	47,231
Sanitation	11,894
Depreciation	34,225
Total Operating Expenses	123,070
Operating Income	(5,849)
Non-Operating Revenues:	
Interest	765
Grant	89,990
Total Non-Operating Revenues	90,755
Net Income Before Contributions and Transfers	84,907
Transfers in	37,500
Transfers out	(47,175)
Change in fund balance	75,232
Fund Balance - beginning	721,726
Fund Balance - ending	796,958

See accountant's report.

Exhibit VI

TOWN OF CARTER, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grant revenue Grant received from:	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Dept of Agriculture	2015-2016	Fire Grant	4,290	4,290	4,290	-
SWODA	Oct 28, 2014- April 28th, 2016	Waterline Replacement Project	90,000	89,990	89,990	-
SWODA	September 1, 2014- June 15, 2016	CENA	1,700	1,700	1,700	-
MODA	November 17, 2015 - April 16, 2017	Community Center Appliances	4,099	-	2,870	(2,870)
DHS OERSSIRF	July 1st, 2015 - June 30, 2016	OERSSIRF Contract Award	56,300	37,500	37,500	-
		Total	95,990	95,980	95,980	(2,870)

See accountant's report.