

Eden, Sprowls & Company, P.C.

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, OK

Trustees of the Carter Utility Authority
Carter, OK

Oklahoma Office of State Auditor and Inspector
Oklahoma City, OK

Southwestern Oklahoma Development Authority
Burns Flat, OK

Oklahoma Dept. of Commerce
Oklahoma City, OK

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Carter, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund – Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Carter Utility Authority – Cash Basis 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 Town's assets, liabilities, equity, revenues and expenses. Accordingly these financial statements are not designed for those who are not informed about such matters.

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Additionally, we have performed the procedures enumerated in the supplement to this report 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 and Utility 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, 2013. Management of the Town of Carter, Oklahoma 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. 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 the supplement to this letter 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 compliance. 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.

Eden, Sprowls & Co, P.C.

Eden, Sprowls & Company, P.C.
Certified Public Accountants

October 2, 2013

**SUPPLEMENT TO AGREED-UPON PROCEDURES REPORT
PROCEDURES AND FINDING
TOWN OF CARTER, OKLAHOMA**

As to the **Town of Carter** as of and for the fiscal year ended June 30, 2013:

1. **Procedure's Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Schedule A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: All funds were in compliance with the statutory requirement of not creating fund balance deficits.

2. **Procedure's Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund (see accompanying Schedule B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: All general fund expenditures and encumbrances were within overall department appropriation limitations.

3. **Procedure's Performed:** We agreed 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 significant or unusual instances of uncleared reconciling items were noted.

4. **Procedure's Performed:** We compared the Town's deposits to the FDIC Insurance and fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: Deposits as of June 30, 2013 were fully collateralized as follows:

Deposits on Hand:	
General Fund	\$ 127,928
Street & Alley	2,427
Fire Department	3,429
Utility Authority	<u>143,656</u>
 Total Deposits on Hand	 <u>\$ 277,440</u>

**SUPPLEMENT TO AGREED-UPON PROCEDURES REPORT
PROCEDURES AND FINDING
TOWN OF CARTER, OKLAHOMA**

2. **Procedure's Performed:** We agreed the Authority's material bank account balance to the bank statement, 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 significant or unusual instances of uncleared reconciling items were noted.

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

Findings: See Town of Carter Note 4 above.

4. **Procedure's Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: Utility Authority revenues and resources were expended for normal operating expenses & debt service. Grant revenues were expended for their intended purpose.

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

Findings: All required legally separate funds were accounted for.

6. **Procedure's Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and report any noted instances of noncompliance.

Findings: All required reserve balances were adequate.

**SUPPLEMENT TO AGREED-UPON PROCEDURES REPORT
PROCEDURES AND FINDING
TOWN OF CARTER, OKLAHOMA**

FDIC Insurance:

First National Bank – Elk City	\$ 250,000
MBS FHLMC Gold	<u>144,291</u>
Available Insurance and Pledged Collateral	<u>\$ 394,291</u>

All funds were fully insured or collateralized.

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

Findings: An analysis of invoices paid revealed that material-restricted revenues and resources were expended for their intended purposes.

6. **Procedure's Performed:** We compared 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: The Town utilized separate funds for their intended purpose.

7. **Procedure's Performed:** We compared 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: There are no contractually required reserves or debt service requirements for the Town of Carter.

As to the **Carter Utility Authority**, as of and for the fiscal year ended June 30, 2013:

1. **Procedure's Performed:** From the Authority's trial balances, we prepared a schedule of changes in revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Schedule C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: The Carter Utility Authority did not have a deficit fund balance.

TOWN OF CARTER, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
SCHEDULE A
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>
CITY:			
General Fund	\$ 121,013	\$ 6,915	127,928
Street & Alley	2,252	175	2,427
Fire Department	11,646	(8,217)	3,429
City Subtotal	<u>\$ 134,911</u>	<u>\$ (1,127)</u>	<u>\$ 133,784</u>
UTILITY AUTHORITY:			
Utility Authority	102,963	40,743	143,706
Utility Authority Subtotal	<u>\$ 102,963</u>	<u>\$ 40,743</u>	<u>\$ 143,706</u>
Overall Totals	<u><u>\$ 237,874</u></u>	<u><u>\$ 39,616</u></u>	<u><u>\$ 277,490</u></u>

**TOWN OF CARTER, OKLAHOMA
BUDGETARY COMPARISON STATEMENT - CASH BASIS
GENERAL FUND
SCHEDULE B
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales Tax	\$ 35,000	\$ 35,000	\$ 49,382	\$ 14,382
Use Tax	10,000	10,000	16,179	6,179
Tobacco Tax	500	500	568	68
State Grant Proceeds:				
2012 REAP Fund	100,000	100,000	100,000	0
Alcoholic Beverage Tax	1,000	1,000	1,650	650
Franchise Fees	4,500	4,500	4,986	486
Investment Earnings	1,000	1,000	1,284	284
Donations			1,522	1,522
Insurance Proceeds				-
Miscellaneous	-	-	723	723
Total Revenues	<u>152,000</u>	<u>152,000</u>	<u>176,294</u>	<u>24,294</u>
Expenditures:				
Personal Service:				
General Government	65,000	65,000	41,785	-
	<u>65,000</u>	<u>65,000</u>	<u>41,785</u>	<u>23,215</u>
Maintenance and Operations:				
General Government	50,000	50,000	27,594	-
	<u>50,000</u>	<u>50,000</u>	<u>27,594</u>	<u>22,406</u>
Capital Outlay:				
General Government	158,013	158,013	106,415	-
	<u>158,013</u>	<u>158,013</u>	<u>106,415</u>	<u>51,598</u>
Total Expenditures	<u>273,013</u>	<u>273,013</u>	<u>175,794</u>	<u>97,219</u>
Excess of Revenue Over (Under) Expenditures	(121,013)	(121,013)	500	121,513
Transfer In			6,415	6,415
Fund Balance, Beginning of Year	121,013	121,013	121,013	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,928</u>	<u>\$ 127,928</u>

**TOWN OF CARTER, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - CASH BASIS
PROPRIETARY FUND
SCHEDULE C
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund</u>
	<u>Utility Authority</u>
Operating Revenues:	
Charges for Services:	
Water	\$ 62,515
Garbage	39,335
Sewer	13,444
Miscellaneous	794
Penalties	<u>2,144</u>
Total Operating Revenues	<u>118,232</u>
Cost of Operating Revenues:	
Water Purchases	30,393
Garbage Disposal Fees	<u>10,690</u>
Total Cost of Operating Revenues	<u>41,083</u>
Gross Profit	<u>77,149</u>
Operating Expenses:	
Personal Services	16,471
Maintenance & Operations	<u>13,976</u>
Total Operating Expenses	<u>30,447</u>
Operating Income (Loss)	<u>46,702</u>
Non-Operating Revenues (Expenses):	
Transfer Out	(6,415)
Grant Revenues:	
OWRB REAP FAP-09-005-R	-
Investment Income	456
Capital Expenses:	
Capital Expenses	-
Total Non-Operating Revenues (Expenses)	<u>(5,959)</u>
Net Income (Loss)	40,743
Fund Balance - Beginning	<u>102,963</u>
Fund Balance - Ending	<u><u>\$ 143,706</u></u>

See Accountant's Agreed-Upon Procedures Report

Eden, Sprowls & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CARTER UTILITY AUTHORITY
P.O. BOX 239
CARTER, OKLAHOMA 73627

We have compiled the accompanying balance sheet of CARTER UTILITY AUTHORITY as of June 30, 2013. We have not audited or reviewed the accompanying balance sheet and, accordingly, do not express an opinion or provide any assurance about whether the balance sheet is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

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 without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included with the balance sheet, they might influence the user's conclusions about the Authority's financial position. Accordingly, this balance sheet is not designed for those who are not informed about such matters.

Eden, Sprowls & Co., P.C.

Certified Public Accountants
October 2, 2013

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