

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

U.S. Dept of Agriculture Rural Development
Hobart, 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, 2011 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, 2011 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.

Member
American Institute of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

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State Auditor's Office

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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.

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, 2011. 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 9, 2011

**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, 2011:

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. Although street and alley fund is not a significant fund, it was noted that total expenditures for the fiscal year ending June 30, 2011 were \$2,857 while the 2010-2011 budget was \$2,368.

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 uninsured deposits to the fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: Deposits as of June 30, 2011 were fully collateralized as follows:

Deposits on Hand:	
General Fund	\$ 122,007
Street & Alley	1,828
Fire Department	8,022
Utility Authority	<u>151,583</u>
Total Deposits on Hand	<u>\$ 283,440</u>

**TOWN OF CARTER, OKLAHOMA
BUDGETARY COMPARISON STATEMENT - CASH BASIS
GENERAL FUND
SCHEDULE B
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Sales Tax	\$ 20,000	\$ 20,000	\$ 42,737	\$ 22,737
Use Tax	14,500	14,500	11,484	(3,016)
Tobacco Tax	400	400	643	243
Federal Grant Proceeds:				
14124 CDBG 10			29,924	29,924
State Grant Proceeds:				
2010 REAP Fund (CDBG)	124,950	124,950	29,924	(124,950)
Alcoholic Beverage Tax	1,000	1,000	1,599	599
Franchise Fees	4,000	4,000	5,042	1,042
Investment Earnings	2,000	2,000	2,374	374
Donations				-
Insurance Proceeds				-
Miscellaneous	-	-	595	595
Total Revenues	<u>166,850</u>	<u>166,850</u>	<u>124,322</u>	<u>(42,528)</u>
Expenditures:				
Personal Service:				
General Government	75,000	75,000	42,220	-
	<u>75,000</u>	<u>75,000</u>	<u>42,220</u>	<u>32,780</u>
Maintenance and Operations:				
General Government	50,000	50,000	25,185	-
	<u>50,000</u>	<u>50,000</u>	<u>25,185</u>	<u>24,815</u>
Capital Outlay:				
General Government	166,787	166,787	-	-
	<u>166,787</u>	<u>166,787</u>	<u>-</u>	<u>166,787</u>
Total Expenditures	<u>291,787</u>	<u>291,787</u>	<u>67,405</u>	<u>224,382</u>
Excess of Revenue Over (Under) Expenditures	<u>(124,937)</u>	<u>(124,937)</u>	<u>56,917</u>	<u>181,854</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	(59,847)	59,847
	<u>-</u>	<u>-</u>	<u>(59,847)</u>	<u>59,847</u>
Excess of Revenues and Other Sources (Uses) Over (Under) Expenditures	<u>(124,937)</u>	<u>(124,937)</u>	<u>(2,930)</u>	<u>122,007</u>
Fund Balance, Beginning of Year	<u>124,937</u>	<u>124,937</u>	<u>124,937</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,007</u>	<u>\$ 122,007</u>

See Accountant's Agreed-Upon Procedures Report

**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, 2011**

	<u>Enterprise Fund</u>
	<u>Utility Authority</u>
Operating Revenues:	
Charges for Services:	
Water	\$ 44,092
Garbage	37,287
Sewer	13,417
Miscellaneous	24
Penalties	<u>1,724</u>
Total Operating Revenues	<u>96,544</u>
Cost of Operating Revenues:	
Water Purchases	33,361
Garbage Disposal Fees	<u>10,257</u>
Total Cost of Operating Revenues	<u>43,618</u>
Gross Profit	<u>52,926</u>
Operating Expenses:	
Personal Services	13,177
Maintenance & Operations	<u>14,360</u>
Total Operating Expenses	<u>27,537</u>
Operating Income (Loss)	<u>25,389</u>
Non-Operating Revenues (Expenses):	
Transfer In	59,847
Grant Revenues:	
OWRB REAP FAP-09-005-R	58,000
Investment Income	667
Capital Expenses:	
Grant - 2010 REAP 10-BK-10001	(122,654)
Grant - 14124 CDBG 10	(29,924)
Grant - 2010 REAP 10-BK-10017	(29,923)
Debt Service	<u>(8,604)</u>
Total Non-Operating Revenues (Expenses)	<u>(72,591)</u>
Net Income (Loss)	(47,202)
Fund Balance - Beginning	<u>198,835</u>
Fund Balance - Ending	<u><u>\$ 151,633</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, 2011. 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 9, 2011

**CARTER UTILITY AUTHORITY
BALANCE SHEET
June 30, 2011**

ASSETS

Current Assets:

Cash in Bank and on Hand	\$	85,029
Cash in Bank - OWRB REAP FAP-09-0005-R		58,000
Cash in Bank - US Dept of Agriculture Rural Dev Reserve		8,604
Workers' Compensation Loss Fund		877
Accounts Receivable		12,009

Total Current Assets		\$ 164,519
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Fixed Assets:

Fixed Assets		954,313
Allowance for Depreciation		(364,349)

Total Fixed Assets		589,964
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TOTAL ASSETS		\$ 754,483
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LIABILITIES AND EQUITY

LIABILITIES:

Current Liabilities:

Accounts Payable		69,352
Customer Deposits		10,385
N/P - USDA Rural Dev		4,119

Total Current Liabilities		83,856
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Long-Term Liabilities:

N/P - USDA Rural Dev		4,892
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		4,892
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TOTAL LIABILITIES		88,748
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EQUITY:

Fund Balance		665,735
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TOTAL EQUITY		665,735
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TOTAL LIABILITIES AND EQUITY		\$ 754,483
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See Accountant's Compilation Report
Eden, Sprows and Company, P.C.