

# **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, 2014 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, 2014 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, 2014. 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 3, 2014

**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, 2014:

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, 2014 were fully collateralized as follows:

<b>Deposits on Hand:</b>	
General Fund	\$ 147,944
Street & Alley	2,725
Fire Department	7,873
Utility Authority	<u>200,567</u>
Total Deposits on Hand	<u>\$ 359,109</u>

**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>755,812</u>
Available Insurance and Pledged Collateral	<u>\$1,005,812</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, 2014:

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.

**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.

**TOWN OF CARTER, OKLAHOMA**  
**SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS**  
**SCHEDULE A**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
<b>CITY:</b>			
General Fund	127,928	\$ 20,017	147,945
Street & Alley	2,427	298	2,725
Fire Department	3,429	4,444	7,873
<b>City Subtotal</b>	<u>\$ 133,784</u>	<u>\$ 24,759</u>	<u>\$ 158,543</u>
<b>UTILITY AUTHORITY:</b>			
Utility Authority	143,706	56,861	200,567
<b>Utility Authority Subtotal</b>	<u>\$ 143,706</u>	<u>\$ 56,861</u>	<u>\$ 200,567</u>
<b>Overall Totals</b>	<u><u>\$ 277,490</u></u>	<u><u>\$ 81,620</u></u>	<u><u>\$ 359,110</u></u>

See Accountant's Agreed-Upon Procedures Report

**TOWN OF CARTER, OKLAHOMA**  
**BUDGETARY COMPARISON STATEMENT - CASH BASIS**  
**GENERAL FUND**  
**SCHEDULE B**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Sales Tax	\$ 40,000	\$ 40,000	\$ 56,022	\$ 16,022
Use Tax	14,000	14,000	27,309	13,309
Tobacco Tax	500	500	654	154
Alcoholic Beverage Tax	1,000	1,000	1,717	717
State Grant Proceeds:				
2013 REAP Fund	45,000	45,000	46,187	1,187
OK Dept of Commerce	45,000	45,000	44,169	(831)
Franchise Fees	4,500	4,500	5,426	926
Investment Earnings	1,000	1,000	728	(272)
Donations			1,497	1,497
Insurance Proceeds				-
Miscellaneous	-	-	726	726
<b>Total Revenues</b>	<u>151,000</u>	<u>151,000</u>	<u>184,435</u>	<u>33,435</u>
<b>Expenditures:</b>				
Personal Service:				
General Government	65,000	65,000	46,703	-
	<u>65,000</u>	<u>65,000</u>	<u>46,703</u>	<u>18,297</u>
Maintenance and Operations:				
General Government	50,000	50,000	25,359	-
	<u>50,000</u>	<u>50,000</u>	<u>25,359</u>	<u>24,641</u>
Capital Outlay:				
General Government	163,928	163,928	2,000	-
Fire Department			133	
15472 CDBG 12			44,169	
REAP 2013 13-BK-13014			46,187	
	<u>163,928</u>	<u>163,928</u>	<u>92,489</u>	<u>71,439</u>
<b>Total Expenditures</b>	<u>278,928</u>	<u>278,928</u>	<u>164,551</u>	<u>114,377</u>
Excess of Revenue Over (Under) Expenditures Before Transfers	(127,928)	(127,928)	19,884	147,812
Transfer In			90,489	90,489
Transfer Out			(90,356)	(90,356)
Excess of Revenue Over (Under) Expenditures	(127,928)	(127,928)	20,017	147,945
Fund Balance, Beginning of Year	127,928	127,928	127,928	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,945</u>	<u>\$ 147,945</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, 2014**

	<u>Enterprise Fund</u>
	<u>Utility Authority</u>
<b>Operating Revenues:</b>	
Charges for Services:	
Water	\$ 75,855
Garbage	41,637
Sewer	13,417
Miscellaneous	988
Penalties	3,240
	135,137
Total Operating Revenues	
<b>Cost of Operating Revenues:</b>	
Water Purchases	36,913
Garbage Disposal Fees	11,393
	48,306
Total Cost of Operating Revenues	
Gross Profit	86,831
<b>Operating Expenses:</b>	
Personal Services	14,995
Maintenance & Operations	15,620
	30,615
Total Operating Expenses	
Operating Income (Loss)	56,216
<b>Non-Operating Revenues (Expenses):</b>	
Transfer Out	
Grant Revenues:	
OWRB REAP FAP-09-005-R	
Investment Income	645
Capital Expenses:	
Capital Expenses	-
	645
Total Non-Operating Revenues (Expenses)	
Net Income (Loss)	56,861
<b>Fund Balance - Beginning</b>	143,706
<b>Fund Balance - Ending</b>	\$ 200,567

See Accountant's Agreed-Upon Procedures Report

# Eden, Sprowls & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## 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 U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with U.S. generally accepted accounting principles 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 ordinarily included in financial statements prepared in accordance with U.S. generally accepted accounting principles. If the omitted disclosures were included with the balance sheet, they might influence the user's conclusions about the Authority's assets, liabilities and net assets. Accordingly, this financial statement 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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