

**TOWN OF CARLTON LANDING  
REGULAR MEETING OF THE BOARD OF TRUSTEES**

Location: 10B Boulevard, Carlton Landing, Oklahoma, also known as  
the Carlton Landing Academy Cafeteria

Saturday; January 15, 2022

Immediately following the Regular Meeting of the Carlton Landing Economic Development Trust

**NOTICE AND AGENDA**

1. Call to Order
2. Roll Call

Consent Items

To help streamline meetings and allow the focus to be on other items requiring strategic thought, the "Consent Items" portion of the agenda groups the routine, procedural, and self-explanatory non-controversial items together. These items are voted on in a single motion (one vote). However, any Council member requesting further information *on a specific item thus removes it from the "Consent Items" section for individual attention and separate vote.*

3. Approval of Minutes:
  - a. [Regular Meeting of the CL Board of Trustees of December 18, 2021](#)
4. [Acknowledge receipt of Claims and Purchase Orders Report](#)
5. Items Removed from Consent Agenda
6. [Consider, discuss, and acknowledge receipt of Fiscal Year 2020-2021 Audit as prepared by Elfrink and Associates or take any other appropriate action.](#)  
[Exhibits: Carlton Landing Report Audit FY 20-21](#)
7. [Consider, discuss, and possibly vote to amend, revise, approve or deny the Park Management Services Agreement between the Town of Carlton Landing and Carlton Landing Enterprises, or take any other appropriate action.](#)  
[Exhibits: Park Management Services Agreement - Town Green Pavilion - 1-10-22;](#)  
[Park Management Services Agreement - Exhibit A](#)
8. Consider, discuss, and possible action to enter into executive session pursuant to 25 O.S. Section 307.B(1) to discuss employment of Town Administrator, Greg Buckley, or take any other appropriate action.
9. Consider, discuss, and possible action on item(s) discussed in executive session including possible amendment, revision, approval or denial of an Employment Agreement, or take any

other appropriate action.

10. Reports

- a. [Sales Tax Revenue and other Financial Reports; Bank Register BOT Dec 2021; SALES TAX COMPARISON by Fiscal Year 7-9-2021](#)
- b. [Town Administrator](#)
- c. Legal Reports, Comments, and Recommendations to the Governing Body

11. Recognize Citizens wishing to comment on non-Agenda Items

Under Oklahoma Law, the Board of Trustees are prohibited from discussing or taking any action on items not on today's agenda. Citizens wishing to address the Board on items not on the agenda are required to sign-up no later than five (5) minutes prior to the scheduled start time of the meeting. The sign-in sheet will contain space for citizens name, address, phone number, and topic to discuss. In this way, staff will be able to follow-up on any issues presented, if necessary. Citizens will be provided three (3) minutes.

12. Comments and questions by Governing Body members regarding items for future consideration.

13. Adjournment

**I certify that the foregoing Notice and Agenda was posted in prominent view at 10 Boulevard, Carlton Landing, Oklahoma, also known as "the High School Classroom"**

**at \_\_\_\_\_ M on the \_\_\_\_th day of January 2022, being at least 24 hours prior to the Regular Meeting described above.**

\_\_\_\_\_  
**Signature of Person Posting the Agenda**

**Jan Summers**  
**Printed Name of Person Posting the Agenda**

**TOWN OF CARLTON LANDING  
REGULAR MEETING OF THE BOARD OF TRUSTEES**

Location: 10B Boulevard, Carlton Landing, Oklahoma, also known as  
the Carlton Landing Academy Cafeteria  
Saturday, December 18, 2021

Immediately following the Regular Meeting of the Carlton Landing Economic Development  
Trust

**MINUTES**

1. Call to Order

The meeting was called to order at 8:12 a.m. with Mayor Chinnici presiding.

2. Roll Call

PRESENT: Joanne Chinnici  
Mary Myrick  
Chuck Mai  
Kris Brule'  
Clay Chapman

ABSENT: None

**Consent Items**

3. Approval of Minutes:

a. Regular Meeting of the CL Board of Trustees of November 20, 2021

4. Consider, discuss, and possibly approve, amend, revise, or deny FY 21-22 Budget Amendment #1 for Carlton Landing General Fund to recognize new Alcohol Tax and Motor Fuel Tax; increase Sales Tax Revenue, amend Carlton Landing Economic Development Trust 2021 TIF Revenue Note; appropriate said revenue(s) and amend 2021 TIF Project appropriations, or take any other appropriate action  
Exhibit:

5. Consider, discuss, and approve a one-time \$500 salary stipend to the Town Administrator, or take any other appropriate action. (Mayor Chinnici)

6. Consider, discuss, and approve a one-time \$500 salary stipend to the Finance Director, or take any other appropriate action. (Mayor Chinnici)

7. Consider, discuss, and approve a one-time \$500 salary stipend to the Town Attorney, or take any other appropriate action. (Mayor Chinnici)

8. Acknowledge receipt of Claims and Purchase Orders Report

MOTION: A motion was made by Mai and seconded by Brule' to accept the consent agenda as presented,

AYE: Myrick, Chinnici, Mai, Brule', Chapman

NAY: None

9. Items Removed from Consent Agenda

10. Consider, discuss, and possibly vote to amend, revise, approve or deny a Resolution confirming the establishment of the Board of Adjustment of the Town of Carlton Landing, Oklahoma, providing for the composition and reappointment of the Members and setting meetings, or take any other appropriate action.

Exhibit:

MOTION: A motion was made by Mai and seconded by Chinnici to approve a Resolution confirming the establishment of the Board of Adjustment of the Town of Carlton Landing, Oklahoma, providing for the composition and reappointment of the Members and setting meetings.

AYE: Myrick, Chinnici, Mai, Brule', Chapman

NAY: None

SWEARING IN: Amaziah Dominic was sworn in as a member of the Board of Adjustments by town attorney, Kay Wall.

11. Consider, discuss, and possibly vote to approve, amend, revise, or deny Ordinance 2021-12-01 establishing and creating a Code of Ordinances for the Town of Carlton Landing in conformance with O.S. Title 11 Section 14-108 and 109; repealing all ordinances or parts thereof which are in conflict herewith the Code of Ordinances; providing for severability; and Declaring an Emergency.

MOTION: A motion was made by Mai and seconded by Brule' to approve Ordinance 2021-12-01 establishing and creating a Code of Ordinances for the Town of Carlton Landing in conformance with O.S. Title 11 Section 14-108 and 109; repealing all ordinances or parts thereof which are in conflict herewith the Code of Ordinances.

AYE: Myrick, Chinnici, Mai, Brule', Chapman

NAY: None

MOTION: A motion was made by Chinnici and seconded by Mai to approve the Emergency clause of Ordinance 2021-12-01.

AYE: Myrick, Chinnici, Mai, Brule', Chapman

NAY: None

12. Consider, discuss, and possibly vote to approve, amend, revise, or deny Resolution 2021-12-02 notifying the public the Carlton Landing Board of Trustees has compiled, published, and adopted a Code of Ordinances, or take any other appropriate action.  
Exhibit:

MOTION: A motion was made by Brule' and seconded by Chapman to approve Resolution 2021-12-02 notifying the public the Carlton Landing Board of Trustees has compiled, published, and adopted a Code of Ordinances.

AYE: Myrick, Chinnici, Mai, Brule', Chapman

NAY: None

13. Consider, discuss, and possibly vote to approve, amend, revise, or deny Ordinance 2021-12-02 related to Outdoor Lighting establishing permitted use of outdoor lights, lighting zones, and street lighting; and Declaring an Emergency, or take any other appropriate action.

At the February Board of Trustees meeting the Trustees authorized Freese and Nichols to develop a Street Light Ordinance and Policy based on the Dark Sky principles. At this point Freese and Nichols would like to make a presentation and review some of the assumptions used in developing the Ordinance/Policy. The review includes helping the Board and Community understand some of the differences between lighting styles, types, illumination, etc.

On December 11, 2021 at a Special Board of Trustee meeting Freese and Nichols held a street light demonstration. The demonstration provided a visual understanding of two light spectrums, 4000K and 3000K, at the same light level. The demonstration also highlighted the benefits of having an outdoor lighting ordinance which sets the levels of light within certain areas or zones.

The proposed Outdoor Lighting Ordinance follows "Dark Sky" policy which is a model of restrictive lighting to help minimize light pollution and ambient glare. Carlton Landing currently has minimum light glare which allows for viewing of the night sky and stars. Our desire is to maintain minimal light glare from outdoor light sources and uses as the Town continues to grow and develop. The Ordinance creates multiple lighting zones, which sets the allowed light intensity within each zone. Zone 0 allows no ambient lighting while Zone 4 allows high ambient lighting. Residential areas have been set to Zone 1 or low ambient lighting.

DISCUSSION: A discussion revealed the Ordinance lacked clarity and needed revision.

MOTION: A motion was made by Myrick and seconded by Chapman to strike this agenda item and return with revisions.

AYE: Myrick, Chinnici, Mai, Brule', Chapman  
NAY: None

14. Exhibit

15. Reports

- a. Sales Tax Revenue and other Financial Reports (See Attachments)
- b. Town Administrator (See Attachment)
- c. Legal Reports, Comments, and Recommendations to the Governing Body

Kay Wall, town attorney reported working with Greg Buckley on codification of Ordinances, agreed to explore the cost of a court system.

16. Recognize Citizens wishing to comment on non-Agenda Items  
None

17. Comments and questions by Governing Body members regarding items for future consideration.  
None

18. Adjournment

There being no further business, a motion was made and seconded to adjourn the meeting at 9:09 a.m., December 18, 2021

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Town Clerk

12/16/2021  
10:32 AM

**General Fund**  
**Bank Register**  
**11/1/2021 to 11/30/2021**

Page 1 of 2

Transaction Date	Transaction Number	Name / Description	Deposit Date	Deposit Number	Receipts & Credits	Checks & Payments	Balance
<b>1000 Town of CL Checking 9683</b>							
		Beginning Balance			0.00	0.00	348,598.32
11/5/2021	EFT	RWS Cloud Services			0.00	90.00	348,508.32
11/5/2021	1216	CSA Software			0.00	199.00	348,309.32
11/5/2021	1215	Hyperfaze			0.00	1,524.00	346,785.32
11/5/2021	1214	Cross Telephone Co			0.00	52.00	346,733.32
11/5/2021	1213	Kiamichi Electric			0.00	63.00	346,670.32
11/5/2021	1212	Dan Hurd			0.00	2,100.00	344,570.32
11/5/2021	1211	Oklahoma Uniform Building			0.00	48.00	344,522.32
11/8/2021	R-00176	Oklahoma Tax Commission			14.27	0.00	344,536.59
11/8/2021	R-00175	Oklahoma Tax Commission			715.56	0.00	345,252.15
11/8/2021	R-00174	Oklahoma Tax Commission			6,728.90	0.00	351,981.05
11/8/2021	R-00173	Oklahoma Tax Commission			20,093.03	0.00	372,074.08
11/9/2021	R-00168	Pittsburg County Clerk			183.59	0.00	372,257.67
11/10/2021	R-00177	Oklahoma Tax Commission			155.62	0.00	372,413.29
11/12/2021	EFT	Oklahoma Tax Commission			0.00	372.00	372,041.29
11/12/2021	EFTPS	EFTPS			0.00	2,461.52	369,579.77
11/12/2021	1217	OPEH&W			0.00	1,436.96	368,142.81
11/12/2021	A-10046	James G Buckley			0.00	2,792.42	365,350.39
11/15/2021					0.00	65.99	365,284.40
11/15/2021	R-00169	Kiamichi Electric			2,594.19	0.00	367,878.59
11/15/2021	R-00170	Kerney Homes			228.86	0.00	368,107.45
11/18/2021	EFT	CSA Software			0.00	441.05	367,666.40
11/24/2021	1220	BOK Credit Card			0.00	214.51	367,451.89
11/24/2021	1219	Crawford & Associates, P.C.			0.00	710.00	366,741.89
11/24/2021	1218	Kay Robbins Wall			0.00	600.00	366,141.89
11/26/2021	A-10047	James G Buckley			0.00	2,560.71	363,581.18
11/30/2021	1222	Amanda Harjo			0.00	282.80	363,298.38
11/30/2021	1221	Amanda Harjo			0.00	800.00	362,498.38
<b>1000 Town of CL Checking 9683 Totals</b>					<b>\$30,714.02</b>	<b>\$16,813.96</b>	<b>\$362,498.38</b>
<b>1010 2018 GO Bond Checking</b>							
		Beginning Balance			0.00	0.00	69,786.67
<b>1010 2018 GO Bond Checking Totals</b>					<b>\$0.00</b>	<b>\$0.00</b>	<b>\$69,786.67</b>
<b>1020 2020 GO Bond Checking</b>							
		Beginning Balance			0.00	0.00	79,877.47
<b>1020 2020 GO Bond Checking Totals</b>					<b>\$0.00</b>	<b>\$0.00</b>	<b>\$79,877.47</b>

**General Fund**  
**Statement of Revenue and Expenditures**

	Current Period Nov 2021 Nov 2021 Actual	Year-To-Date Jul 2021 Nov 2021 Actual	Annual Budget Jul 2021 Jun 2022	Annual Budget Jul 2021 Jun 2022 Variance	Jul 2021 Jun 2022 Percent of Budget
<b>Revenue &amp; Expenditures</b>					
<b>Revenue</b>					
<b>Non-Departmental Revenues</b>					
<b>Budget Carryover</b>					
3999 Fund Balance Carryover	0.00	0.00	50,000.00	50,000.00	0.00%
<b>Other Revenue</b>					
4012 Alcohol Beverage Tax	124.26	124.26	0.00	(124.26)	0.00%
4100 Building Permits/Inspection Fe	228.86	6,630.27	23,580.00	16,949.73	28.12%
4105 Business License and Permits	0.00	977.76	200.00	(777.76)	488.88%
4011 Lodging Tax	6,728.90	50,069.69	24,000.00	(26,069.69)	208.62%
4500 Miscellaneous Revenue	0.00	380.60	0.00	(380.60)	0.00%
4015 Pittsburgh County Sinking Fund	0.00	0.00	57,190.00	57,190.00	0.00%
4000 Sales Tax	20,248.65	126,712.09	100,000.00	(26,712.09)	126.71%
9002 Transfer IN from TIF	0.00	0.00	101,989.00	101,989.00	0.00%
4005 Use Tax	715.56	4,673.79	7,200.00	2,526.21	64.91%
4010 Utility Tax	2,594.19	7,499.50	12,000.00	4,500.50	62.50%
4013 Vehicle Gas/Fuel Tax	73.60	88.39	0.00	(88.39)	0.00%
<b>Non-Departmental Revenues Totals</b>	<b>\$30,714.02</b>	<b>\$197,156.35</b>	<b>\$376,159.00</b>	<b>\$179,002.65</b>	
<b>Revenue</b>	<b>\$30,714.02</b>	<b>\$197,156.35</b>	<b>\$376,159.00</b>	<b>\$179,002.65</b>	
<b>Gross Profit</b>	<b>\$30,714.02</b>	<b>\$197,156.35</b>	<b>\$376,159.00</b>	<b>\$0.00</b>	
<b>Expenses</b>					
<b>Administration</b>					
<b>Personal Services</b>					
5020 Employer Paid Insurance	1,436.96	7,184.80	17,244.00	10,059.20	41.67%
5025 Employer Retirement Contributi	708.82	3,875.64	8,842.00	4,966.36	43.83%
5000 Salaries	6,763.38	37,132.28	88,424.00	51,291.72	41.99%
5010 Social Security	542.24	2,964.81	7,063.00	4,098.19	41.98%
5015 Unemployment Tax	0.00	0.00	1,846.00	1,846.00	0.00%
5030 Vehicle/Cell Allowance	324.85	1,624.25	3,900.00	2,275.75	41.65%
<b>Materials &amp; Supplies</b>					
5510 Building Maintenance & Repairs	0.00	80.00	320.00	240.00	25.00%
5530 Miscellaneous	0.00	0.00	100.00	100.00	0.00%
5500 Office Supplies	0.00	110.53	600.00	489.47	18.42%
<b>Other Services</b>					
6035 Dues & Memberships	0.00	1,648.00	1,210.00	(438.00)	136.20%
6015 Insurance	0.00	245.00	350.00	105.00	70.00%
6005 Rent	477.78	1,911.12	5,760.00	3,848.88	33.18%
6040 School, Training, Travel	0.00	892.51	5,700.00	4,807.49	15.66%
6000 Utilities	115.00	953.65	4,339.00	3,385.35	21.98%
<b>Administration Totals</b>	<b>\$10,369.03</b>	<b>\$58,622.59</b>	<b>\$145,698.00</b>	<b>\$87,075.41</b>	
<b>General Government</b>					
<b>Materials &amp; Supplies</b>					
5510 Building Maintenance & Repairs	0.00	1,392.15	2,500.00	1,107.85	55.69%
5530 Miscellaneous	0.00	734.42	1,460.00	725.58	50.30%
5500 Office Supplies	(278.26)	855.90	1,500.00	644.10	57.06%
5520 Software Programs/ Services	531.05	3,445.21	7,428.00	3,982.79	46.38%
<b>Other Services</b>					
6030 Community Support Agreements	0.00	0.00	6,000.00	6,000.00	0.00%
6035 Dues & Memberships	14.99	1,484.78	2,830.00	1,345.22	52.47%
6015 Insurance	0.00	0.00	1,800.00	1,800.00	0.00%

Town Administrator's Report – December 18, 2021

- ☐ Entrance Road – The County helped install a yield sign at the first entrance road “Y”. I will be visiting with them over the winter months to plan and schedule them to do another chip and seal overlay in the spring. Several people have requested putting striping on the entrance road approach off Hwy 9A. This will help better identify the entrance to Carlton Landing and keep people from driving on the grass.
- ☐ Marina Relocation – The Marina/Sports Area is scheduled to be mowed in preparation of begin the infrastructure improvement to the Marina. The Corps of Engineers has provided a partial approval of the plans for the Marina relocation. They have approved the construction of the road, gangway, and part of the docks. The concessionaire has requested reconsideration of allowing additional pieces of the Marina project to be approved.
- ☐ Stephens Road – I meet with the Engineer on submitting a proposal for doing the Engineering plans for Stephens Road. Plan is to have their proposal on January Board meeting.
- ☐ Snow Plowing – In preparation of winter season and potential snow, I have contracted with Stanley Layman for road clearing and snow plowing. If or when it snows Stanly will respond to clear and maintain the roads.

Hope everyone has a safe and Happy Christmas and a Happy New Year!

Thank you.

General Fund  
Payments Journal (Summary)  
12/1/2021 to 12/31/2021

Check Date	Check / Reference #	Payee	Amount
1000 Town of CL Checking 9683			
12/7/2021	EFT	RWS Cloud Services	90.00
12/8/2021	1225	Oklahoma Uniform Building Cod	16.00
12/8/2021	1224	Dan Hurd	200.00
12/8/2021	1223	Municode	1,800.00
12/10/2021	A-10048	James G Buckley	2,792.42
12/15/2021	GJ-10068		613.92
12/15/2021	GJ-10067		7,583.85
12/15/2021	EFT	EFTPS	1,669.93
12/15/2021	EFT	CSA Software	441.05
12/17/2021	EFT	Oklahoma Tax Commission	253.00
12/17/2021	1228	OPEH&W	1,436.96
12/17/2021	1227	James Hasenbeck, AIA	1,500.00
12/17/2021	1226	OK Assoc of Municipal Attorney	75.00
12/22/2021	1233	BOK Credit Card	1,104.01
12/22/2021	1230	Amanda Harjo	500.00
12/22/2021	1229	Greg Buckley - Reimbursements	500.00
12/22/2021	1232	Pittsburg County Treasurer	14,725.84
12/22/2021	1234	Kay Robbins Wall	600.00
12/22/2021	1231	Kay Robbins Wall	500.00
12/24/2021	A-10049	James G Buckley	2,560.71
12/31/2021			65.99
12/31/2021	1239	OkMRF	6,876.68
12/31/2021	1238	Kiamichi Electric	175.00
12/31/2021	1237	Amanda Harjo	800.00
12/31/2021	1236	Crawford & Associates, P.C.	555.00
12/31/2021	1235	McAlester News Capital	45.10
1000 Town of CL Checking 9683 Totals			\$47,480.46

Report Options

Check Date: 12/1/2021 to 12/31/2021

Display Notation: No

Fund: General Fund

Item No. \_\_\_\_\_

Date: January 15, 2022

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Consider, discuss and acknowledge receipt of Fiscal Year 2020-2021 Audit as prepared by Elfrink and Associates or take any other appropriate action.

**INITIATOR:** Greg Buckley, Town Administrator,

**STAFF INFORMATION SOURCE:** Greg Buckley, Town Administrator

**BACKGROUND:** Audit was completed by Elfrink and Associates. Staff worked with Crawford and Associates to complete year-end reporting and to provide requested documentation. .

**FUNDING:** None

**EXHIBITS:** Audit FY 2020-21

**RECOMMENDED ACTION:** Acknowledge receipt of Fiscal Year 2020-2021 Audit as prepared by Elfrink and Associates.



TOWN OF  
**CARLTON LANDING**  
*Oklahoma*

**Financial Statements and Independent Auditor's Reports**

As of and for the Year Ended June 30, 2021

## TOWN OF CARLTON LANDING, OKLAHOMA

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**Board of Trustees**

Joanne Chinnici	Mayor
Jan Summers	Clerk-Treasurer
Chuck Mai	Trustee
Kristian Brule	Trustee
Mary Myrick	Trustee
Clay Chapman	Trustee

**Town Administrator**

Greg Buckley

**Finance Director**

Amanda Harjo

10 Boulevard Unit G  
Carlton Landing, Oklahoma 74332  
918-452-2218

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## Elfrink and Associates, PLLC

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Member of the AICPA, OSCPA, and GFOA

3119 E 87<sup>th</sup> Street  
Tulsa, Oklahoma 74137

918-361-2133  
Fax: 918-512-4280

### INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Trustees  
Town of Carlton Landing, Oklahoma

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities and each fund for the Town of Carlton Landing, Oklahoma ("Town"), as of June 30, 2021 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each fund of the Town of Carlton Landing, Oklahoma as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Elfrink and Associates, PLLC

Tulsa, Oklahoma  
January 12, 2022

## Management Discussion and Analysis

The management of the Town of Carlton Landing ("Town") is pleased to provide this annual financial report to its citizens, taxpayers and other report users to demonstrate its accountability and communicate the Town's financial condition and activities as of and for the year ended June 30, 2021. Management of the Town is responsible for the fair presentation of this annual report, for maintaining appropriate internal controls over financial reporting, and for complying with applicable laws, regulations, and provisions of grants and contracts.

### FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$100,368 and the liabilities of the Town exceeded its assets at June 30, 2021, by \$1,299,877 (net position deficit). Of this amount, the Town had a \$1,732,973 deficit unrestricted net position available to meet the government's ongoing needs.
- At June 30, 2021, the unassigned fund balance for the General Fund was \$382,795 or 128.7% of General Fund revenues for the year.

### ABOUT THE CITY

The Town of Carlton Landing is a master-planned resort community in Pittsburg County, Oklahoma with a permanent population of approximately 56. The City is governed by a six-member Board of Trustees chaired by the Mayor and operates under Oklahoma state laws and City ordinances.

The Town provides economic development, street and alley maintenance, culture and recreation, and general administrative services for the community.

### *The Town's Financial Reporting Entity*

This annual report includes all activities for which the Town of Carlton Landing's Board of Trustees is financially accountable. These activities, defined as the Town's financial reporting entity, are operated within separate legal entities that make up the primary government.

The City's financial reporting entity includes the following separate legal entities:

- **The Town of Carlton Landing** – an incorporated Town established October 21, 2013 that operates the streets and alleys, culture and recreation, and administrative activities of the City – *reported as part of the primary government as "governmental" activities.*
- **The Carlton Landing Economic Development Trust** – a public trust created July 19, 2014 pursuant to 60 O.S. § 176 to finance and administer projects within or near the Town of Carlton Landing for purpose of economic and community development.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the Town of Carlton Landing (the "Town") and the Carlton Landing Economic Development Trust (the "CLEDT"). Included in this report are government-wide statements for each of the two categories of activities - governmental and business-type.

The government-wide financial statements present the complete financial picture of the Town from the economic resources measurement focus. They present governmental activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements report the Town's operations in more detail than the government-wide statements by providing information about the Town's governmental funds.

### Reporting the Town as a Whole

#### *Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

#### *The Statement of Net position and Statement of Activities*

The statement of net position presents information on all of the Town of Carlton Landing's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities, we divide the Primary Government into two kinds of activities: *Governmental activities* - Most of the City's basic services are reported here, including the administration, and streets. Sales taxes and franchise fees finance most of these activities; and *Business-type activities* - Activities where the City charges a fee to customers to help cover all or most of the cost of certain services it provides are reported here. The City's economic development activities are reported as business-type activities.

## Reporting the City's Fund Financial Statements

### Fund Financial Statements

The City's two kinds of funds – *governmental and proprietary* - use different accounting approaches.

*Governmental funds* - All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

*Proprietary funds* – The CLEDT is reported as a proprietary fund. Proprietary funds are reported on an economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

### Notes to the Financial Statements

The notes provide additional information that is essential to gain an understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 24-34 of this report.

### THE TOWN AS A WHOLE

For the year ended June 30, 2021, net position for the governmental and business-type activities increased \$100,368.

#### Net position at June 30,

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Beginning net position*	\$ 404,739	\$ 403,595	\$ (1,804,984)	\$ (485,151)	\$ (1,400,245)	\$ (81,556)
Increase (decrease)	214,739	(15,459)	(114,371)	(1,304,131)	100,368	(1,319,590)
Ending net position (deficit)	<u>\$ 619,478</u>	<u>\$ 388,136</u>	<u>\$ (1,919,355)</u>	<u>\$ (1,789,282)</u>	<u>\$ (1,299,877)</u>	<u>\$ (1,401,146)</u>

\*2021 Beginning net position is restated for adoption of GAAP

The largest portion of the Town's deficit net position reflects its deficit for financing economic development costs through the issuance of revenue debt to be repaid with incremental property taxes.

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As of and for the Year Ended June 30, 2021

The following is a summary of net position for the Town of Carlton Landing as of June 30:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Assets:						
Current and other assets	\$ 685,617	\$ 523,231	\$ 693,371	\$ 1,502,502	\$ 1,378,988	\$ 2,025,733
Capital assets, net	271,103	232,634	1,310,058	382,821	1,581,161	615,455
Total assets	956,720	755,865	2,003,429	1,885,323	2,960,149	2,641,188
Liabilities:						
Short-term liabilities	7,242	2,729	67,784	139,605	75,026	142,334
Long-term liabilities	330,000	365,000	3,855,000	3,535,000	4,185,000	3,900,000
Total liabilities	337,242	367,729	3,922,784	3,674,605	4,260,026	4,042,334
Net position:						
Invested in capital assets, net	90,767	17,298	-	-	90,767	17,298
Restricted	58,994	40,845	283,335	1,040,864	342,329	1,081,709
Unrestricted	469,717	329,993	(2,202,690)	(2,830,146)	(1,732,973)	(2,500,153)
Total net position	\$ 619,478	\$ 388,136	\$ (1,919,355)	\$ (1,789,282)	\$ (1,299,877)	\$ (1,401,146)

**Changes in Net Position  
Year Ended June 30,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenues:				
Program revenues:				
Charges for services	\$ 32,423	\$ 6,361	\$ -	\$ -
Grants	-	4,642	-	-
General revenues:				
Sales and use tax	228,601	77,005	-	-
Other taxes	103,391	45,129	704,269	544,876
Other general revenues	-	-	140	17,543
Total revenues	364,415	133,137	704,409	562,419
Program expenses:				
General government	226,525	202,286	-	-
Fire	-	4,642	-	-
Streets and alleys	240	7,376	-	-
Parks and recreation	19,575	17,711	-	-
Economic development	-	-	722,116	1,783,131
Total expenses	246,340	232,015	722,116	1,783,131
Transfer to (from)	96,664	83,419	(96,664)	(83,419)
Increase/(decrease) net position	214,739	(15,459)	(114,371)	(1,304,131)
Beginning net position*	404,739	403,595	(1,804,984)	(485,151)
Ending net position	\$ 619,478	\$ 388,136	\$ (1,919,355)	\$ (1,789,282)

\*2021 Beginning net position is restated for adoption of GAAP

### Governmental Activities

The increase in net position related to governmental activities of \$214,739 is due primarily to a significant increase in sales tax as well as the levy of new use, franchise, and hotel taxes.

### Business-type Activities

The decrease of \$114,371 for business-type activities is due to the financing of economic development costs through the issuance of long term debt.

### A FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the City completed its 2021 fiscal year, Governmental Funds reported total fund balances of \$678,375. For the year ended June 30, 2021, the Governmental Funds' total fund balances increased by \$141,270, reflecting higher tax receipts as discussed previously.

### Budgetary Highlights

The Town's general fund resources (inflows) were \$114,543, or 41% higher than budgeted, reflecting higher tax receipts than anticipated. General fund charges to appropriations were \$81,592, or 23% lower than final appropriations.

### CAPITAL ASSETS & DEBT ADMINISTRATION

#### Capital Assets

At the end of June 30, 2021, the Town had approximately \$1.6 million in capital assets (net of accumulated depreciation). Below are details regarding the Town's capital assets for the year ended June 30, 2021:

		<b>Capital Assets</b>					
		<b>June 30,</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		
	<b>Activities</b>		<b>Activities</b>				
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
Construction in progress	\$ 45,451	\$ 1,375	\$ 604,479	\$ 253,758	\$ 649,930	\$ 255,133	
Buildings and improvements	-	-	577,761	-	577,761	-	
Equipment and vehicles	4,241	4,241	-	-	4,241	4,241	
Infrastructure	237,963	237,963	155,100	131,622	393,063	369,585	
Totals	287,655	243,579	1,337,340	385,380	1,624,995	628,959	
Less accumulated depreciation	(16,552)	(10,945)	(27,282)	(2,559)	(43,834)	(13,504)	
Totals, net	\$ 271,103	\$ 232,634	\$ 1,310,058	\$ 382,821	\$ 1,581,161	\$ 615,455	

This year's capital asset additions include the following:

- The purchase of three school buildings
- The initial phase of renovations to the Town's main access road
- Construction work on an outdoor pavilion
- Initial plans for a nature trail

### **Debt Administration**

The CLEDT issued a \$670,000 revenue note to be repaid with incremental property tax revenues. Debt activity was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities:				
2017 GO Bond	\$ 175,000	\$ -	\$ 25,000	\$ 150,000
2018 GO Bond	90,000	-	10,000	80,000
2020 GO Bond	100,000	-	-	100,000
	<u>\$ 365,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 330,000</u>
Business-type activities:				
Revenue note, Series 2018	\$ 1,325,000	\$ -	\$ 135,000	\$ 1,190,000
Revenue note, Series 2018B	820,000	-	75,000	745,000
Revenue note, Series 2019	1,390,000	-	105,000	1,285,000
Revenue note, Series 2020	-	670,000	35,000	635,000
	<u>\$ 3,535,000</u>	<u>\$ 670,000</u>	<u>\$ 350,000</u>	<u>\$ 3,855,000</u>

### **Contacting the Town's Financial Management**

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Administrator's office at 10 Boulevard Unit G, Carlton Landing, OK 74332, 918-452-2218

**BASIC FINANCIAL STATEMENTS – STATEMENTS OF NET POSITION AND  
ACTIVITIES**

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**Statement of Net Position – June 30, 2021**

	<b>Governmental Activities</b>	<b>Business - type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 259,359	\$ 404,095	\$ 663,454
Restricted cash and cash equivalents	229,728	283,335	513,063
Accounts receivable	4,491	-	4,491
Deposit with county - road repairs	86,922	-	86,922
Due from other governments	54,771	5,941	60,712
Due from CLEDT	50,346	-	50,346
Total current assets	<u>685,617</u>	<u>693,371</u>	<u>1,378,988</u>
Noncurrent assets:			
Construction in progress	45,451	604,479	649,930
Other capital assets, net of depreciation	225,652	705,579	931,231
Total noncurrent assets	<u>271,103</u>	<u>1,310,058</u>	<u>1,581,161</u>
Total Assets	<u>956,720</u>	<u>2,003,429</u>	<u>2,960,149</u>
<b>Liabilities:</b>			
Current liabilities			
Due to the Town	-	50,346	50,346
Payroll payable	1,862	-	1,862
Accounts payable	2,173	-	2,173
Accrued interest payable	-	17,438	17,438
Unavailable revenue	3,207	-	3,207
Notes payable - current portion	45,000	375,000	420,000
Total current liabilities	<u>52,242</u>	<u>442,784</u>	<u>495,026</u>
Noncurrent liabilities			
Bonds payable	285,000	-	285,000
Notes payable	-	3,480,000	3,480,000
Total noncurrent liabilities	<u>285,000</u>	<u>3,480,000</u>	<u>3,765,000</u>
Total Liabilities	<u>337,242</u>	<u>3,922,784</u>	<u>4,260,026</u>
<b>Net Position:</b>			
Net investment in capital assets	90,767	-	90,767
Restricted for debt service	58,994	1,630	60,624
Restricted for economic development	-	281,705	281,705
Unrestricted (deficit)	469,717	(2,202,690)	(1,732,973)
Total net position (deficit)	<u>\$ 619,478</u>	<u>\$ (1,919,355)</u>	<u>\$ (1,299,877)</u>

See accompanying notes to the basic financial statements

**Statement of Activities – Year Ended June 30, 2021**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Charges for Services</u></b>	<b><u>Net (Expense) Revenue and Change in Net Position</u></b>		
			<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 226,525	\$ -	\$ (226,525)	\$ -	\$ (226,525)
Streets and alleys	240	-	(240)	-	(240)
Code enforcement	-	32,423	32,423	-	32,423
Parks and recreation	19,575		(19,575)	-	(19,575)
Total governmental activities	246,340	32,423	(213,917)	-	(213,917)
Business-type activities:					
Economic Development	722,116	-	-	(722,116)	(722,116)
<b>Total primary government</b>	<b>\$ 968,456</b>	<b>\$ 32,423</b>	<b>(213,917)</b>	<b>(722,116)</b>	<b>(936,033)</b>
General revenues:					
Taxes:					
Sales			219,881	-	219,881
Use			8,720	-	8,720
Franchise			6,261	-	6,261
Hotel			28,465	-	28,465
Property			66,981	704,269	771,250
Intergovernmental revenue			1,684	-	1,684
Investment income			-	140	140
Transfers			96,664	(96,664)	-
Total general revenues			428,656	607,745	1,036,401
Change in net position			214,739	(114,371)	100,368
Net position - beginning (restated)			404,739	(1,804,984)	(1,400,245)
Net position - ending			\$ 619,478	\$ (1,919,355)	\$ (1,299,877)

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**BASIC FINANCIAL STATEMENTS – GOVERNMENTAL FUNDS**

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TOWN OF CARLTON LANDING, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2021

**Balance Sheet - June 30, 2021**

	<b>General Fund</b>	<b>Capital Project GO Bond Fund</b>	<b>Debt Service Sinking Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 259,359	\$ -	\$ -	\$ 259,359
Restricted cash and cash equivalents	-	149,664	80,064	229,728
Deposit with County - Road Repairs	86,922	-	-	86,922
Accounts receivable	4,491	-	-	4,491
Due from other governments	54,158	-	613	54,771
Due from other funds	71,416	-	-	71,416
Total assets	<u>\$ 476,346</u>	<u>\$ 149,664</u>	<u>\$ 80,677</u>	<u>\$ 706,687</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Payroll payable	\$ 1,862	\$ -	\$ -	\$ 1,862
Accounts payable	2,173	-	-	2,173
Unavailable revenue	2,594	-	613	3,207
Due to other funds	-	-	21,070	21,070
Total liabilities	<u>\$ 6,629</u>	<u>\$ -</u>	<u>\$ 21,683</u>	<u>\$ 28,312</u>
<b>Fund balances:</b>				
Restricted:				
Capital projects	-	149,664	-	149,664
Debt service	-	-	58,994	58,994
Unrestricted:				
Assigned - road repairs	86,922	-	-	86,922
Unassigned	382,795	-	-	382,795
Total Fund Balances	<u>469,717</u>	<u>149,664</u>	<u>58,994</u>	<u>678,375</u>
Total liabilities and fund balances	<u>\$ 476,346</u>	<u>\$ 149,664</u>	<u>\$ 80,677</u>	<u>\$ 706,687</u>

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenditures and Change in Fund Balance**

**Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Capital Project GO Bond Fund</u>	<u>Debt Service Sinking Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Taxes	\$ 263,327	\$ -	\$ 66,981	\$ 330,308
Cigarette tax	1,684	-	-	1,684
Licenses, permits, and fees	32,423	-	-	32,423
Total Revenues	297,434	-	66,981	364,415
<b>Expenditures:</b>				
General government	225,677	-	-	225,677
Capital outlay	44,076	-	-	44,076
Total expenditures	269,753	-	-	269,753
<b>Excess (deficiency) of revenues over expenditures</b>	27,681	-	66,981	94,662
<b>Other financing sources (uses)</b>				
Debt service - principal	-	-	(35,000)	(35,000)
Debt service - interest and fees	-	-	(15,056)	(15,056)
Transfer in (out)	96,664	-	-	96,664
Total other financing sources	96,664	-	(50,056)	46,608
<b>Net change in fund balance</b>	124,345	-	16,925	141,270
<b>Fund balance - beginning*</b>	345,372	149,664	42,069	537,105
<b>Fund balance - ending</b>	\$ 469,717	\$ 149,664	\$ 58,994	\$ 678,375

\* Restated

See accompanying notes to the basic financial statements

**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Fund balances of governmental funds	\$ 678,375
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities of \$287,655, net of accumulated depreciation of \$16,552 are not financial resources and, therefore, are not reported in the funds.	271,103
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements	(330,000)
Net position of governmental activities	<u>\$ 619,478</u>
Net changes in fund balances - total governmental funds	\$ 141,270
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Cash purchases of capital assets	44,076
Depreciation expense	<u>(5,607)</u>
	<u>38,469</u>
Issuance of debt is an other financing source in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal payments made on general obligation bonds	<u>35,000</u>
	<u>35,000</u>
Change in net position of governmental activities	<u>\$ 214,739</u>

See accompanying notes to the basic financial statements

**BASIC FINANCIAL STATEMENTS – PROPRIETARY FUNDS**

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**Proprietary Fund Statement of Net Position – June 30, 2021**

	<b><u>Carlton Landing Economic Development Trust</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 404,095
Restricted cash and cash equivalents	283,335
Due from other governments	5,941
Total current assets	<u>693,371</u>
Noncurrent assets:	
Capital assets, net	<u>1,310,058</u>
Total assets	<u>2,003,429</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accrued interest payable	17,438
Due to other funds	50,346
Notes payable - current portion	375,000
Total current liabilities	<u>442,784</u>
Noncurrent Liabilities:	
Notes payable - long term portion	<u>3,480,000</u>
Total Noncurrent Liabilities	<u>3,480,000</u>
Total liabilities	<u>3,922,784</u>
<b>NET POSITION</b>	
Unrestricted (deficit)	<u>(1,919,355)</u>
Total net position (deficit)	<u>\$ (1,919,355)</u>

See accompanying notes to the basic financial statements

**Proprietary Fund Statement of Revenues, Expenses and Change in Net Position –**

**Year Ended June 30, 2021**

	<b>Carlton Landing Economic Development Trust</b>
<b>Operating expenses:</b>	
Economic Development	\$ 418,836
Depreciation	24,723
Total operating expenses	443,559
 Operating loss	 (443,559)
 <b>Nonoperating revenue:</b>	
Ad valorem tax	704,269
Debt issuance costs	(55,000)
Interest expense	(223,557)
Investment income	140
Transfer to Town, net	(96,664)
Total nonoperating revenue	329,188
 <b>Change in net position</b>	 (114,371)
 <b>Net position - beginning*</b>	 (1,804,984)
 <b>Net position - ending (deficit)</b>	 \$ (1,919,355)
* Restated	

See accompanying notes to the basic financial statements

**Proprietary Fund Statement of Cash Flows – Year Ended June 30, 2021**

	<b>Carlton Landing Economic Development Trust</b>
<b>Cash flows from operating activities:</b>	
Payments to developer	\$ (101,908)
Payments to Carlton Landing Association	(316,928)
Net cash used in operating activities	(418,836)
<b>Cash flows from non-capital financing activities:</b>	
Transfers to Town	(185,923)
Ad valorem tax received	698,328
Net cash provided by non-capital financing activities	512,405
<b>Cash flows from capital and related financial activities:</b>	
Proceeds from capital debt	670,000
Purchase of capital assets	(951,960)
Principal paid on capital debt	(350,000)
Interest and fees paid on capital debt	(221,821)
Debt issuance costs	(55,000)
Net cash used in capital and related financing activities	(908,781)
<b>Cash flows from investing activities:</b>	
Investment income	140
Net cash provided by investing activities	140
<b>Net decrease in cash and cash equivalents</b>	(815,072)
<b>Cash and equivalents - beginning of year</b>	1,502,502
<b>Cash and equivalents - end of year</b>	\$ 687,430
<b>Reconciliation to the Statement of Net Position:</b>	
Cash and cash equivalents	\$ 404,095
Restricted cash and cash equivalents	283,335
	687,430
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>	
Operating loss	(443,559)
Depreciation	24,723
Net cash used by operating activities	(418,836)

See accompanying notes to the basic financial statements

**FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS**

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## Notes to the Basic Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Financial Reporting Entity

The Town of Carlton Landing, Oklahoma was established on October 21, 2013 to establish and operate public safety, streets, health and welfare, culture and recreation, and administrative activities for the citizens of the Town. The Town's financial reporting entity is comprised of the following:

Primary Government: Town of Carlton Landing

Component Unit: Carlton Landing Economic Development Trust

In determining the financial reporting entity, the Town complies with the provisions of Governmental Accounting Council Statement No. 14, as amended by Statement No. 61, *The Financial Reporting Entity*, and includes all component units for which the Town is financially accountable.

#### *Blended Component Unit*

Carlton Landing Economic Development Trust – ("CLEDT") – Created July 19, 2014 to finance, operate, develop, construct, maintain, manage, market, and administer projects for investment and reinvestment on behalf of the Town. The Town's Board of Trustees also serve as Trustees for the CLEDT.

The component unit is a Public Trust pursuant to Title 60 of Oklahoma State law. Public Trusts have no taxing power. Public Trusts are generally created to finance Town services through issuance of revenue bonds or other non-general obligation debt and to enable the Town Board of Trustees to delegate certain functions to the governing body of the Trust. The Trust generally retains title to assets which are acquired or constructed with Trust debt or other Trust-generated resources. The Town, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

#### B. Basis of Presentation and Accounting

##### *Government-Wide Financial Statements:*

The statements of net position and activities are reported on the accrual basis of accounting and the economic resource focus. Under the economic resource focus, all assets and liabilities, including current and noncurrent are reported along with any inflows and outflows that are deferred. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred, or economic asset used.

Program revenues within the statement of activities that are derived directly from each activity or from parties outside the Town's taxpayers are reported as program revenues. The Town had the following program revenues in each activity:

- General Government: Licenses and permits

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

#### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, net position or fund balance, revenues, and expenditures or expenses. The Town's funds are organized into two major categories: governmental and proprietary. The Town presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category type.
- b) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

#### *Governmental Funds:*

The governmental funds are reported on a modified accrual basis of accounting and current financial resources measurement focus. Revenues are recorded on the modified accrual basis when earned and collected within 60 days of period end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Only current financial assets and liabilities are generally included on the fund balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period.

The Town's governmental funds include:

**General Fund** - The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

Capital project funds are used to account for and report financial resources restricted, committed, or assigned for capital outlays, including the acquisition or construction of specific capital facilities or other capital items. The reporting entity includes the following capital project fund that is reported as a major fund:

**GO Bond Fund** - Accounts for proceeds from the General Obligation Bonds that are restricted for various capital projects.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Sinking Fund** - Accounts for proceeds from the levy of property taxes legally restricted for the payment of principal and interest on the General Obligation Bonds. This fund is also reported as a major fund.

*Proprietary Funds:*

**Carlton Landing Economic Development Trust (CLEDT)** - The Town accounts for all proprietary activities through the Carlton Landing Economic Development Trust. For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

The general fund, GO Bond Fund, and Sinking Fund are legally required to adopt an annual budget or appropriations. CLEDT is not required to adopt legal annual appropriations. While the trust develops an annual budget that is required to be approved by the Town (its beneficiary), it is for financial management purposes and does not constitute legal appropriations.

**C. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market accounts. Investments consist of long-term certificates of deposit and are reported at cost.

**D. Capital Assets and Depreciation**

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. In the government-wide and proprietary fund financial statements, property, plant and equipment are accounted for as capital assets, net of accumulated depreciation where applicable. In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and not reported as capital assets.

Capital assets consist of buildings and building improvements, construction in progress, utility systems, machinery and equipment, and furniture. A capitalization threshold of \$2,000 is used to report capital assets.

Depreciable capital assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives by type of asset are as follows:

- |                  |           |
|------------------|-----------|
| • Infrastructure | 50 years  |
| • Equipment      | 5-7 years |

## **E. Fund Balances and Net position**

### *Government-wide Financial Statements:*

Equity is classified as net position and displayed in three components:

1. *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. *Restricted net position* – Consists of net assets with constraints placed on the use by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
3. *Unrestricted net position* – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the Town’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which restricted and unrestricted net position are available.

### *Fund Financial Statements:*

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. These classifications are defined as:

- Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact.
- Restricted - consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation
- Unrestricted:
  - Committed – includes unrestricted amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. The Town’s highest level of decision-making authority is made by ordinance.
  - Assigned – includes unrestricted amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by Town Board action or management decision when the Town’s Board has delegated that authority. Assignments for transfers and interest income for governmental funds are made through budgetary process.
  - Unassigned – all remaining unrestricted fund balances not reported as committed or assigned.

It is the Town’s policy to first use restricted fund balance prior to the use of unassigned fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The Town’s policy for the use of fund balance amounts require that restricted amounts would be reduced first, followed by committed amounts and then assigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

*Restatement of beginning fund balance*

The Town previously reported on a modified cash basis of accounting but has elected to adopt accounting principles generally accepted in the United States (US GAAP) in the current year, resulting in the restatement of it's beginning equity positions as follows:

	Governmental Activities	Business-type Activities
Beginning net position as previously reported at June 30, 2020:	\$ 388,136	\$ (1,789,282)
Adjustments to convert to a GAAP basis of accounting:		
Accrue taxes receivable	17,460	-
Accrue payroll payable	(857)	
Accrue interest payable		(15,702)
Net position as restated July 1, 2020	<u>\$ 404,739</u>	<u>\$ (1,804,984)</u>

**F. Internal and Inter-fund Balances and Transfers**

<u>Due to General Fund:</u>	<u>Amount</u>	<u>Due from</u>
Non-TIF Ad Valorem taxes identified by County	5,840	Sinking Fund
GO Bond payment made by General Fund in error	15,230	Sinking Fund
Legal fees paid by Town related to TIF	18,532	CLEDT
Marina project expenses - should be CLEDT	31,814	CLEDT
	<u>71,416</u>	

**G. Use of Estimates**

**H. Revenues and expenses**

*Sales Tax*

The Town levies a three-cent sales tax on taxable sales within the Town. The sales tax is collected by the Oklahoma Tax Commission and remitted to the Town in the month following receipt by the Tax Commission.

*Use Tax*

On September 21, 2020 the Town extended by ordinance the sales tax described above to include taxable transactions with out-of-state vendors.

*Utility Tax*

On September 21, 2020 the Town levied a franchise tax of 2% on the gross receipts from all sales of gas, power, heat, light or electricity.

*Hotel Tax*

On March 21, the Town levied a hotel tax of 7% on the gross receipts from all lodging rental activities.

*Expenses*

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service.

*Property Tax*

The Town began levying property tax to amortize its General Obligation bonds in the 2016 tax year. On September 5, 2015, CLEDT proposed, and the Town adopted, an ordinance which created "Increment District No. 1, Town of Carlton Landing" ("TIF 1") pursuant to the provisions of the Oklahoma Local Development Act, Title 62, Section 850 of the Oklahoma Statutes. Under these provisions, CLEDT receives one hundred percent of the new property tax revenue attributable to increases in the value of the Increment District for a period not to exceed twenty-five years.

Property taxes are billed and collected by the Pittsburg County Treasurer's Office and remitted to Town in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on the property in the following October. For the year ended June 30, 2021, CLEDT received \$704,269 in property tax that was attributable to the TIF 1 activity and the Town received \$66,981 that was attributable to the levy to amortize the General Obligation Bonds. The millage rate for the 2020 levy year was 20.39 mills.

**2. Detailed Notes on Transaction Classes/Accounts**

**A. Deposits and Investments**

Total Town bank deposits of \$1,176,517 as follows:

Type	Fair Value	Credit Rating	Maturities in Years	
			On Demand	Less than one
Demand deposits and cash on hand	\$ 893,182	n/a	\$ 893,182	\$ -
Money market fund - federal obligations	283,335	AAA	-	283,335
	<u>\$ 1,176,517</u>		<u>\$ 893,182</u>	<u>\$ 283,335</u>

Reconciliation to Statement of net position:

Cash and cash equivalents	\$ 663,454
Restricted - cash and cash equivalents	513,063
	<u>\$ 1,176,517</u>

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*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the government deposits may not be returned to it. The Town is governed by the State Public Deposit Act which requires the Town obtain and hold collateral whose fair value exceeds the amount of uninsured deposits. Investment securities are exposed to custody credit risk if the securities are uninsured, are not registered in the name of the government, and if held by either a counterparty or a counterparty's trust, department or agent, but not in the government's name.

The Town's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. At June 30, 2021, the Town had exposure to custodial credit risk in the amount of \$185,170.

*Investment Interest Rate Risk*

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town was not exposed to investment interest rate risk.

*Investment Credit Risk*

The Town has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

*Restricted Cash*

The amounts reported as restricted assets in the statement of net position are comprised of \$80,064 held in the Sinking Fund for amortization of general obligation bonds, \$149,664 of bond proceeds held in the GO Bond Fund for capital projects, \$1,630 held in the CLEDT fund for debt service as well as \$281,705 of revenue note proceeds held for economic development.

## B. Capital Assets and Depreciation

For the year ended June 30, 2021, capital asset balances changed as follows:

	<u>Balance at June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2021</u>
<b>Governmental:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,375	\$ 44,076	\$ -	\$ 45,451
Total capital assets not depreciated	<u>1,375</u>	<u>44,076</u>	<u>-</u>	<u>45,451</u>
Capital assets being depreciated:				
Infrastructure	237,963	-	-	237,963
Equipment	4,241	-	-	4,241
Total capital assets being depreciated	<u>242,204</u>	<u>-</u>	<u>-</u>	<u>242,204</u>
Less accumulated depreciation:				
Infrastructure	10,238	4,759	-	14,997
Equipment	707	848	-	1,555
Total accumulated depreciation	<u>10,945</u>	<u>5,607</u>	<u>-</u>	<u>16,552</u>
Governmental, net capital assets	<u>\$ 232,634</u>	<u>\$ 38,469</u>	<u>\$ -</u>	<u>\$ 271,103</u>
<b>Business-type:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 253,758	\$ 374,199	\$ 23,478	\$ 604,479
Total capital assets not being depreciated	<u>253,758</u>	<u>374,199</u>	<u>23,478</u>	<u>604,479</u>
Capital assets being depreciated:				
Building	-	577,761	-	577,761
Infrastructure	131,622	23,478	-	155,100
Total capital assets being depreciated	<u>131,622</u>	<u>601,239</u>	<u>-</u>	<u>732,861</u>
Less accumulated depreciation				
Building	-	19,259	-	19,259
Infrastructure	2,559	5,464	-	8,023
Total accumulated depreciation	<u>2,559</u>	<u>24,723</u>	<u>-</u>	<u>27,282</u>
Business-type, capital assets	<u>\$ 382,821</u>	<u>\$ 950,715</u>	<u>\$ 23,478</u>	<u>\$ 1,310,058</u>

At June 30, 2021, depreciation expense was allocated to functional areas as follows:

<b>Governmental activities:</b>		<b>Business-type activities:</b>	
General government	\$ 848	Economic development	<u>\$ 24,723</u>
Streets	240		
Parks and recreation	4,519		
Total depreciation	<u>\$ 5,607</u>		

**C. Long-term debt**

On February 9, 2016, the qualified voters of the Town of Carlton Landing approved the levy of additional property tax to fund a fire station, parks and recreational facilities, arts and cultural facilities, community buildings, drainage control improvements, and street lighting in the total amount of \$9.5 million.

*Governmental Activities:*

At June 30, 2021 the governmental activities had the following debt outstanding:

*General Obligation Bonds:*

\$225,000 General Obligation Bonds, Series 2017, dated February 1, 2017, due in nine annual installments of \$25,000, , final payment due June 30, 2027, bearing interest at 4%, to be paid from a property tax levy.	\$150,000
\$100,000 General Obligation Bonds, Series 2018, dated April 1, 2018, due in eight annual installments of \$10,000, final payment due April 1, 2028, bearing interest at 4%, to be paid from a property tax levy.	80,000
\$100,000 General Obligation Bonds, Series 2020, dated March 1, 2020, due in eight annual installments of \$10,000, first payment due April 1, 2022, final payment of \$20,000 due April 1, 2030, bearing interest ranging from 2% to 4.5%, to be paid from a property tax levy.	<u>100,000</u>
Total debt to be paid from governmental activities	<u>\$ 330,000</u>

*Business-type Activities:*

At June 30, 2021, the business-type activities had the following debt outstanding:

*Revenue Notes:*

\$1,600,000 CLEDT Tax Increment Revenue Note, Taxable Series 2018, dated April 1, 2018, due in semi-annual installments over ten years, final payment due June 1, 2028, bearing interest at 5.75%, to be paid from incremental property taxes. In the event of default, the note may be declared due and payable in the manner provided in the indenture.	\$1,190,000
\$905,000 CLEDT Tax Increment Revenue Note, Taxable Series 2018B, dated March 21, 2019, due in semi-annual installments over ten years, final payment due June 1, 2029, bearing interest at 5.75%, to be paid from incremental property taxes. In the event of default, the note may be declared due and payable in the manner provided in the indenture.	745,000

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\$1,455,000 CLEDT Tax Increment Revenue Note, Taxable Series 2019, dated December 20, 2019, due in semi-annual installments over ten years, final payment due June 1, 2030, bearing interest at 5.75%, to be paid from incremental property taxes. In the event of default, the note may be declared due and payable in the manner provided in the indenture. 1,285,000

\$1,455,000 CLEDT Tax Increment Revenue Note, Taxable Series 2019, dated December 29, 2020, due in semi-annual installments over ten years, final payment due June 1, 2031, bearing interest at 5.50%, to be paid from incremental property taxes. In the event of default, the note may be declared due and payable in the manner provided in the indenture. 635,000

Total debt to be paid from business-type activities \$3,855,000

*Changes in Long-Term Debt:*

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amount Due</u> <u>Within One Year</u>
Governmental activities:					
2017 GO Bond	\$ 175,000	\$ -	\$ 25,000	\$ 150,000	\$ 25,000
2018 GO Bond	90,000	-	10,000	80,000	10,000
2020 GO Bond	100,000	-	-	100,000	10,000
	<u>\$ 365,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 330,000</u>	<u>\$ 45,000</u>
Business-type activities:					
Revenue note, Series 2018	\$ 1,325,000	\$ -	\$ 135,000	\$ 1,190,000	\$ 140,000
Revenue note, Series 2018B	820,000	-	75,000	745,000	75,000
Revenue note, Series 2019	1,390,000	-	105,000	1,285,000	115,000
Revenue note, Series 2020	-	670,000	35,000	635,000	45,000
	<u>\$ 3,535,000</u>	<u>\$ 670,000</u>	<u>\$ 350,000</u>	<u>\$ 3,855,000</u>	<u>\$ 375,000</u>

*Annual Debt Service Requirements*

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2021 are as follows:

Year ended	Governmental Activities		Business-type Activities	
June 30,	Principal	Interest	Principal	Interest
2022	\$ 45,000	12,190	\$ 375,000	\$ 220,075
2023	45,000	10,590	400,000	198,625
2024	45,000	8,980	420,000	175,750
2025	45,000	7,345	445,000	151,725
2026	45,000	6,085	470,000	148,701
2027 to 2031	105,000	9,675	1,745,000	339,287
Total	\$ 330,000	\$ 54,865	\$ 3,855,000	\$ 1,234,163

#### **D. Risk Management**

The Town is exposed to various risks of loss related to torts, errors, and omissions. At June 30, 2021, the Town was covered by the following insurance policies:

General Liability	\$25,000/\$1,000,000 (\$1,000 deductible)
Fidelity (Finance Director and Treasurer)	\$10,000

#### **E. Commitments and Contingencies**

The Town is not involved in any legal proceedings, which normally occur in the course of operations, at this time. While legal proceedings cannot be foreseen, the Town believes that any settlement or judgment would not have a material effect on the financial condition of the Town.

#### **F. Defined Contribution Plan – OMRF**

On September 1, 2019 the Town provided a defined contribution plan and trust known as the Town of Carlton Landing (the "Plan") in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The Plan is administered by the OMRF. The defined contribution plan is available to the Town Administrator. The employee's contributes an amount not less than 5% of his/her compensation. The Town's Board of Trustees determines the Town's contribution rate each year and for the year ended June 30, 2021, contributed at the rate of 10% of employee compensation. Town contributions are immediately fully vested. The authority to establish and amend the provisions of the Plan rests with the Town's Board of Trustees. For the year ended June 30, 2021, the following amounts related to actual contributions to the defined contribution plan:

Employee contributions made	\$4,505
Employer (Town) contributions made	\$9,010

#### **G. Subsequent Events**

On December 2, 2021, the CLEDT issued its Tax Increment Revenue Note, Taxable Series 2021 in the amount of \$1,320,000, bearing interest at the rate of 5.55, payable semi-annually beginning June 1, 2022 with a final payment due June 1, 2032. The note was issued to fund project costs as authorized by the project plan. The effect on the financial statements would be to increase restricted cash and long term debt.

Management has considered events through the date of this report and determined that no additional disclosures are necessary.

**OTHER INFORMATION**

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**Budgetary Comparison Schedule – Year Ended June 30, 2021 – UNAUDITED**

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
<b>Beginning budgetary fund balance</b>	\$ -	\$ 77,917	\$ 345,372	\$ 267,455
<b>Resources (inflows):</b>				
Taxes	100,200	100,200	263,327	163,127
Intergovernmental	-	-	1,684	1,684
Ad valorem tax	58,790	58,790	-	(58,790)
Licenses and permits	15,200	15,200	32,423	17,223
Grant revenue	-	-	-	-
Transfer in	105,365	105,365	96,664	(8,701)
<b>Total resources (inflows)</b>	<u>279,555</u>	<u>279,555</u>	<u>394,098</u>	<u>114,543</u>
<b>Amounts available for appropriation</b>	<u>279,555</u>	<u>357,472</u>	<u>739,470</u>	<u>381,998</u>
<b>Charges to appropriations (outflows):</b>				
General government	214,638	214,638	225,677	(11,039)
Debt service	58,790	58,790	-	58,790
Capital outlay	77,917	77,917	44,076	33,841
<b>Total charges to appropriations</b>	<u>351,345</u>	<u>351,345</u>	<u>269,753</u>	<u>81,592</u>
<b>Ending budgetary fund balance</b>	<u>\$ (71,790)</u>	<u>\$ 6,127</u>	<u>\$ 469,717</u>	<u>\$ 463,590</u>

**Footnotes to the Budgetary Comparison Schedule:**

1. The budgetary comparison schedule is reported on the same modified accrual basis of accounting as governmental funds within the basic financial statements
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require Town Administrator's approval, while supplemental appropriations require approval of the Town's Board of Trustees.

**INTERNAL CONTROL AND COMPLIANCE**

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## Elfrink and Associates, PLLC

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Tulsa, Oklahoma 74137

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### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Board of Trustees  
Town of Carlton Landing, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, business-type activities, and each major fund of the Town of Carlton Landing, Oklahoma ("Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated January 12, 2022.

#### **Internal Control Over Financial Reporting**

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be

reported under *Government Auditing Standards*, described in the accompanying schedule of findings and responses as 2021-01.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Elfrink and Associates, PLLC

Tulsa, Oklahoma

January 12, 2022

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**SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES**

This schedule is presented as an addendum to accompany the *“Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards”*. Consideration of items listed should be made in conjunction with that report.

**2021-01 – Collateralization of Uninsured Deposits**

CONDITION: The Town had funds on deposit with a financial institution that were not adequately insured or collateralized at June 30, 2021. CLEDT deposits of approximately \$185,170 were uninsured or uncollateralized.

CRITERIA: Oklahoma statutes Title 62, Section 511 and, relating to trusts, Title 60 Section 175.24(7), require all deposits of a municipality to be properly insured and/or collateralized at all times to ensure that no public funds are lost in the event of a failure of the financial institution.

EFFECT: In the event of a failure of the financial institution, the Town could lose the funds that were uninsured or uncollateralized.

CAUSE: Although the financial institution pledged adequate collateral coverage for the Town’s accounts, no collateral was pledged for the CLEDT uninsured balance.

RECOMMENDATION: Management should establish procedures to properly monitor the deposit and balances at each financial institution for both entities to ensure that all public funds are adequately insured or collateralized at all times.

RESPONSE: A review process has been put in place to verify account balances and collateral letters. The financial institution has been contacted and is working to provide proper collateral for CLEDT funds required.

**Update on an Internal Control Finding from the Prior Year**

**2020-01 – Payments Made to the Developer from TIF Debt Proceeds –**

CONDITION: During the fiscal year, the Town did not maintain support for all payments made to the developer. One payment request included a payment for the developers’ personal credit card yet no itemized receipts of what was being reimbursed was included. In addition, some of the payments were reimbursements for costs incurred in prior years; some as old as 2012 and 2013 which predate the formation of the Carlton Landing Economic Development Trust and/or the Tax Increment Financing District. Original records are being maintained offsite and all requested records were not available for review at the time of our fieldwork, however the finance contractor indicated the payment support that we reviewed was typical of other payments that were made during the year.

UPDATE: The Town has revised and updated practices on purchasing policies and procedures as well as document retention. We consider this issue resolved.

Item No. \_\_\_\_\_

Date: January 15, 2022

## **AGENDA ITEM COMMENTARY**

**ITEM TITLE:** Consider, discuss, and possibly vote to amend, revise, approve or deny the Park Management Services Agreement between the Town of Carlton Landing and Carlton Landing Enterprises, or take any other appropriate action.

**INITIATOR:** Greg Buckley, Town Administrator

**STAFF INFORMATION SOURCE:** Greg Buckley, Town Administrator

**BACKGROUND:** Carlton Landing Enterprises (CLE) has an Agreement to manage the Town Green Park. The Developer deeded additional property to the north of Town Green Park for a Pavilion and Community Center. The Pavilion is nearing completion. I have been communicating with Carlton Landing Enterprises, Grant Humphreys, to expand the Management Agreement to incorporate the additional land and Pavilion under the Management Agreement. They are open to the additional responsibilities and the proposed Management Services Agreement which incorporates the management, operation, general maintenance, and renting of the both the Park and Pavilion. This would allow a coordinated location for individuals wanting to rent facilities within Carlton Landing. I reached out to another possible company for Management Services and they were only interested in coordinating the rental portion, all other responsibilities would have fallen to the Town. There is no cost to the Town for CLE to perform under the terms of Park Management Services Agreement. CLE will retain the rental income derived from the rental of the property(ies), but will also pay the costs for general maintenance, upkeep, and utilities. The Town will still be responsible for any major maintenance items. A provision has been added for the Pavilion that CLE will charge, collect and remit to the Town a separate fee of \$25.00 or 10% of the rental income, which ever is greater, as a facility maintenance fee for each rental or charge for use. The plan is to set the collect fee aside in a facility maintenance account to address any major repairs or upkeep that may be needed to the Pavilion.

Further, the Agreement provides the Town may use the facilities without charge and may pre reserve a date if submitted to CLE prior to September 1 or each year. After the September 1 deadline, then the Town would be subject to available dates for any Town reservation.

The Agreement is for 1 year terms, which will allow the Town to take over the Management of these grounds and facilities in the future.

**FUNDING:** None

**EXHIBITS:** Park Management Services Agreement

**RECOMMENDED ACTION:** Approve Park Management Services Agreement between the Town of Carlton Landing and Carlton Landing Enterprises.



**PARK MANAGEMENT SERVICES AGREEMENT**  
**TOWN GREEN and PAVILION AREA**

THIS PARK MANAGEMENT SERVICES AGREEMENT (this "Agreement") is entered into this 15th day of January, 2022 (the "Effective Date"), by and between the Town of Carlton Landing, Oklahoma, a public municipality incorporated in the State of Oklahoma (the "Town"), and Carlton Landing Enterprises, LLC, an Oklahoma limited liability company (the "Manager").

**WHEREAS** the Manager and the Town wish to provide access to the Manager, as an agent for the Town, and to its contractors to the land along the shoreline of Lake Eufaula owned by the Town and located within the boundaries of the Town generally described in the attached **Exhibit "A"**, together with any water rights of the Town attendant to such land, to be known as the "Property".);

**WHEREAS** the Manager and the Town wish to generate active and passive uses of the Property for the general public;

**WHEREAS** the Manager and the Town wish to implement the uniform management, maintenance, operation and promotional use of the Property;

**WHEREAS** the Manager and the Town wish to promote management goals of high standards, simplicity, flexibility, entrepreneurship, a single entity manager, and a stable base of adequate revenue; and

**WHEREAS** the Manager and the Town wish to promote the continued preservation of the natural beauty and natural amenities in and around the Property;

**WHEREAS** the Manager and the Town wish to promote the development and cultural programming of the Property.

NOW THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

**Section 1- Town Green Park/Pavilion**

**1      ARTICLE ONE – DESIGNATION AND ACCESS**

- 1.1      Designation of Managed Area. The Town hereby designates the land along the shoreline of Lake Eufaula owned by the Town and located within the boundaries of the Town generally described

in the attached **Exhibit “A”**, together with any water rights of the Town attendant to such land, to be known as the “Property”.

- 1.2 Access. The Town hereby provides access to the Property within its boundaries to the Manager, including contractors of the Manager and concessionaires of the Manager for the purpose of carrying out this Agreement. The Town agrees to take such action as may be appropriate to ensure that the Manager, its contractors and concessionaires, and the public have sufficient access to the portions of the Property located within the boundaries of the Town to enable the Manager and its contractors and concessionaires to carry out the provisions of this Agreement and to promote the use of the Property by the general public.
- 1.3 Management Agent. The Manager agrees to be the agent for the Town for the management of the Property.

## 2 **ARTICLE TWO – ROLES AND RESPONSIBILITIES**

- 2.1 Maintenance Services. The Manager shall contract with other parties via a service agreement to provide the following maintenance services: (i) facility and grounds maintenance and ordinary repairs, including, but not limited to, landscaping, lawn care, mowing, pruning, fertilizing, sweeping, cleaning, beach maintenance, raking, snow and ice removal from sidewalks, entrances, paths and paved areas and such other maintenance as is necessary to maintain high safety and aesthetic standards; (ii) periodic flood cleanup; (iii) graffiti removal; (iv) regular trash collection, including the provision of trash disposal and recycling receptacles and periodic litter collection; (v) portable sanitation services; (vi) ordinary maintenance and repairs (but not including replacement or major structural repairs) to bridges, docks, platforms, decks, amphitheaters, paths, roadways and other capital facilities; (vii) equipment and materials necessary to provide the services, and equipment maintenance; and (viii) park ranger services, such as walking, bike or cart patrols, notification of emergency services, radio contact with police and fire officials for emergency assistance only, and public information and assistance. The Town shall be responsible for major maintenance upkeep/repairs (treatment or wood) or replacement to the Pavilion Structure and facility from general wear and tear.
- 2.2 Utilities. The Manager shall be responsible for electric, water, sewer, trash services.
- 2.3 Management and Promotional Responsibilities. In an effort to enhance the quality of life for the residents and guests of the Town as well as the general public from the surrounding area, the Manager accepts the following responsibilities related to this Agreement:
  - 2.3.1 The Manager will promote, organize and implement, directly or by contract; Pavilion facility rental, recreational activities and other events, such as swimming, rowing, fishing tournaments, a July 4th fireworks show, beach parties, outdoor concerts, outdoor movies, crazy Olympics, festivals, canoe/kayak trips, paddleboard yoga, and cooperative programming with the lake community.
  - 2.3.2 The Manager will promote, organize and implement, directly or by contract, concessions and attractions, such as food and drink service on the swim beach, food vendors, kayak rentals, paddleboards rentals, bike rentals and private events.

- 2.3.3 The Manager will promote, organize and implement, directly or by contract, marketing, promotion and fundraising, such as solicitation of event sponsorships, grant seeking, major gifts, capital campaigns, and promotion of the Town as a tourist destination and place for business.
- 2.3.4 The Manager will promote, organize and implement, directly or by contract, maintenance and care for the Pavilion facility, beach, the grounds, the shoreline and the lake water within the Property.
- 2.4 Planning and Development. Any improvements and or development proposed by the Manager will be subject to obtaining the Town's consent and approval as well as any required regulatory approvals by local, state and federal agencies. Any proposal by the Manager to develop the Property facilities will (i) be formulated with the input and comment of the Town Administrator, Mayor, Trustees and Chairman of the Planning Commission for the Town; and (ii) include proposed methods for financing the facilities. The Manager agrees to seek funding from State, Federal and private sources if available. Any proposal to use funds provided by the Town will require approval by the Town.
- 2.4.1 The Town shall seek input from the Manager for any Town initiated and funded improvements and/or developments; and to assist the Town in understanding the possible impact of any improvement or development to the current uses and needs of the Property.
- 2.5 Scheduling of Activities and Events. The Manager will have the exclusive authority to coordinate all scheduling, booking and location of activities and events that may take place in the Property, including such activities and events that are sponsored by the Town, subject to approval of the Town or in accordance with policies established by the Town.
- 2.5.1 The Town will notify the Manager of all requests for permits and direct all inquiries for use of the Property to the Manager for scheduling. The Town will notify the Manager by September 1 of each year for the ensuing calendar year of all proposed events and activities to be sponsored by the Town and all other events and activities which the Town anticipates may be proposed by persons other than the Manager. Any proposed changes to the events and activities shall be submitted by the Town to the Manager as far in advance as practicable. The purpose of such notice is to allow the Manager to include such events and activities in the master calendar and in the work plan and budget of the service provider for providing maintenance services for the events and activities. The Manager agrees to assist and work with the Town on scheduling an event or activity which was not known prior to September 1.
- 2.5.2 The Manager will maintain an annual master calendar of events and activities located in the Property and will develop procedures for periodic updates and for informing the Town of changes to such master calendar. The Manager will notify the Town as soon as possible if it becomes aware that there is a scheduling conflict for any proposed event or activity or if any maintenance services will not be available for the proposed event or activity located within the Property. The Manager may provide or contract via a service agreement to provide the maintenance services that may be required for events and activities subject to budget constraints and other contractual limitations in service agreements.

- 2.6 Rules Recommendations. The Manager may make recommendations, for consideration by the Town, for a uniform system of ordinances, rules and regulations for the Property.
- 2.7 Permits.
- 2.7.1 The Town will retain the exclusive authority to grant permits for events or activities located on the Property, whether sponsored by the Town, the Manager or other person or entity.
- 2.7.2 The Manager and the Town will cooperate to develop a streamlined process for the permitting and scheduling of events and activities located within the Property.
- 2.7.3 The Town will coordinate with the Manager and the master calendar in the scheduling of any activities or special events for which permits may be required. The Town will retain any permit fees and Town will waive all permit charges for activities and special events sponsored by the Manager which are free and open to the public.
- 2.8 Access by Residents. Residents of the Town will retain the same access to the Property as they had before this Agreement was executed, except as otherwise provided in this Agreement.
- 2.9 Vendors. The Manager will have the exclusive right to grant concessions to any vendor, promoter or operator located in the Property and to collect charges for concessions as one of the Manager's revenue sources. All concessionaire agreements must be approved by the Town, in part to safeguard the tax-exempt status of General Obligation Bonds issued by the Town with respect to the Property. Vendors shall be required to comply with any and or all Ordinances, rules, regulations, and State or Federal Laws.
- 3.0 Covenants. The Manager will not operate or manage the Property in any unlawful manner or for any unlawful purpose. The Town covenants that it is legally empowered to permit the Manager to manage the Property, as provided herein.
- 3 **ARTICLE THREE - FINANCIAL**
- 3.1 Compensation. The Manager will receive no compensation from the Town related to services provided under this Agreement. The Manager may set and collect concessionaire, rental fees within the Property for special use, restricted use, events, and or activities not open to the general public. Any Pavilion facility rental or charge for use shall include a \$25.00 or 10% of rental income, whichever is greater, facility maintenance fee and submitted to the Town by the Manager. The facility maintenance fee may be submitted monthly, by the fifteenth (15) day of the following month or by the fifteenth (15) day following the end of the calendar quarter (April, July, Oct, Jan). The Manager will pursue an appropriate mix of revenue sources including revenues and fees from its concessionaires, vendors, and individuals as well as funding from state and federal grants and programs. A quarterly report shall be furnished to the Town.
- 3.2 Annual Budgets. The Manager will adopt an annual operating budget and an annual capital budget, including sources of funding, subject to approval of the Town. Any request from the Manager for funding from the Town must be submitted to the Town and be subject to the annual budget process or special appropriations process and the approval by the Town.

3.3 Municipal Participation. To the extent the Town offers such services, the Town agrees to provide at the expenses of the Town the following services: fire, police, and other customary public safety services on a day-to-day basis and for special events, each as the needs of the public require. However, as part of its permitting process for special events, the Town may charge sponsors of special events or the Manager, in the case of events sponsored by the Manager which are not open to the public, for additional police and public safety services. Alternatively, the Town may require the special event sponsor or the Manager provide security at their sole expense, if additional public safety services are warranted.

3.3.1 Fees. The Manager may recommend a schedule of admission fees and charges to be approved by the Town Trustees for certain events or activities to help pay the costs of such events or activities or the costs of managing the Property. Such fees and charges shall be collected by the Manager and applied to such costs. Such fees shall be reasonably based on covering the cost of the event or activity, the need to regulate use, and the desire for fees to be within the affordable reach of residents and guests of the Town and the general public. The Town and the manager will cooperate to develop a fee schedule.

#### 4 ARTICLE FOUR – ENVIRONMENTAL

4.1 Inclusion of Provisions. The Town shall neither transfer the Property, lease the Property, nor grant any interest, privilege, or license whatsoever in connection with the Property without the inclusion of the environmental protection provisions contained herein, and shall require the inclusion of such environmental protection provisions in all further deeds, transfers, leases, or grant of any interest, privilege, or license.

4.2 Notice Regarding Hazardous Substance Activity. The Grantor gives notice that, to the best of its knowledge, no hazardous substances have been released or disposed of or stored on the Property at any time during the term of Grantor's ownership or the Property, which is more than nine (9) years.

4.3 Right of Access for Environmental Considerations. Grantor reserves a right of access to all portions of the Property for environmental investigation, remediation, or other corrective action. This reservation includes the right of access to and use of available utilities at reasonable cost to Grantor. These rights shall be exercisable in any case in which a remedial action, response action, or corrective action is found to be necessary after the date of this conveyance, or in which access is necessary to carry out a remedial action, response action, or corrective action on adjoining property.

#### 5 ARTICLE FIVE – INDEMNIFICATION AND INSURANCE

5.1 The Town shall carry and maintain General Liability Insurance for the total Property and Property Insurance for the Pavilion Facility.

5.2 For other purposes, the Manager hereby indemnifies and holds harmless the Town, its officers, agents, servants and employees from and against any and all loss, cost, expense, liability, damage for injury, including legal fees and disbursements, that the Town, its officers, agents, servants and employees may directly or indirectly sustain, suffer or incur as a result of any and

all damage or injury of any kind or nature (including death resulting therefrom) to all persons, whether employees of negligence in the performance of its obligations under this Agreement.

- 5.3 The Manager will also include, or cause to be included, in its Service Agreement with the Concessionaire(s), a similar provision which evidences the Service Provider's indemnification of the Town.
- 5.4 Prior to commencing services pursuant to this Agreement and as long as this Agreement is in effect, the Manager will secure and pay for insurance and submit for review evidence thereof to the Town, in accord form or a form with the same format and including a 30 day notice of cancellation provision, as follows:
  - 5.4.1 Occurrence form Commercial General Liability Insurance (Broad Form) to cover the Manager's obligation to indemnify the Town as set forth in this Agreement, although the existence of insurance shall not be construed as limiting the liability of the Manager under this Agreement. Such insurance shall name the Town as an additional or named insured, as appropriate, with respect to operations performed under or incident to this Agreement, including coverage for contractual liability and products/completed operations coverage issued by an insurance company licensed to conduct business in the State of Oklahoma with limits for each occurrence of \$1,000,000 combined single limit for bodily injury and property damage liability. Such commercial general liability insurance must be endorsed as Primary/Non-Contributory as to any insurance maintained by the additional named insureds and have a severability of interests clause. The Concessionaire(s) involved shall also be named as an additional or named insured, as appropriate. The Manager expressly agrees to waive its rights, benefits and entitlements under the "other insurance" clause of its commercial general liability insurance policy with respect to the Town and involved concessionaire(s), if applicable. All deductibles and retentions are the sole responsibility of the Manager to pay and/or indemnify the Town. With respect to such insurance, the Manager will be the primary named insured with sole responsibility for fulfillment of the conditions of the policy, including but not limited to reporting of claims.
- 5.5 The Manager will continue to provide their own Workers' Compensation coverage at the statutory limit, including Employer's Liability with limits of \$100,000 for each accident, \$100,000 for disease for each employee, and \$500,000 for each disease/policy limit.
- 5.6 The Manager and the Town will continue to provide their own Automobile Liability Insurance coverage. The Town may self-insure or obtain Commercial General Liability Insurance, in the City's sole discretion, to cover the Town's obligation to indemnify the Manager and the Concessionaire(s) as set forth in this Agreement, although the existence of insurance shall not be construed as limiting the liability of the Town under this Agreement.
- 5.7 All contracts entered into between the Manager, the Town or the Concessionaire(s) with a third party subcontractor shall contain the following:
  - 5.7.1 A clause or similar language as follows: The Subcontractor will indemnify and hold harmless the Manager, the Town and the Concessionaire(s), their officers, agents, servants and employees from and against any and all loss, cost, expense, liability, damage for injury, including legal fees and disbursements, that the Manager, the Town and/or the Concessionaire(s), their officers,

agents, servants and employees may directly or indirectly sustain suffer or incur as a result of any and all damage or injury of any kind or nature (including death resulting therefrom) to all persons, whether employees of Subcontractor or otherwise, and to all property caused by, resulting from, arising out of or occurring in connection with the Subcontractor's work.

- 5.7.2 A requirement that the Subcontractor secure insurance and submit evidence thereof to the party contracting with the Subcontractor (the Manager, the Town and/or the Concessionaire(s)), in accord form or a form with the same format and including a 30 day notice of cancellation provision, as follows:
  - 5.7.2.1 Occurrence form Commercial General Liability Insurance (Broad Form) to cover the Subcontractor's obligation to indemnify the Manager, the Town and the Concessionaire(s) as set forth in this Agreement, although the existence of insurance shall not be construed as limiting the liability of the Subcontractor, which shall name the Manager, the Town and the Concessionaire as additional insureds with respect to operations performed under or incident to the Subcontractor's work, including coverage for contractual liability and products/completed operations coverage issued by an insurance company licensed to conduct business in the State of Oklahoma with limits for each occurrence of \$1,000,000 combined single limit for bodily injury and property damage liability. Such commercial general liability insurance must be endorsed as Primary/Non-Contributory as to any insurance maintained by the additional insureds and have a severability of interests clause. The Subcontractor expressly agrees to waive its rights, benefits and entitlements under the "other insurance" clause of its commercial general liability insurance policy with respect to the Manager, the Town and Concessionaire(s). All deductibles and retentions are the sole responsibility of the Subcontractor to pay and/or indemnify the Manager, the Town and the Service Provider.
  - 5.7.2.2 Automobile Liability Insurance providing the same coverage with the same additional insureds as set forth in subsection 5.6 above.
  - 5.7.2.3 Workers' Compensation at the statutory limit, including Employer's Liability with limits of \$100,000 for each accident, \$100,000 for disease for each employee, and \$500,000 for each disease/policy limit.
  - 5.7.2.4 Any additional insurance required in order to comply with any law or ordinance governing such subcontract or the work to be performed pursuant thereto.
- 5.7.3 A requirement that the insurance in the minimum limits set forth herein be submitted for review and approval of the party contracting with the Subcontractor (RRI, the City and/or the Concessionaire(s)) prior to the commencement of work by the Subcontractor.
- 5.7.4 A requirement that the insurance in the limits set forth herein be maintained, and continuing evidence thereof be submitted to the party contracting with the Subcontractor during the full term of the contract with the Subcontractor.

6 **ARTICLE SIX – TERM**

- 6.1 Initial Term. The initial term of this Agreement shall commence on the Effective Date and, unless otherwise terminated in accordance with the terms and provisions of this Agreement, this Agreement shall terminate on the last date of the Town’s fiscal year.
- 6.2 Renewal. At the end of the initial term or any subsequent term, this Agreement shall be renewed automatically for an additional one (1) year term, unless terminated in the discretion of the Town or Manager, and subject to Article X, section 26 and other provisions of the Oklahoma Constitution.
- 6.3 Early Termination. Either party to this Agreement shall have the right to terminate this Agreement for gross failure to perform without cause, after providing written notice and a right to cure and cure within sixty (60) days of date of Notice. Either party will have the right to initiate early termination of this Agreement by the written agreement of both parties.

7 **ARTICLE SEVEN – GENERAL**

- 7.1 Notices. Any notice required or permitted to be served hereunder may be served by electronic mail, or via the United States Post Office to the address provided below.
- 7.1.1 To the Town:                   The Town of Carlton Landing  
  Attn: Dr. Joanne Chinnici, Mayor  
  44 Water Street  
  Carlton Landing, OK 74432
- 7.1.2 To the Manager:             Carlton Landing Enterprises, LLC  
  Attn.: Grant Humphreys, Manager  
  31 Boulevard  
  Carlton Landing, OK 74432
- 7.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Manager and the Town. Provided, however, this Agreement cannot be assigned without the consent of both parties.
- 7.3 Entire Agreement. This Agreement shall constitute the entire Agreement between the parties and no modification thereof shall be valid and binding unless in writing signed by both parties.
- 7.4 Governing Law / Severability. This Agreement shall be governed by the substantive and procedural laws of the State of Oklahoma. If any portion of this Agreement is found to violate applicable law, then such portion will be severed and the balance of the Agreement will remain.
- 7.5 The Town and the Manager understand and acknowledge that improvements to be made to the Property have been funded with the proceeds of tax-exempt general obligation bonds issued by the Town, and to safeguard the tax-exempt status of these bonds, impermissible private use must not occur in connection with the Property, which can be avoided by compliance with the

Safe Harbor Rules of the Internal Revenue Service as most recently expressed by Revenue Procedure 2017-13 ("Safe Harbor Rules"). Therefore, notwithstanding anything contained herein to the contrary, this Agreement shall be interpreted and implemented in a manner consistent with the Safe Harbor Rules. Further, it is understood and agreed that it may be necessary in the future to amend this Agreement to ensure compliance with the Safe Harbor Rules.

- 7.6 Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

IN WITNESS WHEREOF, the Manager and the Town have caused this Agreement to be executed as of the Effective Date.

**For the TOWN:**

The Town of Carlton Landing,  
a public municipality of Oklahoma

By: \_\_\_\_\_  
Joanne Chinnici, Mayor

**For the MANAGER:**

Carlton Landing Enterprises, LLC,  
an Oklahoma limited liability company

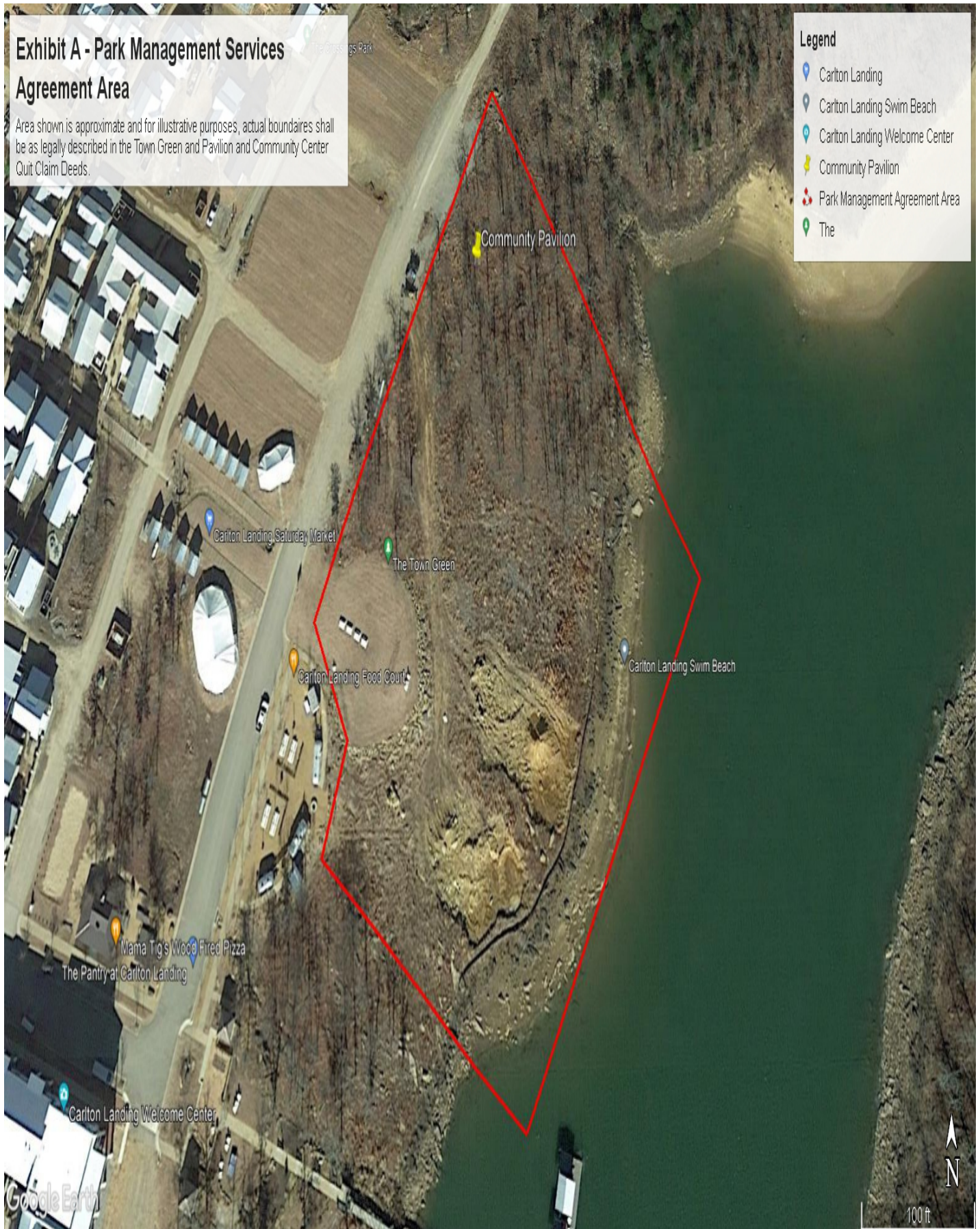
By: \_\_\_\_\_  
Grant Humphreys, Manager

## Exhibit A - Park Management Services Agreement Area

Area shown is approximate and for illustrative purposes, actual boundaries shall be as legally described in the Town Green and Pavilion and Community Center Quit Claim Deeds.

### Legend

- Carlton Landing
- Carlton Landing Swim Beach
- Carlton Landing Welcome Center
- Community Pavilion
- Park Management Agreement Area
- The



General Fund  
Statement of Revenue and Expenditures

		Current Period Dec 2021 Dec 2021 Actual	Year-To-Date Jul 2021 Dec 2021 Actual	Annual Budget Jul 2021 Jun 2022	Annual Budget Jul 2021 Jun 2022 Variance	Jul 2021 Jun 2022 Percent of Budget
Revenue & Expenditures						
Revenue						
Non-Departmental Revenues						
Budget Carryover						
3999	Fund Balance Carryover	0.00	0.00	50,000.00	50,000.00	0.00%
Other Revenue						
4012	Alcohol Beverage Tax	96.73	328.14	600.00	271.86	54.69%
4100	Building Permits/Inspection Fe	1,220.63	8,636.90	23,580.00	14,943.10	36.63%
4105	Business License and Permits	0.00	191.76	200.00	8.24	95.88%
4011	Lodging Tax	6,713.56	56,783.25	24,000.00	(32,783.25)	236.60%
4500	Miscellaneous Revenue	0.00	380.60	0.00	(380.60)	0.00%
4015	Pittsburgh County Sinking Fund	8,197.77	8,197.77	57,190.00	48,992.23	14.33%
4000	Sales Tax	18,966.87	145,486.83	114,800.00	(30,686.83)	126.73%
9002	Transfer IN from TIF	0.00	0.00	101,989.00	101,989.00	0.00%
4005	Use Tax	1,058.05	5,731.84	7,200.00	1,468.16	79.61%
4010	Utility Tax	0.00	7,499.50	12,000.00	4,500.50	62.50%
4013	Vehicle Gas/Fuel Tax	73.61	246.98	0.00	(246.98)	0.00%
Non-Departmental Revenues Totals		\$36,327.22	\$233,483.57	\$391,559.00	\$158,075.43	
Revenue		\$36,327.22	\$233,483.57	\$391,559.00	\$158,075.43	
Gross Profit		\$36,327.22	\$233,483.57	\$391,559.00	\$0.00	
Expenses						
Administration						
Personal Services						
5020	Employer Paid Insurance	1,436.96	8,621.76	17,244.00	8,622.24	50.00%
5025	Employer Retirement Contributi	708.82	4,584.46	8,842.00	4,257.54	51.85%
5000	Salaries	6,763.38	43,895.66	88,424.00	44,528.34	49.64%
5010	Social Security	542.24	3,507.05	7,063.00	3,555.95	49.65%
5001	Stipend	500.00	500.00	0.00	(500.00)	0.00%
5015	Unemployment Tax	0.00	0.00	1,846.00	1,846.00	0.00%
5030	Vehicle/Cell Allowance	324.85	1,949.10	3,900.00	1,950.90	49.98%
Materials & Supplies						
5510	Building Maintenance & Repairs	0.00	80.00	320.00	240.00	25.00%
5530	Miscellaneous	0.00	0.00	100.00	100.00	0.00%
5500	Office Supplies	0.00	110.53	600.00	489.47	18.42%
Other Services						
6035	Dues & Memberships	0.00	1,648.00	1,210.00	(438.00)	136.20%
6015	Insurance	0.00	245.00	350.00	105.00	70.00%
6005	Rent	442.66	2,353.78	5,760.00	3,406.22	40.86%
6040	School, Training, Travel	0.00	892.51	5,700.00	4,807.49	15.66%
6000	Utilities	314.00	1,267.65	4,339.00	3,071.35	29.22%
Administration Totals		\$11,032.91	\$69,655.50	\$145,698.00	\$76,042.50	
General Government						
Personal Services						
5001	Stipend	1,000.00	1,000.00	0.00	(1,000.00)	0.00%
Materials & Supplies						
5510	Building Maintenance & Repairs	0.00	1,392.15	2,500.00	1,107.85	55.69%
5530	Miscellaneous	0.00	734.42	1,460.00	725.58	50.30%
5500	Office Supplies	0.00	855.90	1,500.00	644.10	57.06%
5505	Posatge	58.00	58.00	600.00	542.00	9.67%
5520	Software Programs/ Services	531.05	3,976.26	7,428.00	3,451.74	53.53%

# Statement of Revenue and Expenditures

	Current Period Dec 2021 Dec 2021 Actual	Year-To-Date Jul 2021 Dec 2021 Actual	Annual Budget Jul 2021 Jun 2022	Annual Budget Jul 2021 Jun 2022 Variance	Jul 2021 Jun 2022 Percent of Budget
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## Revenue & Expenditures

### Expenses

#### General Government

##### Other Services

6030	Community Support Agreements	0.00	0.00	6,000.00	6,000.00	0.00%
6035	Dues & Memberships	14.99	1,499.77	2,830.00	1,330.23	53.00%
6015	Insurance	0.00	0.00	1,800.00	1,800.00	0.00%
6800	Office/Gen Administrative Exp	14,725.84	14,725.84	14,800.00	74.16	99.50%
6020	Professional Services	3,671.00	24,952.75	58,800.00	33,847.25	42.44%
6010	Publication & Notice Expense	1,845.10	2,221.55	2,500.00	278.45	88.86%
6045	Road Maintenance	0.00	1,568.00	14,400.00	12,832.00	10.89%
6040	School, Training, Travel	472.36	954.16	2,000.00	1,045.84	47.71%
6000	Utilities	52.00	624.00	1,000.00	376.00	62.40%
6050	Website Expense	0.00	1,524.00	2,500.00	976.00	60.96%

##### Capital Outlay

7010	Projects	0.00	7,951.25	50,000.00	42,048.75	15.90%
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##### Debt Service

8000	GO Bond Payments	0.00	0.00	57,190.00	57,190.00	0.00%
8500	Interest Expense	65.99	421.96	0.00	(421.96)	0.00%

General Government Totals	\$22,436.33	\$64,460.01	\$227,308.00	\$162,847.99	
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Expenses	\$33,469.24	\$134,115.51	\$373,006.00	\$238,890.49	
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Revenue Less Expenditures	\$2,857.98	\$99,368.06	\$18,553.00	\$0.00	
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Net Change in Fund Balance	\$2,857.98	\$99,368.06	\$18,553.00	\$0.00	
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## Fund Balances

Beginning Fund Balance	866,528.76	770,018.68	0.00	0.00	0.00%
Net Change in Fund Balance	2,857.98	99,368.06	18,553.00	0.00	0.00%
Ending Fund Balance	869,386.74	869,386.74	0.00	0.00	0.00%

General Fund  
Bank Register  
12/1/2021 to 12/31/2021

Transaction Date	Transaction Number	Name / Description	Deposit Date	Deposit Number	Receipts & Credits	Checks & Payments	Balance
1000 Town of CL Checking 9683							
		Beginning Balance			0.00	0.00	362,498.38
12/3/2021	R-00178	Scissortail Homes			762.91	0.00	363,261.29
12/7/2021	EFT	RWS Cloud Services			0.00	90.00	363,171.29
12/7/2021	R-00179	Ripple Creek Homes LLC			228.86	0.00	363,400.15
12/8/2021	1225	Oklahoma Uniform Building			0.00	16.00	363,384.15
12/8/2021	1224	Dan Hurd			0.00	200.00	363,184.15
12/8/2021	1223	Municode			0.00	1,800.00	361,384.15
12/9/2021	R-00182	Oklahoma Tax Commission			18,805.23	0.00	380,189.38
12/9/2021	R-00181	Oklahoma Tax Commission			6,713.56	0.00	386,902.94
12/9/2021	R-00180	Oklahoma Tax Commission			1,058.05	0.00	387,960.99
12/9/2021	R-00171	Pittsburg County Clerk			8,353.93	0.00	396,314.92
12/10/2021	R-00183	Oklahoma Tax Commission			14.18	0.00	396,329.10
12/10/2021	A-10048	James G Buckley			0.00	2,792.42	393,536.68
12/13/2021	R-00184	Oklahoma Tax Commission			161.64	0.00	393,698.32
12/15/2021	GJ-10068				0.00	613.92	393,084.40
12/15/2021	GJ-10067				0.00	7,583.85	385,500.55
12/15/2021	EFT	EFTPS			0.00	1,669.93	383,830.62
12/15/2021	EFT	CSA Software			0.00	441.05	383,389.57
12/17/2021	EFT	Oklahoma Tax Commission			0.00	253.00	383,136.57
12/17/2021	1228	OPEH&W			0.00	1,436.96	381,699.61
12/17/2021	1227	James Hasenbeck, AIA			0.00	1,500.00	380,199.61
12/17/2021	1226	OK Assoc of Municipal Attor			0.00	75.00	380,124.61
12/22/2021	1233	BOK Credit Card			0.00	1,104.01	379,020.60
12/22/2021	1230	Amanda Harjo			0.00	500.00	378,520.60
12/22/2021	1229	Greg Buckley - Reimbursem			0.00	500.00	378,020.60
12/22/2021	1232	Pittsburg County Treasurer			0.00	14,725.84	363,294.76
12/22/2021	1234	Kay Robbins Wall			0.00	600.00	362,694.76
12/22/2021	1231	Kay Robbins Wall			0.00	500.00	362,194.76
12/23/2021	R-00185	Scissortail Homes			228.86	0.00	362,423.62
12/24/2021	A-10049	James G Buckley			0.00	2,560.71	359,862.91
12/31/2021					0.00	65.99	359,796.92
12/31/2021	1239	OkMRF			0.00	6,876.68	352,920.24
12/31/2021	1238	Kiamichi Electric			0.00	175.00	352,745.24
12/31/2021	1237	Amanda Harjo			0.00	800.00	351,945.24
12/31/2021	1236	Crawford & Associates, P.C.			0.00	555.00	351,390.24
12/31/2021	1235	McAlester News Capital			0.00	45.10	351,345.14

General Fund  
Bank Register  
12/1/2021 to 12/31/2021

Transaction Date	Transaction Number	Name / Description	Deposit Date	Deposit Number	Receipts & Credits	Checks & Payments	Balance
1000 Town of CL Checking 9683 Totals					\$36,327.22	\$47,480.46	\$351,345.14
1010 2018 GO Bond Checking							
Beginning Balance					0.00	0.00	69,786.67
1010 2018 GO Bond Checking Totals					\$0.00	\$0.00	\$69,786.67
1020 2020 GO Bond Checking							
Beginning Balance					0.00	0.00	79,877.47
1020 2020 GO Bond Checking Totals					\$0.00	\$0.00	\$79,877.47
1030 Sinking Fund Checking 3087							
Beginning Balance					0.00	0.00	80,064.18
12/15/2021	GJ-10068				613.92	0.00	80,678.10
12/15/2021	GJ-10067				7,583.85	0.00	88,261.95
1030 Sinking Fund Checking 3087 Totals					\$8,197.77	\$0.00	\$88,261.95
Report Totals					\$44,524.99	\$47,480.46	\$589,271.23
Records included in total = 41							

Report Options

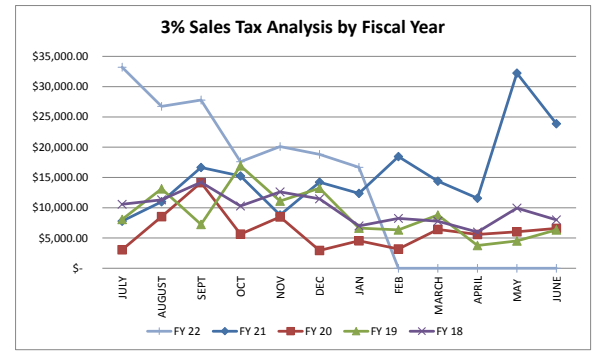
Trans Date: 12/1/2021 to 12/31/2021

Fund: General Fund

Display Notation: No

**TOWN OF CARLTON LANDING  
SALES TAX COLLECTIONS**

	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>TOTALS</u>
<b><u>FY22</u></b>	\$ 33,205.30	\$ 26,739.30	\$ 27,778.11	\$ 17,599.62	\$ 20,093.03	\$ 18,805.23	\$ 16,669.69						\$ 160,890.28
<b><u>FY21</u></b>	\$ 7,780.42	\$ 10,987.42	\$ 16,659.44	\$ 15,249.30	\$ 8,792.06	\$ 14,225.44	\$ 12,374.07	\$ 18,444.22	\$ 14,390.75	\$ 11,578.57	\$ 32,227.87	\$ 23,870.40	\$ 186,579.96
<b><u>FY20</u></b>	\$ 3,067.59	\$ 8,520.10	\$ 14,155.52	\$ 5,628.66	\$ 8,477.29	\$ 2,939.35	\$ 4,537.13	\$ 3,188.78	\$ 6,419.86	\$ 5,595.92	\$ 6,020.78	\$ 6,589.58	\$ 75,140.56
<b><u>FY19</u></b>	\$ 8,070.42	\$ 13,116.45	\$ 7,242.33	\$ 16,914.86	\$ 11,104.80	\$ 13,214.80	\$ 6,638.89	\$ 6,335.74	\$ 8,803.50	\$ 3,763.47	\$ 4,516.85	\$ 6,346.49	\$ 106,068.60
<b><u>FY18</u></b>	\$ 10,565.93	\$ 11,304.10	\$ 14,205.42	\$ 10,281.23	\$ 12,606.99	\$ 11,481.49	\$ 7,003.16	\$ 8,229.47	\$ 7,767.43	\$ 5,982.22	\$ 9,944.07	\$ 7,985.29	\$ 117,356.80
<b><u>FY17</u></b>	\$ 7,479.32	\$ 6,320.67	\$ 9,864.58	\$ 12,332.60	\$ 12,558.21	\$ 13,933.97	\$ 12,932.01	\$ 7,767.94	\$ 17,407.20	\$ 10,848.10	\$ 14,906.00	\$ 7,974.32	\$ 134,324.92



**USE TAX COLLECTIONS**

	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>TOTALS</u>
<b><u>FY22</u></b>	\$ 985.86	\$ 1,463.42	\$ 343.94	\$ 1,165.01	\$ 715.56	\$ 1,058.05	\$ 685.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,417.36
<b><u>FY21</u></b>	\$ 714.83	\$ 569.76	\$ 313.48	\$ 228.44	\$ 424.74	\$ 559.76	\$ 579.16	\$ 957.30	\$ 867.27	\$ 921.44	\$ 711.20	\$ 1,154.16	\$ 8,001.54
<b><u>FY20</u></b>								\$ 34.13	\$ 651.90	\$ 788.30	\$ 402.88	\$ 1,877.21	

**LODGING TAX COLLECTIONS**

	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>TOTALS</u>
<b><u>FY22</u></b>	\$ 5,672.25	\$ 12,679.63	\$ 15,631.81	\$ 9,357.10	\$ 6,728.90	\$ 6,713.56	\$ 3,463.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,246.58
<b><u>FY21</u></b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,753.09	\$ 4,547.48	\$ 1,912.94	\$ 1,856.63	\$ 408.92	\$ 5,277.35	\$ 3,009.90	\$ 22,766.31

## Town Administrator's Report – January 15, 2022

- Marina Relocation – The Developer, Rural Water District and the Town had an onsite joint meeting, on Thursday January 6, with the Corps of Engineers to discuss the partial approval of the Marina Relocation request. We had positive discussion related to impact to the wastewater lagoons; progress of the Wastewater Treatment Plant; the timing of construction of the Marina docks and installation, and general timing of the other infrastructure needed. The Corps was open to the discussion and our position on the need to move forward now or we would lose another summer season. We also did a tour of the Wastewater Plant location and the Marina area. On Tuesday, January 11, we received informal approval of the full Marina Relocation application. We should receive the written approval shortly.
- GO Bond – Last year we had a carry-over within the sinking fund greater than anticipated which resulted in our millage rate dropping more than planned. While we were able to adjust the TIF Revenue Note offering to not impact our note amount for projects we probably need to do another GO Bond offering to raise the millage rate back up. As you recall the GO Bond sets our millage rate which drives the amount of revenue available within the TIF area. On the February Trustee meeting we will have an agenda item to discuss and possibly approve moving forward with a GO Bond offering. Timing of the issuance of the GO Bond is important to ensure the millage rate is set prior to then end of June, which is when the Estimate of Needs is calculated for the next Tax year (2023).
- CMAO Winter Conference – The City Manager's Winter Conference is January 19- 21 in Edmond. I plan on attending and will be out of the office Wednesday through Friday next week. I will be available by email or phone, 918-680-1599.

Thank you.