

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**TOWN OF CUSTER CITY, OKLAHOMA and  
CUSTER CITY PUBLIC WORKS AUTHORITY**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

BY





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**Independent Accountant's Compilation Report and**  
**Report on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Custer City  
Custer City, Oklahoma

Trustees of the Custer City Public Works Authority  
Custer City, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements and schedules of the Town of Custer City and the related Custer City Public Works Authority, Custer City, Oklahoma, which are comprised of the Summary of Changes in Fund Balances - Cash Basis as of and for the year ended June 30, 2024, and the related Budgetary Comparison Schedule for the General Fund - Cash Basis, the Statement of Revenues, Expenses and Changes in Fund Balance for the Custer City Public Works Authority, Custer City, Oklahoma - Cash Basis, the Schedules of Grant Activity - Cash Basis, and the Calculation of Water Costs per 1,000 Gallons – Cash Basis for the year ended June 30, 2024, and for determining that the cash basis of accounting is an acceptable financial reporting framework.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town of Custer City's and Custer City Public Works Authority's assets, liabilities, fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3 and are not intended to be a complete presentation of the Town of Custer City's and Custer City Public Works Authority's assets, liabilities, revenues, expenses, and changes in fund balances.

We have performed the procedures enumerated below, which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2024. Management of the Town of Custer City is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the fieldwork and reporting standards applicable to attestation engagements as contained in Government Auditing Standards of the Comptroller of the United States of America. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Town of Custer City has agreed to and acknowledges that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating the selected financial information and compliance requirements of the Town of Custer City for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on compliance, and an opinion or conclusion on the related financial statements and schedules. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

## **Procedures and Finding**

As to the **Town of Custer City** as of and for the fiscal year ended June 30, 2024:

- 1. Procedures Performed:** From the Town's trial balances and other accounting records, we compiled a cash basis schedule of changes in fund balances for each fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** We found no instances of non-compliance as a result of applying the procedure.

- 2. Procedures Performed:** From the Town's trial balances and other accounting records, we prepared a cash basis budget and actual financial schedule for the General Fund and any other major funds and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitations. A major fund is any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances and exceeds 5% of the entity-wide total revenues, expenditures or fund balances.

**Findings:** We found the following instances of noncompliance as a result of applying the procedure:

- The General Fund was under budget in the following inflow categories: Taxes, Franchise Fees, and Miscellaneous Revenue.

- 3. Procedures Performed:** We agreed the Town's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared on a timely basis.

**Findings:** We found instances of significant reconciling items that have not cleared on a timely basis as a result of applying the procedure. The General Fund had 23 outstanding checks older than six months in the total amount of \$2,006.62 that have not cleared by June 30, 2024.

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

**Findings:** We found no instances of uninsured deposits as a result of applying the procedure.

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

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

- 6. Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

- 7. Procedures Performed:** We performed a search for Town debt agreements to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

**Findings:** This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Town during the fiscal year ending June 30, 2024.

As to the **Custer City Public Works Authority**, as of and for the fiscal year ended June 30, 2024:

- 1. Procedures Performed:** From the Authority's trial balances and other accounting records, we prepared a schedule of revenues, expenses, and changes in fund balances - cash basis for the Authority and compared the schedule results to the applicable trust prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

- 2. Procedures Performed:** We agreed the Authority's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared on a timely basis.

**Findings:** We found instances of significant reconciling items that have not cleared on a timely basis as a result of applying the procedure. The Authority had 33 outstanding checks older than six months in the total amount of \$4,881.27 that have not cleared by June 30, 2024.

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

**Findings:** We found no instances of uninsured deposits as a result of applying the procedure.

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

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

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

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

**6. Procedures Performed:** We performed a search for Authority debt agreements to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

**Findings:** This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Authority during the fiscal year ending June 30, 2024.

**7. Procedures Performed:** We calculated and determined the Authority's water costs per 1,000 gallons of water produced for the fiscal year ending June 30, 2024.

**Findings:** We determined the Authority's water costs per 1,000 gallons of water produced was \$8.39 during the fiscal year ending June 30, 2024.

As to the **Town of Custer City and Custer City Public Works Authority Grant Programs**, as of and for the fiscal year ended June 30, 2024:

**1. Procedures Performed:** From the Town and Authority's trial balances and other accounting records, we prepared a schedule of grant activity for each grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

As to the **Town of Custer City and Custer City Public Works Authority**, as of and for the fiscal year ended June 30, 2024:

**1. Procedures Performed:** From the Town and Authority's trial balances and other accounting records, we compiled the Annual Survey of City and City Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

**Findings:** We found one instance of noncompliance as a result of applying the procedure. The SA&I 2643 was due to the Oklahoma State Auditor on December 31, 2024. The form is being filed late and will put the gasoline tax at risk.

We are required to be independent of the Town of Custer City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

*Furrh & Associates, PC*

FURRH & ASSOCIATES, PC  
January 31, 2025

**Town of Custer City, Oklahoma**  
**Summary of Changes in Fund Balance-Cash Basis**  
**For the Fiscal year Ended June 30, 2024**  
**(Unaudited)**

	<b><u>Beginning of Year Fund Balances</u></b>	<b><u>Current Year Receipts</u></b>	<b><u>Interfund Transfers</u></b>	<b><u>Current Year Disbursements</u></b>	<b><u>End of Year Fund Balances</u></b>
<b>Town:</b>					
General Fund	\$ 294,154	\$ 105,464	0	\$ (156,922)	\$ 242,696
Street and Alley Fund	10,828	3,284	0	0	14,112
Municipal Court Fund	6,332	767	0	(2,302)	4,797
CPR Committee Fund	1,582	0	0	0	1,582
CDBG Grant Fund	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<b>Town Total</b>	312,897	109,515	0	(159,224)	263,188
<b>Authority:</b>					
Public Works Authority	656,828	465,459	2,795	(511,412)	613,670
Water Meter Deposit Fund	<u>24,881</u>	<u>3,370</u>	<u>(2,795)</u>	<u>(881)</u>	<u>24,575</u>
<b>Authority Total</b>	681,709	468,829	0	(512,293)	638,245
<b>Entity-wide Total</b>	<u><u>\$ 994,606</u></u>	<u><u>\$ 578,344</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (671,517)</u></u>	<u><u>\$ 901,433</u></u>

Please see accompanying Accountant's Report.

**Town of Custer City, Oklahoma**  
**Budgetary Comparison Schedule-Cash Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Beginning Budgetary Fund Balance:</b>	\$ 295,469	\$ 295,469	\$ 294,154	\$ (1,315)
<b>Resources (Inflows):</b>				
Taxes	150,057	150,057	69,207	(80,850)
Grant Revenue	0	0	16,313	16,313
Franchise Fees	7,784	7,784	7,313	(471)
Rental Revenue	0	0	1,061	1,061
Miscellaneous Revenue	6,040	6,040	5,574	(466)
Investment Revenue	1,348	1,348	5,996	4,648
Transfers In	0	0	0	0
Total Inflows	165,229	165,229	105,464	(59,765)
<b>Amounts Available for Appropriation</b>	460,698	460,698	399,618	(61,080)
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal Services	153,480	153,480	46,407	(107,073)
Operations & Maintenance	172,818	172,818	89,334	(83,484)
Capital Outlay	134,400	134,400	21,181	(113,219)
Transfers Out	0	0	0	0
<b>Total Charges to Appropriations</b>	460,698	460,698	156,922	(303,776)
<b>Ending Budgetary Fund Balance</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 242,696</u>	<u>\$ 242,696</u>

Please see accompanying Accountant's Report.



**Town of Custer City, Oklahoma**  
**Statement of Revenue, Expenses and Changes in Fund Balance-Cash Basis**  
**Public Works Authority**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<b>Total Custer City Public Works Authority</b>
<b>Operating Revenues</b>	
Utilities Income: Water	\$ 179,982
Utilities Income: Garbage	107,214
Utilities Income: Sewer	41,115
Utilities Income: Late Payments	6,225
Water Meter Deposits received	3,310
Utilities Income: Hard Water / Sewer Dump	2,494
Miscellaneous Operating Revenue	2,321
Total Operating Revenues	<u>342,661</u>
<b>Operating Expenses</b>	
Personal Services	141,632
Operations & Maintenance	188,827
Capital Outlay	181,834
Total Operating Expenses	<u>512,293</u>
Operating Income / (Loss)	(169,632)
<b>Non-Operating Revenues / (Expenses)</b>	
Grant Revenue	110,866
Investment Revenue	15,302
Total Non-Operating Revenues / (Expenses)	<u>126,168</u>
<b>Net Income / (Loss) before Transfers</b>	(43,464)
<b>Transfers In / (Out)</b>	
Transfers In	2,795
Transfers Out	(2,795)
Total Transfers In / (Out)	<u>0</u>
<b>Change in Fund Balance</b>	(43,464)
<b>Fund Balance - beginning</b>	<u>681,709</u>
<b>Fund Balance - ending</b>	<u><u>\$ 638,245</u></u>

Please see accompanying Accountant's Report.

**Town of Custer City, Oklahoma**  
**South Western Oklahoma Development Authority**  
**Rural Economic Action Plan (REAP)**  
**Revenue and Expenditures Compared with Budget**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>			
Grant	\$ 16,313	\$ 16,313	\$ 0
Cost Share	<u>1,834</u>	<u>1,834</u>	<u>0</u>
Total Revenue	18,147	18,147	0
<b><u>Expenditures</u></b>			
Purchase of Airpacks for Fire Dept.	<u>18,147</u>	<u>18,147</u>	<u>0</u>
Total Expenditures	<u>18,147</u>	<u>18,147</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Contract No.: 23-KI-23046  
Funding Period: 01/01/2023 - 01/01/2024

Please see accompanying Accountant's Report.

**Town of Custer City, Oklahoma**  
**Oklahoma Water Resource Board (OWRB)**  
**Drinking Water State Revolving Fund (DWSRF)**  
**Revenue and Expenditures Compared with Budget**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<b>Budget</b>	<b>Previous Years</b>	<b>Current Year</b>	<b>(Over) Under Budget</b>
<b><u>Revenue</u></b>				
Grant	\$ 708,545	\$ 648,297	\$ 60,248	\$ 0
Cost Share	0	16,836	2,447	(19,283)
 Total Revenue	 708,545	 665,133	 62,695	 0
<b><u>Expenditures</u></b>				
Administration Cost	20,210	32,500	0	(12,290)
Miscellaneous Cost	0	3,146	900	(4,046)
Engineering Fees for Water				
Distribution System Improvements	688,335	629,487	61,795	(2,947)
 Total Expenditures	 708,545	 665,133	 62,695	 (19,283)
 <b><u>Revenue Over (Under) Expenditures</u></b>	 <b><u>\$ 0</u></b>	 <b><u>\$ 0</u></b>	 <b><u>\$ 0</u></b>	 <b><u>\$ 19,283</u></b>

OWRB Loan Number: ORF-23-0047-DW

Project No.: P40-2002009-01

The loan was forgiven on November 15, 2023.

**Town of Custer City, Oklahoma**  
**South Western Oklahoma Development Authority**  
**Rural Economic Action Plan (REAP)**  
**Revenue and Expenditures Compared with Budget**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<u>Budget</u>	<u>Previous Years</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>				
Grant	\$ 75,000	\$ 24,284	\$ 50,617	\$ 99
Total Revenue	75,000	24,284	50,617	99
<b><u>Expenditures</u></b>				
Engineering Fees for Waterline Replacement Project	75,000	30,460	44,441	99
Total Expenditures	75,000	30,460	44,441	99
<b><u>Revenue Over (Under) Expenditures</u></b>	<u>\$ 0</u>	<u>\$ (6,176)</u>	<u>\$ 6,176</u>	<u>\$ 0</u>

Contract No.: 22-CU-22010  
Funding Period: 01/01/2022 - 01/01/2023

Please see accompanying Accountant's Report.

**Town of Custer City, Oklahoma**  
**Oklahoma Rural Water Association (OWRA) and**  
**Oklahoma Department of Environmental Quality (DEQ)**  
**Rural Infrastructure Grant (RIG)**  
**Revenue and Expenditures Compared with Budget**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<b>Budget</b>	<b>Current Year</b>	<b>(Over) Under Budget</b>
<b><u>Revenue</u></b>			
Grant	\$ 100,000	\$ 0	\$ 100,000
Cost Share	32,100	11,970	20,130
Total Revenue	132,100	11,970	120,130
<b><u>Expenditures</u></b>			
Replacement of Telemetry System	132,100	11,970	120,130
Total Expenditures	132,100	11,970	120,130
<b><u>Revenue Over (Under) Expenditures</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>

Contract No.: OWRA RIG #10333  
Funding Period: 02/23/2024 - 09/01/2025

Please see accompanying Accountant's Report.

**Town of Custer City, Oklahoma**  
**Calculation of Water Costs per 1,000 Gallons-Cash Basis**  
**Public Works Authority**  
**For the Fiscal Year Ended June 30, 2024**  
**(Unaudited)**

	<u>Dollar Cost Amount</u>	<u>Attributable to Water Production</u>	<u>Water Production Cost</u>
<b>Costs</b>			
Water Purchases	\$ 2,579	100%	\$ 2,579
Water Debt Service	803	100%	803
Water Maintenance & Operations	44,997	100%	44,997
Water Personal Services	85,251	100%	85,251
 Total Production Costs			<u>\$ 133,630</u>
 Gallons Produced			15,928,000
 Cost Per 1,000 Gallons of Water Produced			<u>\$ 8.39</u>

Please see accompanying Accountant's Report.