

**TOWN OF CUSTER CITY**

**CUSTER COUNTY, OKLAHOMA**

**Agreed-Upon Procedures**

**For the Fiscal Year Ended June 30, 2022**

**TOWN OF CUSTER CITY, OKLAHOMA  
TOWN OFFICERS  
JUNE 30, 2022**

**Gary  
Kluckner.....Mayor**

**Dave  
Watson.....Vice-Mayor**

**Bryan  
Reed.....Trustee**

**Kay  
Fischer.....Trustee**

**Jennifer  
Dunford.....Trustee**

**Carmen  
Stuart.....City Clerk / Treasurer**

**TOWN OF CUSTER CITY**  
**CUSTER COUNTY, OKLAHOMA**  
**JUNE 30, 2022**

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***TL Special***  
***Certified Public Accountant***

416 E. Main Street  
Weatherford, OK 73096  
(580) 772-2868 voice/fax

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

**To the Specified Users of the Report:**

**Town Board, 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**

**Oklahoma Department of Commerce  
Oklahoma City, Oklahoma**

**I have compiled the accompanying Summary of Changes in Fund Balances - Cash Basis of the Town of Custer City, Oklahoma and the Custer City Public Works Authority as of June 30, 2022, and the related Budgetary Comparison Schedule of the General Fund - Cash Basis and, a Statement of Revenues, Expenses and Changes in Fund Balance - Modified Cash Basis of the Custer City Public Works Authority, Schedule of Grant Activity - Cash Basis, and a Calculation of Water Costs Per 1,000 Gallons - Cash Basis for the Custer City Public Works Authority for the fiscal year ended June 30, 2022. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the basis of accounting 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.**

**Management of the Town of Custer City, Oklahoma is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting 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, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.**

**My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.**

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

**Additionally, I have performed the procedures enumerated within Appendix A, Appendix B, and Appendix C which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes 11-17 (105-107) and 60-180.1.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. 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 additional requirements prescribed by Oklahoma Statutes 11-17 (105-107) and 60-180.1.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representations regarding the sufficiency of the procedures described in Appendix A, B, or C, either for the purpose which this report has been requested or for any other purpose.**

**Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis and the budget laws of the State of Oklahoma. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.**

**I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.**

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

**Tami L. Special  
Certified Public Accountant**

**November 3, 2022**

## Appendix A

### Town of Custer City, Oklahoma Procedures and Findings For the Year Ended June 30, 2022

#### As to the Town of Custer City as of and for the fiscal year ended June 30, 2022:

**1. Procedures Performed :** A schedule of changes in fund balances for each fund was prepared from the Town's trial balances and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** See Exhibit 1; No instances of noncompliance noted.

**2. Procedures Performed :** I prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

**Findings:** See Exhibit 2; No instances of noncompliance noted.

**3. Procedures Performed :** Agree the Town's material bank account balances to bank statements and bank confirmations and trace the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No instances of noncompliance noted.

**4. Procedures Performed :** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and not collateralized deposits.

**Findings:** No instances of noncompliance noted.

**5. Procedures Performed :** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** No instances of noncompliance noted.

**6. Procedures Performed :** Compare 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:** No instances of noncompliance noted.

## Appendix A (cont.)

### Town of Custer City, Oklahoma Procedures and Findings For the Year Ended June 30, 2022

7. **Procedures Performed** : Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No instances of noncompliance noted.

See Accountant's Agreed-Upon Procedures Report.

## Appendix B

### Custer City, Oklahoma Public Works Authority Procedures and Findings For the Year Ended June 30, 2022

As to the Custer City Public Works Authority, as of and for the fiscal year ended June 30, 2022:

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

**Findings:** See Exhibit 3; No instances of noncompliance noted.

**2. Procedures Performed :** Agree the Authority's material bank account balances to bank statements and bank confirmations and trace the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No instances of noncompliance noted.

**3. Procedures Performed :** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and not collateralized deposits.

**Findings:** No instances of noncompliance noted.

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

**Findings:** No instances of noncompliance noted.

**5. Procedures Performed :** Compare 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:** No instances of noncompliance noted.

**6. Procedures Performed :** Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No instances of noncompliance noted.

**7. Procedures Performed :** Calculate and determine the Authority's water costs per 1,000 gallons of water for the fiscal year ending June 30, 2022.

**Findings:** See Exhibit 5; No instances of noncompliance noted.

See Accountant's Agreed-Upon Procedures Report.



## Appendix C

### Town of Custer City and Public Works Grant Programs Procedures and Findings For the Year Ended June 30, 2022

As to the Town of Custer City and Public Works Grant Programs, as of and for the fiscal year ended June 30, 2022:

**1. Procedures Performed :** From the Town and Authority's trial balances, I 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:** See Exhibit 4; no instances of noncompliance noted.

See Accountant's Agreed-Upon Procedures Report.

EXHIBIT 1

TOWN OF CUSTER CITY, OKLAHOMA  
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
<b>CITY:</b>			
General Fund	\$733,229	\$5,655	738,884
<b>SPECIAL REVENUE FUND:</b>			
Fire Department Fund	\$356,809	(\$15,583)	341,226
<b>ENTERPRISE FUND:</b>			
Public Works Authority	\$2,029,893	\$18,849	2,048,742
Overall Totals	\$3,119,931	\$8,921	\$3,128,852

See Accountant's Agreed-Upon Procedures Report.

**EXHIBIT 2**

**TOWN OF CUSTER CITY, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b><u>Receipts</u></b>				
<b>Taxes:</b>				
Sales Tax	\$48,460	\$48,460	\$80,494	\$32,034
Use Tax	23,867	\$23,867	26,127	2,260
Cigar Tax	435	\$435	656	221
Franchise Tax	6,982	\$6,982	8,800	1,818
Gas Excise Tax	0	\$0	661	661
<b>Total Taxes</b>	<b>\$79,744</b>	<b>\$79,744</b>	<b>\$116,738</b>	<b>\$36,994</b>
<b><u>Intergovernmental:</u></b>				
Motor Vehicle Tax	\$0	\$0	\$2,928	\$2,928
Alcoholic Beverage Tax	3,833	3,833	4,125	292
Federal Grants	40,591	40,591	\$33,097	(\$7,494)
State Election Income	35	35	40	5
Contributions From Other Funds	4,500	4,500	6,835	2,335
<b>Total Intergovernmental</b>	<b>\$48,959</b>	<b>\$48,959</b>	<b>\$47,025</b>	<b>(\$1,934)</b>
<b><u>Other Revenue:</u></b>				
Dog Tag Revenue	\$193	\$193	\$0	(\$193)
Donations	0	0	100	\$100
Court Revenue	2,421	2,421	1,823	(\$598)
Permit Fees	54	54	810	\$756
Interest Income	1,586	1,586	1,095	(491)
Miscellaneous	376	376	4,924	4,548
Town Property Rent	900	900	\$300	(600)
Insurance Reimbursement	4,256	4,256	5,318	1,062
Sale of Fixed Asset	0	0	2,025	2,025
<b>Total Other Revenue</b>	<b>\$9,786</b>	<b>\$9,786</b>	<b>\$16,395</b>	<b>\$6,609</b>
<b>Total Receipts</b>	<b>\$138,489</b>	<b>\$138,489</b>	<b>\$180,158</b>	<b>\$41,669</b>
<b><u>Expenditures</u></b>				
<b>General Government:</b>				
Personal Services	\$26,500	\$26,500	\$6,248	\$20,252
Maintenance & Operations	113,417	\$113,417	35,721	77,696
Capital Outlay	38,000	\$38,000	3,852	34,148
<b>Total General Government</b>	<b>\$177,917</b>	<b>\$177,917</b>	<b>\$45,821</b>	<b>\$132,096</b>

See Accountant's Agreed-Upon Procedures Report.

**EXHIBIT 2 (Cont.)**

**TOWN OF CUSTER CITY, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Police Department:</b>				
Personal Services	\$99,000	\$99,000	\$61,717	\$37,283
Maintenance & Operations	33,800	\$33,800	9,306	24,494
Capital Outlay	75,000	\$75,000	0	75,000
<b>Total Police Department</b>	<b>\$207,800</b>	<b>\$207,800</b>	<b>\$71,023</b>	<b>\$136,777</b>
<b>Parks &amp; Recreation:</b>				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	8,645	(8,645)
Capital Outlay	0	0	958	(958)
<b>Total Parks &amp; Recreation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,603</b>	<b>(9,603)</b>
<b>Street &amp; Alley:</b>				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	6,816	(6,816)
Capital Outlay	0	0	0	0
<b>Total Street &amp; Alley</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,816</b>	<b>(\$6,816)</b>
<b>Fire Department:</b>				
Personal Services	\$5,480	\$5,480	\$855	\$4,625
Maintenance & Operations	15,400	\$15,400	6,008	9,392
Capital Outlay	32,000	\$32,000	0	32,000
<b>Total Fire Department</b>	<b>\$52,880</b>	<b>\$52,880</b>	<b>\$6,863</b>	<b>\$46,017</b>
<b>Municipal Court:</b>				
Personal Services	\$0	\$0	\$830	(\$830)
Maintenance & Operations	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Municipal Court</b>	<b>\$0</b>	<b>\$0</b>	<b>\$830</b>	<b>(\$830)</b>

See Accountant's Agreed-Upon Procedures Report.

**EXHIBIT 2 (Cont.)**

**TOWN OF CUSTER CITY, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Animal Control:</b>				
<b>Personal Services</b>	\$0	\$0	\$0	\$0
<b>Maintenance &amp; Operations</b>	0	0	450	(\$450)
<b>Capital Outlay</b>	0	0	0	\$0
<b>Total Animal Control</b>	<u>\$0</u>	<u>\$0</u>	<u>\$450</u>	<u>(\$450)</u>
<b>Total Expenditures</b>	<u>\$438,597</u>	<u>\$438,597</u>	<u>\$141,406</u>	<u>\$297,191</u>
<b>Net Income</b>	(300,108)	(300,108)	38,752	338,860
<b>Transfer Out</b>	0	0	(33,097)	(33,097)
<b>Change in Fund Balance</b>	<u>(\$300,108)</u>	<u>(\$300,108)</u>	<u>\$5,655</u>	<u>\$305,763</u>
<b>Fund Balance, Beginning of Year</b>			<u>\$733,229</u>	
<b>Fund Balance, End of Year</b>			<u><u>\$738,884</u></u>	

See Accountant's Agreed-Upon Procedures Report.

**EXHIBIT 3**

**TOWN OF CUSTER CITY, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND BALANCE - MODIFIED CASH BASIS PUBLIC WORKS AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Operating Revenues:</b>	
<b>Charges for Services:</b>	
Water	\$176,629
Sewer	43,134
Sanitation	104,515
Penalties	8,599
Other	918
	<hr/>
<b>Total Operating Revenue</b>	<b>\$333,795</b>
 <b>Operating Expenses:</b>	
Administration	50,425
Personal Services	149,988
Sanitation	85,563
Sewer	12,201
Water	50,657
Capital Outlay	1,608
	<hr/>
<b>Total Operating Expenses</b>	<b>\$350,442</b>
	<hr/>
<b>Operating Income (Loss)</b>	<b>(\$16,647)</b>
 <b>Non-Operating Revenues (Expenses):</b>	
Interest Income	\$2,399
	<hr/>
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$2,399</b>
	<hr/>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<b>(\$14,248)</b>
	<hr/>
Transfer In (ARPA)	33,097
Transfer Out	0
	<hr/>
<b>Change in Fund Balance</b>	<b>\$18,849</b>
	<hr/>
<b>Fund Balance - Beginning</b>	<b>\$2,029,893</b>
	<hr/>
<b>Fund Balance - Ending</b>	<b>\$2,048,742</b>
	<hr/> <hr/> <hr/>

See Accountant's Agreed-Upon Procedures Report.

EXHIBIT 4

TOWN OF CUSTER CITY, OKLAHOMA  
SCHEDULE OF GRANT ACTIVITY - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

GRANT #18021 CDBG-CIP 20

<b>Revenue</b>	
Grant Income	\$15,000
Total Revenue	<u>\$15,000</u>
<b>Expenditures</b>	
Administration Cost	\$15,000
Total Expenditures	<u>\$15,000</u>
Net Income (Loss) Before Contributions and Transfers	0
Transfer In	
Fund Balance - Beginning	1
Fund Balance - Ending	<u>1</u> =====

See Accountant's Agreed-Upon Procedures Report.

EXHIBIT 4 (Cont.)

TOWN OF CUSTER CITY, OKLAHOMA  
SCHEDULE OF GRANT ACTIVITY - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

REAP GRANT #22-CU-22010

Revenue	
Grant Income	24,284
Total Revenue	<hr/>
Expenditures	
Engineering	24,284
Total Expenditures	<hr/>
Net Income (Loss) Before Contributions and Transfers	<hr/> 0
Transfer In	0
Fund Balance - Beginning	0
Fund Balance - Ending	<hr/> 0
	<hr/> <hr/>

See Accountant's Agreed-Upon Procedures Report.



**EXHIBIT 5**

**TOWN OF CUSTER CITY, OKLAHOMA  
CALCULATION OF WATER COSTS PER 1,000 GALLONS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Dollar Cost Amount	Attributable To Water Production	Production Cost
<b><u>COSTS</u></b>			
Insurance	\$1,893	100%	\$1,893
Electric	9,801	100%	9,801
Repairs	2,797	100%	2,797
Salary	46,131	50%	23,066
Supply	630	100%	630
Water Lease Costs	2,534	100%	2,534
Vehicle Expense	6,249	50%	3,125
Water Testing	1,703	100%	1,703
<b><u>DEPRECIATION</u></b>		<b><u>LIFE</u></b>	
Water Tower 11-30-10	\$317,500	25 Years	\$12,700
Equipment	141,196	25 Years	5,648
Water Wells	13,054	20 Years	653
Major Well Repairs 7-31-11	18,197	20 Years	910
Major Well Repairs 11-30-11	7,247	20 Years	362
Water Well/System 6-30-12	103,585	25 Years	4,143
Water Wells 10-31-15	13,083	20 Years	654
Water Lines 4-30-16	28,279	20 Years	1,414
Water Lines FYE 2018	398,477	20 Years	19,924
Chlorine Pump 8-15-21	1,146	5 Years	229
Printer 11-15-21	462	5 Years	<u>92</u>
<b>Total Production Costs</b>			<b>\$92,278</b>
<b>Gallons Produced</b>			<b>11,990,000</b>
<b>Cost Per 1,000 Gallons of Water Produced</b>			<b>\$7.70</b>

See Accountant's Agreed-Upon Procedures Report.