

**TOWN OF CUSTER CITY**

**CUSTER COUNTY, OKLAHOMA**

**Agreed-Upon Procedures**

**For the Year Ended June 30, 2021**

**TOWN OF CUSTER CITY, OKLAHOMA**  
**TOWN OFFICERS**  
**JUNE 30, 2021**

**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, 2021**

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

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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, 2021, 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, 2021. 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, 2021. 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**

**October 22, 2021**

## Appendix A

### Town of Custer City, Oklahoma Procedures and Findings For the Year Ended June 30, 2021

#### As to the Town of Custer City as of and for the fiscal year ended June 30, 2021:

**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.

See Accountant's Agreed-Upon Procedures Report.

## Appendix A (cont.)

**Town of Custer City, Oklahoma  
Procedures and Findings  
For the Year Ended June 30, 2021**

**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, 2021

As to the Custer City Public Works Authority, as of and for the fiscal year ended June 30, 2021:

**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, 2021.

**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, 2021**

**As to the Town of Custer City and Public Works Grant Programs, as of and for the fiscal year ended June 30, 2021:**

**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, 2021

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
<b>CITY:</b>			
General Fund	\$729,494	(\$8,510)	720,984
<b>SPECIAL REVENUE FUND:</b>			
Fire Department Fund	\$367,192	(\$10,365)	356,827
<b>ENTERPRISE FUND:</b>			
Public Works Authority	\$1,487,804	\$501,809	1,989,613
<b>Overall Totals</b>	<b>\$2,584,490</b>	<b>\$482,934</b>	<b>\$3,067,424</b>

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, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Receipts</b>				
<b>Taxes:</b>				
Sales Tax	\$57,598	\$57,598	\$53,844	(\$3,754)
Use Tax	24,939	\$24,939	26,519	1,580
Cigar Tax	529	\$529	484	(45)
Franchise Tax	8,117	\$8,117	7,758	(359)
Gas Excise Tax	0	\$0	646	646
<b>Total Taxes</b>	<b>\$91,183</b>	<b>\$91,183</b>	<b>\$89,251</b>	<b>(\$1,932)</b>
<b>Intergovernmental:</b>				
Motor Vehicle Tax	\$0	\$0	\$2,727	\$2,727
Alcoholic Beverage Tax	3,400	3,400	4,258	858
CARES Act	0	0	29,213	29,213
<b>Total Intergovernmental</b>	<b>\$3,400</b>	<b>\$3,400</b>	<b>\$36,198</b>	<b>\$32,798</b>
<b>Other Revenue:</b>				
Dog Tag Revenue	\$121	\$121	\$150	\$29
Court Revenue	0	0	2,690	2,690
Interest Income	3,015	3,015	1,762	(1,253)
Miscellaneous	2,455	2,455	1,583	(872)
Town Property Rent	900	900	0	(900)
Insurance Reimbursement	0	0	4,729	4,729
Utility Reimbursements	7,715	7,715	0	(7,715)
<b>Total Other Revenue</b>	<b>\$14,206</b>	<b>\$14,206</b>	<b>\$10,914</b>	<b>(\$3,292)</b>
<b>Total Receipts</b>	<b>\$108,789</b>	<b>\$108,789</b>	<b>\$136,363</b>	<b>\$27,574</b>
<b>Expenditures</b>				
<b>General Government:</b>				
Personal Services	\$18,250	\$18,250	\$6,616	\$11,634
Maintenance & Operations	152,228	152,228	26,572	125,656
Capital Outlay	38,000	38,000	7,657	30,343
<b>Total General Government</b>	<b>\$208,478</b>	<b>\$208,478</b>	<b>\$40,845</b>	<b>(\$167,633)</b>
<b>Police Department:</b>				
Personal Services	\$72,500	\$72,500	\$57,777	\$14,723
Maintenance & Operations	19,800	19,800	12,875	6,925
Capital Outlay	30,000	30,000	7,657	22,343
<b>Total Police Department</b>	<b>\$122,300</b>	<b>\$122,300</b>	<b>\$78,309</b>	<b>\$43,991</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Parks &amp; Recreation</b>				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	4,826	(4,826)
Capital Outlay	0	0	0	0
<b>Total Parks &amp; Recreation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,826</b>	<b>(\$4,826)</b>
<b>Street &amp; Alley</b>				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	4,012	4,012	4,615	(603)
Capital Outlay	0	0	9,167	(9,167)
<b>Total Street &amp; Alley</b>	<b>\$4,012</b>	<b>\$4,012</b>	<b>\$13,782</b>	<b>(\$9,770)</b>
<b>Fire Department</b>				
Personal Services	\$2,480	\$2,480	\$720	\$1,760
Maintenance & Operations	15,400	15,400	4,291	11,109
Capital Outlay	32,000	32,000	0	32,000
<b>Total Fire Department</b>	<b>\$49,880</b>	<b>\$49,880</b>	<b>\$5,011</b>	<b>\$44,869</b>
<b>Municipal Court</b>				
Personal Services	\$0	\$0	\$810	(\$810)
Maintenance & Operations	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Municipal Court</b>	<b>\$0</b>	<b>\$0</b>	<b>\$810</b>	<b>(\$810)</b>
<b>Animal Control</b>				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	1,291	(\$1,291)
Capital Outlay	0	0	0	\$0
<b>Total Animal Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,291</b>	<b>(\$1,291)</b>
<b>Total Expenditures</b>	<b>\$384,670</b>	<b>\$384,670</b>	<b>\$144,874</b>	<b>\$239,796</b>
<b>Change in Fund Balance</b>	<b>(\$275,881)</b>	<b>(\$275,881)</b>	<b>(\$8,510)</b>	<b>\$267,371</b>
<b>Fund Balance, Beginning of Year</b>			<b>\$729,494</b>	
<b>Fund Balance, End of Year</b>			<b>\$720,984</b>	

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, 2021**

<b>Operating Revenues:</b>	
<b>Charges for Services:</b>	
Water	\$173,399
Sewer	40,540
Sanitation	95,668
Penalties	5,810
Other	3,359
	<hr/>
<b>Total Operating Revenue</b>	<b>\$318,776</b>
<b>Operating Expenses:</b>	
Administration	36,089
Personal Services	137,352
Sanitation	76,778
Sewer	3,859
Water	53,137
Capital Outlay	34,173
	<hr/>
<b>Total Operating Expenses</b>	<b>\$341,388</b>
	<hr/>
<b>Operating Income (Loss)</b>	<b>(\$22,612)</b>
<b>Non-Operating Revenues (Expenses):</b>	
Interest Income	\$957
Sale of School Building	523,464
	<hr/>
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$524,421</b>
	<hr/>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<b>\$501,809</b>
Transfer In	0
Transfer Out	0
	<hr/>
<b>Change in Fund Balance</b>	<b>\$501,809</b>
<b>Fund Balance - Beginning</b>	<b>\$1,487,804</b>
	<hr/>
<b>Fund Balance - Ending</b>	<b>\$1,989,613</b>
	<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, 2021

GRANT #18021 CDBG-CIP 20

Revenue	
Grant Income	\$5,000
Total Revenue	<u>\$5,000</u>
Expenditures	
Administration Cost	\$5,000
Total Expenditures	<u>\$5,000</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 5**

**TOWN OF CUSTER CITY, OKLAHOMA  
CALCULATION OF WATER COSTS PER 1,000 GALLONS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Dollar Cost Amount	Attributable To Water Production	Production Cost
<b><u>COSTS</u></b>			
Insurance	\$1,647	100%	\$1,647
Electric	11,243	100%	11,243
Repairs	1,344	100%	1,344
Salary	43,260	50%	21,630
Supply	3,948	100%	3,948
Water Lease Costs	2,611	100%	2,611
Vehicle Expense	3,767	50%	1,884
Water Testing	1,554	100%	1,554
<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
Printer 2-28-17	599	5 Years	120
Water Lines FYE 2018	398,477	20 Years	<u>19,924</u>
 Total Production Costs			 \$92,389
 Gallons Produced			 11,694,000
 Cost Per 1,000 Gallons of Water Produced			 \$7.90

See Accountant's Agreed-Upon Procedures Report.