

TOWN OF CUSTER CITY

CUSTER COUNTY, OKLAHOMA

Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2023

**TOWN OF CUSTER CITY, OKLAHOMA
TOWN OFFICERS
JUNE 30, 2023**

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

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

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

**Robert
Johnson.....Trustee**

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

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

**TOWN OF CUSTER CITY
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2023**

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TL Special
Certified Public Accountant

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**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, 2023, 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, 2023. 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, 2023. 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 11, 2023

Appendix A

Town of Custer City, Oklahoma Procedures and Findings For the Year Ended June 30, 2023

As to the Town of Custer City as of and for the fiscal year ended June 30, 2023:

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, 2023

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, 2023

As to the Custer City Public Works Authority, as of and for the fiscal year ended June 30, 2023:

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, 2023.

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, 2023

As to the Town of Custer City and Public Works Grant Programs, as of and for the fiscal year ended June 30, 2023:

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, 2023**

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
CITY:			
General Fund	\$738,744	\$35,546	\$774,290
SPECIAL REVENUE FUND:			
Fire Department Fund	\$341,226	\$27,341	\$368,567
ENTERPRISE FUND:			
Public Works Authority	\$2,023,863	\$34,567	\$2,058,430
Overall Totals	\$3,103,833	\$97,454	\$3,201,287

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, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Receipts</u>				
Taxes:				
Sales Tax	\$72,445	\$72,445	\$58,623	(\$13,822)
Use Tax	23,515	23,515	94,516	71,001
Cigar Tax	591	591	391	(200)
Franchise Tax	5,420	5,420	8,649	3,229
Gas Excise Tax	0	0	638	638
Total Taxes	\$101,971	\$101,971	\$162,817	\$60,846
<u>Intergovernmental:</u>				
Motor Vehicle Tax	\$0	\$0	\$2,589	\$2,589
Alcoholic Beverage Tax	3,713	3,713	4,114	401
Federal Grants	0	0	33,253	33,253
State Election Income	36	36	0	(36)
Contributions From Other Funds	4,500	4,500	3,071	(1,429)
Total Intergovernmental	\$8,249	\$8,249	\$43,027	\$34,778
<u>Other Revenue:</u>				
Donations	\$90	\$90	\$0	(\$90)
Court Revenue	1,640	1,640	2,633	993
Permit Fees	729	729	120	(609)
Interest Income	986	986	1,498	512
Miscellaneous	4,699	4,699	8,085	3,386
Town Property Rent	0	0	1,000	1,000
Insurance Reimbursement	2,401	2,401	887	(1,514)
Sale of Fixed Asset	1,822	1,822	0	(1,822)
Total Other Revenue	\$12,367	\$12,367	\$14,223	\$1,856
Total Receipts	\$122,587	\$122,587	\$220,067	\$97,480
<u>Expenditures</u>				
General Government:				
Personal Services	\$24,600	\$24,600	\$6,690	\$17,910
Maintenance & Operations	96,764	96,764	37,495	59,269
Capital Outlay	41,000	41,000	9,155	31,845
Total General Government	\$162,364	\$162,364	\$53,340	\$109,024

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, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Police Department:				
Personal Services	\$97,500	\$97,500	\$56,355	\$41,145
Maintenance & Operations	30,300	30,300	8,171	22,129
Capital Outlay	42,000	42,000	2,120	39,880
Total Police Department	\$169,800	\$169,800	\$66,646	\$103,154
Parks & Recreation:				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	4,524	(4,524)
Capital Outlay	0	0	0	0
Total Parks & Recreation	\$0	\$0	\$4,524	(4,524)
Street & Alley:				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	14,691	(14,691)
Capital Outlay	0	0	850	(850)
Total Street & Alley	\$0	\$0	\$15,541	(\$15,541)
Fire Department:				
Personal Services	\$5,800	\$5,800	\$660	\$5,140
Maintenance & Operations	16,200	\$16,200	9,463	6,737
Capital Outlay	29,000	\$29,000	0	32,000
Total Fire Department	\$51,000	\$51,000	\$10,123	\$43,877
Municipal Court:				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	990	(990)
Capital Outlay	0	0	0	0
Total Municipal Court	\$0	\$0	\$990	(\$990)

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, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Animal Control:				
Personal Services	\$0	\$0	\$0	\$0
Maintenance & Operations	0	0	104	(\$104)
Capital Outlay	0	0	0	\$0
Total Animal Control	\$0	\$0	\$104	(\$104)
Total Expenditures	\$383,164	\$383,164	\$151,268	\$231,896
Transfer Out	\$0	\$0	(\$33,253)	(\$33,097)
Net Income (Loss)	(\$260,577)	(\$260,577)	\$35,546	\$338,860
Change in Fund Balance	(\$260,577)	(\$260,577)	\$35,546	\$296,123
Fund Balance, Beginning of Year			\$738,744	
Fund Balance, End of Year			\$774,290	
			=====	

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, 2023

Operating Revenues:	
Charges for Services:	
Water	\$192,625
Sewer	42,845
Sanitation	110,124
Penalties	6,973
Other	1,172
Total Operating Revenue	\$353,739
Operating Expenses:	
Administration	\$34,532
Personal Services	145,567
Sanitation	97,154
Sewer	2,940
Water	77,845
Capital Outlay	1,761
Total Operating Expenses	\$359,799
Operating Income (Loss)	(\$6,060)
Non-Operating Revenues (Expenses):	
Interest Income	\$7,374
Total Non-Operating Revenues (Expenses)	\$7,374
Net Income (Loss) Before Contributions and Transfers	\$1,314
Transfer In (ARPA)	\$33,253
Transfer Out	0
Change in Fund Balance	\$34,567
Fund Balance - Beginning	\$2,023,863
Fund Balance - Ending	\$2,058,430

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, 2023

GRANT # P40-2002009-01
DRINKING WATER STATE REVOLVING FUND

Revenue	
Grant Income	\$648,297
Total Revenue	<u>\$648,297</u>
Expenditures	
Administration Cost	\$32,500
Engineering Fees	691,282
Total Expenditures	<u>\$723,782</u>
Net Income (Loss) Before Contributions and Transfers	(\$75,485)
Transfer In	<u>\$75,485</u>
Fund Balance - Beginning	<u>\$1</u>
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, 2023

REAP GRANT #22-CU-22010

Revenue	
Grant Income	\$0
Total Revenue	
Expenditures	
Engineering	\$6,176
Total Expenditures	<u>\$6,176</u>
Net Income (Loss) Before Contributions and Transfers	<u>\$0</u>
Transfer In	\$6,176
Fund Balance - Beginning	\$0
Fund Balance - Ending	<u><u>\$0</u></u> =====

See Accountant's Agreed-Upon Procedures Report.

EXHIBIT 4 (Cont.)

TOWN OF CUSTER CITY, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

CLEAN WATER STATE REVOLVING FUND
(Not Funded)

Revenue	
Grant Income	\$0
Total Revenue	<u>\$0</u>
Expenditures	
Engineering	\$13,300
Total Expenditures	<u>\$13,300</u>
Net Income (Loss) Before Contributions and Transfers	\$0
Transfer In	\$13,300
Fund Balance - Beginning	\$0
Fund Balance - Ending	<u><u>\$0</u></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, 2023**

	Dollar Cost Amount	Attributable To Water Production	Production Cost
<u>COSTS</u>			
Insurance	\$1,703	100%	\$1,703
Electric	13,121	100%	13,121
Repairs	13,815	100%	13,815
Salary	48,061	50%	24,031
Supply	3,684	100%	3,684
Water Lease Costs	2,919	100%	2,919
Vehicle Expense	5,465	50%	2,733
Water Testing	2,065	100%	2,065
<u>DEPRECIATION</u>			
		<u>LIFE</u>	
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	92
Total Production Costs			\$110,800
Gallons Produced			12,980,000
Cost Per 1,000 Gallons of Water Produced			\$8.54

See Accountant's Agreed-Upon Procedures Report.