

***TOWN OF CUSTER CITY,
CUSTER COUNTY, OKLAHOMA***

***Agreed-Upon Procedures
For the Year Ended June 30, 2011***

**TOWN OF CUSTER CITY, OKLAHOMA
TOWN OFFICERS
JUNE 30, 2011**

**Tony
Littleton.....Mayor**

**Alva
Kluckner.....Trustee**

**Darrell
Hunnicuttt.....Trustee**

**Bryan
ReedTrustee**

**Dian
Carpenter.....Trustee**

**Kay
Fischer.....City Clerk**

**TOWN OF CUSTER CITY
CUSTER
COUNTY, OKLAHOMA
JUNE 30, 2011**

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Tami L. Special
Certified Public Accountant
416 E. Main Street
Weatherford, OK 73096
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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, 2011, and the related Budgetary Comparison Schedule of the General Fund - Cash Basis and, a Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis of the Proprietary Fund, and a Schedule of Grant Activity - Cash Basis for the fiscal year ended June 30, 2011. 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 differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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 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, 2011. 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 or B, 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 and the statements of cash flows ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's financial position, results of operations, and cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Tami L. Special
Certified Public Accountant

September 12, 2011

Appendix A

Town of Custer City, Oklahoma Procedures and Findings For the Year Ended June 30, 2011

As to the Town of Custer City as of and for the fiscal year ended June 30, 2011:

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 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, 2011**

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.

Appendix B

Custer City, Oklahoma Public Works Authority Procedures and Findings For the Year Ended June 30, 2011

As to the Custer City Public Works Authority, as of and for the fiscal year ended June 30, 2011:

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 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.

Appendix C

Town of Custer City and Public Works Grant Programs Procedures and Findings For the Year Ended June 30, 2011

As to the Town of Custer City and Public Works Grant Programs, as of and for the fiscal year ended June 30, 2011:

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..

Exhibit 1

**TOWN OF CUSTER CITY, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
CITY:			
General Fund	\$ 745,238	\$ (271,525)	\$ 473,713
Street & Alley Fund	466	(1,120)	(654)
Municipal Court Fund	2,127	476	2,603
Economic Development Authority Fund	312	0	312
Grant Fund	<u>8,500</u>	<u>(8,500)</u>	<u>0</u>
City Subtotal	\$ 756,643	\$ (280,669)	\$ 475,974
PUBLIC WORKS AUTHORITY:			
	<u>631,068</u>	<u>321,914</u>	<u>952,982</u>
Overall Totals	\$ 1,387,711	\$ 41,245	\$ 1,428,956

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, 2011**

	Original Budget	Final Budget	Actual	Variance
Receipts				
Sales Tax	\$ 54,011	\$ 54,011	\$ 84,866	\$ 30,855
Use Tax	6,237	6,237	4,884	(1,353)
Franchise Tax	6,910	6,910	8,249	1,339
Alcoholic Beverage Tax	635	635	2,164	1,529
Contributions	0	0	2,100	2,100
Cigar Tax	761	761	1,254	493
Miscellaneous	1,504	1,504	1,180	(324)
Interest	1,960	1,960	1,131	(829)
Total Receipts	\$ 72,018	\$ 72,018	\$ 105,828	\$ 33,810
Expenditures				
Personal Services	\$ 57,902	\$ 57,902	\$ 36,792	21,110
Maintenance and Operations	97,816	97,816	36,631	61,185
Capital Outlay	21,453	21,453	0	21,453
Total Expenditures	\$ 177,171	\$ 177,171	\$ 73,423	\$ 103,748
Excess of Receipts Over Expenditures	\$ (105,153)	\$ (105,153)	\$ 32,405	\$ 137,558
Transfer Out (Capital Assets)	0	0	(305,000)	(305,000)
Increase (Other)	0	0	1,070	1,070
Fund Balance, Beginning of Year	\$ 745,238	\$ 745,238	\$ 745,238	\$ ---
Fund Balance, End of Year	--	--	\$ 473,713	\$ (166,372)

See Accountant's Agreed-Upon Procedures Report.

Exhibit 3

**TOWN OF CUSTER CITY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE-CASH BASIS PUBLIC WORKS AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2011**

Operating Revenues:

Charges for services:

Water	\$ 131,361
Sewer	13,830
Sanitation	64,743
Penalties	3,906
Ambulance	8,928
Other	<u>8,621</u>
Total Operating Revenues	\$ 231,389

Operating Expenses:

Administration	\$ 95,059
Sanitation	46,637
City	27,171
Rural	14,307
Sewer	22,779
Water	10,541
Ambulance	<u>8,916</u>
Total Operating Expenses	\$ <u>225,410</u>

Operating Income (Loss) 5,979

Non-Operating Revenues (Expenses):

Interest Income	874
Interest Expense	<u>(3,132)</u>

Total Non-Operating Revenues (Expenses) (2,258)

Net Income (Loss) Before Contributions and Transfers \$ 3,721

Capital Asset Additions	305,000
Other	<u>12,154</u>

Change in Fund Balance 320,875

Fund Balance - Beginning 632,107

Fund Balance - Ending \$ 952,982

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, 2011

	<u>13552-CDBG-08 GRANT</u>	
Revenue:		
Grant Income		\$ <u>1,500</u>
Total Revenues		\$ 1,500
Expenditures:		
Maintenance and Operations		\$ 10,000
Total Expenditures		\$ <u>10,000</u>
Revenue over (under) expenditures		\$ (8,500)
Fund Balance - Beginning		<u>8,500</u>
Fund Balance - Ending		\$ <u>0</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, 2011**

REAP 11-CS-110015 GRANT

Revenue:	
Grant Income	\$ 0
Total Revenues	\$ 0
Expenditures:	
Maintenance and Operations	\$ 0
Total Expenditures	\$ 0
Revenue over (under) expenditures	0
Fund Balance - Beginning	<u>0</u>
Fund Balance - Ending	\$ 0
	=====

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, 2011**

14544-CDBG-11 GRANT

Revenue:	
Grant Income	\$ <u>0</u>
Total Revenues	\$ 0
Expenditures:	
Maintenance and Operations	\$ <u>0</u>
Total Expenditures	\$ <u>0</u>
Revenue over (under) expenditures	0
Fund Balance - Beginning	<u>0</u>
Fund Balance - Ending	\$ 0 =====

See Accountant's Agreed-Upon Procedures Report.