

**INDEPENDENT ACCOUNTANT'S
AUDIT REPORT**

**CITY OF GERONIMO
Geronimo, Oklahoma**

JUNE 30, 2022

BY



**FURRH
& ASSOCIATES**
CERTIFIED PUBLIC ACCOUNTANTS

City of Geronimo
Geronimo, Oklahoma
Year Ended June 30, 2022

Table of Contents

	<u>Page</u>
<u>INDEPENDENT AUDITOR’S REPORT</u>	1 - 4
 <u>FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	5
Statement of Activities – Modified Cash Basis	6
Governmental Funds Financial Statements:	
Balance Sheet – Governmental Funds – Modified Cash Basis	7
Statement of Revenue, Expenditures, and Changes in Fund Balance Governmental Funds– Modified Cash Basis	8
Proprietary Funds Financial Statements:	
Statement of Net Position – Enterprise Fund – Modified Cash Basis	9
Statement of Revenue, Expense, and Changes in Net Position Enterprise Fund – Modified Cash Basis	10
Statement of Cash Flows – Enterprise Fund – Modified Cash Basis	11
 Notes to the Financial Statements	 12 - 16
 <u>REQUIRED SUPPLEMENTAL INFORMATION</u>	
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17 - 18
Schedule of Findings	19
Budget and Actual – General Fund – Modified Cash Basis	20 - 21

Notes to Required Supplemental Information22

SUPPLEMENTAL INFORMATION

Schedule of Grant Activity23- 24



INDEPENDENT AUDITOR'S REPORT

City Council
City of Geronimo
Geronimo, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geronimo, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Geronimo's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Geronimo, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Geronimo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about City of Geronimo's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Geronimo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about City of Geronimo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Basis of Accounting

We draw attention to Note 3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20 – 22 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Geronimo's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2023 on our consideration of the City of Geronimo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Geronimo's internal control over financial reporting and compliance.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

January 5, 2023

City of Geronimo, OK
Statement of Net Position
(Modified Cash Basis)
June 30, 2022

	Primary Government		
	Governmental Activities	Business Type Activities	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 456,595	\$ 619,578	\$ 1,076,173
Due to (from) General Fund	0	4,606	4,606
Capital Assets	437,812	3,143,456	3,581,268
Accumulated Depreciation	(269,729)	(1,427,938)	(1,697,667)
	\$ 624,678	\$ 2,339,702	\$ 2,964,380
<u>Liabilities</u>			
Due to Depositors	\$ 0	\$ 62,554	\$ 62,554
Due to (from) General Fund	4,606	0	4,606
Payroll Liabilities	0	612	612
	4,606	63,166	67,772
<u>Net assets</u>			
Invested in Capital, Net of Related Debt	168,083	1,715,518	1,883,601
Restricted	0	0	0
Unrestricted	451,989	561,018	1,013,007
	620,072	2,276,536	2,896,608
	\$ 624,678	\$ 2,339,702	\$ 2,964,380

Please see accompanying notes to the financial statements.

City of Geronimo, OK
Statement of Activities
(Modified Cash Basis)
Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
<u>Primary Government</u>					<u>Governmental Activities</u>	<u>Enterprise Activities</u>	<u>Total</u>
Governmental Activities							
General Government	\$ 94,761	\$ 2,045	\$ 0	\$ 0	\$ (92,716)	\$ 0	\$ (92,716)
Public Safety - Police	94,767	25,357	0	0	(69,410)	0	(69,410)
Nutrition Fund	74,335	2,332	51,381	0	(20,622)	0	(20,622)
Public Safety - Fire	66,734	55,478	4,763	0	(6,493)	0	(6,493)
Parks and Recreation	17,978	31,214	0	0	13,236	0	13,236
Street and Alley	5,291	0	0	0	(5,291)	0	(5,291)
Total Governmental Activities	<u>353,866</u>	<u>116,426</u>	<u>56,144</u>	<u>0</u>	<u>(181,296)</u>	<u>0</u>	<u>(181,296)</u>
Enterprise Activities							
Public Works Authority	799,584	745,971	0	547,516	0	493,903	493,903
Total Enterprise Activities	<u>799,584</u>	<u>745,971</u>	<u>0</u>	<u>547,516</u>			
Total Primary Government	<u>\$ 1,153,450</u>	<u>\$ 862,397</u>	<u>\$ 56,144</u>	<u>\$ 547,516</u>	(181,296)	493,903	312,607
			<u>General Revenue</u>				
			Taxes:				
					113,994	0	113,994
					48,965	0	48,965
					20,322	0	20,322
					11,385	0	11,385
					6,411	0	6,411
					874	0	874
					9,250	0	9,250
					245	316	561
					<u>211,446</u>	<u>316</u>	<u>211,762</u>
					0	0	0
					30,150	494,219	524,369
					<u>589,922</u>	<u>1,782,317</u>	<u>2,372,239</u>
					<u>\$ 620,072</u>	<u>\$ 2,276,536</u>	<u>\$ 2,896,608</u>

Please see accompanying notes to the financial statements.

City of Geronimo, OK
Governmental Funds-General Fund
Balance Sheet
(Modified Cash Basis)
June 30, 2022

Assets

Cash and Cash Equivalents	\$ 456,595	
Total Assets		\$ 456,595

Liabilities and Fund Balances

Due to Other Funds	\$ 4,606	
Total Liabilities		\$ 4,606
Fund Balances		
Unrestricted	451,989	
Total Fund Balances		451,989
Total Liabilities and Fund Balances		456,595

Reconciliation to Statement of Net Assets

Amounts reported for governmental activities in the Statement of Net Assets are different because:		451,989
Capital Assets used in governmental activities of \$437,812 Net of Accumulated Depreciation of \$269,729 are not financial resources and, therefore, are not reported in the funds.		
		168,083
<u>Net Assets of Governmental Activities</u>		\$ 620,072

Please see accompanying notes to the financial statements.

City of Geronimo, OK
Governmental Funds - General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Year Ended June 30, 2022

Revenue

Tax Revenue	\$ 190,566	
Fire Revenue	60,241	
Nutrition Revenue	53,713	
Fines	25,357	
Rental Income	24,025	
Park & Recreation Revenue	7,189	
Miscellaneous Income	9,250	
Street & Alley Revenue	11,385	
Permits	2,045	
Interest	245	
	<hr/>	
Total Revenue		\$ 384,016

Expenditures

General Government:		
General Government	94,761	
Public Safety:		
Police	94,767	
Fire	66,734	
Street and Public Works:		
Streets	5,291	
Community:		
Parks & Recreation	17,978	
Nutrition Center	74,335	
	<hr/>	
Total Expenditures		<hr/> 353,866

<u>Net Changes in Fund Balance</u>	30,150
<u>Fund Balance, June 30, 2021</u>	<hr/> 421,839
<u>Fund Balance, June 30, 2022</u>	<hr/> <hr/> \$ 451,989

Please see accompanying notes to financial statements.

City of Geronimo, OK
Geronimo Public Works Authority
Enterprise Fund
Statement of Net Position
(Modified Cash Basis)
June 30, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$	619,578	
Due to (from) General Fund		4,606	
Total Current Assets	\$		624,184

Noncurrent Assets

Capital Assets		3,143,456	
Accumulated Depreciation		(1,427,938)	
Total Noncurrent Assets			1,715,518

Total Assets	\$		2,339,702
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LIABILITIES

Current Liabilities

Due to Depositors	\$	62,554	
Payroll Liabilities		612	
Total Liabilities	\$		63,166

NET ASSETS

Invested in Capital Assets, Net of Related Debt		1,715,518	
Restricted		0	
Unrestricted		561,018	
Total Net Assets			2,276,536

Total Net Assets and Liabilities	\$		2,339,702
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Please see accompanying notes to the financial statements.

City of Geronimo, OK
Geronimo Public Works Authority
Enterprise Fund
Statement of Revenue, Expense, and Changes in Net Position
(Modified Cash Basis)
Year Ended June 30, 2022

Operating Revenue

Grant Revenue	\$ 547,516	
Water Revenue	277,019	
Refuse Revenue	234,708	
Sewer Revenue	195,414	
Late Charges and Misc. Penalties	19,255	
Miscellaneous Income	16,935	
Rental Revenue	2,640	
Total Operating Revenue	\$ 1,293,487	

Operating Expense

Payroll Expense	226,443	
Water Purchases	175,633	
Depreciation	85,242	
Water Operations	82,690	
Refuse Expense	65,614	
Fuel	26,467	
Repair & Maintenance	25,759	
Lease Expense	24,000	
Sewer Expense	18,381	
Bank Charges	16,825	
Utilities	15,311	
Professional Fees	15,240	
Insurance Expense	11,493	
Supplies & Postage	8,285	
Miscellaneous	2,201	
Total Operating Expense	799,584	

Net Operating Income (Loss) 493,903

Nonoperating Revenue (Expense)

Interest Income	316
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Net Nonoperating Income (Loss) 316

Net Revenue (Loss) 494,219

Total Net Assets, June 30, 2021 1,782,317

Total Net Assets, June 30, 2022 \$ 2,276,536

Please see accompanying notes to the financial statements.

City of Geronimo, OK
Geronimo Public Works Authority
Enterprise Fund
Statement of Cash Flows
(Modified Cash Basis)
Year Ended June 30, 2022

Cash Flows from Operating Activities

Receipts from Customers	\$ 1,276,552
Miscellaneous Revenue	16,935
Operating Expenses	<u>(714,342)</u>
Net Cash Provided by Operating Activities	579,145

Cash Flows from Investing Activities

Purchase of Capital Assets	(487,302)
Interest Income	<u>316</u>
Net Cash Provided by Investing Activities	<u>(486,986)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 92,159

Cash and Cash Equivalents - June 30, 2021 527,419

Cash and Cash Equivalents - June 30, 2022 \$ 619,578

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income	\$ 493,903
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities	
Depreciation Expense	<u>85,242</u>
Net Cash Provided by Operating Activities	<u><u>\$ 579,145</u></u>

Please see accompanying notes to the financial statements.

City of Geronimo, OK
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Geronimo, Oklahoma relating to the funds included in the financial statements conforms to generally accepted accounting principles of state and local governments, except as noted below. The following represents the more significant accounting and reporting policies and practices of the Town:

The City of Geronimo, for financial reporting purposes, includes funds and account groups over which the governing board exercises oversight authority.

The Geronimo Public Works Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 177-180.3, for the use and benefit of the City of Geronimo, Oklahoma. The Authority is charged with the responsibility of maintaining the property as needed, although title to the property is retained by the City.

Note 2 - Fund Accounting

The accounts of the City are organized on the basis of funds and a group of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. The various funds are grouped by type in the financial statements in this report, as follows:

1. Governmental Fund Types

(a) General Fund

The General Fund is the principal fund of the City which accounts for all financial transactions not properly accounted for in other funds.

(b) Special Revenue Funds

Special Revenue Funds are used to account for the revenues derived from specific taxes and other designated revenue sources.

The Town's current Special Revenue Funds include:

Street & Alley Fund
Police Fund
Fire Fund
Parks & Recreation
Nutrition Fund

2. Proprietary Fund Types

City of Geronimo, OK
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

(a) Enterprise Fund

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

(b) Fiduciary Funds

Fiduciary funds are trust or agency funds used to account for assets held by the City in a trustee capacity or as an agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Note 3 - Basis of Accounting

The modified cash basis of accounting is followed. Revenues are recorded when received rather than when earned. Expenditures are recorded when paid, however, outstanding encumbrances, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation.

This method accounting is a comprehensive basis of accounting which differs from the method required under generally accepted accounting principles. Generally accepted accounting principles for cities and towns require that the modified accrual basis of accounting be followed.

Note 4 - Budget

The City's budget represents appropriations originally authorized and any subsequent revisions that were officially adopted during the fiscal year. The City's budget is also prepared under the modified cash basis of accounting. In accordance with Oklahoma law, all remaining unexpended appropriations lapse at year end.

Note 5 - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 6 - Deposits, Investments, and Collateral

The City is statutorily limited to investing public funds in insured checking accounts, certificates

City of Geronimo, OK
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

of deposit, insured savings accounts, savings certificates and U.S. or Oklahoma government obligations. The City is also required to secure collateral for invested funds in excess of amounts insured by the Federal Deposit Insurance Corporation or Federal Savings & Loan Insurance Corporation. Acceptable collateral is primarily limited to federal, state, and local government obligations.

Note 7 - Fixed Assets

The City had an outside accounting firm reconcile their fixed asset ledger for the year ending June 30, 2022. Changes in fixed assets during the year ended June 30, 2022, were as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>
Balance, July 1, 2021	\$ 376,650	\$ 243,567
Additions	<u>61,162</u>	<u>26,162</u>
Total	437,812	269,729
Disposals	<u>0</u>	<u>0</u>
Balance, June 30, 2022	<u>\$ 437,812</u>	<u>\$ 269,729</u>

The estimated useful lives by type of asset are as follows:

Buildings and Improvements	40 years
Land Improvements	20 years
Machinery and Equipment	20 years
Furniture and Fixtures	10 years

The Authority had an outside accounting firm reconcile their fixed asset ledger for the year ending June 30, 2022. Changes in fixed assets during the year ended June 30, 2022, were as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>
Balance, July 1, 2021	\$ 2,656,153	\$ 1,342,695
Additions	<u>487,302</u>	<u>85,243</u>
Total	3,143,455	1,427,938
Disposals	<u>0</u>	<u>0</u>
Balance, June 30, 2022	<u>\$ 3,143,455</u>	<u>\$ 1,427,938</u>

City of Geronimo, OK
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The estimated useful lives by type of asset are as follows:

Buildings and Improvements	40 years
Land Improvements	20 years
Machinery and Equipment	20 years
Furniture and Fixtures	10 years

Note 8 - Pension Plan

In July 1, 2021, the City Council passed Ordinance 01-2021 to provide retirement benefits to the City employees.

Plan Description: The City participates in the Oklahoma Municipal Retirement Fund. This Fund is a defined benefit fund that requires 10 years to vest in retirement benefits.

Funding Policy: The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates. The current contribution rates for the Fairgrounds are as follows:

	Employer Portion 1%	Employee Portion 3%
FYE June 30, 2022	\$ 2,330	\$ 6,989

All firefighters participate in the Statewide Oklahoma Firefighter’s Pension and Retirement System. The City contributes to this plan for each firefighter in accordance with Oklahoma Statutes.

Note 9 - Commitments and Contingent Liabilities

The financial statements do not include any provision for loss contingencies resulting from litigation. Under applicable Oklahoma statutes, cities and towns generally establish a sinking fund to satisfy legal judgments rendered against them. Tax revenues are then specifically assessed for payment of these claims which have been reduced to judgment. Such claims are generally paid through these special tax assessments over a three (3) year period.

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. Also, all personnel responsible for custody of cash were bonded during the fiscal year.

City of Geronimo, OK
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 11 - Insurance and Bond Coverage of Contingencies

The City carries the following insurance and bond coverage as protection against possible loss contingencies:

Property Protection
Workers Compensation
Municipal Liability
Crime Bond

Note 12 - Management Evaluation of Subsequent Events

Management has reviewed information to evaluate the necessity for the disclosure of subsequent events through January 5, 2023, which is the issuance date of the financial statements.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Council
City of Geronimo
Geronimo, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geronimo, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated January 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Geronimo, Oklahoma’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, however, we did identify one deficiency in internal control that we consider to be a significant deficiency. It is identified as Finding 2022-1.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Geronimo, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

January 5, 2023

City of Geronimo, OK
Schedule of Findings and Responses
Year Ended June 30, 2022

Reportable Conditions of Internal Control, Compliance and Other Matters

2022-1 Unestablished Payment Plan

Condition – The City employees are approving delayed payment of utilities without guidance from Council.

Effect – Payments for utilities are being paid past their ordinance approved due date.

Cause – Lack of formal policy regarding utility payment deferment.

Criteria – Fiscal responsibilities require that a policy be established for the staff to follow regarding payment delays by citizens.

Recommendation – We recommend that an established deferment plan be written and approved by the council.

Management response – Management will add the deferment plan policy to the February agenda to be approved by the council.

City of Geronimo, OK
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>				
Sales Tax	\$ 95,090	\$ 95,090	\$ 113,994	\$ (18,904)
Fire Revenue	73,210	53,610	60,241	(6,631)
Use Tax	41,565	48,795	48,965	(170)
Fines	28,860	29,295	25,357	3,938
Rental	24,000	24,000	24,025	(25)
Park & Recreation	18,250	7,900	7,189	711
Franchise Tax	17,070	21,050	20,322	728
Miscellaneous Income	10,445	11,445	9,250	2,195
Street & Alley	10,420	11,870	11,385	485
Alcohol Tax	6,690	6,915	6,411	504
Nutrition Fund	1,950	74,975	53,713	21,262
Cigarette Tax	960	960	874	86
Permits	770	1,370	2,045	(675)
Interest Earned	285	285	245	40
Total Revenue	329,565	387,560	384,016	3,544
<u>Expenditures</u>				
<u>General Government</u>				
Personal Services	11,715	11,790	23,996	(12,206)
Maintenance and Operations	84,105	92,070	70,765	21,305
Total General Government	95,820	103,860	94,761	9,099
<u>Police Department</u>				
Personal Services	52,155	54,590	50,907	3,683
Maintenance and Operations	22,765	51,250	43,860	7,390
Capital Outlay	14,900	20,000	0	20,000
Total Police Department	89,820	125,840	94,767	31,073

Please see accompanying notes to the financial statements.

City of Geronimo, OK
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Fire Department</u>				
Maintenance and Operations	51,510	47,650	66,734	(19,084)
Total Fire Department	51,510	47,650	66,734	(19,084)
<u>Street & Alley</u>				
Maintenance and Operations	6,925	6,925	5,291	1,634
Total Street & Alley	6,925	6,925	5,291	1,634
<u>Nutrition Fund</u>				
Personal Services	0	23,070	23,043	27
Maintenance and Operations	7,840	70,115	51,292	18,823
Total Community Building	7,840	93,185	74,335	18,850
<u>Parks & Recreation</u>				
Maintenance and Operations	8,415	24,250	17,978	6,272
Total Parks & Recreation	8,415	24,250	17,978	6,272
Total Expenditures	260,330	401,710	353,866	47,844
<u>Revenue Over (Under) Expenditures</u>	69,235	(14,150)	30,150	(44,300)
<u>Other Financing Sources (Uses)</u>				
Transfer In	15,400	40,400	17,500	22,900
Transfer Out	(7,800)	(32,800)	(17,500)	(15,300)
Total Other Financing Sources (Uses)	7,600	7,600	0	7,600
<u>Revenue and Other Financing Sources Over (Under) Expenditures & Other Uses</u>	76,835	(6,550)	30,150	(36,700)
<u>Fund Balance, June 30, 2021</u>	383,385	383,385	421,839	(38,454)
<u>Fund Balance, June 30, 2022</u>	<u>\$ 460,220</u>	<u>\$ 376,835</u>	<u>\$ 451,989</u>	<u>\$ (75,154)</u>

Please see accompanying notes to the financial statements.

City of Geronimo, OK
Notes to Required Supplemental Information
Year Ended June 30, 2022

Note 1 - Notes to Required Supplemental Information

The City's annual operating budget represents appropriations as authorized by the Governing Board in accordance with the provisions of the Oklahoma statutes.

The City operates under the guidelines of the "Municipal Budget Act" which allows the Governing Board to prepare its budgets based upon its estimated revenue. In addition, revisions may be made to the budget throughout the year as authorized by the Governing Board. The legal level of control of the budget is the expenditure category. The expenditure categories required by the applicable state statutes are:

1. Personal Services
2. Maintenance and Operations
3. Capital Outlays

It is the City's policy that all appropriations lapse at the end of the fiscal year.

The operating budgets of the grants cover the period designated in the grant documents. The City prepares its annual operating budget on the modified cash basis of accounting, the same basis used to account for actual revenues and expenditures.

City of Geronimo, OK
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2022
(Unaudited)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Award Amount</u>	<u>Received Amount</u>	<u>Contract Expenditures</u>
FEDERAL AWARDS			
<u>US Department of Treasury</u>			
American Rescue Plan Act - Tranche 1 Federal AL Number: 21.027	\$ 212,206	\$ 106,103	\$ 0
Total Federal Awards	<u>\$ 212,206</u>	<u>\$ 106,103</u>	<u>\$ 0</u>
STATE AWARDS			
<u>Oklahoma Department of Transportation</u>			
Public Works Grant	\$ 543,540	\$ 441,413	\$ 441,413
<u>Association of South Central Governments</u>			
Cena Contract Number 223325	48,914	41,696	41,696
<u>Oklahoma Department of Agriculture</u>			
Forestry Services - Rural Fire Grant	4,763	4,763	4,763
Total State Awards	<u>\$ 4,763</u>	<u>\$ 4,763</u>	<u>\$ 4,763</u>

Please see accompanying Accountant's Report.

City of Geronimo, OK
Geronimo Public Works Authority
ASCOG Nutrition Center

Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)

June 30, 2022

	Budget	Total	(Over) Under Budget
<u>Revenue</u>			
ARPA Revenue - Federal	\$ 12,630	\$ 8,851	\$ 3,779
Title III B Revenue - Federal	12,578	11,158	1,420
Title III B Revenue - State	11,826	10,491	1,335
CENA Revenue	9,510	9,510	0
ARPA Revenue - State	2,370	1,686	684
Matching Funds	0	16,621	(16,621)
Participant Funds	0	16,017	(16,017)
 Total Revenue	 48,914	 74,334	 (25,420)
 <u>Expenditures</u>			
Personnel Expenses	18,228	23,043	(4,815)
Food Costs	16,610	24,709	(8,099)
Utilities / Rent	7,889	9,580	(1,691)
Supplies	4,718	5,568	(850)
Equipment	1,469	1,414	55
Miscellaneous	0	10,020	(10,020)
 Total Expenditures	 48,914	 74,334	 (25,420)
 <u>Revenue Over (Under) Expenditures</u>	 \$ 0	 \$ 0	 \$ 0

Project Number: 261.12
CENA Contract Number: 223325
Contract Period: July 1, 2021 - June 30, 2022

Please see accompanying Accountant's Report.