

*Independent Auditor's Report*

***Caddo County Governmental Building Authority***

*Year Ended June 30, 2024*

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**ANADARKO, OKLAHOMA**  
**June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees  
Caddo County Governmental Building Authority  
Anadarko, Oklahoma

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying modified cash basis financial statements of the business-type activities of Caddo County Governmental Building Authority, Anadarko, Oklahoma, a component unit of Caddo County as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 modified cash basis financial position of the business-type activities of Caddo County Governmental Building Authority, Anadarko, Oklahoma, as of June 30, 2024, and the respective changes in modified cash basis financial position, and cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### *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 Caddo County Governmental Building Authority, Anadarko, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 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 opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***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 judgement 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:

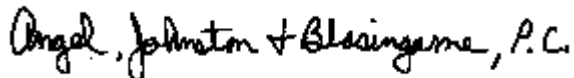
- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include 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 the Authority'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024, on our consideration of the Authority'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 solely 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 the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.



Chickasha, Oklahoma  
September 24, 2024

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Statement of Net Position**  
**Modified Cash Basis**  
**June 30, 2024**

**ASSETS**

**Current Assets**

|                             |            |
|-----------------------------|------------|
| Cash and cash equivalents   | \$ 107,828 |
| <i>Total Current Assets</i> | 107,828    |

**Non Current Assets**

|   |            |
|---|------------|
| Restricted cash and cash equivalents      | 3,141,268  |
| Land and other non-depreciable assets     | 116,909    |
| Other capital assets, net of depreciation | 12,410,231 |
| <i>Total Non Current Assets</i>           | 15,668,408 |

|                     |            |
|---------------------|------------|
| <i>Total Assets</i> | 15,776,236 |
|---------------------|------------|

**LIABILITIES**

**Current Liabilities**

|                                  |         |
|----------------------------------|---------|
| Current portion long term debt   | 475,000 |
| <i>Total Current Liabilities</i> | 475,000 |

**Long-term Liabilities**

|                                    |            |
|------------------------------------|------------|
| Bonds payable                      | 12,790,000 |
| <i>Total Long-term Liabilities</i> | 12,790,000 |

|                          |            |
|--------------------------|------------|
| <i>Total Liabilities</i> | 13,265,000 |
|--------------------------|------------|

**NET POSITION**

|                                  |            |
|----------------------------------|------------|
| Net investment in capital assets | (737,860)  |
| Restricted                       | 3,141,268  |
| Unrestricted                     | 107,828    |
|                                  | 15,776,236 |

|                           |              |
|---------------------------|--------------|
| <i>Total Net Position</i> | \$ 2,511,236 |
|---------------------------|--------------|

The accompanying notes are an integral part of the financial statements.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Modified Cash Basis**  
**For the Year Ended June 30, 2024**

|  |              |
|--|--------------|
| <b>Operating Revenues</b>                      |              |
| Sales tax income                               | \$ 2,045,600 |
| Administration fees                            | 13,265       |
| <i>Total Operating Revenues</i>                | 2,058,865    |
| <br><b>Operating Expenses</b>                  |              |
| Professional fees                              | 30,365       |
| Detention center/911                           | 480,000      |
| Depreciation expense                           | 420,304      |
| <i>Total Operating Expenses</i>                | 930,669      |
| <i>Operating Income (Loss)</i>                 | 1,128,196    |
| <br><b>Non Operating Revenues (Expenses)</b>   |              |
| Interest income                                | 40,777       |
| Interest expense                               | (572,831)    |
| <i>Total Non Operating Revenues (Expenses)</i> | (532,054)    |
| <i>Change in Net Position</i>                  | 596,142      |
| <i>Net Position - Beginning of Year</i>        | 1,915,094    |
| <i>Net Position - End of Year</i>              | \$ 2,511,236 |

The accompanying notes are an integral part of the financial statements.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Statement of Cash Flows**  
**Modified Cash Basis**  
**For the Year Ended June 30, 2024**

|  |                     |
|--|---------------------|
| <b>Cash flows from operating activities</b>  |                     |
| Receipts for sales tax   | \$ 2,045,600        |
| Receipts for administration fees   | 13,265              |
| Payment to vendors   | (510,365)           |
| <i>Net cash provided by (used for) operating activities</i>  | <u>1,548,500</u>    |
| <b>Cash flows from capital and related financing activities</b>                                      |                     |
| Payment for bond principal   | (430,000)           |
| Payment for interest   | (572,831)           |
| <i>Net cash provided by (used for) capital and related financing activities</i>                      | <u>(1,002,831)</u>  |
| <b>Cash flows from investing activities</b>  |                     |
| Interest received  | 40,777              |
| <i>Net cash provided by (used for) investing activities</i>  | <u>40,777</u>       |
| <i>Net increase (decrease) in cash and cash equivalents</i>  | 586,446             |
| <i>Cash and cash equivalents at beginning of year</i>  | 2,662,650           |
| <i>Cash and cash equivalents at end of year</i>  | <u>\$ 3,249,096</u> |
| <b>Reconciliation to Statement of Net Position:</b>  |                     |
| Cash and cash equivalents  | \$ 107,828          |
| Restricted cash and cash equivalents   | <u>3,141,268</u>    |
| Total cash and cash equivalents  | <u>\$ 3,249,096</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b> |                     |
| Operating income (loss)  | \$ 1,128,196        |
| Adjustment to reconcile operating income to net cash provided (used) by operating activities:        |                     |
| Depreciation expense   | <u>420,304</u>      |
| <i>Net cash provided by (used for) operating activities</i>  | <u>\$ 1,548,500</u> |

The accompanying notes are an integral part of the financial statements.



**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 1 – Summary of Significant Accounting Policies**

**1.A. Financial Reporting Entity**

Caddo County Governmental Building Authority is a public trust created and established pursuant to the term of Title 60, Oklahoma Statutes 2003, Section 176 et seq.; as amended and supplemented, the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The Authority was created October 30, 2003, for the benefit of Caddo County, State of Oklahoma, governmental agencies, municipalities and private entities, agencies and citizens included, in whole or in part within the corporate limits of Caddo County, in making the most efficient use of all of their economic resources and powers in accord with the needs and benefit of the State of Oklahoma and Caddo County in order to lessen the burdens on government and to stimulate economic growth and development of the Caddo County; to inventory the services, facilities and resources of the Caddo County, to own, operate and manage jails, prisons, correctional and related facilities; to foster and promote an improved economic climate within the Caddo County and to otherwise promote its general welfare and prosperity and to finance any and all programs, utilities, facilities or resources promoting or intending to promote any of the foregoing and, without restriction, in furtherance of the foregoing general objectives.

**Related Organizations**

**Caddo County** Caddo County is the beneficiary of this public trust. The elected Caddo County Commissioners, Sheriff and District Attorney are also the Authority's trustees. Therefore, the Authority is considered to be a component unit of Caddo County.

The accompanying financial statements include all functions and activities over which the Authority exercises financial accountability. Caddo County Governmental Building Authority is a component unit of the governmental entity of Caddo County, Oklahoma. Caddo County's financial information is not presented in these financial statements. Caddo County financial audits are readily obtainable at, [www.sai.ok.gov](http://www.sai.ok.gov), the State Auditor's website.

**1.B. Basis of Presentation**

The Authority's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. All the activities of the Authority are business-type activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**1.C. Measurement Focus and Basis of Accounting**

Measurement focus refers to how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recognized and recorded in the financial statements regardless of the measurement focus applied.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies, (continued)**

**1.C. Measurement Focus and Basis of Accounting, (continued)**

The Authority's financial statements use the economic resources measurement focus and are presented on the modified cash basis of accounting. Revenues are recognized when they are received and expenses are recorded when paid with the following modifications:

- Capital assets and the depreciation of those assets, where applicable
- Long-term debt is recorded when incurred

This basis is a basis of accounting other than accounting principles generally accepted in the United States of America. If the Authority utilized the basis of accounting recognized as generally accepted, the financial statements would use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

**1.D. Assets, Liabilities and Net Position**

Cash and Cash Equivalents – The Authority considers all cash on hand, demand deposits, interest bearing checking accounts and time deposit accounts including certificates of deposit and U.S. Treasury bills with maturities of three months or less to be cash and cash equivalents.

Restricted Assets – Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are as follows:

**Refunding Revenue Fund** – The account receives sales tax income that comes from 3/8<sup>ths</sup> of one-cent county sales tax that is restricted for servicing the principal and interest payments of the sales tax revenue refunding bonds.

**Gross Revenue Fund** – The account receives sales tax income that comes from 3/8<sup>ths</sup> of one-cent county sales tax that is restricted for servicing the principal and interest payments of the sales tax revenue refunding bonds and for operations.

**Project Fund** - The account is restricted by the bond indenture for the remodel of the county courthouse and confinement facility construction.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies, (continued)**

**1.D. Assets, Liabilities and Net Position, (continued)**

Land – The Authority currently owns land valued at \$116,909.

Capital Assets – Capital assets acquired are capitalized and stated at historical cost or estimated historical cost, if actual historical cost is not available. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed. The Authority does not have a capitalization threshold amount. Depreciation of exhaustible capital assets are recorded as an expense over the estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

|                         |              |
|-------------------------|--------------|
| Detention Center        | 40 Years     |
| Building Renovations    | 40 Years     |
| Equipment and Furniture | 7 - 10 Years |

Bonds Payable - Bonds Payable to be repaid from the Authority resources are reported as liabilities in the Statement of Net Position. See Note 6.

Net Position – Net Position is divided into three components:

- a. *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies, (continued)**

**1.E. Revenues and Expenses**

Sales Tax – On August 11, 2009, voters in Caddo County approved a proposition increasing the County sales tax levy by three-quarters of one percent (3/4 of one percent) (the "Sales Tax"). Three-eighths of one percent (.375 of one percent) of the Sales Tax terminates after 30 years or at the date of retirement of any new indebtedness incurred related thereto, whichever occurs earlier, and the remaining three-eighths of one percent (.375 of one percent) of the Sales Tax allocated for operations and maintenance of the County detention facility and County wide dispatch center and other public safety expenses to continue until repealed by a majority of the electors of the County. During the term of indebtedness, the entire three-quarters of one percent (3/4 of one percent) Sales Tax is pledged first for debt service and only then for operations and maintenance of the detention facility and County wide dispatch center and other public safety expenses to the extent available (three-eighths of one percent (.375 of one percent)).

Operating and Non-operating Revenues - Operating revenues are considered those whose cash flows are related to operating activities, while revenues related to financing, capital and investing activities are reported as non-operating.

Expenses - The Authority reports expenses relating to the use of economic resources.

**1.F. Estimates**

Certain estimates are made in the preparation of the modified cash basis financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

**Note 2 - Deposits, Investments, and Collateral**

Deposits and Investments – The Authority does not have a written investment policy that limits its investment choices. Investments are limited by state statute and declaration of trust.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a written policy for custodial risk, but *Oklahoma Statutes* requires collateral for all uninsured deposits of public trust funds in financial institutions. At June 30, 2024, the Authority was not exposed to custodial credit risk.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 3 - Restricted Assets**

The amounts reported as restricted assets on the Statement of Net Position are comprised of cash restricted by bond indenture or governing body. The restricted assets as of June 30, 2024 were as follows:

| <u>Type of Restricted Asset</u> | <u>Restricted Cash and<br/>Cash Equivalents</u> |
|---------------------------------|---|
| Restricted by Bond Indenture    | \$ 3,141,268                                    |

**Note 4 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

|                                | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|--------------------------------|------------------------------|------------------|------------------|---------------------------|
| Non-depreciable assets:        |                              |                  |                  |                           |
| Land                           | \$ 116,909                   | \$ -             | \$ -             | \$ 116,909                |
| Total non-depreciable assets   | 116,909                      | -                | -                | 116,909                   |
| Depreciable assets:            |                              |                  |                  |                           |
| Detention center facilities    | 16,732,968                   | -                | -                | 16,732,968                |
| Equipment and furniture        | 19,795                       | -                | -                | 19,795                    |
| Total depreciable assets       | 16,752,763                   | -                | -                | 16,752,763                |
| Less accumulated depreciation: |                              |                  |                  |                           |
| Detention center facilities    | 3,906,466                    | 418,324          | -                | 4,324,790                 |
| Equipment and furniture        | 15,762                       | 1,980            | -                | 17,742                    |
| Total accumulated depreciation | 3,922,228                    | 420,304          | -                | 4,342,532                 |
| Net depreciable assets         | 12,830,535                   | (420,304)        | -                | 12,410,231                |
| Net capital assets             | \$12,947,444                 | \$ (420,304)     | \$ -             | \$12,527,140              |

**Note 5 - Lease Agreement and Operation and Maintenance Contract**

On September 2, 2010 the Authority (lessor) and the County (lessee) entered into a lease agreement and operation and maintenance contract, whereby the County leases the detention facilities from the Authority and agrees to operate and maintain the jail facilities or to pay the cost thereof. The lease term commences September 2, 2010 and ends September 2, 2041, unless terminated sooner: provided that all indebtedness secured by the facilities has been paid. The funding and amounts of the debt payments are described in Note 6.

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 6 - Long-term Debt**

Sales Tax Revenue Refunding Bonds Series 2018:

In July 2018 the Authority issued \$15,000,000 in 3.00% to 5.00% sales tax refunding bonds to refund the sales tax revenue bonds series 2010. The bonds are payable from and secured by a pledge of the gross proceeds of three quarters (0.75) of one percent county sales tax approved by a majority of voters in Caddo County. The maturity date of the bonds is September 2040. Principal payments made totaled \$430,000 and interest payments totaled \$572,831. The sales tax revenue refunding bond balance on June 30, 2024 was \$13,265,000.

Changes in long-term obligations for the year ended June 30, 2024, are as follows:

|                                  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> | <u>Balance Due<br/>in 1 year</u> |
|----------------------------------|------------------------------|------------------|------------------|---------------------------|----------------------------------|
| <b>Business-type Activities:</b> |                              |                  |                  |                           |                                  |
| Notes from direct borrowings     | \$ 13,695,000                | \$ _____ -       | \$ 430,000       | \$13,265,000              | \$ 475,000                       |

| <u>Year Ending June 30,</u> | <u>Business-type Activities</u>     |                     |
|-----------------------------|-------------------------------------|---------------------|
|                             | <u>Notes from Direct Borrowings</u> |                     |
|                             | <u>Principal</u>                    | <u>Interest</u>     |
| 2025                        | 475,000                             | 554,956             |
| 2026                        | 510,000                             | 539,863             |
| 2027                        | 535,000                             | 518,519             |
| 2028                        | 575,000                             | 490,769             |
| 2029                        | 615,000                             | 461,019             |
| 2030-2034                   | 3,695,000                           | 1,832,972           |
| 2035-2039                   | 4,675,000                           | 1,239,050           |
| 2040-2041                   | <u>2,185,000</u>                    | <u>138,575</u>      |
|                             | <u>\$ 13,265,000</u>                | <u>\$ 5,775,723</u> |

**CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2024**

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**Note 6 - Long-term Debt, (continued)**

In the event of default, at its sole option and discretion (after first giving the Authority one hundred twenty (120) days written notice to comply therewith and failure of the Authority to so comply within said one hundred twenty (120) day period), either in its own name or in the name of the Authority, the Trustee may exercise any legal remedy it may have in law or in equity, including, but not limited to any one or more of the following: acceleration of maturities; compromise or discharge any such liens, adverse claims and demands, claim or liability, and encumbrances; make any such repairs; eliminate any such waste; cause each such statute, rule or regulation to be complied with; procure and provide any such insurance; enter an appearance in and defend against any such judicial or other proceedings and file and prosecute therein such cross-petition or counterclaim as to the Trustee may deem proper; institute and prosecute all such suits and actions as may be deemed necessary, expedient or advisable to allay and remove any such adverse claim or other difficulty or obstacle, and (without limitation by virtue of the express enumeration of powers hereinabove) as it may deem proper for the protection of the Trust Estate and the Bonds, all at the Authority's expense. Upon the occurrence of any Event of Default described in the Indenture, the Trustee may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall, by notice in writing delivered to the Authority, declare the principal of all Bonds then outstanding and the interest accrued thereon including any other indebtedness, obligations and sums secured by the Indenture, including attorney's fees, immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

**Note 7 - Risk Management**

As per the lease agreement as described in Note 5 the County (lessee) will carry and maintain insurance with respect to the facilities and has secured insurance through The Association of County Commissioners of Oklahoma Self-Insurance Group (ACCO-SIG). Property is insured for \$8,600,000, there is comprehensive insurance coverage of \$1,000,000. Coverage is subject to a \$25,000 deductible.

**Note 8 - Economic Dependency**

The Authority is dependent upon repayment of bonds solely from the County sales tax revenue.

**Note 9 - Subsequent Events**

Subsequent events were evaluated through the date of the audit report, which is the date the financial statements were available to be issued and it has been determined that no additional information needs to be added to the financial statements.

***REPORT ON INTERNAL CONTROL  
AND COMPLIANCE***





CERTIFIED PUBLIC ACCOUNTANTS

**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***

The Honorable Board of Trustees  
Caddo County Governmental Building Authority  
Anadarko, 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 modified cash basis financial statements of the business-type activities of the Caddo County Governmental Building Authority, Anadarko, Oklahoma, a component unit of Caddo County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated, September 24, 2024. Our report on the financial statements disclosed, that, as described in Note 1 to the financial statements, the Authority prepares its financial statements on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Caddo County Governmental Building Authority, Anadarko, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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. Given these limitations, during our audit we did

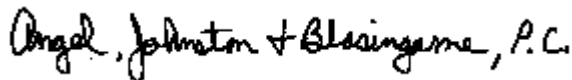
not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Caddo County Governmental Building Authority, Anadarko, 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 financial statements. 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.



Chickasha, Oklahoma  
September 24, 2024