

Independent Auditor's Report

Caddo County Governmental Building Authority

Year Ended June 30, 2021

CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY
ANADARKO, OKLAHOMA
June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes determining that the modified cash basis of accounting is an acceptable basis for 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

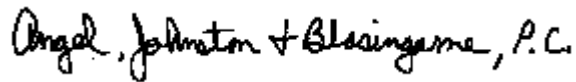
In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the business-type activities of the Caddo County Governmental Building Authority, Anadarko, Oklahoma as of June 30, 2021, and the changes in modified cash 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated TBD, 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 13, 2021

CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY
Statement of Net Position
Modified Cash Basis
June 30, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$ 103,677
<i>Total Current Assets</i>	103,677

Non Current Assets

Restricted cash and cash equivalents	1,839,516
Land and other non-depreciable assets	116,909
Other capital assets, net of depreciation	13,671,142
<i>Total Non Current Assets</i>	15,627,567

<i>Total Assets</i>	15,731,244
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LIABILITIES

Current Liabilities

Current portion long term debt	360,000
<i>Total Current Liabilities</i>	360,000

Long-term Liabilities

Bonds payable	14,090,000
<i>Total Long-term Liabilities</i>	14,090,000

<i>Total Liabilities</i>	14,450,000
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NET POSITION

Net investment in capital assets	(661,949)
Restricted	1,839,516
Unrestricted	103,677
	1,281,244

<i>Total Net Position</i>	\$ 1,281,244
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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, 2021

Operating Revenues	
Sales tax income	\$ 1,472,845
Administration fees	14,450
<i>Total Operating Revenues</i>	1,487,295
 Operating Expenses	
Professional fees	31,100
Detention center/911	562,000
Selling expense	1,446
Depreciation expense	420,304
<i>Total Operating Expenses</i>	1,014,850
<i>Operating Income (Loss)</i>	472,445
 Non Operating Revenues (Expenses)	
Interest income	4,285
Interest expense	(629,331)
Gain on sale of land	60,850
<i>Total Non Operating Revenues (Expenses)</i>	(564,196)
<i>Change in Net Position</i>	(91,751)
<i>Net Position - Beginning of Year</i>	1,372,995
<i>Net Position - End of Year</i>	\$ 1,281,244

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, 2021

Cash flows from operating activities	
Receipts for sales tax	\$ 1,472,845
Receipts for administration fees	14,450
Payment to vendors	(594,546)
<i>Net cash provided by (used for) operating activities</i>	<u>892,749</u>
Cash flows from capital and related financing activities	
Payment for bond principle	(320,000)
Payment for interest	(629,331)
Sale of land	60,850
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>(888,481)</u>
Cash flows from investing activities	
Interest received	4,285
<i>Net cash provided by (used for) investing activities</i>	<u>4,285</u>
 <i>Net increase (decrease) in cash and cash equivalents</i>	 8,553
<i>Cash and cash equivalents at beginning of year</i>	<i>1,934,640</i>
<i>Cash and cash equivalents at end of year</i>	<u><u>\$ 1,943,193</u></u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 103,677
Restricted cash and cash equivalents	<u>1,839,516</u>
Total cash and cash equivalents	<u><u>\$ 1,943,193</u></u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 472,445
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><u>\$ 892,749</u></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, 2021

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, 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, 2021

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^{ths} 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^{ths} 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, 2021

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
Food Service Equipment	25 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, 2021

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 per cent (.375 of one per cent) 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 per cent (.375 of one per cent) 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 per cent (.375 of one per cent)).

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, 2021, 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, 2021

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, 2021 were as follows:

Type of Restricted Asset	Restricted Cash and Cash Equivalents
Restricted by Bond Indenture	\$1,839,516

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
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	2,651,494	418,324	-	3,069,818
Equipment and furniture	9,824	1,979	-	11,803
Total accumulated depreciation	2,661,318	420,303	-	3,081,621
Net depreciable assets	14,091,445	(420,303)	-	13,671,142
Net capital assets	\$14,208,354	\$ (420,303)	\$ -	\$13,788,051

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, 2021

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. Payments made totaled \$949,331 of which \$629,331 was interest. The sales tax revenue refunding bond balance on June 30, 2021 was \$14,450,000.

Changes in long-term obligations for the year ended June 30, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Balance Due in 1 year</u>
Business-type Activities:					
Notes from direct borrowings	\$ 14,770,000	\$ -	\$ 320,000	\$14,450,000	\$ 360,000

<u>Year Ending June 30,</u>	<u>Business-type Activities</u>	
	<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2022	360,000	612,331
2023	395,000	593,456
2024	430,000	572,831
2025	475,000	554,956
2026	510,000	539,863
2027-2031	3,085,000	2,294,594
2032-2036	4,075,000	1,525,884
2037-2041	<u>5,120,000</u>	<u>753,000</u>
	<u>\$ 14,450,000</u>	<u>\$ 7,446,915</u>

CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

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***

**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, 2021, 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 13, 2021. 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.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing an 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in

internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. 2021-001

Compliance and Other Matters

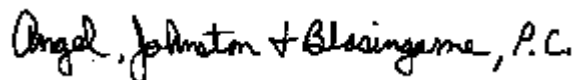
As part of obtaining reasonable assurance about whether Caddo County Governmental Building Authority, Anadarko, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-002.

Caddo County Governmental Building Authority, Anadarko, Oklahoma's, Response to Findings

Caddo County Governmental Building Authority, Anadarko, Oklahoma's response to the findings identified in our audit is described in the attached corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 13, 2021

CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY
Schedule of Findings and Responses
For the Year Ended June 30, 2021

2021-001 *Criteria* – The segregation of duties and responsibilities between different individuals for custody of assets, record keeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the Authority’s assets and ensure accurate financial reporting.

Condition – The same individual performs all accounting functions; receives emergency service related cash payments, makes bank deposits, writes checks, reconciles the monthly bank statements and prepares monthly financial summaries.

Cause – The Authority’s limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Effect or Potential Effect – Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to the accounting functions, including misappropriation of assets, could occur and not be detected within a timely basis.

Recommendation – While it may not be cost effective to hire the additional administrative staff that would be necessary in order to adequately segregate the responsibilities, the Board should consider a formal evaluation of their risks associated with this lack of segregation of duties. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with lack of segregation of duties.

Management Response – See Corrective Action Plan.

2021-002 *Criteria* - In accordance with State Statutes (O.S. 60-176(H)) Public Trusts created pursuant to this section shall file annually, with their respective beneficiaries, copies of financial documents and reports sufficient to demonstrate the fiscal activity of such trust, including, but not limited to, budgets, financial reports, bond indentures, and audits.

Condition – The Authority did not file annual budgets with Caddo County.

Cause – Oversight by management.

Effect or Potential Effect – The Authority is in violation of State Statutes.

Recommendation – The Authority trustees should ensure budgets are filed annually with the County.

Management Response – See Corrective Action Plan.

CADDO COUNTY GOVERNMENTAL BUILDING AUTHORITY
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

2020-001 *Condition* –No tracking of restricted sales tax revenue for compliance of debt retirement.

Current Status – Condition has been resolved.

AUTHORITY'S CORRECTIVE ACTION PLAN

Caddo County Treasurer

Treasurer

Regina Moser

Court House

Second and Oklahoma
P.O. Box 278
Anadarko, OK, 73005

Deputies

Kathy Castro
Delta Reynolds
Amy Whalen
Sherry McCathern

Tele: 405-247-5151

Fax: 405-247-7091

E-Mail: caddotax@sbcglobal.net

AUDIT FINDINGS CORRECTIVE ACTION PLAN

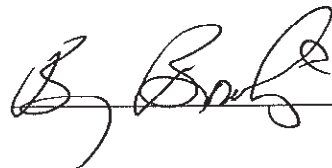
AUDIT YEAR _____

AUDIT FINDING REFERENCE NUMBER: 2021-001

MANAGEMENT RESPONSE: We will have Rhonda Johnson make out the deposit slip and have Regina Moser take the deposit to the bank.

AUDIT FINDING REFERENCE NUMBER: 2021-002

MANAGEMENT RESPONSE: We will file a annual budget with Caddo County



Board Chairman

September 13, 2021

Date