

**CITY OF GEARY, OKLAHOMA  
GEARY, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**The City of Geary, Oklahoma**  
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**Year Ended June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Geary, Oklahoma

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Geary, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Geary, Oklahoma'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, the business-type activities, and each major fund of the City of Geary, Oklahoma, as of June 30, 2023, 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 Opinions***

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 the City of Geary, 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 opinions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 City of Geary, Oklahoma'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 opinions. 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 the City of Geary, Oklahoma'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, that raise substantial doubt about the City of Geary, Oklahoma's ability to continue as a going concern for a reasonable period of time.

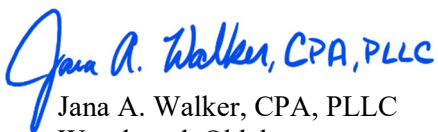
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and net pension schedules on pages 3–9 and 38–39 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2024, on our consideration of the City of Geary, Oklahoma'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 City of Geary, Oklahoma'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 City of Geary, Oklahoma's internal control over financial reporting and compliance.



Jana A. Walker, CPA, PLLC  
Woodward, Oklahoma  
August 30, 2024

Our discussion and analysis of the City of Geary's ("City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. The City's performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. This discussion focuses on the City's primary government, and unless otherwise noted, component units reported separately from the primary government are not included. Please read it in conjunction with the City's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$3,068,289 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$2,846,914. A prior period adjustment of \$90,479 was recorded to reflect grant revenues related to prior year.
- Total liabilities of the City are \$1,599,917 which consists mainly of long-term debt with the Oklahoma Water resource Board. This is decrease from prior year liabilities of \$1,772,103 due to payments made on the long-term liabilities in accordance with payment terms.
- Total net position is comprised of the following:
  - 1) Invested in capital assets, net of related debt, of \$1,606,628 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - 2) Unrestricted net position of \$651,399 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
  - 3) Reserve for restricted purposes of \$810,262 is restricted for debt and other obligations.

## OVERVIEW OF THE FINANCIAL STATEMENTS

*Management's Discussion and Analysis* introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

### **Government-wide Financial Statements**

The City's annual reporting includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indication of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other financial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities includes general government; public safety and judiciary; transportation; and cultural, parks, and recreation. Business-types activities include utility services provided by the City.

The City's financial reporting entity includes the funds of the City (primary government) and organization for which the City is accountable (component units). Management's Discussion and Analysis will focus on the City's primary government. More comprehensive information about the City's component units can be found in footnotes.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole.

The City has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements reporting short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statement is included in the basic financial statement for the General Fund. This statement demonstrates compliance with the City's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City has one type of proprietary fund, enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as water and electric utilities.

Proprietary fund statements and statements for discretely presented component units (reporting similarly to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. Those notes to the financial statement begin immediately following the basic financial statements.

### ***Other information***

In addition to the basic financial statements and accompanying noted, this report presents certain *Required Supplementary Information* concerning the City's compliance with the approved and revised budget for the General Fund.

## A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Changes in net position may be observed and used to discuss the changing financial position of the City as a whole. The following table provides a summary of the City's net position at June 30:

	Governmental Activities		Business-Type Activities		Totals		Change	
	2023	2022	2023	2022	2023	2022	\$	%
Current assets	\$ 954,191	\$ 719,062	\$ 604,931	\$ 702,165	\$ 1,559,122	\$ 1,421,227	\$ 137,895	10%
Capital assets, net	1,418,133	1,430,812	1,571,205	1,679,562	2,989,338	3,110,374	(121,036)	-4%
Pension asset	-	345,007	-	-	-	345,007	(345,007)	-100%
<b>Total assets</b>	<b>\$ 2,372,324</b>	<b>\$ 2,494,881</b>	<b>\$ 2,176,136</b>	<b>\$ 2,381,727</b>	<b>\$ 4,548,460</b>	<b>\$ 4,876,608</b>	<b>\$ (328,148)</b>	<b>-7%</b>
Deferred outflows	472,687	189,388	-	-	472,687	189,388	283,299	150%
Current liabilities	\$ 81,505	\$ 134,396	\$ 143,101	\$ 173,463	\$ 224,606	\$ 307,859	\$ (83,253)	-27%
Non-current liabilities	42,549	76,026	1,332,762	1,388,218	1,375,311	1,464,244	(88,933)	-6%
<b>Total liabilities</b>	<b>124,054</b>	<b>210,422</b>	<b>1,475,863</b>	<b>1,561,681</b>	<b>1,599,917</b>	<b>1,772,103</b>	<b>(172,186)</b>	<b>-10%</b>
Deferred inflows	352,941	446,979	-	-	352,941	446,979	(94,038)	-21%
Net position								
Invested in capital assets, net of related debt	1,356,231	1,656,102	250,397	284,748	1,606,628	1,940,850	(334,222)	-17%
Restricted	514,630	438,495	295,632	355,813	810,262	794,308	15,954	2%
Unrestricted	497,155	(67,729)	154,244	179,485	651,399	111,756	539,643	483%
<b>Total net position</b>	<b>\$ 2,368,016</b>	<b>\$ 2,026,868</b>	<b>\$ 700,273</b>	<b>\$ 820,046</b>	<b>\$ 3,068,289</b>	<b>\$ 2,846,914</b>	<b>\$ 221,375</b>	<b>8%</b>

The City reported positive balances in net position for both governmental and business-type activities. The City's overall financial position increased \$221,375 or 8% during fiscal year.

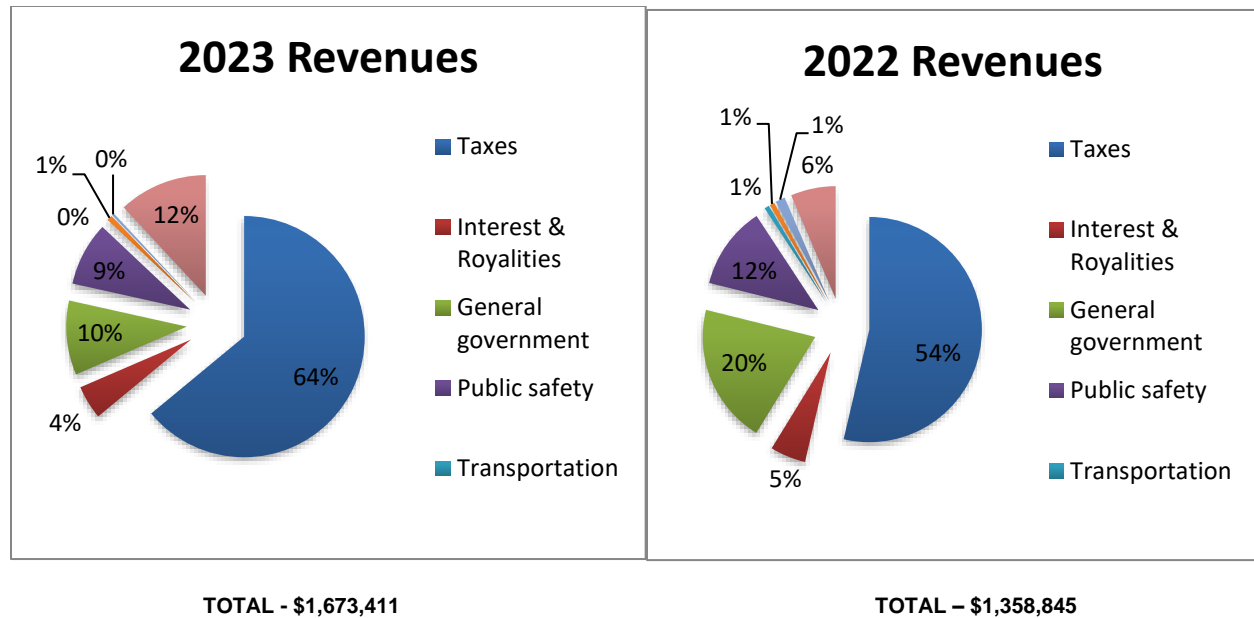
	Governmental Activities		Business-type Activities		Totals		Change	
	2023	2022	2023	2022	2023	2022	\$	%
<b>Revenues</b>								
Program revenues	\$ 327,340	\$ 472,288	\$ 2,156,633	\$ 1,576,090	\$ 2,483,973	\$ 2,048,378	\$ 435,595	21%
Taxes and other general revenues	1,346,071	886,557	34,894	135,029	1,380,965	1,021,586	359,379	35%
<b>Total revenues</b>	<b>1,673,411</b>	<b>1,358,845</b>	<b>2,191,527</b>	<b>1,711,119</b>	<b>3,864,938</b>	<b>3,069,964</b>	<b>794,974</b>	<b>26%</b>
<b>Expenses</b>								
General government	343,566	282,212	-	-	343,566	282,212	61,354	22%
Public safety and judiciary	885,541	770,208	-	-	885,541	770,208	115,333	15%
Transportation	75,887	81,667	-	-	75,887	81,667	(5,780)	-7%
Cultural, parks, and recreation	60,491	52,436	-	-	60,491	52,436	8,055	15%
Public service	6,168	9,081	-	-	6,168			
Electric	-	-	896,183	710,208	896,183	710,208	185,975	26%
Water	-	-	448,118	261,210	448,118	261,210	186,908	72%
Sewer	-	-	25,584	1,470	25,584	1,470	24,114	1640%
Sanitation	-	-	173,776	132,933	173,776	132,933	40,843	31%
Gas	-	-	438,853	338,217	438,853			
Customer service	-	-	379,875	577,796	379,875	577,796	(197,921)	-34%
<b>Total expenses</b>	<b>1,371,653</b>	<b>1,195,604</b>	<b>2,362,389</b>	<b>2,021,834</b>	<b>3,734,042</b>	<b>2,870,140</b>	<b>418,881</b>	<b>15%</b>
Excess (deficiency) before transfers	301,758	163,241	(170,862)	(310,715)	130,896	199,824	376,093	188%
Transfers	(51,089)	-	51,089	-	-	-	-	100%
<b>Increase (decrease) in net position</b>	<b>\$ 250,669</b>	<b>\$ 163,241</b>	<b>\$ (119,773)</b>	<b>\$ (310,715)</b>	<b>\$ 130,896</b>	<b>\$ 199,824</b>	<b>\$ 376,093</b>	<b>188%</b>

Total revenues for the City were \$3,864,938. During the year, the City received federal funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act related to the COVID-19 pandemic. The CARES funding was a reimbursement grant for public safety expenses incurred as a result of the pandemic.

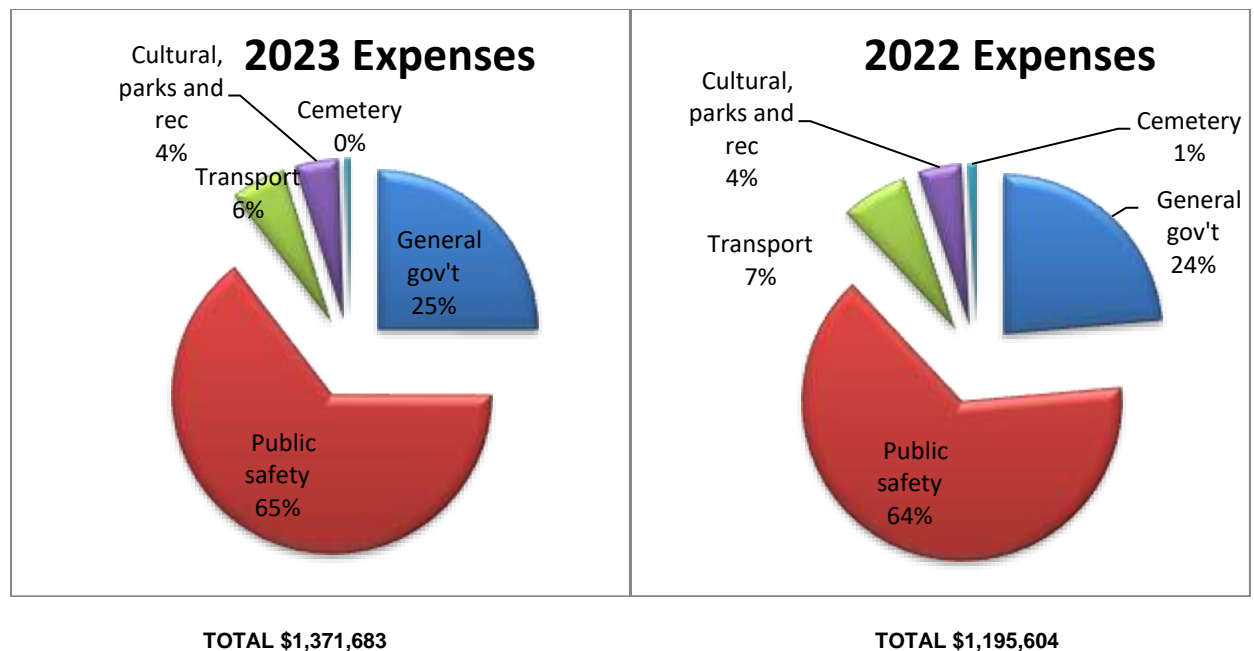
Consistent with prior year public safety and electric expenses are the largest expenses of the City.



Graphic presentations of selected data from the summary table follow to assist in the analysis of the City's activities for fiscal year 2023.



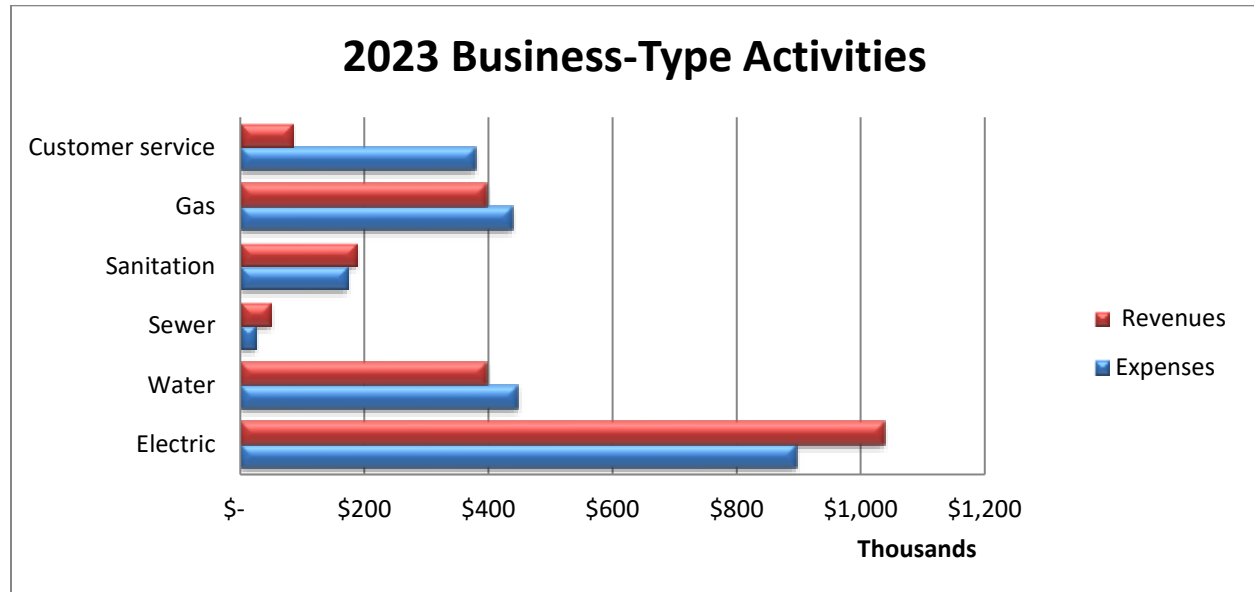
Taxes, including sales, use, and other taxes provided for 64% of the City's governmental revenues in fiscal year 2023 compared to 54% in fiscal year 2022. All other revenue sources remained consistent with prior year.



This graph shows the total governmental activities cost of \$1,371,683 in 2023. Of this amount, public safety at \$885,541 was the largest operating service cost. Public safety costs include police, fire, and judiciary, expenses. This is consistent with prior year. Standard operating costs, as well as all governmental activities expense, were primarily funded by sales tax collections as noted above.

It should be noted that governmental expenses were adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. For the government-wide full accrual statements, capital outlay expenses are eliminated, and capital assets reported.

### **Business-type Activities**



Business-type activities are shown comparing costs to revenues generated by related services. Sanitation, sewer, water, and electric activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with minimal user charges.

### **General Fund Budgetary Highlights**

The original adopted General Fund budget for fiscal year 2023 was \$1,292,149 compared to \$1,077,470 in prior year. The budget was amended during the year increasing the budget by \$74,694 for an amended total of \$1,366,843. The City complied with municipal budget regulations for the fiscal year 2023.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of June 30, 2023, the City had \$1,671,686 net investment in capital assets, including vehicles and equipment for police and fire operations, park facilities, and street activities in governmental activities and electric lines, water lines and sewer lines in business-type activities. See table below.

Primary Government Capital Assets (net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 17,024	\$ 17,024	\$ -	\$ -	\$ 17,024	\$ 17,024
Buildings	700,917	715,913	10,276	14,872	711,193	730,785
Machinery & equipment	695,605	693,288	288,877	309,464	984,482	1,002,752
Utility property & improvements	4,587	4,587	1,272,052	1,355,227	1,276,639	1,359,814
Totals	\$ 1,418,133	\$ 1,430,812	\$ 1,571,205	\$ 1,679,563	\$ 2,989,338	\$ 3,110,375

### Long-Term Debt

At year-end, the City had \$1,299,855 in long-term debt outstanding. The City's changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Capital lease payable	\$ 61,902	\$ 119,717	\$ -	\$ -	\$ 61,902	\$ 119,717
Notes payable	-	-	1,320,807	1,394,814	1,320,807	1,394,814
Pension liability	5,775	12,164	-	-	5,775	12,164
subtotal	67,677	131,881	1,320,807	1,394,814	1,388,484	1,526,695
less current portion	(25,128)	(55,855)	(63,471)	(74,021)	(88,599)	(129,876)
Totals	\$ 42,549	\$ 76,026	\$ 1,257,336	\$ 1,320,793	\$ 1,299,885	\$ 1,396,819

### ECONOMIC FACTORS AND NEXT YEARS'S BUDGET AND RATES

According to the Oklahoma State University, Spears School of Business, *Economic Outlook 2023 Summer Update* "The national economy has shown surprising resilience in the face of Federal Reserve hikes in interest rates. Whereas the Oklahoma economy continues to recover from the COVID-19 recession."

The City is committed to continuing to provide citizens with the public safety and utility services they are accustomed to as the economy continues to recover.

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office in Geary, Oklahoma.

**City of Geary, Oklahoma**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 228,031	\$ 172,977	\$ 401,008
Taxes receivable	136,472	-	136,472
Accounts receivable (net)	-	125,955	125,955
Other receivables	10,000	-	10,000
Total current assets	374,503	298,932	673,435
Restricted assets:			
Cash and cash equivalents	514,630	346,057	860,687
Investments	-	25,000	25,000
Total restricted assets	514,630	371,057	885,687
Noncurrent Assets:			
Due from other funds	65,058	(65,058)	-
Pension asset	-	-	-
Land and construction in progress	17,024	-	17,024
Other capital assets (net of accumulated depreciation)	1,401,109	1,571,205	2,972,314
Total noncurrent assets	1,483,191	1,506,147	2,989,338
Total assets	\$ 2,372,324	\$ 2,176,136	\$ 4,548,460
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on pension obligations	472,687	-	472,687
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 34,970	\$ 73,595	\$ 108,565
Payroll liabilities	21,407	6,035	27,442
Notes payable, current	25,128	63,471	88,599
Total current liabilities	81,505	143,101	224,606
Noncurrent liabilities:			
Pension obligation	5,775	-	5,775
Notes payable, non-current	36,774	1,257,337	1,294,111
Meter deposits	-	75,425	75,425
Total noncurrent liabilities	42,549	1,332,762	1,375,311
Total liabilities	124,054	1,475,863	1,599,917
DEFERRED INFLOW OF RESOURCES			
Deferred charges on pension obligations	352,941	-	352,941
NET POSITION			
Net investment in capital assets	1,356,231	250,397	1,606,628
Reserved for restricted purposes	514,630	295,632	810,262
Unrestricted	497,155	154,244	651,399
Total net position	\$ 2,368,016	\$ 700,273	\$ 3,068,289

**City of Geary, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 343,566	\$ 6,139	\$ 160,555	\$ -	\$ (176,872)
Public safety and judiciary	885,541	126,642	16,415	-	(742,484)
Transportation	75,887	-	-	-	(75,887)
Cultural, parks and recreation	60,491	948	11,235	-	(48,308)
Public service	6,168	5,406	-	-	(762)
Total governmental activities	1,371,653	139,135	188,205	-	(1,044,313)
Business-type activities:					
Electric	896,183	1,038,363	-	-	142,180
Water	448,118	333,084	-	64,930	(50,104)
Sewer	25,584	49,890	-	-	24,306
Sanitation	173,776	188,114	-	-	14,338
Gas	438,853	397,773	-	-	(41,080)
Customer service	379,875	-	84,479	-	(295,396)
Total business-type activities	2,362,389	2,007,224	84,479	64,930	(205,756)
Total primary government	\$ 3,734,042	\$ 2,146,359	\$ 272,684	\$ 64,930	\$ (1,250,069)

**City of Geary, Oklahoma**  
**Statement of Activities (continued)**  
**Year Ended June 30, 2023**

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**Changes in Net Position:**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Net (expense)/revenue	\$ (1,044,313)	\$ (205,756)	\$ (1,250,069)
General revenues:			
Taxes:			
Sales tax	959,067	-	959,067
Use tax	64,429	-	64,429
Other taxes	47,495	-	47,495
Oil and gas royalties	73,415	-	73,415
Miscellaneous income	160,735	32,786	193,521
Investment income	2,211	2,108	4,319
Change in pension obligations	38,719	-	38,719
Transfers internal activity	(51,089)	51,089	-
Total general revenues and transfers	<u>1,294,982</u>	<u>85,983</u>	<u>1,380,965</u>
Change in net position	250,669	(119,773)	130,896
Net position-beginning	2,026,868	820,046	2,846,914
Prior period adjustment	90,479	-	90,479
Net position-ending	<u><u>\$ 2,368,016</u></u>	<u><u>\$ 700,273</u></u>	<u><u>\$ 3,068,289</u></u>

**City of Geary, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 228,031
Cash and cash equivalents, restricted	514,630
Taxes receivable	136,472
Grant receivable	10,000
Due from other funds	65,058
Total assets	<u>\$ 954,191</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 34,970
Payroll liabilities	21,407
Total liabilities	<u>56,377</u>
<b>FUND BALANCES</b>	
Restricted	514,630
Committed	44,746
Assigned	980
Unassigned	337,458
Total fund balances	<u>897,814</u>
Total liabilities and fund balances	<u>\$ 954,191</u>
 Total fund balance- total governmental funds	 \$ 897,814
 Amounts reported for governmental activities in the Statement of Net assets are different be	
 Land and capital assets, net of accumulated depreciation, are not financial resources and, in the funds, and therefore, are not reported	
Land and construction in process	17,024
Capital assets	6,531,853
Less: Accumulated depreciation	<u>(5,130,744)</u>
	1,418,133
 Long-term portion of liabilities are not due and payable in the current period and are not re	
Capital lease obligations	(61,902)
Deferred outflows(inflows) on pension obliga	119,746
Net pension (obligation)/asset	<u>(5,775)</u>
	52,069
 Net position of governmental activities	 <u>\$ 2,368,016</u>

**City of Geary, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2023**

	<b>General Fund</b>
<b><u>REVENUES</u></b>	
Sales tax	\$ 959,067
Use tax	64,429
Other taxes	47,495
Licenses and permits	6,078
Rents & royalties	73,415
Fines and forfeitures	126,642
Charges for services	6,415
Intergovernmental revenues	179,720
Donations	8,485
Other revenues	160,735
Interest	2,211
Total revenues	<u>1,634,692</u>
<b><u>EXPENDITURES</u></b>	
General government:	
General government	304,921
Total general government	<u>304,921</u>
Public safety and judiciary:	
Police	785,313
Municipal court	5,058
Fire	36,640
Total public safety and judiciary	<u>827,011</u>
Transportation:	
Street	66,444
Total transportation	<u>66,444</u>
Cultural, parks and recreation:	
Library	39,110
Park and swimming pool	16,032
Total cultural, parks and recreation	<u>55,142</u>
Public service:	
Cemetery	5,300
Total public service	<u>5,300</u>
Capital outlay	<u>95,680</u>
Debt service	
Principle	57,815
Interest	4,476
Total debt service	<u>62,291</u>
Total expenditures	<u>1,416,789</u>
Excess (deficiency) of revenues over expenditures	<u>217,903</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>	
Transfers in	15,500
Transfers out	(66,589)
Total other financing sources and uses	<u>(51,089)</u>
Net change in fund balances	166,814
Fund balances - beginning	640,521
Prior period adjustment	90,479
Fund balances - ending	<u>\$ 897,814</u>



**City of Geary, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2023**

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Reconciliation of the change in fund balances - total governmental funds  
to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds \$ 166,814

Amounts reported for governmental activities in the Statement of Activities are  
different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital asset purchases capitalized	95,680	
Depreciation expense	<u>(108,359)</u>	(12,679)

The proceeds of debt issuances provide current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the statement of net assets. Repayment  
of debt principle is an expenditure in the governmental funds, but the repayment reduces  
long-term liabilities in the statement of net assets. See Note 3(E) for additional detail.

Principle payment on capital lease		57,815
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In the statement of activities, the cost of pension benefits earned net of  
employee contributions are reported as a component of pension expense.  
The fund financial statements report pension contributions as expenditures.

		<u>38,719</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 250,669</u></u>
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**City of Geary, Oklahoma**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Geary Utility Authority</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 172,977
Accounts receivable, net	125,955
Total current assets	<u>298,932</u>
Current assets:	
Restricted assets:	
Cash, including time deposits	346,057
Investments	25,000
Total restricted assets	<u>371,057</u>
Noncurrent assets:	
Capital assets (net)	1,571,205
Total noncurrent assets	<u>1,571,205</u>
<b>Total assets</b>	<u><u>\$ 2,241,194</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 73,595
Payroll liabilities	6,035
Notes payable, current	63,471
Total current liabilities	<u>143,101</u>
Noncurrent liabilities:	
Due to other funds	65,058
Notes payable, non-current	1,257,337
Meter deposits	75,425
Total noncurrent liabilities	<u>1,397,820</u>
<b>Total liabilities</b>	<u>1,540,921</u>
<b>NET POSITION</b>	
Net investment in capital assets	250,397
Restricted	295,632
Unrestricted	154,244
<b>Total fund net position</b>	<u><u>\$ 700,273</u></u>

**City of Geary, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	<b>Geary Utility Authority</b>
<b><u>Operating revenues:</u></b>	
Charges for services:	
Electric charges	\$ 1,038,363
Water charges	333,084
Sewer charges	49,890
Sanitation charges	188,114
Gas charges	397,773
Penalties	7,916
Total charges for services	<u>2,015,140</u>
Other fees and charges	<u>13,366</u>
Total operating revenues	<u><u>2,028,506</u></u>
<b><u>Operating expenses:</u></b>	
Cost of sales	620,198
Personal services	655,300
Materials and supplies	355,498
Other services and charges	492,314
Depreciation and amortization	179,244
Total operating expenses	<u><u>2,302,554</u></u>
Net operating income	(274,048)
<b><u>Nonoperating revenue (expense):</u></b>	
Other Income	11,504
Interest income	2,108
Grant income	149,409
Interest expense	(59,835)
Total nonoperating revenue (expense)	<u><u>103,186</u></u>
<b>Net Income before contributions and transfers</b>	(170,862)
Transfers from other funds	66,589
Transfers to other funds	<u>(15,500)</u>
<b>Change in fund net position</b>	(119,773)
Net position-beginning of year	<u>820,046</u>
Net position-end of year	<u><u>\$ 700,273</u></u>

**City of Geary, Oklahoma**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	<b>Geary Utility Authority</b>
<b><u>Cash flows from operating activities:</u></b>	
Receipts from customers	\$ 2,058,485
Payments to suppliers	(1,407,467)
Payments to employees	(670,597)
<b>Net cash provided (used) by operating activities</b>	<b>(19,579)</b>
<b><u>Cash flows from non-capital financing activities:</u></b>	
Transfers from other funds	66,589
Transfers to other funds	(15,500)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>51,089</b>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Purchase of capital assets	(70,886)
Principal paid on capital debt	(74,006)
Interest paid on capital debt	(59,835)
Intergovernmental (grant) funding received	149,409
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(55,318)</b>
<b><u>Cash flows from investing activities:</u></b>	
Change in investments	10,003
Investment income	2,108
<b>Net cash provided (used) by investing activities</b>	<b>12,111</b>
Net increase (decrease) in cash and cash equivalents	(11,697)
Cash & cash equivalents, beginning of the year	530,731
Cash & cash equivalents, end of the year	<b>\$ 519,034</b>
Cash, including time deposits	\$ 172,977
Restricted cash, including time deposits	346,057
Total cash and cash equivalents, end of year	<b>\$ 519,034</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>	
Operating income (loss)	\$ (274,048)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	179,244
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	21,979
Increase (decrease) in accounts payable	(4,515)
Increase (decrease) in payroll liabilities	(15,297)
Increase (decrease) in intercompany payable	65,058
Increase (decrease) in meter deposits	8,000
Total adjustments	254,469
<b>Net cash provided (used) by operating activities</b>	<b>\$ (19,579)</b>

**CITY OF GEARY**  
**Geary, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Geary, Oklahoma, (the "City") is organized under the statutes of the State of Oklahoma and governed by a five-member Council. The City provides standard municipal services as authorized by state statutes: general government, public safety (fire and police), streets, parks and recreation, and through the Utility Authority, certain utility services including electricity, water, sewer, sanitation, and gas.

The City, for financial purposes, includes all of the funds and account groups relevant to the operation of the City of Geary. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City.

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance City services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government as an integral part of City operations although retaining separate legal identity. Component units that do not meet the criteria from blending are reported discretely. The City does not report any discrete component units.

**Blended Component Units Reported with Primary Government**

Geary Utility Authority (the "Authority") – was established to acquire, construct, develop, equip, operate, maintain, repair, enlarge and remodel water, sewer, gas and electric facilities for the City of Geary. The water, sanitary sewer, electric, gas, and solid waste disposal systems owned by the City have been leased to GUA until such date that all indebtedness of the Authority is retired or provided for. GUA is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991 Section 176, et seq., and is governed by a board consisting of five trustees identical with the City Council. GUA is exempt from State and Federal Income taxes. GUA is reported as an enterprise fund.

**B. Basis of Presentation**

**Government-Wide Financial Statements:**

The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities. The statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Individual funds are not displayed by the statements.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services with usage fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which

**CITY OF GEARY**  
**Geary, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenues sources not properly included with program revenues are reported as general revenues.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or utility services.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The City has no fiduciary funds.

**Measurement Focus and Basis of Accounting**

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America, GAAP. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting. Proprietary and fiduciary fund financial statements and financial statements of the City's component units also report using the same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considered revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenses are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include sales and use taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of provided goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**Restricted Assets**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2023

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**Unrestricted Fund Balance**

When an expenditure is incurred for purposes for which amounts in either committed, assigned or unassigned fund balance are available for use, it is the City's policy to use committed resources first, then assigned, then unassigned resources as needed.

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reporting amounts and disclosures; accordingly, actual results could differ from those estimates.

**Interfund Balances**

Generally, outstanding balances between funds reported and due to/due from other funds include outstanding charges by one fund to another for services or goods or miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are described as due to/due from other funds.

**C. Fund Types and Major Funds**

The following are the City's major governmental funds:

General Fund — is the main operating fund of the City. It accounts and reports for all financial resources not required to be reported in another fund.

Other governmental funds of the City that are considered non-major funds include:

Special Revenue Funds — account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes (not including major capital projects). The City has one Special Revenue Fund: Street and Alley which accounts for the gas excise tax and motor vehicle tax received by the City. Management has elected to report this fund as a major within the financial statements.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the determination of revenues earned, costs incurred and/or net income is necessary for capital maintenance, public policy or management accountability. The following is the City's major enterprise fund:

Geary Utility Authority — accounts for the operations of providing electric, water, sewer, sanitation, and gas services to the citizens of the City.

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2023

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**D. Budgets and Budgetary Accounting**

*Budget Policy and Practice*

The City Clerk submits an annual budget to the Board of Trustees in accordance with the City Charter and the Oklahoma Municipal Budget Act. The budget is presented to the Board of Trustees for review, and public hearings are held to address priorities and the allocation of resources. In June, the Board of Trustees adopts the annual fiscal year budgets for City operating funds. Budget amendments or supplements may be made during the year when unexpected modifications are required in estimated revenues and appropriations. Budget amendments are recommended by the City Clerk and must be approved by the board of Trustees. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Board of Trustees review and approval process.

*Budgetary Control*

Each fund's appropriated budget is prepared on a line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: personal services, other services and charges, materials and supplies, capital outlay, transfers, and debt service. This legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Board approval.

*Budget Basis of Accounting*

The combined statements of revenues, expenditures and changes in fund balances (budget and actual) present comparisons of legally adopted budgets with actual data on a budgetary basis. The budgetary basis of accounting differs from GAAP in that the cash basis of accounting is used. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. All appropriations (including encumbered) lapse at year-end; any open encumbrances to be honored in the subsequent budget year are reappropriated in the new year's budget. As a result, no reserve for encumbrances is reported at year-end.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**E. Assets, Liabilities and Equity**

**Deposits and Investments**

For financial statement presentation and for purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with maturity date of three months or less.

The City invested in certificates of deposit for the year ended June 30, 2023.



**CITY OF GEARY**  
**Geary, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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**Receivables and Payables**

Receivables in governmental funds and governmental activities include tax accruals and intergovernmental revenues such as grant requests, as they are both measurable and available. These receivables are due within one year.

Proprietary fund and business-type activities receivables include revenues earned at year end but not yet received. Utility accounts receivable, both billed and unbilled, comprise the majority of the receivables.

All trade receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectible.

**Restricted assets**

Restricted assets include assets legally restricted for capital projects funded through long-term debt, debt service reserves, facility charges, and Federal, State, and private grants. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements. Assets restricted for acquisition or construction of non-current assets or assets restricted for liquidation of long-term debt are reported with non-current assets.

It is the City's policy when purchasing goods or services, or servicing debt for which resources have been restricted, to use restricted resources first and then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with the current assets and current liabilities in the financial statements.

**Capital Assets**

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary and component unit capital assets are also reported in their respective fund and combining component units' financial statements. Donated assets are stated at fair value on the date donated. Capital assets are defined by the City as assets with at cost along with an estimated useful life in excess of one year.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

<u>Description</u>	<u>Estimated Life</u>
Buildings & Improvements	40-100 years
Plants & Facilities	40-100 years
Furniture & Major Movable Equipment	10-40 years
Infrastructure	40-100 years

Major outlays for capital assets and improvements are recorded as construction in progress and are not depreciated until placed in service.

# CITY OF GEARY

Geary, Oklahoma

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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### Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets and liabilities, the statement of financial position and the governmental fund balance sheet may report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

### Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation time. Full-time and part time regular employees who have been employed continuously for at least 12 months are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City.

### Fund Equity

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on its use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

#### Nonspendable Fund Balance

Fund balances reported as non-spendable includes amounts that cannot be spent because they are either not in spendable form or not expected to be converted to cash including inventories and non-current receivables.

#### Restricted Fund Balance

Restricted fund balance includes amounts that are constrained for a specific purpose which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

#### Committed Fund Balance

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.

## CITY OF GEARY

Geary, Oklahoma

### NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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#### Assigned Fund Balance

Assigned fund balance includes amounts that are intended to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council had designated that authority.

#### Unassigned Fund Balance

Unassigned fund balance includes balances that has not been assigned to other funds and had not been restricted, committed, or assigned to specific purposes within the general fund.

#### **Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **F. Detailed Notes on Account Balances**

##### **Deposits and Investments**

###### *Custodial Credit Risk*

At June 30, 2023, the City held deposits of approximately \$1,335,000 at financial institutions. The City's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depositor Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the City or by it's agent in the City's name.

###### *Investment Interest Rate Risk*

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

# CITY OF GEARY

Geary, Oklahoma

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

### Capital Assets

Primary Government capital asset activity for the year ended is as follows:

	Primary Government		
	Balance at July 1, 2022	Additions	Deletions
			Balance at June 30, 2023
<b>Governmental Activities</b>			
<u>Depreciable Assets</u>			
Land	\$ 17,024	\$ -	\$ -
Vehicles	483,527	13,576	-
Buildings	1,429,618	27,945	-
Equipment	4,447,204	54,159	-
Capitalized Leases	75,824	-	-
Total	\$ 6,453,197	\$ 95,680	\$ -
<u>Less accumulated depreciation</u>			
Accumulated depreciation	\$ 5,022,385	\$ 108,359	\$ -
<b>Net Governmental Activities Fixed Assets</b>	<b>\$ 1,430,812</b>	<b>\$ (12,679)</b>	<b>\$ -</b>
<u>Depreciable Assets</u>			
Buildings & structures	\$ 410,850	\$ -	\$ -
Equipment	1,378,935	28,303	-
Vehicles	383,917	-	-
Infrastructure	10,147,468	42,583	-
Total	\$ 12,321,170	\$ 70,886	\$ -
<u>Less accumulated depreciation</u>			
Accumulated depreciation	\$ 10,641,607	\$ 179,244	\$ -
<b>Net Business Activities Fixed Assets</b>	<b>\$ 1,679,563</b>	<b>\$ (108,358)</b>	<b>\$ -</b>
<b>Total primary government</b>	<b>\$ 3,110,375</b>	<b>\$ (121,037)</b>	<b>\$ -</b>

**CITY OF GEARY**

Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2023

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

Cemetery	\$ 868
Fire	17,910
Gen Government	38,645
Parks	593
Police	36,144
Pool	4,756
Street	9,443
Total Depreciation Expense - Governmental Activities	<u>\$ 108,359</u>

**Business-type Activities**

Administration	\$ 7,106
Electric	15,807
Gas	33,163
Sanitation	13,401
Sewer	16,935
Water	92,832
Total Depreciation Expense - Business-Type Activities	<u>\$ 179,244</u>

**Long-term Liabilities**

Long term debt of the primary government is detailed below.

Governmental Activities

A note payable to Oklahoma State Bank, collateralized by fire station. Note is dated October 8, 2015 with monthly payments of \$2286.43 through November 15, 2025 with interest at 4.48% until maturity.

\$ 61,902

Total Governmental Activities

\$ 61,902

Business-type Activities

Note payable to Cornerstone Bank, Watonga, Oklahoma, collateralized by the garbage truck. Note was originally dated January 4, 2012 but has been rolled into a new note at 2.77% until maturity.

\$ 3,438

A note payable to Oklahoma Municipal Power Authority, collateralized by the equipment purchased. Note is dated November 9, 2017 with monthly payments of \$698 with interest at 3.7% until maturity.

11,546

A note payable to Oklahoma Water Resources Board, secured by utility revenues and accounts, contract rights and other assets owned by the Geary Utilities Authority. The note is payable beginning March 15, 2013 in monthly installments of \$8,415 including interest and administrative fee at 3.99%

1,305,823

Total Propriety Fund long-term debt

\$ 1,320,807

Total Primary Government long-term debt

\$ 1,382,709

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2023

The following is a summary of long-term liabilities for the year ended June 30, 2023:

<b>Primary Government Long-Term Debt</b>						
	<b>Original Amount</b>	<b>Balance Outstanding 7/1/2022</b>	<b>Issued</b>	<b>Retired or Defeased During Year</b>	<b>Balance Outstanding 6/30/23</b>	<b>Current Portion</b>
<u>Governmental Activities</u>						
Oklahoma State Bank	\$ 93,302	\$ 31,723	\$ -	\$ 31,723	\$ -	\$ -
Welch State Bank	220,500	87,994	-	26,092	61,902	25,128
<u>Business-type Activities</u>						
OWRB	1,773,543	1,352,543	-	46,720	1,305,823	48,487
OPA	51,600	19,340	-	7,794	11,546	11,546
Cornerstone Bank	109,852	22,931	-	19,493	3,438	3,438
<b>Total</b>	<b><u>\$ 2,248,797</u></b>	<b><u>\$ 1,514,531</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 131,822</u></b>	<b><u>\$ 1,382,709</u></b>	<b><u>\$ 88,599</u></b>

The annual debt service requirements to maturity, including principal and interest, for long-term debt are as follows:

<b>Year Ending June 30</b>					
Year	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	
2024	25,128	2,309	63,471	44,003	
2025	26,285	1,152	50,611	41,843	
2026	10,489	128	52,679	40,034	
2027	-	-	54,831	38,151	
2028	-	-	56,953	36,295	
2029-2033	-	-	322,187	148,745	
2034-2038	-	-	393,650	86,237	
2039-2042	-	-	326,425	16,093	
<b>Total</b>	<b><u>\$ 61,902</u></b>	<b><u>\$ 3,589</u></b>	<b><u>\$ 1,320,807</u></b>	<b><u>\$ 451,401</u></b>	

**G. OTHER INFORMATION**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City purchases commercial insurance to cover these and other risks, including general auto liability, property damage, and public officials' liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**CITY OF GEARY**  
**Geary, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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The City is a member of the Oklahoma Municipal Assurance Group Workers' Compensation Plan (the Plan), an organization formed for the purpose of providing workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the Plan year.

As a member of the Plan, the City is required to pay fees set by the Plan according to an established payment schedule. The City is responsible for complying with all requirements of the Oklahoma Workers' Compensation Act. A Loss Fund has been established from the proceeds of fees paid by the City. The City expensed these fees when paid. The State Insurance Fund provides coverage in excess of the Loss Fund so the City's Liability for claim loss is limited to the balance of that fund. However, failure of the State Insurance Fund to honor its obligations could result in losses to the Plan.

**Contingent Liabilities**

The City is a defendant in ongoing litigation and various legal actions arising from normal governmental activities. Although most of such actions are covered by insurance, certain actions might have some degree of exposure to the City. The outcome of these lawsuits is not presently determinable, and it is not known if the resolution of these matters will have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**Employee Retirement System and Other Benefit Plans**

The City participates in two employee pension systems as follows:

- Oklahoma Firefighters Pension and Retirement Plan-Cost Sharing Multiple Employer-Defined Benefit Plan
- Oklahoma Municipal Retirement Fund-(OkMRF) Agent Multiple Employer- Defined Benefit Plan

**Oklahoma Firefighters Pension & Retirement Plan**

Plan Description – The City of Geary, as the employer, participates in the Firefighters Pension and Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension and Retirement System (OFPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OFPRS. OFPRS issues a publicly available financial report that can be obtained at [www.ok.gov/FPFRS](http://www.ok.gov/FPFRS).

Benefits Provided – The OFPRS provides retirement, death and disability benefits to plan members. Benefits for members hired prior to November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and when the employee has reached the age of 50 or has completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service.

**CITY OF GEARY**  
**Geary, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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Benefits for members hired after November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and have reached the age of 50 or has completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty benefit is calculated based on 2.5% of final average monthly compensations, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service, with a maximum of payout benefit of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$ 5,000 death benefit does not apply to members electing the vested benefit.

Contributions – The contribution requirements of the plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Plan members are required to contribute 9.0% of their annual covered salary and the City contributes 14.0% of annual covered payroll. Contributions to the OFPRS for the year ended June 30, 2023, for employees and employer were \$120

Pension liabilities, pension expense, and deferred outflows and inflows of resources related to pensions – As of June 30, 2023, the City reported a net pension liability of \$3,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportionate share was 0.00259 percent.

For the year ended June 30, 2023, the City recognized \$471 in pension expense. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2023

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 435	\$ 17
Changes of assumptions	-	22
Net difference between projected and actual earnings on pension plan investments	1,495	1,102
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	120	-
Total	<u>\$ 2,050</u>	<u>\$ 1,141</u>

Amortization of Pension Deferrals – \$120 reported as deferred inflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ 210
2024	172
2025	49
2026	358
2027	-

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2022 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9% average, including inflations
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	Based on RP-2000 combined healthy with blue collared adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2023

are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.18%
Domestic equity	8.70%
International equity	10.87%
Real estate	7.23%
Other assets	6.24%

Discount rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Town's proportionate share of the net pension liability	4,364	3,387	2,569

Payables to the Pension Plan – There are no payables to the pension plan for the year ended June 30, 2023.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OFPRS; which can be located at [www.ok.gov/FPRS](http://www.ok.gov/FPRS).

**Oklahoma Municipal Retirement Fund - Defined Benefit Plan**

Plan Description – The Oklahoma Municipal Retirement Fund Employee Retirement System of Geary, Oklahoma (the Plan) is a defined benefit retirement plan covering City employees not covered by other plans. The City contributes to the OMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The OMRF plan issues a separate financial report and can be obtained from OMRF or from their website: [www.okmrf.org/reports.html](http://www.okmrf.org/reports.html). Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

Summary of Significant Accounting Policies – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OMRP plans' fiduciary net position is available in the separately issued OMRF financial report.

Eligibility Factors and Benefit Provisions

Provision	July 1, 2022 through June 30, 2023
Eligibility	All regular, full-time employees except police, firefighters, and other employees who are covered under an approved system.
Contributions	Employer 4.62% of pay, Employee 1.98% of pay
Service:	
Credited service	The last period of continuous employment with the City
Vesting	Credited service plus transferred service from other OMRF employers.
Benefit eligibility	10 or more years of service
Final average compensation	Average of 5 highest consecutive years of salaries out of the last 10 years of service
Accrued benefit	Plan AA 2.625% of final average compensation multiplied by the number of years of credited service.
Normal retirement age	Age 65 with 10 or more years of vesting service
Normal retirement	
Eligibility	Termination of employment on or after normal retirement age.
Benefit	The accrued benefit payable immediately.
Early retirement	
Eligibility	Termination after age 55 with 10 or more years of vesting service.
Benefit	The accrued benefit payable starting at normal retirement age, or the accrued benefit reduced 5% per year for commencement prior to normal retirement age.
Disability retirement	
Eligibility	Total and permanent disability after 10 or more years of service.
Benefit	The accrued benefit is payable upon disablement without reduction for early payment.
Termination before retirement age	
Before vesting	Return of employee contributions, if any, with interest
After vesting	The accrued benefit payable starting at normal retirement age, or a reduced benefit payable at an early retirement age.

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

In-service death		
Before vesting		Return of employee contributions, if any, with interest.
After vesting (married participants only)		50% of the accrued benefit is payable to the spouse until death or remarriage.
After vesting (other participants)		50% of the accrued benefit is payable for 5 years certain.
Payment options		
Normal form		The normal form of payment of the accrued benefit is a monthly lifetime annuity with 5 years certain.
Optional forms		Disability retirement benefits paid under normal form. Actuarially equivalent optional forms: Joint & 50% survivor annuity Joint & 66 2/3rds% last survivor annuity Joint & 100% survivor annuity Lump sum
Cost of living		This plan has not elected the automatic post-retirement cost-of-living adjustments.

Employees covered by benefit terms:

Active employees	20
Deferred vested former employees	3
Disabled participants	3
Retirees or retiree beneficiaries	4
	30

Contribution Requirements

The City Council has the authority to set and amend contribution rates by ordinance for the OMRP defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 8.57% of covered payroll as of July 1, 2022 through June 30, 2023. For the year ended June 30, 2023, the City recognized \$51,000 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of \$679,392.

Actuarial assumptions

Date of last actuarial valuation	July 1, 2023
Actuarial cost method	Entry age level
Rate of return on investments & discount rate	7.25%
Projected salary increase based on age	5% - 8%
Post retirement cost-of-living increase	None
Inflation rate	3%
Mortality table	PubG-2010 (25%A/75%B) males, PubG-2010 (50%A/50%B) females

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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Percent of married employees	100%
Spouse age difference	3 years (female spouses younger)

Discount rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.5% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%).

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2022 are summarized in the following table:

	<u>Target allocation</u>	<u>Real return</u>	<u>Weighted return</u>
Large cap stocks	25%	5.80%	1.35%
S&P 500			
Small/mid cap stocks	10%	6.40%	0.75%
Russel 2500, Russell 2000 Index			
Non-U.S. equity	20%	5.00%	0.61%
MSCI ACWI			
Alternative investments	10%	6.20%	1.02%
MSCI ACWI intex			
Fixed income bonds	30%	2.30%	0.78%
Bloomberg Barclay US Aggregate Bond			
Real estate	5%	4.60%	0.24%
NCREIF			
Cash equivalents	0%	0.00%	0.00%
3-month Treasury			
Total	<u>100%</u>		
Average Real Return			4.75%
Inflation			2.8%
Long-term expected return			<u>7.50%</u>

**CITY OF GEARY**  
Geary, Oklahoma

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2023

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2022 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2022 and the City's report ending date of June 30, 2023, that would have had a significant impact on the net pension liability.

The following table reports the components of changes in pension liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 7/1/2021</b>	\$ 1,803,815	\$ 2,148,822	\$ (345,007)
<b>Changes for the year:</b>			
Service cost	63,178	-	63,178
Interest	132,568	-	132,568
Differences between expected and actual experience	(8,095)	-	(8,095)
Assumption changes	(34,054)	-	(34,054)
Contributions - employer	-	58,579	(58,579)
Contributions - employee	-	25,084	(25,084)
Net investment income	-	(268,988)	268,988
Benefit payments, including refunds of employee contributions	(73,820)	(73,820)	-
Administrative expense	-	(3,696)	3,696
Other changes	-	-	-
<b>Net changes</b>	<u>79,777</u>	<u>(262,841)</u>	<u>342,618</u>
<b>Balances at 7/1/2022</b>	<u>\$ 1,883,592</u>	<u>\$ 1,885,981</u>	<u>\$ (2,389)</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total Pension Liability	\$ 2,139,625	\$ 1,883,592	\$ 1,670,650
Plan Fiduciary Net Position	1,885,981	1,885,981	1,885,981
<b>Net Pension Liability</b>	<u>\$ 253,644</u>	<u>\$ (2,389)</u>	<u>\$ (215,331)</u>

# CITY OF GEARY

Geary, Oklahoma

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

The City reported \$24,766 in pension expense for the year ended June 30, 2023.

At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,062	\$ 122,028
Changes of assumptions	20,386	26,915
Net difference between projected and actual earnings on pension plan investments	367,309	202,858
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	51,000	-
Total	<u>\$ 470,757</u>	<u>\$ 351,801</u>

\$51,000 will be reported as net deferred inflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

### Year ended June 30:

2024	\$ 10,358
2025	642
2026	(22,315)
2027	79,271
2028	-

## H. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to record \$90,479 grant revenues related to the prior year.

**City of Geary, Oklahoma**  
**General Fund**  
**Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Revisions</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
<b><u>REVENUES</u></b>					
Sales tax	\$ 719,662	\$ 180,338	\$ 900,000	\$ 959,067	\$ 59,067
Other taxes	93,766	1,001	94,767	47,495	(47,272)
Licenses and permits	5,000	(4,000)	1,000	6,078	5,078
Rents & royalties	77,500	(41,000)	36,500	73,415	36,915
Fines and forfeitures	140,000	(85,000)	55,000	126,642	71,642
Charges for services	5,600	3,500	9,100	6,415	(2,685)
Intergovernmental revenues	10,000	21,000	31,000	179,720	148,720
Donations	5,000	5,000	10,000	8,485	(1,515)
Other revenues	8,000	1,000	9,000	160,735	151,735
Interest	1,300	-	1,300	2,211	911
Total revenues	1,065,828	81,839	1,147,667	1,570,263	422,596
<b><u>EXPENDITURES</u></b>					
<b><u>General government:</u></b>					
General government	251,845	96,155	348,000	344,224	3,776
<b><u>Public safety and judiciary:</u></b>					
Police	818,312	(32,812)	785,500	785,313	187
Municipal Court	7,500	(2,400)	5,100	5,058	42
Fire	71,324	28,000	99,324	98,931	393
<b><u>Culture and recreation:</u></b>					
Library	40,919	(1,000)	39,919	39,110	809
Park and Swimming Pool	24,749	(7,749)	17,000	16,032	968
<b><u>Public services</u></b>					
Cemetery	5,000	500	5,500	5,300	200
Street	72,500	(6,000)	66,500	66,444	56
Total expenditures	1,292,149	74,694	1,366,843	1,360,412	6,431
Revenue over (under) expenditures	(226,321)	7,145	(219,176)	209,851	416,165
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Operating transfers in/(out)	-	-	-	(51,089)	(51,089)
Net other financing sources (uses)	-	-	-	(51,089)	(51,089)
Revenues and other financing sources over (under) expenditures and other uses	(226,321)	7,145	(219,176)	158,762	365,076
Fund balance at beginning of year (Non-GAAP budgetary basis)	731,913		731,913	138,463	
Fund balance at end of year (Non-GAAP budgetary basis)	<u>\$ 505,592</u>		<u>\$ 512,737</u>	<u>\$ 297,225</u>	
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Revenue and transfer accruals				600,589	
Fund balance at end of year (GAAP basis)				<u>\$ 897,814</u>	



## Schedules of Required Supplementary Information

### SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Oklahoma Fire Pension Retirement Plan Year Ended June 30, 2023

	<u>2022*</u>	<u>2023*</u>
City's portion of the net pension liability (asset)	0.0018%	0.0026%
City's proportionate share of the net pension liability (asset)	\$ 12,164	\$ 3,386
City's covered-employee payroll	\$ -	\$ -
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	84.24%	84.24%

\* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

### SCHEDULE OF CITY CONTRIBUTIONS Oklahoma Fire Pension Retirement Plan

	<u>2022*</u>	<u>2023*</u>
Contractually required contribution	\$ 840	\$ 120
Contributions in relation to the contractually required contribution	<u>(840)</u>	<u>(120)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

\*\* Only the current fiscal year is presented because 10-year data is not yet available

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*

To the City Council  
City of Geary, 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, and each major fund of City of Geary, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Geary, Oklahoma's basic financial statements, and have issued our report thereon dated August 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Geary, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Geary, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Geary, Oklahoma'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.

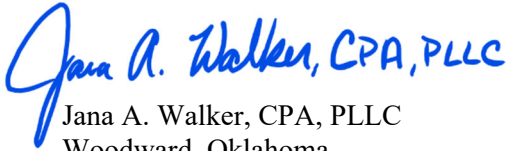
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 City of Geary, 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 items 2023-001.

### **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.



Jana A. Walker, CPA, PLLC  
Woodward, Oklahoma  
August 30, 2024

**City of Geary, Oklahoma Schedule  
of Findings and Responses Year  
Ended June 30, 2023**

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**FINDING 2023-001 Lack of Timely Filed Audit**

Condition: Audit report issued after allotted 150 days from year end.

Criteria: In accordance with the Oklahoma Water Resource Board loan agreement, Article II, 2.7(D)(4) the City shall furnish copies of the reports of the financial audit within 150 days after the end of each fiscal year.

Cause: Unavailable information to complete workpapers for auditor.

Effect or Potential Effect: Debt covenant violation.

Recommendation: Ensure records are available for inspection after year end in a timely manner.

Response: Management will make arrangements to have their records inspected quicker after year end to ensure the timely completion of an audit. Due to the lack of governmental auditors registered in the State of Oklahoma, it is next to impossible to schedule an audit to be completed by November 30<sup>th</sup>, which is 31 days earlier than required by the State Statute.