
THE TOWN OF GOLDSBY

**(Including the Goldsby Airport Trust, the Goldsby Water Authority, and the
Goldsby Public Works Authority)**

AUDITED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
 GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION - MODIFIED CASH BASIS.....	3
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS	4
 FUND FINANCIAL STATEMENTS	
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS.....	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUND	6
STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUNDS.....	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUNDS	8
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS - PROPRIETARY FUNDS	9
 NOTES AND OTHER INFORMATION	
NOTES TO THE BASIC FINANCIAL STATEMENTS	10
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 <i>GOVERNMENT AUDITING STANDARDS</i>	20
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND IN INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	22
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND	25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and STATE AWARDS	26
NOTES TO THE SCHEDULE OF FEDERAL AWARDS	27
SCHEDULE OF FINDINGS AND QUESTION COSTS.....	28

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Goldsby, Oklahoma

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities and each major fund, of the Town of Goldsby, Oklahoma (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities and each major fund of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1C2a.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter—Basis of Accounting

I draw attention to Note 1C2a. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1C2a., and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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

My 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 my 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*; I:

- 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 Town'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

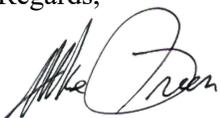
Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying budgetary comparison schedule and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the budgetary comparison schedule and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 21, 2025, on my consideration of the Town's internal control over financial reporting and on my 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 my 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 Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Regards,



Michael Green, CPA
Stilwell, Oklahoma
March 21, 2025

THE TOWN OF GOLDSBY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total 2024
ASSETS			
Current Assets			
Cash and demand deposits	7,944,347	2,876,604	10,820,951
Restricted cash and investments	757,689	2,385,280	3,142,969
Certificates of deposit	184,201	0	184,201
Accounts receivable	156,855	0	156,855
Internal balances	(1,293)	1,293	0
Inventory	0	12,601	12,601
Total current assets	9,041,799	5,275,778	14,317,577
Internal balances	211,610	(211,610)	0
Depreciable property and equipment	10,640,384	24,555,044	35,195,428
Accumulated depreciation	(5,280,509)	(6,765,193)	(12,045,702)
Land	641,922	351,374	993,296
Construction in progress	133,580	4,648,493	4,782,073
Total capital assets	6,135,377	22,789,718	28,925,095
TOTAL ASSETS	15,388,786	27,853,886	43,242,672
LIABILITIES			
Current Liabilities			
Accounts payable	0	5,350	5,350
Sewer fees payable	0	2,780	2,780
Current portion of notes payable	0	331,936	331,936
Total current liabilities	0	340,066	340,066
Noncurrent Liabilities			
Notes and bonds payable, less current portion	0	4,123,380	4,123,380
Discount on bonds	0	(24,023)	(24,023)
EMS escrow	0	500	500
Refundable deposits	0	183,233	183,233
Development fees payable	0	8,661	8,661
Impact fees payable	171,085	85,282	256,367
Total noncurrent liabilities	171,085	4,377,033	4,548,118
TOTAL LIABILITIES	171,085	4,717,099	4,888,184
NET POSITION			
Net investment in capital assets	6,135,377	18,358,425	24,493,802
Restricted for:			
Fire department	577,076	0	577,076
Insurance	9,527	0	9,527
Unrestricted	8,495,721	4,778,362	13,274,083
TOTAL NET POSITION	\$15,217,701	\$23,136,787	\$38,354,488

The accompanying notes and auditor's report are an integral part of these financial statements

**THE TOWN OF GOLDSBY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total 2024
Governmental activities:							
Court	(72,601)	58,363	0	0	(14,238)		(14,238)
General government	(418,552)	8,779		0	(409,773)		(409,773)
Park	(142,870)	18,930	0	0	(123,940)		(123,940)
Security	(246,175)	50,000	0	0	(196,175)		(196,175)
Fire	(240,269)	50,000	113,885	0	(76,384)		(76,384)
Code enforcement	(117,368)	80,995	0	0	(36,373)		(36,373)
Streets	(401,039)	0	27,178	1,331,680	957,819		957,819
Total governmental activities	(1,638,874)	267,067	141,063	1,331,680	100,936	0	100,936
Business-type activities:							
Airport	(419,881)	247,606	0	1,361,085		1,188,810	1,188,810
Water *	(1,394,546)	1,747,378	0	510,335		863,167	863,167
Trash	(165,840)	164,476	0	0		(1,364)	(1,364)
Sewer **	(66,879)	22,091	0	122,841		78,053	78,053
Total business-type activities	(2,047,146)	2,181,551	0	1,994,261	0	2,128,666	2,128,666
Total all activities	(3,686,020)	2,448,618	141,063	3,325,941	100,936	2,128,666	2,229,602
General revenues:							
Taxes:							
					412,728	0	412,728
					2,296,342	0	2,296,342
					35,750	0	35,750
					233,140	0	233,140
					17,936	0	17,936
					240,667	117,131	357,798
					6,265	78,333	84,598
					0	170,581	170,581
					0	770,725	770,725
					(1,416,685)	1,416,685	0
					1,826,143	2,553,455	4,379,598
					1,927,079	4,682,121	6,609,200
					13,290,622	18,454,666	31,745,288
					\$15,217,701	\$23,136,787	\$38,354,488

* Includes \$57,574 interest

** Includes \$61,240 interest

The accompanying notes and auditor's report are an integral part of these financial statements

THE TOWN OF GOLDSBY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>2024</u>
	General
	Fund
ASSETS	
Cash and demand deposits	7,944,347
Restricted cash and investments	757,689
Certificates of deposit	184,201
Accounts receivable	156,855
Due from other funds	8,054
TOTAL ASSETS	<u>\$9,051,146</u>
LIABILITIES	
Development fees payable	171,085
Due to other funds	9,347
TOTAL LIABILITIES	<u>180,432</u>
FUND BALANCE	
Restricted:	
Fire department	577,076
Insurance	9,527
Unrestricted:	
Unassigned	8,284,111
TOTAL FUND BALANCE	<u>8,870,714</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$9,051,146</u>
Reconciliation of general fund balance to net assets of governmental activities:	
Fund balance	8,870,714
Capital assets	11,415,886
Accumulated depreciation	(5,280,509)
Long-term receivable from GAT	211,610
Net assets	<u>\$15,217,701</u>

The accompanying notes and auditor's report are an integral part of these financial statements

**THE TOWN OF GOLDSBY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2024</u>
	General
	Fund
REVENUES	
Taxes	645,868
Taxes pledged for debt	2,296,342
Payments in lieu of taxes	35,750
Shared taxes	148,407
Fines and fees	58,363
Permits, licenses, inspections	80,995
Rents and royalties	27,694
Sales and services	100,015
Donations	600
Grants	1,341,673
Other revenues	45,019
Interest	<u>240,667</u>
TOTAL REVENUES	5,021,393
EXPENDITURES	
Court	72,601
General government	376,587
Park department	92,270
Security department	246,175
Fire department	140,907
Code enforcement department	112,639
Street department	104,110
Capital outlay	<u>1,044,464</u>
TOTAL EXPENDITURES	2,189,753
REVENUES OVER (UNDER) EXPENDITURES	2,831,640
OTHER FINANCING SOURCES (USES)	
Interfund transfers	<u>(1,416,685)</u>
NET CHANGE IN FUND BALANCES	1,414,955
BEGINNING FUND BALANCE	<u>7,455,759</u>
ENDING FUND BALANCE	<u><u>\$ 8,870,714</u></u>
Reconciliation of the change in the general fund balance to the change in net assets of governmental activities:	
Net change in fund balances - total governmental funds	1,414,955
Capital asset purchases capitalized	1,044,464
GAT interfund loan payment	(38,754)
Loss on disposal of capital assets	(1,073)
Depreciation expense	<u>(492,513)</u>
Change in Net Assets of Governmental Activities	<u><u>\$1,927,079</u></u>

The accompanying notes and auditor's report are an integral part of these financial statements

**THE TOWN OF GOLDSBY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - MODIFIED CASH BASIS
JUNE 30, 2024**

	Goldsby Airport Trust	Goldsby Water Authority	Goldsby Public Works Authority	2024 Total Proprietary Funds
ASSETS				
Current Assets				
Cash and demand deposits	757,297	2,075,236	44,071	2,876,604
Restricted cash and investments	0	298,698	2,086,582	2,385,280
Due from other funds	329	0	68,690	69,019
Inventory	12,601	0	0	12,601
Total current assets	<u>770,227</u>	<u>2,373,934</u>	<u>2,199,343</u>	<u>5,343,504</u>
Noncurrent Assets				
Depreciable property and equipment	7,886,839	16,051,929	616,276	24,555,044
Accumulated depreciation	(2,449,709)	(4,261,572)	(53,912)	(6,765,193)
Land	20,000	86,289	245,085	351,374
Construction in progress	1,230,611	533,816	2,884,066	4,648,493
Total capital assets	<u>6,687,741</u>	<u>12,410,462</u>	<u>3,691,515</u>	<u>22,789,718</u>
TOTAL ASSETS	<u>7,457,968</u>	<u>14,784,396</u>	<u>5,890,858</u>	<u>28,133,222</u>
LIABILITIES				
Current Liabilities				
Accounts payable	0	5,350	0	5,350
Sewer fees payable	0	2,780	0	2,780
Due to other funds	0	67,726	0	67,726
Current portion of notes and bonds payable	0	126,936	205,000	331,936
Total current liabilities	<u>0</u>	<u>202,792</u>	<u>205,000</u>	<u>407,792</u>
Noncurrent Liabilities				
Notes and bonds payable, less current portion	0	2,063,380	2,060,000	4,123,380
Discount on bonds	0	0	(24,023)	(24,023)
Due to other funds	211,610	0	0	211,610
EMS escrow	0	500	0	500
Refundable deposits	5,700	177,533	0	183,233
Development fees payable	0	8,661	0	8,661
Impact fees payable	0	36,141	49,141	85,282
Total noncurrent liabilities	<u>217,310</u>	<u>2,286,215</u>	<u>2,085,118</u>	<u>4,588,643</u>
TOTAL LIABILITIES	<u>217,310</u>	<u>2,489,007</u>	<u>2,290,118</u>	<u>4,996,435</u>
NET POSITION				
Net investment in capital assets	6,476,131	10,220,146	3,513,097	20,209,374
Unrestricted	764,527	2,075,243	87,643	2,927,413
TOTAL NET POSITION	<u>\$7,240,658</u>	<u>\$12,295,389</u>	<u>\$3,600,740</u>	<u>\$23,136,787</u>

The accompanying notes and auditor's report are an integral part of these financial statements

**THE TOWN OF GOLDSBY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Goldsby Airport Trust	Goldsby Water Authority	Goldsby Public Works Authority	2024 Total Proprietary Funds
OPERATING REVENUES				
Rentals	143,038	0	0	143,038
Fuel and oil sales	104,568	0	0	104,568
Water revenue	0	1,747,378	0	1,747,378
Keycard revenue	0	0	164,476	164,476
Sewer revenues	0	0	22,091	22,091
Other income	2,363	75,024	233	77,620
TOTAL OPERATING REVENUES	249,969	1,822,402	186,800	2,259,171
OPERATING EXPENSES				
Airport	419,881	0	0	419,881
Water department	0	1,336,472	0	1,336,472
Trash department	0	0	165,840	165,840
Sewer department	0	0	4,139	4,139
TOTAL OPERATING EXPENSES	419,881	1,336,472	169,979	1,926,332
OPERATING INCOME (LOSS)	(169,912)	485,930	16,821	332,839
NON-OPERATING REVENUES (EXPENSES)				
Interest income	0	9,900	107,231	117,131
Grants	1,361,085	510,335	122,841	1,994,261
Insurance claims	170,581	0	0	170,581
Impact fees	0	770,725	0	770,725
EMS fees	0	23,762	0	23,762
EMS provider payments	0	(23,049)	0	(23,049)
Interest expense	0	(57,574)	(61,240)	(118,814)
Trustee fees	0	(500)	(1,500)	(2,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,531,666	1,233,599	167,332	2,932,597
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS	1,361,754	1,719,529	184,153	3,265,436
Interfund transfers	0	0	1,416,685	1,416,685
CHANGE IN NET POSITION	1,361,754	1,719,529	1,600,838	4,682,121
BEGINNING NET POSITION	5,878,904	10,575,860	1,999,902	18,454,666
ENDING NET POSITION	\$7,240,658	\$12,295,389	\$3,600,740	\$23,136,787

The accompanying notes and auditor's report are an integral part of these financial statements

**THE TOWN OF GOLDSBY
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Goldsby Airport Trust	Goldsby Water Authority	Goldsby Public Works Authority	2024 Total Proprietary Funds
Cash flows from operations:				
Cash received from:				
Customers	249,969	1,822,402	186,800	2,259,171
Cash payments for:				
Goods and services	(205,483)	(527,379)	(138,572)	(871,434)
Employees	(22,485)	(353,828)	(19,875)	(396,188)
Net cash provided from operations	22,001	941,195	28,353	991,549
Cash flows from capital financing activities:				
Insurance recoveries	170,581	0	0	170,581
Interfund transfers	0	0	1,416,685	1,416,685
Transfers from restricted accounts	0	1,879,250	15,368	1,894,618
Capital grants	1,361,085	510,335	122,841	1,994,261
Capital expenditures	(1,272,042)	(3,007,732)	(1,369,572)	(5,649,346)
Principal payments	0	0	(25,000)	(25,000)
Transfers to restricted accounts	0	(181,226)	(212,799)	(394,025)
Net cash from capital financing activities	259,624	(799,373)	(52,477)	(592,226)
Cash flows from non-capital financing activities:				
Cash flows from investing activities:				
Interest income	0	55	0	55
Net increase (decrease) in cash	281,625	141,877	(24,124)	399,378
Beginning cash	475,672	1,933,359	68,195	2,477,226
Ending cash	\$757,297	\$2,075,236	\$44,071	\$2,876,604
Reconciliation of income from operations to net cash from operations:				
Operating income (loss)	(169,912)	485,930	16,821	332,839
Adjustments to income from operations:				
Depreciation and amortization	210,336	470,660	35,762	716,758
Change in assets and liabilities:				
(Increase) decrease in due from other funds	(679)	0	(24,230)	(24,909)
(Increase) decrease in inventories	16,209	0	0	16,209
Increase (decrease) in deferred revenues	4,800	0	0	4,800
Increase (decrease) in due to other funds	(38,753)	(15,395)	0	(54,148)
Net cash provided by operations	\$22,001	\$941,195	\$28,353	\$991,549
** Activity in restricted accounts:				
Beginning cash and investments		935,747	2,476,746	3,412,493
Impact and development fees		118,013	49,141	167,154
Transfers from operating		181,226	212,799	394,025
Developer fee payments		(4,323)	0	(4,323)
Net meter deposits		9,650	0	9,650
Principal payments		(123,652)	(175,000)	(298,652)
Interest payments		(57,574)	(58,837)	(116,411)
Construction payments		(770,725)	(525,623)	(1,296,348)
Bank charges		(10)	0	(10)
Investment income		9,845	107,234	117,079
Ending cash and investments		\$298,197	\$2,086,460	\$2,384,657

** Activity in restricted accounts is presented as supplemental information.

The accompanying notes and auditor's report are an integral part of these financial statements

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

1A. Introduction

The Town's financial statements are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP in substance but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting. Generally, that means that only items arising from cash transactions are recorded. Accounts receivable and accounts payable, for instance, are not recorded.

1B. Financial Reporting Entity

The Town of Goldsby, Oklahoma, was organized in 1962 and incorporated under the laws of the State of Oklahoma. The Town of Goldsby (Town) operates under the Statutory Town Board of Trustees form of government and provides the following major services: public safety, streets, public improvements, planning and zoning, and general administration. In addition, the Town owns and operates an airport, a water system, and a trash service.

These financial statements present the Town (the primary government) and its component units in conformity with GASB-14. The financial statements of the Town's Title 60 Trusts have been included in the financial reporting entity as blended component units because their operating and financial relationships are significant to the Town.

1B1. Blended Component Units

The Goldsby Airport Trust (GAT) was established April 4, 1991, to operate the David J. Perry Airport. GAT is a legally separate entity from the Town and is governed by a board of 5 trustees appointed by the Town board. For financial reporting purposes, the GAT is reported as if it were part of the Town's operations. GAT does not present separate financial statements.

The Goldsby Water Authority (GWA) was established May 2, 1988, to finance and operate the Town's water system. GWA is a legally separate entity from the Town and is governed by a board of 5 trustees, 3 of whom are Town trustees and 2 of whom are customers living outside the Town limits or appointed by the trustees if no customers outside the Town limits were petitioned to serve. For financial reporting purposes, the GWA is reported as if it were part of the Town's operations. GWA does not present separate financial statements.

The Goldsby Public Works Authority (GPWA) was established March 24, 2003, to finance, establish, and operate a wireless internet service for the citizens of the Town. The GPWA sold its internet service in June 2006 and is currently operating the Town's trash service. The GPWA is in the process of adding commercial sewer services. GPWA does not present separate financial statements. GPWA is a legally separate entity from the Town and is governed by the same board of trustees that governs the Town. For financial reporting purposes, the GPWA is reported as if it were part of the Town's operations.

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

1C. Basis of Presentation

1C1. Fund Accounting

The Town uses fund accounting to maintain its financial records. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The Town's funds are organized into two categories: governmental and proprietary. Within these categories, funds are further defined as major or non-major. The emphasis in fund financial statements is on major funds in either the governmental or business-type activities categories as defined by GASB 34. The Town has one governmental fund and three business-type funds.

1C2. Basis of Accounting and Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Measurement focus is a term used to describe which transactions are recorded.

1C2a. Modified Cash Basis of Accounting

The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP and is a modification of the pure cash basis of accounting. Professional standards define the cash basis of accounting *as a basis of accounting an entity uses to record cash receipts and disbursements, and modifications of the cash basis having substantial support (for example, recording depreciation on fixed assets.)* Although the modified cash basis of accounting is not separately defined by professional standards, the modifications to the cash basis have evolved over time through common practice, and generally result when cash receipts or disbursements provide a benefit or obligation covering multiple reporting periods, and the reporting of the cash transaction would be more meaningful to financial statement users if spread over those multiple periods.

For modifications to be considered to have substantial support, they should:

1. be made as a result of cash receipts or disbursements;
2. have substantial support in GAAP or other accounting literature; and
3. be logical.

The government-wide financial statements are highly aggregated financial statements that present financial information for all assets, deferred outflows, liabilities, deferred inflows, and net assets using the economic resources measurement focus within the limitations of the modified cash basis of accounting. This means that revenues are recorded when received and expenses, with the exception of capitalizing and depreciating capital assets, are recorded when paid. The government-wide financial statements required are the statement of net assets and the statement of activities. These financial statements are designed to help users assess the finances of a government in its entirety, including the year's operating results; determine whether the government's overall financial position improved or deteriorated; and evaluate whether the government's current-year revenues were sufficient to pay for current year services. They are also designed to help users assess the cost of providing services to its citizenry; determine how the government finances its programs; understand the extent to which the government has invested in capital assets; and make better comparisons between governments.

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

1C4. Governmental Fund Financial Statements

The general fund of the Town is a governmental fund. The governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources. They are presented using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized when they are received and expenditures are recorded when paid. The financial statements required for governmental funds are the balance sheet and the statement of revenues, expenditures, and changes in fund balance. The governmental fund balance sheet does not present capital assets or long-term liabilities. Instead, the statement of revenues, expenditures and changes in fund balance reports the financial resource inflows and outflows arising from the disposition and acquisition of capital assets, the issuance and repayment of long-term debt, and maturation of non-debt long-term liabilities. Capital assets and long-term liabilities associated with and generally arising from activities reported in governmental funds are reported only in the government-wide financial statements.

1C5. Proprietary Fund Financial Statements

The Title 60 trusts of the town are proprietary funds. The proprietary funds utilize an economic resources measurement focus within the limitations of the modified cash basis of accounting, the objectives of which involves the determination of operating income, changes in net position, net position, and cash flows. The accounting principles applicable are those similar to businesses in the private sector. The Town maintains three proprietary funds, which are enterprise funds. Enterprise funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues; has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges; or establishes fees and charges based on a pricing policy designed to recover similar costs.

1D. Cash and Cash Equivalents

Cash and cash equivalents for purposes of the statement of cash flows are defined as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1E. Investments

The governing body has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and address the specific types of risk to which the government is exposed. However, it is the policy of the governing body to require deposits in excess of FDIC limits to be collateralized as required by Oklahoma Statutes.

Investments are accounted for in accordance with GASB-31, *Accounting and Financial Reporting for Certain Investments*, which states that investments held at year end with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

1F. Inventories

Inventories are valued using the average cost basis (AVCO), which approximates market. GAT inventories consist of fuel for resale.

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

1G. Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other Interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

1H. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30 to 40 years
Vehicles and equipment	3 to 20 years
Infrastructure	20 to 50 years

GASB-34 required the Town to report and depreciate new infrastructure assets effective with the 2004 year. Infrastructure assets include roads, sidewalks, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has been reported in the financial statements. Retroactive reporting is not required.

1I. Equity Classifications

In the government-wide statements, equity is classified as net position and reported in three components as follows:

1. Net investment in capital assets – Capital assets, net of accumulated depreciation, are reduced by the outstanding balances of any debt attributable to their acquisition, construction, or improvement.
2. Restricted – Net assets that have had constraints placed upon them either by external sources such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net assets that do not meet the definition of the previous two classifications.

In the fund financial statements, governmental fund equity is classified as fund balance and reported as needed in five components as follows:

1. Nonspendable – amounts not in a spendable form, or legally or contractually required to be maintained intact.
2. Restricted – constraints placed on fund balance are externally imposed by creditors, grantors, or other governments; or are imposed by law through constitutional provisions or enabling legislation.
3. Committed – amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the individual government’s highest level of decision-making authority.
4. Assigned – constraints placed on fund balance are imposed by the government’s intent that it be used for specific purposes but are neither restricted nor committed. An individual government must define and

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

disclose how it expresses its intent for purposes of making assignments. For the Town, this intent is expressed by the use of purchase orders encumbering amounts for assigned purposes as approved by the board of trustees.

5. Unassigned – remaining fund balance in excess of all other classifications.

1J. Revenues and Expenditures

Program revenues in the government-wide statements include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. In proprietary funds, operating revenues and expenses result from providing the goods or services that are the funds principal ongoing operations. Revenues and expenses not meeting this definition are nonoperating revenues and expenses. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB-33. In applying GASB-33 to grant revenues, the provider recognizes liabilities and expenses, and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

1K. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed. When committed, assigned and unassigned resources are available for use, it is the government's policy to use committed and assigned resources first, and then unassigned resources as needed.

2. Budgets and Budgetary Accounting

The board of trustees adopts legally required annual operating budgets each year for each fund. The same modified cash basis of accounting used for fund financial reporting purposes is used for budgetary purposes. At the fund level, actual expenditures cannot exceed budgeted appropriations at the department level. Budgetary transfers between departments of the same fund are approved by the board when required. Supplemental appropriations, if needed, are approved by the board, and submitted to the state auditor's office as required by state statutes. All appropriations lapse at the end of the fiscal year. Encumbrance accounting is not used. For the year just ended, one general fund amendment was approved by the trustees.

3. Risk Management

The Town is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town manages this risk through the purchase of commercial insurance policies. Risk management activities are accounted for by fund, and claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. The claims paid for the current year were \$170,581 for airport damages.

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

4. Deposits and Investments

The State of Oklahoma allows municipalities to invest in the following: direct obligations of the U.S. Government, its agencies, or instrumentalities; collateralized or insured certificates of deposit; insured savings accounts or savings certificates; and county, municipal or school district direct debt.

At year end, the City had deposits of \$9,959,074 that were collateralized with securities held by a pledging financial institution or by its trust department or agent but not in the Town's name. It also had deposits of \$2,085,254 in debt service trust accounts that were uncollateralized but were invested in government securities of the same type that would be allowable government investments.

5. Restricted Cash and Investments

County Fire Department Sales Tax Funds

County sales tax funds restricted for the Town's fire department are reported in the Town's financial statements for accountability and control purposes. The county spends the funds for Town operations at the Town's request and title for all equipment purchased with these funds resides with the Town. Balances reflected in the financial statements are as follows: cash - \$577,076; intergovernmental revenues - \$103,292; expenditures: \$0.

Water Facilities Impact Fees

June 20, 2000, the GWA approved resolution 2000-01 establishing a connection fee for new water customers. These funds may be used only for acquiring, equipping, and/or making capital improvements to the water facilities and shall not be used for maintenance and operations. The funds are to be expended in the order collected; and any funds not expended or obligated by the end of the calendar quarter immediately following six years from the date the fee was paid are subject to refunding with 3% interest at the written request of the customer. The amount in the fund and its associated liability at June 30 was \$63,635 and \$36,141 respectively, and includes interest earned on the account. It does not include accrued interest payable due to the unlikelihood of having to refund the full amount collected.

Development Reimbursement Fees

February 18, 2014, the Town adopted ordinance 2014-2 providing for a reimbursement policy for major water line extension projects and providing that such reimbursement obligations shall become a liability against the property within the defined service area of such projects subject to certain reimbursement agreements. At year end, only one such reimbursement agreement is in effect. Deposits and the associated liability subject to the agreement at June 30, were \$8,661 respectively.

Transportation Impact Fees

March 7, 2019, the Town adopted ordinance 2019-001 providing for transportation impact fees on new development. These funds may be used only for acquiring, equipping, and/or making capital improvements to the transportation infrastructure of the Town and shall not be used for maintenance and operations. The balance and its associated liability at June 30 were \$171,085.

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

6. Long-term Debt

Debt activity for the year just ended is as follows:

Business-type activities	Beginning			Ending	Due in
	Balance	Additions	Reductions	Balance	One Year
Notes from direct borrowings and direct placements:					
Airport note payable	\$250,364	\$0	(\$38,754)	\$211,610	\$0
Water system note payable	\$2,313,968	\$0	(\$123,652)	\$2,190,316	\$126,936
Sewer system note payable	\$50,000	\$0	(\$25,000)	\$25,000	\$25,000
Total	\$2,614,332	\$0	(\$187,406)	\$2,426,926	\$151,936
Sewer system bonds	\$2,415,000	\$0	(\$175,000)	\$2,240,000	\$180,000

Outstanding debt at June 30 is as follows:

Business-type	Interest	Maturity	Amount		Security
	Rate	Date	Issued	Outstanding	
Notes from direct borrowings and direct placements:					
Airport improvements	0.000%	5/1/28	\$459,632	\$250,364	rents and leases
Water system	2.480%	9/15/38	\$2,998,819	\$2,313,968	water revenues and .5 cent sales tax
Sewer system	0.000%	8/13/24	\$100,000	\$25,000	sewer land
Bonds					
Sewer system	2.125% to 3.5%	8/1/34	\$2,915,000	\$2,240,000	3 cent sales tax

Debt payments to maturity are as follows:

Business-type Activities

	Notes from Direct Borrowings and Direct Placements					Bonds		
	GAT	Goldsby Water Authority			GPWA	Goldsby Public Works Authority		
	Principal	Principal	Interest	Total	Principal	Principal	Interest	Total
2025	46,504	126,936	54,291	181,226	25,000	180,000	53,063	233,063
2026	46,504	130,148	51,079	181,226	0	185,000	47,947	232,947
2027	46,504	133,441	47,786	181,226	0	190,000	43,844	233,844
2028	46,504	136,698	44,529	181,226	0	195,000	39,513	234,513
2029	25,594	140,276	40,951	181,226	0	200,000	34,944	234,944
2030-2034	0	756,365	149,766	5,382,784	0	1,060,000	99,203	1,159,203
2035-2039	0	766,453	49,065	1,394,535	0	230,000	3,019	233,019
	\$211,610	\$2,190,316	\$437,466	\$7,683,451	\$25,000	\$2,240,000	\$321,531	\$2,561,531

November 5, 2015, the GAT issued a promissory note for \$465,100 to the Town for airport improvements. The note carries no interest and is secured by lease revenues at the airport. The Town waives payments on the note during times when the GAT is unable to make payments due to construction projects. During the current year payments of \$23,252

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

were made. The debt is recorded in the financial statements as a long-term interfund payable by the GAT and a long-term interfund receivable by the Town.

January 1, 2018, the GWA issued a \$5,500,000 promissory note to the Oklahoma Water Resources Board (OWRB) for water system improvements. The note carries an interest rate of 2.48% and matures September 15, 2038. At June 30, 2020, \$2,998,819 of the note had been drawn down. The note is secured by system assets and revenues and .5% of the Town’s 3.5% sales tax. The GWA is required to maintain sufficient utility rates so that net revenues, as defined in the loan agreement, meet, or exceed 1.25 times the maximum annual debt service of \$352,143, which is \$440,179.

August 13, 2020, the GPWA issued a \$100,000 promissory note for sewer system land, payable in four equal installments of \$25,000 each. The note matures August 13, 2024.

August 27, 2019, the GPWA issued \$2,915,000 sales tax revenue bonds for a commercial sewer system. The bonds have a variable interest rate of 2.125% to 3.5% and mature August 1, 2034. The bonds are secured by 3% of the Town’s 3.5% sales tax.

7. Capital Assets

Fixed asset activity for the year is summarized below:

Governmental activities	Beginning			Ending
	Balance	Additions	Disposals	Balance
Assets not depreciated				
Land	641,922	0	0	641,922
Total assets not depreciated	641,922	133,579	0	775,502
Depreciable assets				
Buildings	2,009,042	0	0	2,009,042
Vehicles and equipment	2,206,963	88,045	(61,220)	2,233,788
Streets, bridges, sidewalks	5,574,714	822,840	0	6,397,554
Total depreciable assets	9,790,720	910,885	(61,220)	10,640,384
Accumulated depreciation				
Buildings	(865,361)	(62,429)	0	(927,790)
Vehicles and equipment	(1,544,197)	(126,265)	60,148	(1,610,314)
Streets, bridges, sidewalks	(2,438,585)	(303,819)	0	(2,742,404)
Total depreciation	(4,848,143)	(492,514)	60,148	(5,280,509)
Net depreciable assets	4,942,577	418,371	(1,072)	5,359,876
Net governmental assets	5,584,499	551,950	(1,072)	6,135,377

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

Business-type activities

Assets not depreciated				
Construction in progress	2,264,626	3,637,702	(1,253,835)	4,648,493
Land	351,374	0	0	351,374
Total assets not depreciated	<u>2,615,999</u>	<u>3,637,702</u>	<u>(1,253,835)</u>	<u>4,999,867</u>
Depreciable assets				
Buildings	2,326,939	0	0	2,326,939
Vehicles and equipment	540,817	112,666	(35,990)	617,493
Infrastructure	17,932,177	3,678,435	0	21,610,612
Total depreciable assets	<u>20,799,933</u>	<u>3,791,101</u>	<u>(35,990)</u>	<u>24,555,043</u>
Accumulated depreciation				
Buildings	(600,966)	(74,384)	0	(675,350)
Vehicles and equipment	(334,630)	(56,733)	35,990	(355,373)
Infrastructure	(5,148,829)	(585,641)	0	(5,734,469)
Total depreciation	<u>(6,084,425)</u>	<u>(716,758)</u>	<u>35,990</u>	<u>(6,765,193)</u>
Net depreciable assets	<u>14,715,508</u>	<u>3,074,343</u>	<u>0</u>	<u>17,789,850</u>
Net business-type assets	<u>17,331,507</u>	<u>6,712,045</u>	<u>(1,253,835)</u>	<u>22,789,718</u>

Depreciation was charged to activities as follows:

Governmental activities		Business-type activities	
General government	40,893	Airport	210,336
Park	50,600	Water	470,660
Fire	99,362	Trash	<u>35,762</u>
Code Enforcement	4,730	Total business-type depreciation	<u>716,758</u>
Streets	<u>296,929</u>		
Total governmental depreciation	<u>492,514</u>		

8. Pension Plans

Defined Contribution Pension Plan

The Town employees participate in the Oklahoma Municipal Retirement Fund (Fund), administered by Voya. Title 11, Oklahoma Statutes 1981, sections 48-101 et. seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the Fund to the respective employer entities. All full-time and part-time employees of the Town are eligible to participate in the Fund and full-time employees are fully vested after 5 years. Covered employees contribute 8% of their gross payroll while the Town contribution was 6%. Employee contributions over 8% are optional. The payroll for Town employees for the year was \$718,276. The payroll for Town employees covered by the Fund for the year was \$629,565. Actual Town and employee contributions for the year were \$39,561 and \$52,311 respectively.

Defined Benefit Pension Plan

Plan Description. The Town contributes to the Oklahoma Firefighters Pension and Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by a 13-member board which acts as fiduciary for investment of funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System is a component unit of the State of Oklahoma and is authorized under Title 11, Oklahoma Statutes 1981, sections

The Town of Goldsby
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2024

48-101 et. seq. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plan and may be obtained from their offices at 4545 N. Lincoln Blvd., Suite 265, Oklahoma City, OK 73105, or by calling 1-800-525-7461.

Funding Policy. Volunteer firefighters are not required to contribute, but the Town is required to contribute \$60 per volunteer per year. The contribution requirements of the System are an established rate determined by Oklahoma Statute and are not based on actuarial calculations. The Town's contribution to the System for the years ended June 30, 2024, 2023 and 2022 was \$840, \$660 and \$720 respectively equal to the required contribution for each year.

9. Subsequent Events

Management performed an evaluation of the Town's activity through March 21, 2025, the date the audit report was available to be released and has concluded that there are no significant subsequent events requiring disclosure through that date.

10. Inter-fund Transactions

	General				
Inter-fund Receivables and Payables	Fund	GAT	GWA	GPWA	Total
Routine operating expenses	(1,293)	329	(67,726)	68,690	0

	General				
Inter-fund Transfers	Fund	GAT	GWA	GPWA	Total
Sales taxes per debt instruments	(212,799)	0	0	212,799	0
Capital projects	(1,203,886)	1,203,886	0	0	0
Total transfers	<u>(\$1,416,685)</u>	<u>\$1,203,886</u>	<u>\$0</u>	<u>\$212,799</u>	<u>\$0</u>

11. Construction Commitments

The Town has the following construction commitments at year end:
 Airport hangars and taxilanes - \$1,248,371 remaining on a total contract of \$2,284,339;
 Airport fuel tank - \$444,800;
 Sewer lagoon rehabilitation - \$739,448 remaining on a total contract of \$2,099,700;
 Sewer collection system and force main - \$278,805 remaining on a total contract of \$1,435,304; and
 12" waterline to Old Town Square - \$499,995.

MICHAEL W. GREEN

Certified Public Accountant

827 WEST LOCUST STREET

STILWELL, OK 74960

918-696-6298

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 Board of Trustees
Town of Goldsby, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Goldsby, Oklahoma (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated March 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control.

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 The Town's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of my 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.

Regards,

A handwritten signature in black ink, appearing to read "Michael Green". The signature is stylized with a large, looped "G" and a cursive "M".

Michael Green, CPA
Stilwell, OK
March 21, 2025

MICHAEL W. GREEN

Certified Public Accountant

827 WEST LOCUST STREET

STILWELL, OK 74960

918-696-6298

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Town of Goldsby, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited the Town of Goldsby's (the Town), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Town and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on my audit. 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, *Government Auditing Standards*, and the Uniform Guidance will

always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Regards,

A handwritten signature in black ink, appearing to read "Mike Green". The signature is stylized with a large, looped "G" and a cursive "E" at the end.

Michael Green, CPA
Stilwell, OK
March 21, 2025

**THE TOWN OF GOLDSBY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Budget Basis Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	2,529,000	2,853,000	645,868	(2,207,132)
Taxes pledged for debt	(1,400,000)	(1,400,000)	2,296,342	3,696,342
Payments in lieu of taxes	35,000	40,000	35,750	(4,250)
Shared taxes	39,000	39,000	148,407	109,407
Fines and fees	51,000	51,000	58,363	7,363
Permits, licenses, inspections	82,000	82,000	80,995	(1,005)
Rents and royalties	25,500	28,500	27,694	(806)
Sales and services	100,000	100,000	100,015	15
Donations	0	0	600	600
Grants	1,200,000	1,200,000	1,341,673	141,673
Other revenues	30,000	30,000	45,019	15,019
Interest	10,000	160,000	240,667	80,667
TOTAL REVENUES	2,701,500	3,183,500	5,021,393	1,837,893
EXPENDITURES				
Court	82,180	82,180	72,601	9,579
General government	544,000	544,000	376,587	167,413
Park department	78,200	110,200	92,270	17,930
Security department	250,000	250,000	246,175	3,825
Fire department	150,200	162,200	140,907	21,293
Code enforcement department	116,100	116,100	112,639	3,461
Street department	516,800	516,800	104,110	412,690
Capital outlay	2,455,000	2,382,000	1,044,464	1,337,536
TOTAL EXPENDITURES	4,192,480	4,163,480	2,189,753	1,973,727
REVENUES OVER (UNDER) EXPENDITURES	(1,490,980)	(979,980)	2,831,640	3,811,620
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(433,496)	(433,496)	(1,416,685)	(983,189)
NET CHANGE IN FUND BALANCES	(1,924,476)	(1,413,476)	1,414,955	2,828,431
BEGINNING FUND BALANCE	7,455,759	7,455,759	7,455,759	0
ENDING FUND BALANCE	\$5,531,283	\$6,042,283	\$8,870,714	\$2,828,431

Notes to the budgetary comparison schedule:

1. The budget is prepared on the modified cash basis of accounting.
2. The legal level of compliance is at the department level.

The accompanying notes and auditor's report are an integral part of these financial statements

THE TOWN OF GOLDSBY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(Modified Cash Basis of Accounting)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
<i>U.S. Department of Transportation</i>			
Federal Aviation Administration			
Airport Improvement Program	20.106		
Airport Improvement Program (Cares Act Funds)	20.106	3-40-0066-015-2022	32,000
Airport Improvement Program	20.106	3-40-0066-016-2022	<u>39,660</u>
Total Airport Improvement Program			71,660
Oklahoma Department of Transportation			
Highway Planning and Construction	20.205	J1-9314(004)	332,220
Highway Planning and Construction	20.205	STP-244C(096)AG	<u>822,840</u>
Total U.S. Department of Transportation - FAA			1,155,060
<i>U.S. Department of Commerce</i>			
Economic Development Administration	11.300	08-01-05606	122,841
Investments for Public Works and Economic Development Facilities			
<i>U.S. Department of the Treasury</i>			
Oklahoma Office of Management and Enterprise Services			
Coronavirus State and Local Fiscal Recovery Funds	21.027		16,870
TOTAL FEDERAL AWARDS			<u><u>\$1,366,431</u></u>

THE TOWN OF GOLDSBY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(Modified Cash Basis of Accounting)

STATE GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE		GRANTOR'S NUMBER	EXPENDITURES
<i>Oklahoma Department of Agriculture, Food, and Forestry</i>			
Association of Central Oklahoma Governments			
Rural Fire Protection			9,993
<i>Oklahoma Aeronautics Commission</i>			
N/A			
Airport Improvement Grant		1K4-22-FS	16,006
Airport Improvement Grant		1K4-24H-FS	467,619
Airport Improvement Grant		1K4-24B-S	<u>449,350</u>
Total Oklahoma Aeronautics Commission			932,975
<i>Oklahoma Development Finance Authority</i>			
N/A			
Infrastructure P3 Project		Series 2022	1,116,315
Infrastructure P3 Project		Series 2023	<u>122,342</u>
Total Oklahoma Development Finance Authority			1,238,657
<i>Oklahoma Department of Transportation</i>			
N/A			
Municipal Road Drilling Activity Funds			20,682
<i>Oklahoma Department of Environmental Quality</i>			
Oklahoma Rural Water Association			
Rural Infrastructure Grant			100,000
<i>Oklahoma Department of Commerce</i>			
Association of South-Central Oklahoma Governments			
Rural Economic Action Plan		242225	45,000
Rural Economic Action Plan		232255	<u>10,115</u>
Association of Central Oklahoma Governments			55,115
Rural Economic Action Plan		Ele-2023-S	<u>186,442</u>
Total Oklahoma Department of Commerce			241,557
TOTAL STATE AWARDS			<u><u>\$2,543,864</u></u>

The accompanying notes and auditor's report are an integral part of these financial statements

TOWN OF GOLDSBY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Town under programs of the federal government for the year ended June 30, 2024. The information in this SEFA is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C-SUBRECIPIENTS

There were no subrecipients.

TOWN OF GOLDSBY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements were in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies)? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies)? yes no

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

<u>Program</u>	<u>ALN Number</u>
Highway Planning and Construction	20.205

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? yes no

Section II-Financial Statement Findings and Questioned Costs:

None reported.

Section III-Federal Awards Findings and Questioned Costs:

None reported.

Section IV-Prior Year Findings and Questioned Cost

None reported.