

**Creek County Public Facilities Authority**

Creek County, Oklahoma

**Financial Statements**  
with Independent Auditor's Report

**June 30, 2021**



# Creek County Public Facilities Authority

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Business Advisors

## **Independent Auditor's Report**

Board of Trustees  
Creek County Public Facilities Authority  
Sapulpa, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Creek County Public Facilities Authority (the Authority), as of June 30, 2021, and the related notes to the financial statements for the year then ended, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Creek County Public Facilities Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for 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.

### **Auditor's Responsibility**

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Creek County Public Facilities Authority, as of June 30, 2021, and the respective changes in financial position-modified cash basis and, where applicable, cash flows, thereof for the year then ended on the basis of accounting described in Note 1.

### **Basis of Accounting**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022 on our consideration of Creek County Public Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Creek County Public Facilities Authority's internal control over financial reporting and compliance.

*Hick & Company, PC*

Tulsa, Oklahoma  
April 5, 2022



**Creek County Public Facilities Authority**  
Statement of Net Position (Modified Cash Basis)  
June 30, 2021

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 3,302,768
Investments	48,448
Cash held by trustee bank	186,558
Total current assets	<u>3,537,774</u>

**Non-current assets**

Capital assets, net of depreciation	<u>17,620,407</u>
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**Total Assets**

\$ 21,158,181

**LIABILITIES AND NET POSITION**

**Current Liabilities**

Notes payable	\$ <u>290,000</u>
Total current liabilities	<u>290,000</u>

**Non-current Liabilities**

Bond and notes payable	<u>7,600,000</u>
Total non-current liabilities	<u>7,600,000</u>

Total liabilities	<u>7,890,000</u>
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**Net Position**

Net investment in capital assets	9,730,407
Restricted for debt service	186,558
Unrestricted	<u>3,351,216</u>
Total Net Position	<u>\$ 13,268,181</u>

**Creek County Public Facilities Authority**  
Statement of Activities (Modified Cash Basis)  
For the Year Ended June 30, 2021

Function/Programs	Expenses	Program Revenue			Net (Expenses) Revenue
		Charges Services	Operating Grants	Capital Grants	
Government activities:					
Capital projects	\$ 354,575	\$ -	\$ -	\$ -	\$ (354,575)
Debt service	317,094	-	-	-	(317,094)
Special projects	-	17,326	-	-	17,326
Total governmental activities	<u>\$ 671,669</u>	<u>\$ 17,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(654,343)</u>
General revenues					
Received from county					960,336
Interest income					<u>5,517</u>
Total general revenue					<u>965,853</u>
Change in net position					311,510
Net position, <i>Beginning of year</i>					<u>12,956,671</u>
Net position, <i>End of year</i>					<u><u>\$ 13,268,181</u></u>

**Creek County Public Facilities Authority**  
Balance Sheet (Modified Cash Basis)  
Governmental Funds  
June 30, 2021

	<u>Special Projects</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,302,768	\$ -	\$ -	\$ 3,302,768
Investments	48,448	-	-	48,448
Restricted cash	<u>-</u>	<u>-</u>	<u>186,558</u>	<u>186,558</u>
<b>Total Assets</b>	<u>\$ 3,351,216</u>	<u>\$ -</u>	<u>\$ 186,558</u>	<u>\$ 3,537,774</u>
<b>Liabilities and fund balances</b>				
<b>Fund Balances</b>				
Unrestricted	\$ 3,351,216	\$ -	\$ -	\$ 3,351,216
Reserved for:				
Debt service	<u>-</u>	<u>-</u>	<u>186,558</u>	<u>186,558</u>
Total fund balance	<u>3,351,216</u>	<u>-</u>	<u>186,558</u>	<u>3,537,774</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,351,216</u>	<u>\$ -</u>	<u>\$ 186,558</u>	<u>\$ 3,537,774</u>

# Creek County Public Facilities Authority

## Statement of Revenues, Expenditures and Changes in Fund Balances (Modified Cash Basis) Governmental Funds For the Year Ended June 30, 2021

	Special Projects	Capital Projects	Debt Service	Total Governmental Funds
<b>Revenue</b>				
Received from county	\$ 960,336	\$ -	\$ -	\$ 960,336
Interest income	5,517	-	-	5,517
Rent income	17,326	-	-	17,326
Total revenue	<u>983,179</u>	<u>-</u>	<u>-</u>	<u>983,179</u>
<b>Expenditures</b>				
Debt service				
Principal	-	-	430,000	430,000
Interest and fees	-	-	317,094	317,094
Total expenditures	<u>-</u>	<u>-</u>	<u>747,094</u>	<u>747,094</u>
Excess (deficiency) of revenues over expenditures	983,179	-	(747,094)	236,085
<b>Net change in fund balances</b>	983,179	-	(747,094)	236,085
<b>Fund balance, Beginning of year</b>	<u>3,112,376</u>	<u>-</u>	<u>189,313</u>	<u>3,301,689</u>
<b>Fund balance, End of year</b>	<u><u>\$ 4,095,555</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (557,781)</u></u>	<u><u>\$ 3,537,774</u></u>



## Creek County Public Facilities Authority

### Reconciliation of Governmental Funds and Government-Wide Financial Statements For the Year Ended June 30, 2021

<b>Fund balances of governmental funds</b>	<b>\$ 3,537,774</b>
Amounts reported in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds	17,620,407
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements.	<u>(7,890,000)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>13,268,181</u></b>
 <b>Net changes in fund balances - total governmental funds</b>	
Amounts reported for governmental activities in the statement of activities are different because	\$ 236,085
Governmental funds reported capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets purchased	-
Depreciation expense	(354,575)
The issuance of debt is the other financing source in the governmental funds but is recorded as a long-term liability in the statement of net position.	
Principal payments on long term debt in the current year	<u>430,000</u>
<b>Change in net position of governmental activities</b>	<b>\$ <u>311,510</u></b>

# **Creek County Public Facilities Authority**

Notes to Financial Statements  
For the Year Ended June 30, 2021

## **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

Creek County Public Facilities Authority (the Authority) was created September 10, 2001 under the provision of Title 60, Oklahoma Statutes 1991, Section 176 et. seq., as amended and supplemented, the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The beneficiary of the trust is Creek County, Oklahoma. The trust is managed by a seven-member board which is appointed by the Board of County Commissioners of Creek County, Oklahoma. The primary purpose of the Authority is to assist Creek County, Oklahoma (the County) and its governmental agencies in acquiring and maintaining physical properties. The Authority receives sales tax revenue from Creek County, Oklahoma. The Authority and the County are related organizations. The Authority is a component unit of the County. The County is separately audited by the State of Oklahoma, Office of the Auditor and Inspector.

### **Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Authority as a whole excluding fiduciary activity such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and the Authority general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A functional program 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 which report fees, fines and forfeitures, and other charges to users of the Authority's services;(2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these programs uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

### **Fund Financial Statements**

Fund financial statements of the Authority are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds.

### **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

# **Creek County Public Facilities Authority**

## **Notes to Financial Statements For the Year Ended June 30, 2021**

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **Measurement Focus and Basis of Accounting** (Continued)

##### **Measurement Focus**

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item B below.

In the fund financial statements, the “current financial resources” measurement focus is applied to the modified cash basis of accounting as defined in A below.

A. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

B. The government wide statements use the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current, financial, or non-financial) associated with their activities are reported.

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Authority utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

# **Creek County Public Facilities Authority**

Notes to Financial Statements  
For the Year Ended June 30, 2021

## **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

### **Fund Types and Major Funds**

The Authority reports the following major governmental funds:

#### **Special Projects**

The Special Projects Fund is the general operating fund of the Authority.

#### **Capital Projects**

The Capital Projects fund accounts for activity related to construction and acquisition of fixed assets.

#### **Debt Service**

The Debt Service Fund reports activity associated with retiring long-term debt.

#### **Budget**

The Authority has not adopted an annual operating budget. Therefore, the budget to actual comparisons are not reported.

### **Investments**

The Authority follows Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which requires marketable securities to be carried at fair value. The Authority considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances outstanding at year end are cancelled under the modified cash basis. The encumbrance is added to the subsequent year expenses when paid.

### **Inventories and Prepaids**

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. The Authority has not maintained inventory records, however, the value of inventory on hand at June 30, 2021 is not believed to be material. Prepaids record payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Both inventories and prepaids are similarly reported in government-wide and fund financial statements.

# Creek County Public Facilities Authority

## Notes to Financial Statements For the Year Ended June 30, 2021

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **Capital Assets, Depreciation, and Amortization**

The Authority's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost or at estimated historical cost for those items not previously reported and comprehensively reported in the government-wide financial statements. The Authority maintains infrastructure assets records consistent with all other capital assets. Donated assets are stated at fair value on the date donated. The Authority generally capitalizes assets with cost of \$2,500 or more as purchase and construction outlay occur. The cost of normal maintenance and repairs that do not add to the assets 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 moved from the respective accounts, and the resulting gain or loss is recorded in operations. Capital assets obtained for use in operating the county jail or sheriff's department, other than the original cost of jail construction, are considered as belonging to Creek County and not the Authority.

Estimated useful lives, in years, for depreciable assets are as follow:

Buildings	5-60
Improvements, other than buildings	2-50
Mobile equipment	3-40
Furniture, machinery, and equipment	3-30
Utility system	5-60

#### **Employee Benefits**

The Authority does not have employees. The activity of the Authority is conducted by employees of the County.

#### **Reserves and Designations**

Reserves represent those portions of fund balance not available for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

#### **Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Subsequent Events**

The Authority has evaluated subsequent events through April 5, 2022, the date which the financial statements were available to be issued.

# **Creek County Public Facilities Authority**

Notes to Financial Statements  
For the Year Ended June 30, 2021

## **Note 2: Cash and Investments**

### **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of failure of counterparty, the Authority will not be able to recover the value of its deposits or investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Authority, and are held by counterparty or the counterparty's trust department but not in the name of the Authority. The Authority's policy requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments. As of June 30, 2021, all of the Authority's deposits and investments were either covered by federal deposit insurance or were fully collateralized.

### **Deposits**

The Authority had deposits at financial institutions with a carrying amount of approximately \$3,537,774 at June 30, 2021.

### **Credit Risk**

Fixed-income securities are subject to credit risk. However, the Authority did not have fixed income securities at June 30, 2021.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board of Trustees monitor's the investment performance on an ongoing basis to limit the Authority's interest rate risk. As of June 30, 2021, the Authority's deposits consisted of demand deposits and certificates of deposit with a maturity of 12 months or less.

Bank deposits of the Authority are combined with deposits of Creek County Oklahoma. Activity relating to these bank deposits is managed by the County Treasurer and County Clerk of Creek County.

**Creek County Public Facilities Authority**  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**Note 3: Capital Assets**

Capital assets activity from modified cash basis transactions or events for the year ended June 30, 2021 was as follows:

	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021
<b>Governmental:</b>				
Capital assets not being depreciated:				
Land	\$ 387,871	\$ -	\$ -	\$ 387,871
Total capital assets not being depreciated	<u>387,871</u>	<u>-</u>	<u>-</u>	<u>387,871</u>
Capital assets being depreciated				
Buildings	18,595,964	-	-	18,595,964
Improvements other than buildings	<u>2,675,024</u>	<u>-</u>	<u>-</u>	<u>2,675,024</u>
Total capital assets being depreciated	<u>21,270,988</u>	<u>-</u>	<u>-</u>	<u>21,270,988</u>
<b>Governmental (cont):</b>				
Improvements other than buildings	<u>(354,575)</u>	<u>(37,336)</u>	<u>-</u>	<u>(391,911)</u>
Total accumulated depreciation	<u>(354,575)</u>	<u>(37,336)</u>	<u>-</u>	<u>(391,911)</u>
Governmental, net capital assets	<u>\$ 21,304,284</u>	<u>\$ (37,336)</u>	<u>\$ -</u>	<u>\$ 21,266,948</u>

Depreciation expense was charged to capital projects of the primary government of \$354,375 for the year ended June 30, 2021.

**Note 4: Note Payable**

For the year ended June 30, 2021, the Authority's long-term debt changed as follows:

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021	Amount Due Within One Year
<b>Governmental:</b>					
BOK Series 2012	\$ 8,320,000	\$ -	\$ (430,000)	\$ 7,890,000	\$ 290,000
	<u>\$ 8,320,000</u>	<u>\$ -</u>	<u>\$ (430,000)</u>	<u>\$ 7,890,000</u>	<u>\$ 290,000</u>

The long-term debt as of June 30, 2021 consisted of a \$11,280,000 Revenue Note, Series 2012, due in yearly installments of varying amounts, with 2.4% to 4.125% interest rate, secured by Creek County sales tax revenue. Outstanding principal balance of June 30, 2021 was \$7,890,000.

## Creek County Public Facilities Authority

### Notes to Financial Statements For the Year Ended June 30, 2021

#### **Note 4: Note Payable** (Continued)

In September 2021, the Authority replaced the Revenue Note, Series 2012 with a \$8,095,000 Revenue Note, Series 2021, due in yearly installments of varying amounts, with 0.57% to 3.001% interest rate, secured by the Creek County sales tax revenue.

The annual debt service requirements to retire the Revenue Note, Series 2021 note payable are as follows:

Year Ended June 30	Principal	Interest	Totals
2022	\$ 290,000	\$ 168,671	\$ 458,671
2023	540,000	165,566	705,566
2024	540,000	160,957	700,957
2025	550,000	154,246	704,246
2026	560,000	145,822	705,822
2027-2031	2,970,000	555,714	3,525,714
2032-2035	<u>2,645,000</u>	<u>157,114</u>	<u>2,802,114</u>
Total	<u>\$ 8,095,000</u>	<u>\$ 1,508,090</u>	<u>\$ 9,603,090</u>

The Authority paid interest in the amount of \$317,039 on notes during the fiscal year ended June 30, 2021.

#### **Note 5: Sales Tax**

The County, pursuant to Resolution 2008-28 adopted August 25, 2008 (the Resolution), as amended April 15, 2019, is levying a sales tax of one-sixth of one percent (0.1667%), as approved by the qualified electors of the County at an election held November 4, 2008, in accordance with Title 68, Oklahoma Statutes 2011, Section 1370, as amended (the Sales Tax Revenues), which shall be used for the payment of the debt service, including payment of interest and principal and premium.



# Creek County Public Facilities Authority

## Notes to Financial Statements For the Year Ended June 30, 2021

### **Note 5: Sales Tax (Continued)**

The County and the Authority have entered into a Sales Tax Agreement dated as of September 1, 2021 (the Sales Tax Agreement), pursuant to which the County agrees, subject to availability and appropriation of funds, to transfer, as received, to the Trustee on behalf of the Authority, and hereby appropriates to the Authority proceeds of the one-sixth of one percent Sales Tax Revenues.

Fiscal Year	Total 1 Cent	1/6 Cent	Average Monthly	Change
2021	\$ 6,477,835	\$ 1,079,639	\$ 89,970	11.99%
2020	5,784,382	964,064	80,339	-8.59%
2019	6,328,088	1,054,681	87,890	4.59%
2018	6,050,342	1,008,390	84,033	8.64%
2017	5,569,342	928,224	77,352	1.92%
2016	5,464,300	910,717	75,893	-4.41%
2015	5,716,146	952,691	79,391	2.96%
2014	5,552,024	925,337	77,111	3.17%
2013	5,381,661	896,944	74,745	1.22%
2012	5,316,563	886,094	73,841	8.17%
2011	4,914,930	819,155	68,263	N/A

### **Note 6: Debt Service Coverage**

Debt service coverage for the Series 2021 would have been as follows, had the Series been issued previously.

	2021	2020	2019	2017
County Sales Tax Revenue (1/6 cent)	\$ 1,079,639	\$ 964,064	\$ 1,054,681	\$ 1,008,390
Projected Debt Service, Series 2021	707,375	707,375	707,375	707,375
Debt Service Coverage	1.53x	1.36x	1.49x	1.43x

### **Note 7: Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority is included in coverage obtained by Creek County.



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**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***

Board of Trustees  
Creek County Public Facilities Authority  
Sapulpa, 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 – modified cash basis of the business-type activities of Creek County Public Facilities Authority, (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Creek County Public Facilities Authority's basic financial statements, and have issued our report thereon dated April 5, 2022.

**Internal Control over Financial Reporting**

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

*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 may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Hick & Company, PC*

Tulsa, Oklahoma  
April 5, 2022

