

Creek County Public Facilities Authority
Creek County, Oklahoma

Financial Statements
with Independent Auditors' Report

June 30, 2023



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Creek County Public Facilities Authority

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June 30, 2023

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Independent Auditor's Report

Board of Trustees
Creek County Public Facilities Authority
Sapulpa, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 the Authority's as of June 30, 2023, and the respective changes in financial position-modified cash basis and, where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Creek County Public Facilities Authority's internal control over financial reporting and compliance.

Hick & Company, PC

Tulsa, Oklahoma
September 21, 2023



Creek County Public Facilities Authority
Statement of Net Position (Modified Cash Basis)
June 30, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$ 3,652,976
Investments	49,004
Cash held by trustee bank	<u>177,169</u>
Total current assets	<u>3,879,149</u>

Non-current assets

Capital assets, net of depreciation	<u>17,633,077</u>
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Total Assets

\$ 21,512,226

LIABILITIES AND NET POSITION

Current Liabilities

Current portion of bonds payable	\$ <u>540,000</u>
Total current liabilities	<u>540,000</u>

Non-current Liabilities

Bonds payable	<u>6,725,000</u>
Total non-current liabilities	<u>6,725,000</u>

Total liabilities	<u>7,265,000</u>
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Net Position

Net investment in capital assets	10,368,077
Restricted for debt service	177,169
Unrestricted	<u>3,701,980</u>
Total Net Position	\$ <u><u>14,247,226</u></u>

Creek County Public Facilities Authority
Statement of Activities (Modified Cash Basis)
For the Year Ended June 30, 2023

Function/Programs	Program Revenue				Net (Expenses) Revenue
	Expenses	Charges Services	Operating Grants	Capital Grants	
Government activities:					
Capital projects	\$ 412,420	\$ -	\$ -	\$ -	\$ (412,420)
Debt service	167,199	-	-	-	(167,199)
Special projects	33,316	14,384	-	-	(18,932)
Total governmental activities	\$ 612,935	\$ 14,384	\$ -	\$ -	\$ (598,551)
			General revenues		
			Received from county	1,278,546	
			Interest income	36,086	
			Total general revenue	1,314,632	
			Change in net position	716,081	
			Net position, <i>Beginning of Year</i>	13,531,145	
			Net position, <i>End of Year</i>	\$ 14,247,226	

Creek County Public Facilities Authority
 Balance Sheet (Modified Cash Basis)
 Governmental Funds
 June 30, 2023

	Special Projects	Capital Projects	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,652,976	\$ -	\$ -	\$ 3,652,976
Investments	49,004	-	-	49,004
Restricted cash	-	-	177,169	177,169
Total Assets	\$ 3,701,980	\$ -	\$ 177,169	\$ 3,879,149
Liabilities and Fund Balances				
Fund Balances				
Unrestricted	\$ 3,701,980	\$ -	\$ -	\$ 3,701,980
Reserved for:				
Debt service	-	-	177,169	177,169
Total fund balance	3,701,980	-	177,169	3,879,149
Total Liabilities and Fund Balances	\$ 3,701,980	\$ -	\$ 177,169	\$ 3,879,149

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, 2023

	Special Projects	Capital Projects	Debt Service	Total Governmental Funds
Revenue				
Received from county	\$ 1,278,546	\$ -	\$ -	\$ 1,278,546
Interest income	36,086	-	-	36,086
Rent income	14,384	-	-	14,384
Other income	60,000	-	-	60,000
Total revenue	<u>1,389,016</u>	<u>-</u>	<u>-</u>	<u>1,389,016</u>
Expenditures				
Professional fees	33,316	-	-	33,316
Capital assets	-	338,027	-	338,027
Debt service				
Principal	-	-	540,000	540,000
Interest and fees	-	-	167,199	167,199
Total expenditures	<u>33,316</u>	<u>338,027</u>	<u>707,199</u>	<u>1,078,542</u>
Excess (deficiency) of revenues over expenditures	1,355,700	(338,027)	(707,199)	310,474
Transfers out	(1,045,226)	-	-	(1,045,226)
Transfers in	-	338,027	707,199	1,045,226
Total transfers	<u>(1,045,226)</u>	<u>338,027</u>	<u>707,199</u>	<u>-</u>
Net change in fund balances	310,474	-	-	310,474
Fund balance, Beginning of Year	<u>3,391,506</u>	<u>-</u>	<u>177,169</u>	<u>3,568,675</u>
Fund balance, End of Year	<u>\$ 3,701,980</u>	<u>\$ -</u>	<u>\$ 177,169</u>	<u>\$ 3,879,149</u>

Creek County Public Facilities Authority
 Reconciliation of Governmental Funds and
 Government-Wide Financial Statements
 For the Year Ended June 30, 2023

Fund Balances of Governmental Funds	\$ 3,879,149
<p>Amounts reported in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds</p>	17,633,077
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements.</p>	<u>(7,265,000)</u>
Net Position of Governmental Activities	\$ <u>14,247,226</u>
<p>Net Changes in Fund Balances - Total Governmental Fund</p>	
<p>Amounts reported for governmental activities in the statement of activities are different because</p>	
<p>Governmental funds reported capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>	
Capital assets purchased	338,027
Book value on capital assets disposed	(91,341)
Depreciation expense	(381,079)
<p>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.</p>	
Principal payments on long term debt in the current year	<u>540,000</u>
Change in Net Position of Governmental Activities	\$ <u>716,081</u>

Creek County Public Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

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 consists of a Creek County Commissioner, the Creek County Sheriff or their respective designee, one Trustee appointed by each Creek County Commissioner, and two other Trustees appointed by the Creek County Commissioners. 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, 2023

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, 2023

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, 2023 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, 2023

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 September 21, 2023, 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, 2023

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, 2023, 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 \$3,652,976 at June 30, 2023.

Credit Risk

Fixed-income securities are subject to credit risk. However, the Authority did not have fixed income securities at June 30, 2023.

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 monitors the investment performance on an ongoing basis to limit the Authority's interest rate risk. As of June 30, 2023, 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, 2023

Note 3: Capital Assets

Capital assets activity from modified cash basis transactions or events for the year ended June 30, 2023 was as follows:

	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Governmental:				
Capital assets not being depreciated:				
Land	\$ 387,871	\$ -	\$ (91,341)	\$ 296,530
Construction-in-progress	501,638	252,751	(737,484)	16,905
Total capital assets not being depreciated	<u>889,509</u>	<u>252,751</u>	<u>(828,825)</u>	<u>313,435</u>
Capital assets being depreciated				
Buildings	18,595,964	737,484	-	19,333,448
Improvements other than buildings	2,675,024	85,275	-	2,760,299
Total capital assets being depreciated	<u>21,270,988</u>	<u>822,759</u>	<u>-</u>	<u>22,093,747</u>
Accumulated depreciation				
Building	(4,001,000)	(329,530)	-	(4,330,530)
Improvements other than buildings	(392,027)	(51,548)	-	(443,575)
Total accumulated depreciation	<u>(4,393,027)</u>	<u>(381,078)</u>	<u>-</u>	<u>(4,774,105)</u>
Capital assets, net	<u>\$ 17,767,470</u>	<u>\$ 694,432</u>	<u>\$ (828,825)</u>	<u>\$ 17,633,077</u>

Depreciation expense was charged to capital projects of the primary government of \$381,078 for the year ended June 30, 2023.

Note 4: Bonds Payable

For the year ended June 30, 2023, the Authority's long-term debt changed as follows:

	Balance at June 30, 2022	Additions	Deductions	Balance at June 30, 2023	Amount Due Within One Year
Governmental:					
BOK Series 2021	\$ 7,805,000	\$ -	\$ (540,000)	\$ 7,265,000	\$ 540,000
	<u>\$ 7,805,000</u>	<u>\$ -</u>	<u>\$ (540,000)</u>	<u>\$ 7,265,000</u>	<u>\$ 540,000</u>

Creek County Public Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

Note 4: Bonds 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 outstanding principal balance as of June 30, 2023 was \$7,265,000.

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

Year Ended June 30	Principal	Interest	Totals
2024	\$ 540,000	\$ 163,757	\$ 703,757
2025	550,000	158,157	708,157
2026	560,000	150,336	710,336
2027	570,000	141,309	711,309
2028-2032	2,400,000	522,813	2,922,813
2033-2035	2,645,000	119,361	2,764,361
Total	<u>\$ 7,265,000</u>	<u>\$ 1,255,732</u>	<u>\$ 8,520,732</u>

The Authority paid interest and fees in the amount of \$707,199 on notes during the fiscal year ended June 30, 2023.

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, 2023

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
2023	\$ 7,648,723	\$ 1,274,787	\$ 106,232	10.14%
2022	6,944,490	1,157,415	96,451	7.20%
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.

	2023	2022	2021	2020
County Sales Tax Revenue (1/6 cent)	\$ 1,274,787	\$ 1,157,415	\$ 1,079,639	\$ 964,064
Projected Debt Service, Series 2021	707,199	707,375	707,375	707,375
Debt Service Coverage	1.80x	1.64x	1.53x	1.36x

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, 2023, 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 September 21, 2023.

Report on 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 Authority'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Authority's internal control or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

Hick & Company, PC

Tulsa, Oklahoma
September 21, 2023

