

# **Rodeo Arena Interlocal Cooperative**

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

**June 30, 2023**



# Rodeo Arena Interlocal Cooperative

## Table of Contents

June 30, 2023

<b>Independent Auditor's Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	i
<b>Financial Statements</b>	
Statement of Net Position.....	4
Statement of Revenues, Expenses and Changes in Net Position .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7
<b>Report Required by <i>Government Auditing Standards</i></b>	
Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	12



**HINKLE &  
COMPANY**

Strategic <sup>PC</sup>  
Business Advisors

## **Independent Auditor's Report**

Board of Directors  
Rodeo Arena Interlocal Cooperative  
Claremore, Oklahoma

### **Opinion**

We have audited the financial statements of Rodeo Arena Interlocal Cooperative (the Rodeo), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Rodeo as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 (*Government Auditing Standards*). 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 Rodeo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rodeo's ability to continue as a going concern for one year after the date that the financial statements are issued.

5028 E. 101st Street

Tulsa, OK 74137

TEL: 918.492.3388

FAX: 918.492.4443

[www.hinklecpas.com](http://www.hinklecpas.com)

### **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 opinion. 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 Rodeo'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 Rodeo'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.



### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page i be presented to supplement the financial statements. Such information, although not a part of the financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024 on our consideration of the Rodeo's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rodeo Arena Interlocal Cooperative's internal control over financial reporting and compliance.

*Hick & Company, PC*

Tulsa, Oklahoma  
November 5, 2024



# **Rodeo Arena Interlocal Cooperative**

## **Management's Discussion and Analysis**

**June 30, 2023**

The following discussion and analysis of the financial performance of the Rodeo Arena Interlocal Cooperative (the Rodeo) provides an overview of the Rodeo's financial activities for the fiscal year ended June 30, 2023. The analysis is intended to provide you, the reader, with a summary of significant financial activities and information and should be read in conjunction with the Rodeo's financial statements.

### **DISCUSSION OF THE BASIC FINANCIAL STATEMENTS**

The 2023 financial statements were prepared in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34). GASB 34 provides not only for the presentation of management's discussion and analysis but also provides for the following statements.

Statement of net position: This is a financial statement of the Rodeo as a whole. It is prepared on the accrual basis of accounting and presents all assets, liabilities and net position of the Rodeo.

Statement of revenues, expenses and changes in net position: This statement is also prepared on the accrual basis of accounting and presents the overall operations of the Rodeo for the years ended June 30, 2023 and 2022.

Statement of cash flows: This statement is presented to provide a summary of how the Rodeo generated cash during the current year. This is basically done by taking the statement of revenues, expenses and changes in net position and presenting it on a cash basis. In accordance with GASB 34, the direct method of presentation is used to prepare this statement.

The Rodeo is presenting all its financial statements a business-type activity and has no "Fund" financial statements, as defined in GASB 34. The statement of net position is similar to a business balance sheet, which presents assets, liabilities, and equity. In the Rodeo's case equity is considered net position. The statement of revenues, expenses, and change in net position is equivalent to a business income statement, i.e., the results of operations for the current year. The statement of cash flows is very similar to that being used by businesses; in that it presents the cash activity of the Rodeo for the current year.

# Rodeo Arena Interlocal Cooperative

## Management's Discussion and Analysis

June 30, 2023

### Statement of Net Position

The Statement of Net Position presents the financial position of the Rodeo at the end of the fiscal year. From the data presented, readers of the statement are able to determine the assets available to continue the operations of the Rodeo. They also are able to determine how much the Rodeo owes vendors, investors and lending institutions. Finally, the Statement of Net Position provides a picture of the net assets (assets minus liabilities) and their availability to pay expenses of the Rodeo or as one way to measure the Rodeo's financial health or financial position.

	<b>June 30</b>		<b>Increase</b>	<b>Percent</b>
	<b>2023</b>	<b>2022</b>	<b>(Decrease)</b>	<b>Change</b>
<b>Current assets</b>				
Cash	\$ 363,419	\$ 161,454	\$ 201,965	125%
Accounts receivable	918	6,000	(5,082)	-85%
Total Current Assets	<u>364,337</u>	<u>167,454</u>	<u>196,883</u>	40%
<b>Capital Assets, net</b>	<u>566,237</u>	<u>806,226</u>	<u>(239,989)</u>	-30%
<b>Total Assets</b>	<u>930,574</u>	<u>973,680</u>	<u>(43,106)</u>	-4%
<b>Current Liabilities</b>				
Accounts payable	<u>4,235</u>	<u>-</u>	<u>4,235</u>	4235%
Total Current Liabilities	<u>4,235</u>	<u>-</u>	<u>4,235</u>	
<b>Net Position</b>				
Net investment in capital assets	566,237	806,226	(239,989)	-30%
Unrestricted	<u>360,102</u>	<u>167,454</u>	<u>192,648</u>	115%
Total Net Position	<u>926,339</u>	<u>973,680</u>	<u>(47,341)</u>	-5%
<b>Total Liabilities and Net Position</b>	<u>\$ 930,574</u>	<u>\$ 973,680</u>	<u>\$ (43,106)</u>	-4%

During the period July 1, 2022 to June 30, 2023 the Rodeo's net position decreased by \$47,341. Net position totaled \$926,339, with \$566,237 as net investment in capital assets, i.e., this is property and equipment less bonded indebtedness.

Current assets consist primarily of cash and cash equivalents totaling \$363,419. Also included in current assets are accounts receivable of \$6,000 mainly made up of money owed from sponsorships.

Noncurrent assets consist of capital assets (land, buildings, equipment, etc.) net of accumulated depreciation totaling \$566,237.

# Rodeo Arena Interlocal Cooperative

## Management's Discussion and Analysis

June 30, 2023

### Statement of Cash Flows

The Statement of Cash Flows provides additional information about the Rodeo's financial results by reporting the major sources and uses of cash. This statement will assist in evaluating the Rodeo's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The statement is divided into three sections. The first section deals with operating cash flows and shows the net cash used by the operating activities of the Rodeo. The second section reflects cash flows from non-capital financing activities. This section also reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section reflects cash flows from capital and related financing activities. This section also deals with the cash used for the acquisition and construction of capital and related assets.

### Statement of Revenues, Expenses and Changes in Net Position

Operating revenues consist primarily of sales related to sponsorships, product income and events. The increase in operating revenues is directly related to the continued efforts to increase participation of sponsors and occupants in attending events held by the Rodeo. In correlation to an increase in participation, expenses related to those events also states an increase from 2022 to 2023.

	June 30		Increase (Decrease)	Percent Change
	2023	2022		
<b>Operating revenues</b>				
Sales - sponsorships	\$ 153,500	\$ 115,080	\$ 38,420	33%
Sales - product income	16,056	17,992	(1,936)	-11%
Sales - event related	115,381	90,480	24,901	28%
<b>Total operating revenues</b>	<u>284,937</u>	<u>223,552</u>	<u>61,385</u>	27%
<b>Less operating expenses</b>	<u>316,099</u>	<u>294,750</u>	<u>21,349</u>	7%
<b>Net operating gain (loss)</b>	\$ <u>(31,162)</u>	\$ <u>(71,198)</u>	\$ <u>40,036</u>	-56%

### Capital Assets

As of June 30, 2023, the Rodeo had a net book value of capital assets of \$566,237 compared to \$806,226 at June 30, 2022. In the current year, it was noted that accumulated depreciation was not being recorded as an offset to capital assets. The decrease in capital assets is related to the recording of accumulated depreciation during 2023.

## **Rodeo Arena Interlocal Cooperative**

Management's Discussion and Analysis

June 30, 2023

### **DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL POSITION OR RESULTS OF OPERATIONS**

At this time, the Rodeo does not expect any known facts, decisions, or conditions to have a significant effect on the financial position or results of operations.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Rodeo's finances for all those with an interest. Questions concerning any of the information provided in this report should be addressed to the Director of Claremore Expo & Tourism Development c/o Claremore Expo & Tourism Development, Veterans Parkway, Claremore, OK 74017.

**Rodeo Arena Interlocal Cooperative**  
Statement of Net Position  
June 30, 2023

<u>ASSETS</u>	<u>2023</u>
<b>Current Assets</b>	
Cash	\$ 363,419
Accounts receivable	918
Total Current Assets	<u>364,337</u>
<b>Capital Assets, net</b>	<u>566,237</u>
<b>Total Assets</b>	<u>\$ 930,574</u>
 <b><u>LIABILITIES AND NET POSITION</u></b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 4,235
Total Current Liabilities	<u>4,235</u>
<b>Net Position</b>	
Net investment in capital assets	566,237
Unrestricted	<u>360,102</u>
Total Net Position	<u>926,339</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 930,574</u>

**Rodeo Arena Interlocal Cooperative**  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2023

	<b>2023</b>
<b>Operating Revenues</b>	
Sales - sponsorships	\$ 153,500
Sales - product income	16,056
Sales - event related	115,381
Total Operating Revenues	<u>284,937</u>
<b>Operating Expenses</b>	
Administrative	9,853
Advertising	42,571
Contract labor	151,043
Insurance	8,167
Professional fees	171
Taxes and licenses	11,781
Depreciation	51,089
Repairs and maintenance	19,085
Travel and entertainment	19,004
Utilities	2,251
Miscellaneous expense	1,084
Total Expenses	<u>316,099</u>
Total Operation Loss	<u>(31,162)</u>
<b>Non-Operating Revenues</b>	
Contributions	235,000
Interest income	2,941
Other income	1,325
Total Non-Operating Revenues	<u>239,266</u>
<b>Change in Net Position</b>	208,104
<b>Net Position, Beginning of Year</b>	<u>718,235</u>
<b>Net Position, End of Year</b>	<u><u>\$ 926,339</u></u>

**Rodeo Arena Interlocal Cooperative**  
Statement of Cash Flows  
For the Year Ended June 30, 2023

	<u><b>2023</b></u>
<b>Cash Flow from Operating Activities</b>	
Operating loss	\$ (31,162)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Depreciation and amortization	51,089
Changes in operating assets and liabilities	
Accounts receivable	5,082
Accounts payable	4,235
Net cash provided by operation activities	<u>29,244</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash received from contributions	235,000
Cash received from interest	2,941
Cash received from other income	1,325
Net cash provided by investing activities	<u>239,266</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Cash paid for capital assets	<u>(66,545)</u>
Net cash used in capital and related financing activities	<u>(66,545)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	201,965
<b>Cash and Cash Equivalents, <i>Beginning of Year</i></b>	<u>161,454</u>
<b>Cash and Cash Equivalents, <i>End of Year</i></b>	<u><u>\$ 363,419</u></u>

**Rodeo Arena Interlocal Cooperative**  
Notes to Financial Statements  
June 30, 2023

**Note 1: Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows.

**Background**

Rodeo Arena Interlocal Cooperative (the Rodeo), is a joint contractual association pursuant to the Interlocal Cooperation Act, OKLA. Stat. tit. 74, 1001-1008 between the Board of County Commissioners of Rogers County, Oklahoma, a body corporate and politic, Claremore Public Works Authority, an Oklahoma public trust, and the City of Claremore, Oklahoma, a municipal corporation.

The Rodeo has generally been formed to sustain the rodeo grounds adjacent to the Lake Park, to maintain the property and facilities so as to become more public friendly. By maintaining the grounds, the Rodeo will expand the footprint of the Lake Park by extending the walking trails from the park through parts of the grounds. This would encourage more residents and visitors to enjoy both the lake and the walking trails. The future development of quality-of-life amenities for public use provides growth opportunities for the city and the county, while encouraging the general public to enjoy the park, trails and amenities as mentioned.

The Rodeo's goal is to encourage community leaders, area businesses and volunteer-based organizations to become active supporters of the property, the future of the property, the future of the 6X Winner of the Best Small Rodeo in America, and the Will Rogers Stampede PRCA Rodeo, and to ensure it is sustained to its Centennial.

**Basis of Accounting and Presentation**

The financial statements of the Rodeo have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place. The Rodeo distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses consist of revenues and expenses associated with operating the rodeo events. All other revenues and expenses are reported as non-operating.

The financial statements of the Rodeo are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The activities of the Rodeo are accounted for in a proprietary fund. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is on the determination of net income, financial position, and cash flows.

**Rodeo Arena Interlocal Cooperative**  
Notes to Financial Statements  
June 30, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Receivables**

Receivables primarily represent short-term, non-interest bearing, and are considered past due if any portion of the receivable balance is outstanding after 30 days. The Rodeo has historically not experienced significant uncollectible accounts, therefore has provided no allowance for doubtful accounts. The Rodeo typically does not charge interest or require collateral on receivables.

**Estimates**

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

**Financial Statement Presentation**

Net position is displayed in three components:

1) **Net Investment in Capital Assets**

This component of net position includes restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes that are attributable to the acquisition, construction or improvements of those assets.

2) **Restricted Net Position**

This component consists of net positions with constraints placed on the use either by external groups such as creditors, grantors, contributors or laws or regulations, or law through constitutional provisions or enabling legislation.

3) **Unrestricted Net Position**

This component consists of all other net positions that do not meet the definition of 'restricted' or invested in capital assets, net of related debt. The Rodeo's policy is to first apply unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net assets are available.

As of June 30, 2023, the Rodeo had no restricted net position.

**Capital Assets**

Government Accounting Standards Board Statement No. 34 (GASB No. 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* requires governmental entities to depreciate all capital assets, except certain non-depreciable assets such as land and construction in progress.

**Rodeo Arena Interlocal Cooperative**  
Notes to Financial Statements  
June 30, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Capital Assets** (Continued)

Capital assets are reported at historical cost. Donated capital assets are valued at the estimated fair value at the date of donation. All items with a value of \$500 or more, with estimated useful lives beyond one year, are depreciated principally under the straight-line method. Depreciation expense was \$51,089 for June 30, 2023. Maintenance and repairs are charged to operations when incurred and improvements are capitalized when useful lives are estimated beyond one year.

Capital assets are depreciated on a straight-line basis over the estimated useful life of each asset.

Buildings and improvements	5 - 20 years
Equipment	3 - 10 years

**Classification of Revenue and Expenses**

All revenues and expenses are defined as all revenue sources and uses directly related to the mission of the Rodeo and are defined according to the following criteria.

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as administrative fee income, bond redemption and grant revenue.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, Reporting Cash Flows and Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting, and GASB No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments investment income.

**Subsequent Events**

The Rodeo has evaluated subsequent events through November 5, 2024, which is the date the financial statements were issued.

## Rodeo Arena Interlocal Cooperative

### Notes to Financial Statements

June 30, 2023

#### Note 2: Cash and Cash Equivalents

##### Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and time deposits maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The Rodeo had bank deposits at June 30, 2023 of \$113,419 that were uninsured.

Deposits with banks and financial institutions are carried at cost. The table presented below is designed to disclose the level of custody credit risk assumed by the Rodeo based upon how its deposits were insured or secured with collateral at June 30, 2023. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized by securities held by the Rodeo or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Rodeo's name.

Category 3 - Deposits which are not collateralized or insured.

Types of Deposits	June 30, 2023				
	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)	Carrying Value
<i>Demand Deposits</i>					
Operating Account	\$ 226,751	\$ 226,751	\$ -	\$ -	\$ 226,751
Special Events Account	136,668	23,249	-	113,419	136,668
Total Deposits	<u>\$ 363,419</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 113,419</u>	<u>\$ 363,419</u>

**Rodeo Arena Interlocal Cooperative**  
Notes to Financial Statements  
June 30, 2023

**Note 3: Capital Assets**

Capital asset activity for the Rodeo for the year ended June 30, 2023 was:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land	\$ 144,375	\$ -	\$ -	\$ 144,375
Capital assets being depreciated:				
Buildings and improvements	311,861	52,243	-	364,104
Equipment	349,990	14,303	-	364,293
Total capital assets being depreciated	661,851	66,546	-	728,397
Less accumulated depreciation	(255,446)	(51,089)	-	(306,535)
Total capital assets, Net	\$ 550,780	\$ 15,457	\$ -	\$ 566,237

**Note 4: Tax-Exempt Status**

The Rodeo is recognized as a subdivision of the State of Oklahoma and is therefore not subject to income taxes.

**Note 5: Economic Dependency**

The Rodeo receives a significant portion of its revenue from funds provided through contributions from the City of Claremore and Rogers County. If significant budget cuts are made at these levels, the amount of the funds the Rodeo receives could be reduced significantly and have an adverse impact on its operation. Management is not aware of any actions that will adversely affect the amount of funds the Rodeo will receive in the next fiscal year.



**HINKLE &  
COMPANY**  
Strategic PC  
Business Advisors

**Independent Auditor's Report on Internal Control over Financial  
Reporting and Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government  
Auditing Standards***

Board of Directors  
Rodeo Arena Interlocal Cooperative  
Claremore, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rodeo Arena Interlocal Cooperative (the Rodeo), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Rodeo's basic financial statements, and have issued our report thereon dated November 5, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Rodeo'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 Rodeo's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rodeo's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Rodeo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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  
November 5, 2024

