

AUDIT REPORT

PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
PUSHMATAHA COUNTY, OKLAHOMA

JUNE 30, 2023

April Adams CPA PLLC

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PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
JUNE 30, 2023

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PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
PUSHMATAHA COUNTY, OKLAHOMA
JUNE 30, 2023

BOARD OF TRUSTEES AT JUNE 30, 2023

| <u>NAME</u> | <u>POSITION</u> |
|---------------------|-----------------|
| MICHAEL BRITTINGHAM | CHAIRMAN |
| BRAD BURGETT | VICE CHAIRMAN |
| JOHN ROBERTS | TRUSTEE |

TREASURER OF THE BOARD OF TRUSTEES

VERA LEWIS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Pushmataha County Economic Development Authority
Antlers, Oklahoma

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Pushmataha County Economic Development Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pushmataha County Economic Development Authority as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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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 Pushmataha County Economic Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pushmataha County Economic Development 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pushmataha County Economic Development Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information section, listed in the accompanying table of contents but does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 20, 2023, on my consideration of the Pushmataha County Economic Development Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pushmataha County Economic

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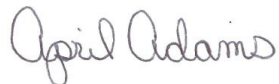
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Development Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pushmataha County Economic Development Authority's internal control over financial reporting and compliance.



April Adams CPA PLLC
Ponca City, Oklahoma

October 20, 2023

**PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

| | <u>ASSETS</u> | <u>ENTERPRISE FUNDS</u> |
|--|---------------|-------------------------|
| <u>CURRENT ASSETS:</u> | | |
| Revenue Fund | | \$ 25,958 |
| Econ. Dev. Checking - Bond Fund | | - |
| Prepaid Expenses | | - |
| Total Current Assets | | 25,958 |
| <u>CAPITAL ASSETS:</u> | | |
| Land | | 25,000 |
| Buildings | | 205,289 |
| Less: Accumulated Depreciation | | (203,763) |
| Net Capital Assets | | 26,526 |
| TOTAL ASSETS | | \$ 52,484 |
| <u>LIABILITIES & NET POSITION</u> | | |
| <u>CURRENT LIABILITIES:</u> | | |
| Accounts Payable - Trade | | \$ 1,775 |
| Payroll Taxes Payable | | - |
| Accrued Interest Payable | | - |
| Current Maturities of Bonds Payable | | - |
| Total Current Liabilities | | 1,775 |
| <u>LONG-TERM LIABILITIES:</u> | | |
| Bonds Payable | | - |
| Less: Current Maturities | | - |
| Total Long-Term Liabilities | | - |
| TOTAL LIABILITIES | | 1,775 |
| <u>NET POSITION:</u> | | |
| Net investment in capital assets | | 26,526 |
| Restricted for debt service | | - |
| Unrestricted | | 24,183 |
| TOTAL NET POSITION | | 50,709 |
| TOTAL LIABILITIES AND NET POSITION | | \$ 52,484 |

The accompanying notes are an integral part of these financial statements.

**PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2023**

| | ENTERPRISE FUNDS |
|--|-------------------------|
| <u>OPERATING REVENUES:</u> | |
| Rent Income DHS | \$ 31,569 |
| Rent Income Health Dept | - |
| TOTAL OPERATING REVENUES | 31,569 |
| <u>OPERATING EXPENSES:</u> | |
| Salaries | - |
| Utilities | 18,205 |
| Cable | - |
| Repairs & Maintenance | 13,775 |
| Payroll Taxes | - |
| Insurance | 1,152 |
| Accounting | 2,362 |
| Legal | - |
| Depreciation | 163 |
| Fiscal Agent Fee | - |
| Office Supplies | 2,674 |
| Service Fees | - |
| Total Operating Expenses | 38,331 |
| NET OPERATING INCOME (LOSS) | (6,762) |
| <u>OTHER REVENUES (EXPENSES):</u> | |
| Interest Income | - |
| Miscellaneous Income | - |
| Bond Interest Expense | - |
| Total Other Revenues (Expenses) | - |
| CHANGE IN NET POSITION | (6,762) |
| TOTAL NET POSITION, Beginning of Year | 57,471 |
| TOTAL NET POSITION, End of Year | \$ 50,709 |

The accompanying notes are an integral part of these financial statements.

PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

| | ENTERPRISE FUNDS |
|--|-------------------------|
| <u>Cash Flows from Operating Activities:</u> | |
| Cash Receipts from Rentals | \$ 31,569 |
| Other Cash Receipts | - |
| Payments to Suppliers for Goods & Services | (38,039) |
| Payments to Employees and Laborers | - |
| Net Cash Provided (Used) by Operating Activities | (6,470) |
| <u>Cash Flows from Non-Capital Financing Activities:</u> | |
| Transfers to restricted funds | - |
| Transfers from restricted funds | - |
| Net Cash Provided (Used) by Non-Capital Financing Activities | - |
| <u>Cash Flows from Capital & Related Financing Activities:</u> | |
| Capital grant received for construction/purchase of capital assets | - |
| Additions to Capital Assets | - |
| Proceeds from sale of Capital Assets | - |
| Expense of sale of Capital Assets | - |
| Loan Proceeds received | - |
| Principal Paid on Bonds Payable | - |
| Bond Interest Paid | - |
| Net Cash Provided (Used) by Capital & Related Financing Activities | - |
| <u>Cash Flows from Investing Activities:</u> | |
| Interest Income | - |
| Miscellaneous Income | - |
| Net Cash Provided (Used) by Investing Activities | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | (6,470) |
| Cash & Cash Equivalents, Beginning of Year | 32,428 |
| Cash & Cash Equivalents, End of Year | \$ 25,958 |
| <u>Reconciliation of operating income (loss) to net cash provided</u> | |
| <u>operating activities:</u> | |
| Net Operating Income (Loss) | \$ (6,762) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | |
| Depreciation | 163 |
| Change in assets and liabilities: | |
| (Increase)Decrease in Accounts Receivable | - |
| (Increase)Decrease in Prepaid Expenses | 154 |
| (Increase)Decrease in Customer Deposits | - |
| Increase(Decrease) in Accounts Payable | (25) |
| Increase(Decrease) in Other Payable | - |
| Net Cash Provided (Used) by Operating Activities | \$ (6,470) |

The accompanying notes are an integral part of these financial statements.

PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The financial statements of the Authority are required to be presented in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles and practices are described below.

A. Financial Reporting Entity

Pushmataha County Economic Development Authority was created as a public trust under Oklahoma Statutes on September 21, 1981, for the use and benefit of the beneficiary, Pushmataha County, Oklahoma, to plan, finance, construct, and operate buildings, equipment, and other facilities as set forth in the Trust indenture.

B. Basis of Accounting

The records of the Authority are maintained on the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

C. Property and Equipment

Additions to the Pushmataha County Economic Development Authority are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets ranging from five to fifty years.

Construction in progress is recorded at cost. No depreciation is recognized until construction contracts are completed and the applicable facilities become operational.

PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - CASH BALANCES

At June 30, 2023 the Pushmataha County Economic Development Authority had deposits at First Bank, Antlers, Oklahoma. All deposits were covered by federal depository insurance (FDIC).

NOTE 3 - LEASE AGREEMENTS

Oklahoma Department of Human Services (DHS)

The Pushmataha County Economic Development Authority has entered into an agreement with the Oklahoma Department of Human Services (DHS) for the rental of office space. The agreement states that DHS will provide routine maintenance services for the building, which includes general day-to-day maintenance and all minor repairs with costs up to \$2,500.00 per incident. The Authority will participate in the cost for all repairs requiring over \$2,500.00 per incident. DHS has also agreed to pay the Authority for expenses incurred in the operation of the property to include: utilities, janitorial services, lawn care services, snow and ice removal services, insurance, professional carpet cleaning and grounds maintenance in the amount of \$3,163.28 per month paid in arrears. The lease is renewable annually. Lease income for 2024 will be \$37,959.36.

NOTE 4 - COMPONENT UNIT

Pushmataha County Economic Development Authority was created as a public trust under Oklahoma Statutes on September 21, 1981, for the use and benefit of the beneficiary, Pushmataha County, Oklahoma, to plan, finance, construct, and operate buildings, equipment and other facilities as set forth in the Trust Indenture. The Pushmataha County Commissioners are the trustees of the Authority and make up the governing board of the Authority. Therefore, the Authority is considered to be component unit of Pushmataha County.

NOTE 5 - ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Accumulated unpaid vacation and sick leave benefits have not been shown as a liability in the financial statements. The Pushmataha County Economic Development Authority's position is that any accrued benefits are not significant and would not materially affect the financial statements.

PUSHMATAHA COUNTY ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - PENSION PLAN

The Pushmataha County Economic Development Authority does not maintain or contribute to any type of pension plan.

NOTE 7 - CONTINGENT LIABILITIES

The Board of Trustees of the Pushmataha County Economic Development Authority is not aware of any contingent liabilities at June 30, 2023 which would materially affect the Authority's financial statements.

NOTE 8 - ESTIMATES

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

NOTE 9 - SUBSEQUENT EVENTS

The Authority did not have any subsequent events through October 20, 2023, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2023.

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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*

To the Board of Directors
Pushmataha County Economic Development Authority
Antlers, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Pushmataha County Economic Development Authority, Antlers, Oklahoma as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued my report thereon dated October 20, 2023. Management has omitted the MD&A required by accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Pushmataha County Economic Development Authority's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pushmataha County Economic Development Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Pushmataha County Economic Development Authority'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 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

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is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pushmataha County Economic Development Authority's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



April Adams CPA PLLC
Ponca City, Oklahoma

October 20, 2023