

CREEK COUNTY HOME FINANCE AUTHORITY  
CREEK COUNTY, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2024

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AMY M HALE

CERTIFIED PUBLIC ACCOUNTANT, PLLC

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## *Independent Auditor's Report*

The Honorable Members of the Board of Trustees  
Creek County Home Finance Authority  
Creek County, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities of Creek County Home Finance Authority, a component unit of Creek County, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Creek County Home Finance Authority of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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* (GAS), 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 Creek County Home Finance 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.

#### ***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 Creek County Home Finance 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***

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 and GAS 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 and GAS, 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 Creek County Home Finance 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 Creek County Home Finance 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025 on our consideration of Creek County Home Finance 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 Home Finance Authority's internal control over financial reporting and compliance.



Amy M Hale, CPA, PLLC  
Bristow, Oklahoma  
March 4, 2025

**CREEK COUNTY HOME FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 13,708
Investments	129,970
Restricted:	
Cash and cash equivalents	203,630
Investments	50,000
Interest receivable	592
Prepaid expense	4,312
Total current assets	<u>402,212</u>

Non-current assets:

Land	13,800
Other capital assets net of accumulated depreciation	<u>785</u>
Total non-current assets	<u>14,585</u>

Total assets	<u>416,797</u>
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**LIABILITIES**

Current liabilities:

Escrow payments held in trust	<u>3,743</u>
Total current liabilities	<u>3,743</u>

Total liabilities	<u>3,743</u>
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**NET POSITION**

Net invested in capital assets	14,585
Restricted for home development	253,630
Unrestricted	<u>144,839</u>
Total net position	<u><u>\$ 413,054</u></u>

The accompanying notes are an integral part of this financial statement.

**CREEK COUNTY HOME FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Operating revenues:	
Rentals	\$ 25,200
NSP program revenue	<u>7,923</u>
Total operating revenue	<u>33,123</u>
Operating Expenses:	
Expense participation	21,000
Professional fees	5,930
Insurance	2,097
Depreciation	447
Property management	2,795
Other	<u>137</u>
Total operating expenses	<u>32,406</u>
Operating income (loss)	<u>717</u>
Other income/(expense):	
Investment income	8,506
Donation - land	3,800
Gain/(loss) on sale of property	<u>38,437</u>
Total non-operating revenue/(expense)	<u>50,743</u>
Net change in net position	51,460
Net position, beginning	<u>361,594</u>
Net position, ending	<u><u>\$ 413,054</u></u>

The accompanying notes are an integral part of this financial statement.

**CREEK COUNTY HOME FINANCE AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Cash flow from operating activities:	
Cash received from operations	\$ 28,623
Cash paid to suppliers for goods and services	<u>(32,358)</u>
Net cash provided (used) by operating activities	<u>(3,735)</u>
Cash flow from capital financing activities:	
Net proceeds from sale of asset	<u>130,937</u>
Net cash provided (used) by non-capital financing activities	<u>130,937</u>
Cash flows from investing activities:	
Investment income	<u>8,153</u>
Net cash provided (used) by financing activities	<u>8,153</u>
Net increase (decrease) in cash	135,355
Cash at the beginning of the year	<u>81,983</u>
Cash at the end of the year	<u><u>\$ 217,338</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 717
Adjustments to reconcile operating income to Net cash used by operating activities:	
Depreciation	447
(Increase)/Decrease in prepaid	(399)
Increase/(Decrease) in escrow held in trust	<u>(4,500)</u>
Net cash used by operating activities	<u><u>\$ (3,735)</u></u>

The accompanying notes are an integral part of this financial statement.

**CREEK COUNTY HOME FINANCE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Creek County Home Finance Authority (the Authority) is a public trust created by the Board of County Commissioners of Creek County Oklahoma (the "County") February 20, 1979 under the provisions of Title 60, Oklahoma Statutes. The primary purpose of the trust is to assist in providing adequate housing for low to moderate income families in Creek County Oklahoma through the issuance of revenue bonds..

The Authority is governed by a nine-member board of trustees appointed by the Board of County Commissioners. The County is entitled to receive the residue of the trust estate upon termination of the trust. The County does not have any authority, power, or right to control or direct the actions of the trustees or to transact any business for the Authority. The County and the Authority are related organizations. The Authority is a component unit of the County.

The Authority and Creek County Industrial Authority are governed by boards of trustees with identical membership. Transactions regularly occur between the two authorities. Financial information for Creek County Industrial Authority is reported in a separately audited financial report. Transactions between these authorities are discussed in Note G.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority operates as a business type entity. The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Authority's reporting entity does not apply FASB pronouncements or ABP opinions issued after November 30, 1989.

The financial statements report using the economic resources measurement focus and the accrual basis of accounting. Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating income reported in financial statements include revenues and expenses related to the primary, continuing operations of the Authority. Principal operating revenues are charges to customers for sales or services. Principal operating expenses are the cost of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Investments

The Authority invests in certificates of deposit from banks insured by the Federal Depository Insurance Agency.

Prepays

Prepays 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 HOME FINANCE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

Property Held for Resale

Property held for resale is stated at cost. The Authority has an agreement with Central Technology Center to build homes within Creek County for the purpose of giving students experience. These homes are sold, and the proceeds are invested back into the Creek County Home Finance Authority Neighborhood Stabilization Program.

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 governmentwide 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 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.

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

Buildings	5 - 60 years
Improvements, other than buildings	2 - 50 years
Mobile equipment	6 - 40 years
Furniture, machinery, and equipment	3 - 30 years
Utility systems	5 – 60 years

Employee Benefits

The Authority does not have employees.

Reserves and Designations

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

Proprietary Fund Net Position

The net position is divided into three components:

- Invested in capital assets, net of related debt – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted – Consists of assets that are restricted by the Authority's creditors (for example, through debt covenants), by the state enabling legislation (through restriction on shared revenues), by grantors (both federal and state), and by other contributors as applicable.
- Unrestricted – all other net position is reported in this category.



**CREEK COUNTY HOME FINANCE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (Net Position), the Authority's policy is to first apply the expense toward the restricted resources and then toward the unrestricted resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**NOTE B - DEPOSITS WITH FINANCIAL INSTITUTIONS 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.

Deposits

The Authority had deposits at financial institutions with a carrying amount of approximately \$397,308 at June 30, 2024. The bank balance of the deposits at June 30, 2024 was approximately \$397,308.

Credit Risk

Fixed-income securities are subject to credit risk. However, the Authority did not have fixed income securities at June 30, 2024.

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 Directors monitor's the investment performance on an ongoing basis to limit the Authority's interest rate risk. As of June 30, 2024, the Authority's deposits consisted of demand deposits. Amounts held for debt service are controlled and invested by a trustee bank.

**CREEK COUNTY HOME FINANCE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE C – RECEIVABLES**

The Authority has accrued interest receivable on certificates of deposit held at June 30, 2024.

The mortgages referred to in Note E are not considered receivables due to the NSP program noted in Note F. The guidelines for NSP show the principal and interest payments as program income. At June 30, 2024 the Authority had loans outstanding of \$142,568 under the NSP program.

**NOTE D – CAPITAL ASSETS**

The following table provides a summary of changes in capital assets:

		CAPITAL ASSETS, DEPRECIATED				Capital Assets Not Depreciated Held for sale
		Buildings	Infrastructure & Improvements Other Than Buildings	Furniture, Machinery, & Equipment	Total	
Business-type activities						
Balance,	June 30, 2023	\$ 238,903	\$ -	\$ 8,789	\$ 247,692	\$ 10,000
Increases		-	-	-	-	3,800
Decreases		(92,500)	-	-	(92,500)	-
Balance,	June 30, 2024	146,403	-	8,789	155,192	13,800
Accumulated Depreciation						
Balance,	June 30, 2023	145,612	-	8,348	153,960	
Increases		212	-	235	447	
Decreases		-	-	-	-	
Balance,	June 30, 2024	145,824	-	8,583	154,407	
Business-type activities						
Capital Assets, Net		<u>\$ 579</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 785</u>	<u>\$ 13,800</u>

**NOTE E – REVENUE BONDS AND NOTES PAYABLE**

During fiscal year ended June 30, 2012, the Authority purchased and rehabilitated properties with grant funds. Purchasers of these properties make mortgage payments directly to the Authority. These funds are retained by the Authority for future projects and payment of expenses. Additional payments made to the Authority above principal and interest are held in an escrow fund which is used to pay annual homeowners insurance expenses for the purchasers. The unexpended funds held for this purpose are recorded as escrow funds held in trust. The balance of the escrow liability was \$3,743.

**NOTE F – NSP PROGRAM REVENUE**

The Authority receives mortgage principal and interest payments on the notes referred to in Note E. These payments are accounted for as NSP program income under the Neighborhood Stabilization Program of the United States Department of Housing and Urban Development. The Authority can use this money to purchase and rehabilitate other properties to sell. The money held for this purpose is considered restricted. The Authority had \$253,630 restricted for this purpose at June 30, 2024.

**CREEK COUNTY HOME FINANCE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE G – RELATED PARTY TRANSACTIONS**

As indicated in Note A, financial transactions occur between the Authority and Creek County Industrial Authority on a regular basis. Creek County Home Finance Authority does not have an office staff or pay normal office expenses, such as utilities. In lieu of maintaining separate staffs and paying office expenses, Creek County Home Finance Authority pays Creek County Industrial Authority \$12,000 per year in expense participation fees. Additional payments may be required if additional activity requires additional personnel time or costs related to Creek County Home Finance business. During the fiscal year ended June 30, 2024, Creek County Home Finance paid a total of \$21,000 in participation fees. The payments are recognized as revenue and expense in the financial statements of the respective authorities.

**NOTE H – 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 carries commercial insurance for risk of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE I – LITIGATION**

At June 30, 2024, the Authority was not involved in any pending or threatened litigation which would have a material impact on these financial statements.

**NOTE J - SUBSEQUENT EVENTS**

The Authority has considered subsequent events through March 4, 2025, the date which the financial statements were available for release. The Authority is not aware of any items which need to be disclosed during that period.

# **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***

## *Independent Auditor's Report*

The Honorable Members of the Board of Trustees  
Creek County Home Finance Authority  
Creek County, 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 (*Government Auditing Standards*), the financial statements of the business-type activities of Creek County Home Finance Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Creek County Home Finance Authority's basic financial statements, and have issued our report thereon dated March 4, 2025.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Creek County Home Finance Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Creek County Home Finance Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Creek County Home Finance 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Creek County Home Finance 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 or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Creek County Home Finance Authority'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 financial statements. 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 Creek County Home Finance 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 Home Finance Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read 'Amy M Hale', is positioned above the printed name.

Amy M Hale, CPA, PLLC  
Bristow, Oklahoma  
March 4, 2025