

LAKE BLACKWELL
TRUST AUTHORITY

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2023

LAKE BLACKWELL TRUST AUTHORITY
BRAMAN, OKLAHOMA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Blackwell Trust Authority

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying modified cash basis statement of assets, liabilities and net position of Lake Blackwell Trust Authority, Braman, Oklahoma (the Authority) as of and for the year ended June 30, 2023, and the statement of revenues, expenses and change in net position, the statement of cash flows 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 my opinion, the modified cash basis financial statements referred to above present fairly, in all material respects, the assets, liabilities and net position of the Authority, as of June 30, 2023, and the changes in revenues, expenses, and net position, and the statement of cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 opinions.

Emphasis of Matter—Basis of Accounting

I 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. My 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 these 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.

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 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 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

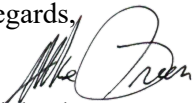
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 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 Authority's ability to continue as a going concern for a reasonable period of time.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated January 16, 2024, on my consideration of the Authority’s internal control over financial reporting and on 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 the 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 the Authority’s internal control over financial reporting and compliance.

Regards,



Michael Green, CPA

Stilwell, Oklahoma

January 16, 2024

**LAKE BLACKWELL TRUST AUTHORITY
BRAMAN, OKLAHOMA
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2023**

Assets

Current Assets:

| | | |
|---------------------------------|----|--------|
| Cash and cash equivalent | \$ | 59,121 |
| Total cash and cash equivalents | | 59,121 |

Non-current Assets:

| | | |
|------------------------------|--|----------|
| Property and Equipment | | 117,229 |
| Accumulated Depreciation | | (94,821) |
| Total Property and Equipment | | 22,408 |

| | | |
|--------------|----|--------|
| Total Assets | \$ | 81,529 |
|--------------|----|--------|

Liabilities

Current Liabilities:

| | | |
|-------------------|----|---|
| | \$ | - |
| Total liabilities | | - |

Net Position

| | | |
|----------------------------------|--|--------|
| Net Investment in Capital Assets | | 22,408 |
| Unrestricted | | 59,121 |
| Total Net Position | | 81,529 |

| | | |
|------------------------------------|----|--------|
| Total Liabilities and Net Position | \$ | 81,529 |
|------------------------------------|----|--------|

The accompanying notes and auditor's report are an integral part of these financial statements.

**LAKE BLACKWELL TRUST AUTHORITY
BRAMAN, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2023**

| | |
|---------------------------------------|-------------------------|
| Operating Revenues: | |
| Lease fees | \$ 28,516 |
| Crop income | - |
| Other Income | 114 |
| Total Operating Revenues | <u>28,630</u> |
| Operating Expenses: | |
| Utilities & Trash | 3,935 |
| Repairs, maintenance and fuel | 4,139 |
| Office supplies and postage | 3,020 |
| Road maintenance | 9,633 |
| Insurance and bonds | 170 |
| Activities expense | 3,000 |
| Depreciation | 4,182 |
| Total Operating Expenses | <u>28,079</u> |
| Operating Income (Loss) | 551 |
| Nonoperating Revenues (Expenses): | |
| Gain/Loss on Sale | 11,668 |
| Total Nonoperating Revenue (Expenses) | <u>11,668</u> |
| Change in Net Position | 12,219 |
| Net Position at Beginning of Year | 69,310 |
| Net Position at End of Year | <u><u>\$ 81,529</u></u> |

The accompanying notes and auditor's report are an integral part of these financial statements.

**LAKE BLACKWELL TRUST AUTHORITY
BRAMAN, OKLAHOMA
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2023**

Cash Flows From Operating Activities:

| | |
|---|-----------|
| Cash Received From Customers | \$ 28,630 |
| Cash Payments to Suppliers For Goods and Services | (23,897) |
| Net Cash Provided (Used) by Operating Activities | 4,733 |

Cash Flows From Non-Capital Financing Activities:

| | |
|---------------------------|--------|
| Other income-gain on sale | 12,584 |
|---------------------------|--------|

Cash Flows From Investing Activities:

| | |
|--|----------|
| Purchase of Fixed Assets | (12,000) |
| Net Cash Provided (Used) by Investing Activities | (12,000) |

| | |
|--|-----------|
| Net Increase (Decrease) in Cash and Cash Equivalents | 5,317 |
| Beginning Cash and Cash Equivalents | 53,804 |
| Ending Cash and Cash Equivalents | \$ 59,121 |

**Reconciliation of Income (Loss) From Operations to
Net Cash Provided (Used) by Operating Activities:**

| | |
|--|----------|
| Income (Loss) From Operations | \$ 551 |
| Depreciation | 4,182 |
| Net Cash Provided (Used) by Operating Activities | \$ 4,733 |

The accompanying notes and auditor's report are an integral part of these financial statements.

LAKE BLACKWELL TRUST AUTHORITY
BRAMAN, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. A Nature of Organization

The Lake Blackwell Trust Authority, created on June 3, 1986, was originated under provisions of Title 60 of the Oklahoma Statutes, 1971, as amended, the Oklahoma Trust Act, and the laws of the State of Oklahoma. The purpose of this trust is to govern, formulate rules, provide for the operation management, improvement, and development of Lake Blackwell.

The Authority is a governed entity administered by a board of trustees that acts as the authoritative and legislative body of the entity.

The Authority does prepare an annual budget.

1.B Basis of Accounting

The operations of the Authority are accounted for as an Enterprise Fund. An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

The Authority maintains its records on the modified cash basis of accounting. Under the modified cash basis, revenues are recognized when received, rather than when earned, and expenditures are recognized when paid rather than when incurred. Fixed assets are recorded at cost when purchased. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets.

1.C Income Taxes

As provided in Title 60, Oklahoma Statutes, the Lake Blackwell Trust Authority is a tax-exempt Public Trust. Consequently, no provision has been made for income taxes.

1.D Cash and Deposits

Cash and deposits are maintained in financial institutions which provide coverage to depositors through the Federal Deposit Insurance Corporation. The State of Oklahoma allows government entities to invest in the following: direct obligations of the United State Government, its agencies or instrumentalities; collateralized or insured certificates of deposit; insured savings accounts or savings certificates; or county, municipal or school district direct debt. All deposits of the Authority are covered by FDIC insurance.

1.E Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investments in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Authority legislation or external restrictions by creditors, grantors, laws, or regulations of other governments.

Net Position is displayed in three components:

- *Net investment in Capital Assets*- Consists of capital assets and related accounts, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- *Restricted net position*- Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

- *Unrestricted net position*- All remaining net position that does not meet the definition of “restricted”

It is the Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 2 – PROPERTY AND EQUIPMENT:

Depreciable Assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are expensed. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2023, was \$4,182. The following is a summary of category of changes in property and equipment:

| | Balance June 30, 2022 | Additions | Deletions | Balance June 30, 2023 |
|-------------------------------|--------------------------|-----------------|-----------------|--------------------------|
| Fixed Assets | | | | |
| Property & Equipment | \$ 136,443 | \$ 12,000 | \$ (31,214) | \$ 117,229 |
| Total Fixed Assets | <u>136,443</u> | <u>12,000</u> | <u>(31,214)</u> | <u>117,229</u> |
| Less Accumulated Depreciation | <u>(120,937)</u> | <u>(4,182)</u> | <u>30,298</u> | <u>(94,821)</u> |
| Totals | <u>\$ 15,506</u> | <u>\$ 7,818</u> | <u>\$ (916)</u> | <u>\$ 22,408</u> |

NOTE 3 - CASH AND CASH EQUIVALENTS:

The Authority considers all checking, savings, and certificates of deposit with a maturity of three months or less to be cash equivalents.

NOTE 4 – ESTIMATES:

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

NOTE 5 – RISK MANAGEMENT:

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority manages this risk through the purchase of bonds and workers' compensation insurance policies. Claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 6 – CONTINGENCIES:

As of June 30, 2023, the Authority did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 7 – EVALUATION OF SUBSEQUENT EVENTS:

The Authority has evaluated subsequent events through January 16, 2024, the date which the financial statements were available to be issued.

MICHAEL W. GREEN

Certified Public Accountant

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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 Trustees
Lake Blackwell Trust Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of Lake Blackwell Trust Authority, (the Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued my report thereon dated January 16, 2024. My report included an emphasis of matter paragraph related to the Authority's use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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 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.

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 or significant deficiencies may exist that were not identified.

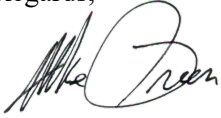
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, I 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 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 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 the Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Regards,

A handwritten signature in black ink, appearing to read "Mike Green". The signature is stylized with a large, looped "G" and a cursive "Green".

Michael Green, CPA
January 16, 2024