

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
OF
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

**WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Directors
Woodward County Public Facilities Authority
Woodward, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodward County Public Facilities Authority, Woodward, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Woodward County Public Facilities Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodward County Public Facilities Authority, Woodward, Oklahoma, as of June 30, 2020, 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.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 1, 2023, on our consideration of Woodward County Public Facilities Authority, Woodward, Oklahoma'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 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 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 Woodward County Public Facilities Authority, Woodward, Oklahoma's internal control over financial reporting and compliance.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
June 1, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WOODWARD COUNTY PUBLIC
FACILITIES AUTHORITY
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2020

<u>ASSETS</u>	<u>Governmental Activities</u>
Current Assets:	
Cash and cash equivalents(note 2)	\$ <u>609,244.12</u>
Total Assets	\$ <u><u>609,244.12</u></u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Accrued Interest Payable	\$ 47,077.20
Current Portion of Long-Term Debt	<u>670,000.00</u>
Total Current Liabilities	<u>717,077.20</u>
Noncurrent Liabilities:	
Long-term debt	
Sales tax revenue bonds payable	<u>4,380,000.00</u>
Total Noncurrent Liabilities	<u>4,380,000.00</u>
Total Liabilities	<u>5,097,077.20</u>
 <u>NET POSITION</u>	
Restricted	(4,487,833.08)
Unrestricted	<u>0.00</u>
Total Net Position	<u>(4,487,833.08)</u>
Total Liabilities and Net Position	\$ <u><u>609,244.12</u></u>

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

WOODWARD COUNTY PUBLIC
 FACILITIES AUTHORITY
 STATEMENT OF ACTIVITIES
 MODIFIED CASH BASIS
 JUNE 30, 2020

Functions/Programs	Expenses	Charges for Services	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	
Governmental Activities:							
Administrative expenses	\$ 152,485.38	\$ 0.00	\$ 0.00	\$ 0.00		\$ (152,485.38)	\$ (152,485.38)
Facility acquisitions	105,027.17	0.00	0.00	0.00		(105,027.17)	(105,027.17)
Total Governmental Activities	257,512.55	0.00	0.00	0.00		(257,512.55)	(257,512.55)
General Revenues:							
Investment income					23,591.42	23,591.42	23,591.42
Defeasement Costs					(289,783.00)	(289,783.00)	(289,783.00)
Debt Service Funding from Woodward County					1,030,370.17	1,030,370.17	1,030,370.17
Payment on interest and bonds					(86,678.87)	(86,678.87)	(86,678.87)
Total General Revenues and Transfers					677,499.72	677,499.72	677,499.72
Change in Net Position					419,987.17	419,987.17	419,987.17
Net Position - Beginning of Year					(4,907,820.25)	(4,907,820.25)	(4,907,820.25)
Net Position - End of Year					(4,487,833.08)	(4,487,833.08)	(4,487,833.08)

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

WOODWARD COUNTY PUBLIC
FACILITIES AUTHORITY
COMBINING SCHEDULE OF NET POSITION - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
JUNE 30, 2020

<u>ASSETS</u>	<u>Revenue Fund</u>	<u>Capital Projects /Improvements Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 0.00	\$ 0.00	\$ 609,244.12	609,244.12
Total Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 609,244.12</u>	<u>609,244.12</u>
 <u>LIABILITIES AND NET POSITION</u>				
<u>CURRENT LIABILITIES:</u>				
Accrued Interest payable	\$ 0.00	\$ 0.00	\$ 47,077.20	47,077.20
Current Portion of Long-Term Debt	<u>0.00</u>	<u>0.00</u>	<u>670,000.00</u>	<u>670,000.00</u>
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>717,077.20</u>	<u>717,077.20</u>
<u>LONG TERM LIABILITIES:</u>				
Sales tax revenue bonds payable	<u>0.00</u>	<u>0.00</u>	<u>4,380,000.00</u>	<u>4,380,000.00</u>
Total Long Term Liabilities	<u>0.00</u>	<u>0.00</u>	<u>4,380,000.00</u>	<u>4,380,000.00</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>5,097,077.20</u>	<u>5,097,077.20</u>
<u>NET POSITION</u>				
Restricted for debt service	0.00	0.00	(4,487,833.08)	(4,487,833.08)
Unrestricted	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Net Position	<u>0.00</u>	<u>0.00</u>	<u>(4,487,833.08)</u>	<u>(4,487,833.08)</u>
Total Liabilities and Net Position	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 609,244.12</u>	<u>609,244.12</u>

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

WOODWARD COUNTY PUBLIC
FACILITIES AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2020

	Revenue Fund	Capital Projects /Improvements Fund	Debt Service Fund	Total
<u>Revenues</u>				
Interest/dividend earnings	\$ 0.00	\$ 3,342.46	20,248.96	\$ 23,591.42
Total operating revenues	<u>0.00</u>	<u>3,342.46</u>	<u>20,248.96</u>	<u>23,591.42</u>
<u>Expenditures</u>				
Trustee fees	0.00	0.00	4,041.67	4,041.67
Financial fees	0.00	0.00	148,443.71	148,443.71
Other costs	0.00	0.00	105,027.17	105,027.17
Total operating expenses	<u>0.00</u>	<u>0.00</u>	<u>257,512.55</u>	<u>257,512.55</u>
Excess of Revenues over (under) Expenditures	0.00	3,342.46	(237,263.59)	(233,921.13)
<u>Other Financing Sources (Uses)</u>				
Transfers	0.00	(1,333,592.01)	1,333,592.01	0.00
Debt Service-Interest Paid	0.00	0.00	(86,678.87)	(86,678.87)
Defeasement Costs	0.00	0.00	(289,783.00)	(289,783.00)
Debt Service Funding from Woodward County	0.00	0.00	1,030,370.17	1,030,370.17
Total other financing sources (uses)	<u>0.00</u>	<u>(1,333,592.01)</u>	<u>1,987,500.31</u>	<u>653,908.30</u>
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	0.00	(1,330,249.55)	1,750,236.72	419,987.17
Net Position - beginning of year				
Restricted for debt service	0.00	0.00	(6,238,069.80)	(6,238,069.80)
Unrestricted	0.00	1,330,249.55	0.00	1,330,249.55
Total Net Position - beginning of year	0.00	1,330,249.55	(6,238,069.80)	(4,907,820.25)
Net Position - end of year				
Restricted for debt service	0.00	0.00	(4,487,833.08)	(4,487,833.08)
Unrestricted	0.00	0.00	0.00	0.00
Total Net Position - end of year	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>(4,487,833.08)</u>	<u>\$ (4,487,833.08)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Woodward County Justice Facilities Authority (the "Authority") is a public trust created on May 26, 2009, under a Trust Indenture dated under the provisions of Title 60, Oklahoma Statutes 2001, Sections 176 et seq., the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The purpose of the Trust is to (assist the Beneficiary in making the most efficient use of all their economic resources and powers in accord with the needs and benefit of the State of Oklahoma and Beneficiary in order to lessen the burdens on government and to stimulate economic growth and development and to wit,) to provide funds to design, contract, equip and furnish a new detention facility in Woodward County of Oklahoma (Woodward County) as the beneficiary of the trust.

The Authority is governed by a Board of Trustees, consisting of seven trustees who are the sheriff of the County, a member of board of County Commissioners and five residents of Woodward County. The five residents are nominated and elected to 3-year terms by the Commissioners. For financial reporting purposes, the Authority is considered a component unit of Woodward County.

The Authority is authorized to develop a new detention facility in Woodward County and to operate and maintain the Woodward County Detention Facility through a levy by Woodward County of a county excise (sales) tax of five-eighths (.625) of one (1) cent upon the gross proceeds derived from all sales to any person taxable under sales tax laws of Oklahoma, the depository account with the Woodward County Treasurer. A portion of such sales tax, seventeen-fortieths (.425) of one cent, shall, have a limited duration of ten (10) years from the date of commencement, or until principal and interest upon indebtedness incurred on behalf of Woodward County by the Woodward County Public Facilities Authority in furtherance of the new County Detention Facility is paid in full, whichever occurs earlier: while the remaining portion of such sales tax, one-fifth (.200) of one (1) cent, is to continue until repealed by a majority of the electors of Woodward County in an election called for that purpose.

The sales tax was approved by a majority of the qualified voters of Woodward County on August 11th, 2009. The sales tax was implemented on January 1, 2010. Proceeds from the sales tax levy are designated to be used specifically for the acquisition, construction, and equipping of a new detention facility: and for the operating and maintenance of the Woodward County Detention Facility. To facilitate the transfer of the assessed sales tax,

**NOTES TO FINANCIAL STATEMENTS
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

Summary of Significant Accounting Policies, (Continued)

Reporting Entity (Continued)

the Authority and Woodward County have entered into a sales Tax Agreement, which provides for Woodward County to collect and transfer monthly sales taxes collected to the Authority. Contractual revenues from Woodward County-dedicated sales taxes represent sales taxes that Woodward County received from the Oklahoma Tax Commission (OTC) that are transferred to the Authority.

In addition to the Sales Tax Agreement, the Authority entered into a Facilities Use and Operations agreement that states Woodward County shall budget funds sufficient in amount for all years that the bonds payable and the Facilities Use and Operations Agreement remain outstanding and, consistent with its existing practices, to cover a portion of the costs of maintenance and operation of the new county detention facility.

The Woodward County Public Facilities Authority, as a public trust created under the provisions of Title 60, Oklahoma Statutes 2001, Sections 176 et seq, has the ability to issue "tax exempt" bonds. Because of this ability to issue tax exempt bonds directly to the public, the Trust is being reported on as a governmental organization.

B. Fund Accounting

The Trust uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Trust functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds).

**NOTES TO FINANCIAL STATEMENTS
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

Summary of Significant Accounting Policies, (Continued)

Fund Accounting (continued)

Governmental Fund Types:

General Fund: The general fund accounts for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated to be used by outside sources are recorded in the general fund.

Debt Service Funds: The debt service funds are used to account for payment of interest and principal on the matured portion of long-term debt. See Note F for information regarding the Authority's sources of long-term debt as of June 30, 2020.

Capital Project Funds: The capital project funds account for financial sources to be used for the acquisition or construction of the Woodward County Jail Facility and other approved projects.

Escrow Account: The escrow account was established solely to refund and repay the refunded bonds.

C. Basis of Accounting

The financial statements have been prepared on a modified cash basis reflecting cash transactions and related changes in fund balance. Therefore, the financial statements do not purport to present the financial position or results of operations, as the modified cash basis is not in conformity with generally accepted accounting principles in that accounts receivables, inventories of supplies, depreciation of fixed assets, amortization of discount on sale of revenue bonds, accounts payable and liabilities under contractual obligations are not presented.

**NOTES TO FINANCIAL STATEMENTS
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

Summary of Significant Accounting Policies, (Continued)

D. Cash and Investments

The trust funds of the Authority are on deposit with its fiscal agent, BancFirst Trust and Investment Management. The County uses a pooled cash concept in maintaining its bank accounts. All cash is pooled for operating and investment purposes, and each fund has an equity in the pooled amount. For reporting purposes, cash and related time deposits have been allocated to each fund based on that fund's equity in the pooled amount.

Investments are reported at cost or amortized cost, which approximates market value. Interest earned on investments is allocated to the General Fund, Debt Service Funds and Capital Project Funds on an equity basis. All funds were invested in interest-bearing demand accounts. All cash and investments as of the balancer sheet date are entirely insured or collateralized with securities held by the State Treasurer in the County's name.

E. Fixed Assets

Although the Authority has constructed a jail facility, it is understood that this facility will be transferred to the trust beneficiary, Woodward County. The detailed historical inventory information for land, buildings, and related improvements has not been recorded as an asset, as those costs are expensed on an on-going basis. For these reasons, the construction costs of the new facility have not been presented as capitalized (and depreciated) within the Authority's financial statements.

F. General Long-Term Debt

1. Sales Tax Revenue Refunding Bonds, Series 2019

On September 1, 2019 the Authority issued the Series 2019 Sales Tax Revenue Refunding Bonds. The bonds were issued during November 2019, and those bond proceeds were deposited and invested through the Authority's Escrow Account in anticipation of an early redemption and defeasance of the Series 2013-A & B issues.

**NOTES TO FINANCIAL STATEMENTS
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

General Long-Term Debt, (Continued)

2. Sales Tax Revenue Bonds, Series 2013 and 2019

The following is a summary of the long-term debt transactions of the Authority for the year ended June 30, 2020.

	Sales Tax Revenue Refunding Bonds Series 2019	Fairgrounds Revenue Bonds Series 2013-A	Fairgrounds Revenue Bonds Series 2013-B
Balance, June 30, 2019	\$ 0.00	\$ 2,930,000.00	\$ 5,515,000.00
Additions	5,050,000.00	0.00	0.00
Retirements	0.00	2,930,000.00	5,515,000.00
Balance, June 30, 2020	\$ 5,050,000.00	\$ 0.00	\$ 0.00

The Authority called the Sales Tax Revenue Bonds Series 2013-A and B on November 14, 2019, and the balances were defeased as an early redemption.

3. Sales Tax Revenue Refunding Bonds, Series 2019

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-1-2020	\$ 670,000.00	\$ 70,615.80	\$ 740,615.80
3-1-2021	0.00	62,706.45	62,706.45
9-1-2021	870,000.00	62,706.45	932,706.45
3-1-2022	0.00	51,348.60	51,348.60
9-1-2023	925,000.00	51,348.60	976,348.60
3-1-2023	0.00	38,565.10	38,565.10
9-1-2023	980,000.00	38,565.10	1,018,565.10
3-1-2024	0.00	24,619.70	24,619.70
9-1-2024	1,045,000.00	24,619.70	1,069,619.70
3-1-2025	0.00	8,965.60	8,965.60
Thereafter	<u>560,000.00</u>	<u>8,965.60</u>	<u>568,965.60</u>
Total	\$ <u>5,050,000.00</u>	\$ <u>443,026.70</u>	\$ <u>5,493,026.70</u>

**NOTES TO FINANCIAL STATEMENTS
WOODWARD COUNTY
PUBLIC FACILITIES AUTHORITY
WOODWARD, OKLAHOMA
JUNE 30, 2020**

General Long-Term Debt, (Continued)

The Authority had transferred \$2,000,000 of excess collections to the trustee bank in order to call on September 1, 2019, the Series 2013-A bonds due September 1, 2020 of \$975,000, and September 1, 2020 in the amount of \$1,025,000. The balance of the Series 2013-A and B bonds were defeased in November 2019.

G. Risk Management

Insurance Coverage - Woodward County provides all insurance coverage for the Authority.

H. Subsequent Events

Management has reviewed the events subsequent to June 30, 2020, through June 1, 2023, and do not feel that any additional disclosures are necessary.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS



BRITTON, KUYKENDALL, & MILLER
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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*

The Honorable Board of Directors
Woodward County Public Facilities Authority
Woodward, 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 the business-type activities, and the aggregate remaining fund information of Woodward County Public Facilities Authority, Woodward, Oklahoma, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Woodward County Public Facilities Authority, Woodward, Oklahoma's basic financial statements, and have issued our report thereon dated June 1, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodward County Public Facilities Authority, Woodward, Oklahoma'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woodward County Public Facilities Authority, Woodward, Oklahoma'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

This 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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
June 1, 2023