

AGENDA
SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY
SEPTEMBER 19, 2024 AT 12:30 PM
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF QUORUM

1. Consideration of approval of the Minutes from the August 15, 2024, regular meeting.
2. Presentation of the 2022 Audit by Arledge and Associated, P.C.
3. Public Comments
4. Trustee Comments
5. Consider an executive session in accordance with 25 O.S. § 307(B)(4) to discuss confidential communications between a public body and its attorney concerning a pending investigation, claim, or action, if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest, specifically regarding the tri-party Mediation Agreement between the City of Shawnee, Pottawatomie County, and the Shawnee Civic & Cultural Development Authority.
6. Consider matters discussed in executive session in accordance with 25 O.S. §307(B)(4) to discuss confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending

investigation, litigation, or proceeding in the public interest, specifically regarding the tri-party Mediation Agreement between the City of Shawnee, Pottawatomie County, and the Shawnee Civic & Cultural Development Authority.

7. Discussion and Action on a Resolution Authorizing the Dissolution of the Shawnee Civic and Cultural Development Authority (the “Authority”) pursuant to the provisions of Oklahoma Statutes Title 60 §180 et.seq., authorizing the engagement of professionals to assist with the dissolution; the conducting of final audits; accounting of Authority property, certifications of essential facts for dissolution, notifications to the Authority’s Beneficiary as to the status of dissolution, and authorizing any other actions necessary or convenient to accomplish the dissolution of the Authority. *(Tabled from August 15, 2024 Shawnee Civic and Cultural Development Authority meeting.)*
8. Adjournment

Respectfully submitted,



Kacie Eck, CMC
Senior Deputy City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting, and necessary accommodations will be made. (ADA 28 CFR 36)

DRAFT

SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY PROCEEDINGS AUGUST 15, 2024 AT 12:30 PM

The Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma, met in Regular Session in the Commission Chambers at City Hall, 16 West 9th Street, Shawnee, Oklahoma on, Thursday, August 15, 2024 at 12:30 PM, pursuant to notice duly posted as prescribed by law on Wednesday, August 14, 2024, at 11:53 P.M. Chairman Gilbert presided and called the meeting to order. Upon roll call, the following members were in attendance.

Randy Gilbert
Chairman

Tim Barrick
Trustee

Rob Morris
Trustee

Carl Packwood
Trustee

Andrea Weckmueller-Behringer
Secretary

Lance Wortham
Trustee

Vacant
Trustee

ABSENT: None

CALL TO ORDER

DECLARATION OF QUORUM

1. Consideration of approval of the Minutes from the June 20, 2024, regular meeting.

A motion was made by Trustee Packwood, seconded by Trustee Morris, to approve the Minutes from the June 20, 2024, regular meeting. Motion 6-0-0.

AYE: Packwood, Morris, Weckmueller-Behringer, Wortham, Barrick, Gilbert

NAY: None

ABSTAIN: None

2. Discussion and update regarding the 2024 International Finals Youth Rodeo.

Mr. Dale Yerigan provided an update on 2024 International Finals Youth Rodeo (IFYR). Topics discussed included improvements over previous years, received a lot of positive feedback, announcer stand replaced, and final numbers still being calculated. He provided a copy of the invoice from Heart of Oklahoma Exposition Center. He stated that a reduction in price was given from \$25.00 to

\$10.00 for the 141 stalls that were not used.

Mr. Yerigan stated that the tentative 2025 IFYR dates are check-in July 4, 2025, and start date July 6.

3. Discussion and Action on a Resolution Authorizing the Dissolution of the Shawnee Civic and Cultural Development Authority (the “Authority”) pursuant to the provisions of Oklahoma Statutes Title 60 §180 et.seq., authorizing the engagement of professionals to assist with the dissolution; the conducting of final audits; accounting of Authority property, certifications of essential facts for dissolution, notifications to the Authority’s Beneficiary as to the status of dissolution, and authorizing any other actions necessary or convenient to accomplish the dissolution of the Authority.

Discussion was held among the board. Trustee Packwood stated that he spoke with County Commissioner Melissa Dennis earlier today, and she told him that the County would pay the Authority's fees to dissolve the Authority and pay for the Authority to receive legal advice. Secretary Weckmueller-Behringer stated that the SCCDA Trustees are representatives for either Pottwatomie County or the City of Shawnee, and the County and City governing bodies have already voted to approve. Further discussion was held regarding tabling the item until September to allow Trustees to meet with legal counsel.

A motion was made by Trustee Morris, seconded by Trustee Packwood, to table the item to the September meeting for the Trust Authority to meet with legal counsel about possible dissolution. Motion 5-1-0.

AYE: Morris, Packwood, Wortham, Barrick, Gilbert

NAY: Weckmueller-Behringer

ABSTAIN: None

4. Public Comments

There was no public comments.

5. Trustee Comments

Trustee Morris thanked Dale Yerigan and Frank Abbott for the successful IFYR.

6. Adjournment

There being no further business to be considered, a motion was made by

Trustee Barrick, seconded by Trustee Wortham, that the meeting be adjourned.
Motion carried 6-0-0. (12:56 p.m.)

AYE: Barrick, Wortham, Gilbert, Morris, Packwood, Weckmueller-Behringer

NAY: None

ABSTAIN: None

RANDY GILBERT
CHAIRMAN

ATTEST:

ANDREA WECKMUELLER-
BEHRINGER
SECRETARY

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY
OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE,
STATE OF OKLAHOMA**

BASIC FINANCIAL STATEMENTS

December 31, 2022 and 2021

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY
OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE,
STATE OF OKLAHOMA**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Basic Financial Statements:	
Statements of Net Position	3
Statements of Revenues, Expenses, and Changes in Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Report Required by <i>Government Auditing Standards</i>	
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 <i>Government Auditing Standards</i>	11
Schedule of Findings and Response	13



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Shawnee Civic and Cultural Development Authority
of the City of Shawnee, County of Pottawatomie, State of Oklahoma

Opinion

We have audited the accompanying financial statements of the Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma (the "Authority"), which is a component unit of the City of Shawnee, Oklahoma, as of and for the years ended December 31, 2022 and 2021, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Authority and do not purport to, and do not, present fairly the financial position of the City of Shawnee, Oklahoma, as of December 31, 2022 and 2021, and the changes in its financial position and cash flows in conformity with accounting principles generally accepted in the United States of America. Our opinion is 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 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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*, we:

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

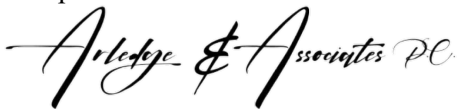
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted 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. 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 dated August 13, 2024, on our consideration of the 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 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 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 considering the Authority's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma

August 13, 2024

**Shawnee Civic and Cultural Development Authority of the City of Shawnee,
County of Pottawatomie, State of Oklahoma**

**Statements of Net Position
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 162,722	\$ 39,550
Total current assets	<u>162,722</u>	<u>39,550</u>
Capital assets:		
Capital assets, net of accumulated depreciation	3,313,812	3,560,089
Total capital assets	<u>3,313,812</u>	<u>3,560,089</u>
Total assets	<u>\$ 3,476,534</u>	<u>\$ 3,599,639</u>
LIABILITIES		
Liabilities:		
Accounts payable	\$ 21,000	\$ 6,500
Due to management company	-	6,891
Current portion of noncurrent liabilities	<u>-</u>	<u>12,280</u>
Total liabilities	<u>21,000</u>	<u>25,671</u>
NET POSITION		
Net investment in capital assets	3,313,812	3,547,809
Unrestricted	<u>141,722</u>	<u>26,159</u>
Total net position	<u>\$ 3,455,534</u>	<u>\$ 3,573,968</u>

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

**Shawnee Civic and Cultural Development Authority of the City of Shawnee,
County of Pottawatomie, State of Oklahoma**

**Statements of Revenues, Expenses, and Changes in Net Position
For the years ended December 31, 2022 and 2021**

REVENUE	2022	2021
Events	\$ 693,130	\$ 659,961
Total operating revenue	<u>693,130</u>	<u>659,961</u>
OPERATING EXPENSES		
Rodeo expense	565,051	637,603
Accounting	21,000	6,500
Bank charges	429	1,116
Contribution expense	-	2,672
Office expense	1,813	2,123
Depreciation	246,277	246,996
Total operating expenses	<u>834,570</u>	<u>897,010</u>
Operating loss	<u>(141,440)</u>	<u>(237,049)</u>
NON-OPERATING REVENUE (EXPENSE)		
Contributions	22,957	12,709
Interest income	226	111
Interest expense	(177)	(634)
Total non-operating revenue	<u>23,006</u>	<u>12,186</u>
Decrease in net position	(118,434)	(224,863)
Net position - beginning of year	<u>3,573,968</u>	<u>3,798,831</u>
Net position - end of year	<u>\$ 3,455,534</u>	<u>\$ 3,573,968</u>

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

**Shawnee Civic and Cultural Development Authority of the City of Shawnee,
County of Pottawatomie, State of Oklahoma**

**Statements of Cash Flows
For the years ended December 31, 2022 and 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 693,130	\$ 659,961
Cash payments to suppliers for goods and contractors and other services	(580,684)	(650,014)
Net cash provided (used) by operating activities	<u>112,446</u>	<u>9,947</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions from City of Shawnee	22,957	12,709
Principal paid on debt	(12,280)	(10,153)
Interest paid on debt	(177)	(634)
Net cash provided in capital and related financing activities	<u>10,500</u>	<u>1,922</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	226	111
Net cash provided by investing activities	<u>226</u>	<u>111</u>
Net increase in cash	123,172	11,981
Cash and cash equivalents at beginning of year	<u>39,550</u>	<u>27,569</u>
Cash and cash equivalents at end of year	<u>\$ 162,722</u>	<u>\$ 39,550</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating loss	\$ (141,440)	\$ (237,049)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	246,277	246,996
Changes in assets and liabilities		
Increase (decrease) in accounts payable	7,609	-
	<u>253,886</u>	<u>246,996</u>
Net cash provided (used) by operating activities	<u>\$ 112,446</u>	<u>\$ 9,947</u>

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY OF THE CITY OF
SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma (the “Authority”), was created January 5, 1976 under the provisions of Title 60, O.S. 2001, Sections 176-180.4 inclusive, to acquire by lease and to operate, regulate, and administer all physical properties, real or personal which shall be of public use or of civic and/or cultural benefit or incident to carrying out an authority or proper function of the City of Shawnee. The Authority is exempt from federal and state income taxes.

The Authority, by virtue of common control and dependence, is a component unit of the City of Shawnee, Oklahoma. The governing body consists of seven members; the City Manager of the City of Shawnee, two residents of Pottawatomie County appointed by the Commissioners of Pottawatomie County, and four citizens representing the general public appointed by the Mayor of Shawnee and approved by the Authority's Trustees. The financial activities of the City of Shawnee and its other component units are not included in the financial statements of the Authority.

The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations).

The presentation of comparative financial statements enhances the usefulness of such reports and brings out more clearly the nature and trends of current changes affecting the entity. Such presentation emphasizes the fact that statements for a series of periods are far more significant than those for a single period and that the accounts for one period are but an installment of what is essentially a continuous history.

The more significant of the Authority's accounting policies are described below.

A. Reporting Entity

The Authority is a self-contained reporting entity with no associated component units. It is operated in a manner similar to a private business enterprise where the cost (expenses, including depreciation) of promoting civic and cultural development in Shawnee is funded by facility rentals, events, and contributions from the City of Shawnee.

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP promulgated in the United States of America. The accounting and financial reporting treatment is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the balance sheet. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Depreciation expense is provided for capital assets based upon estimated useful lives.

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY OF THE CITY OF
SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Position

1. Deposits and Investments

Oklahoma Statutes authorize the Authority to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the Authority can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law.

Bank deposits are held at four financial institutions and are carried at cost. The Authority considers cash and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

2. Fair Value of Financial Instruments

The Authority's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable. The Authority's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial condition. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

3. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

4. Capital Assets

Additions to the buildings and equipment are recorded at cost or, if contributed property, at their estimated acquisition value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. It is the Authority's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 years
Equipment	5-20 years
Office furniture and equipment	5-10 years
Vehicles	5-10 years

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY OF THE CITY OF
SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Net Position

In the basic financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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 limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, granters, laws, or other governments.

6. Revenue and Expenses

Revenue is recognized when all applicable eligibility requirements, including time requirements are met. Resources received by the Authority before the eligibility requirements are met are reported as unearned revenue.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority principal ongoing operations. The principal operating revenues of the Authority are events. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

7. Resource Use Policy

It is in the Authority's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including net positions, are available, the Authority considers restricted amounts to be spent first before any unrestricted amounts are used.

2. DEPOSITS

Custodial Credit Risk

At December 31, 2022, the Authority held deposits of approximately \$162,700 at financial institutions. The Authority's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the Authority or by its agent in the Authority's name.

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY OF THE CITY OF
SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

3. CAPITAL ASSETS

The following is a summary of changes in property, plant, and equipment.

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Building	\$ 8,428,480	\$ -	\$ -	\$ 8,428,480
Land Improvement	1,219,275			1,219,275
Equipment	2,370,015			2,370,015
Vehicles	124,513	-	-	124,513
Total	<u>12,142,283</u>	<u>-</u>	<u>-</u>	<u>12,142,283</u>
Less accumulated depreciation	<u>(8,582,194)</u>	<u>(246,277)</u>	<u>-</u>	<u>(8,828,471)</u>
Net	<u>\$ 3,560,089</u>	<u>\$ (246,277)</u>	<u>\$ -</u>	<u>\$ 3,313,812</u>

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Buildings	\$ 8,428,480	\$ -	\$ -	\$ 8,428,480
Land Improvement	1,219,275			1,219,275
Equipment	2,370,015			2,370,015
Vehicles	124,513	-	-	124,513
Total	<u>12,142,283</u>	<u>-</u>	<u>-</u>	<u>12,142,283</u>
Less accumulated depreciation	<u>(8,335,198)</u>	<u>(246,996)</u>	<u>-</u>	<u>(8,582,194)</u>
Net	<u>\$ 3,807,085</u>	<u>\$ (246,996)</u>	<u>\$ -</u>	<u>\$ 3,560,089</u>

Depreciation expense for the twelve months ended December 31, 2022 and 2021 totaled \$246,277 and \$246,996, respectively.

4. 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; injuries to employees; and natural disasters. The Authority continues to carry commercial insurance for these risks, including general liability, property damage, and public officials' liability.

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY OF THE CITY OF
SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

5. DEFINED BENEFIT PLAN – OKLAHOMA MUNICIPAL RETIREMENT FUND

The employees of the Authority are considered employees of the City of Shawnee and are reported as such. The City of Shawnee contributes to the OMRF for all eligible employees of the Authority. The plan is an agent multiple employer- defined benefit plan administered by OMRF. The OMRF plan issues a separate financial report and can be obtained from OMRF website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

The City Council has the authority to set and amend contribution rates by ordinance for the OMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. Employees cannot contribute to the plan in accordance with the plan provisions adopted by the City Council.

Since the Authority's employees are included within the City of Shawnee, no provision for pension liability is reported within the financial statements of the Authority.

6. RECLASSIFICATIONS

Certain reclassifications from prior period were made to conform to the current period presentation. Such reclassifications had no material effect on the Authority financial position.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through the date of the audit report, which is the date the financial statements are available to be issued. No items of significance that required disclosure were identified.



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 of the Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of 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 as listed in the table of contents of the Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma (the “Authority”), a component unit of the City of Shawnee, Oklahoma, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated August 13, 2024, which contained an *Emphasis of Matter* paragraph regarding the financial position of the City of Shawnee, Oklahoma.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we 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 entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the schedule of findings and response as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Authority’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority response to the findings identified in our audit and described in the accompanying schedule of findings and response. The Authority’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Arledge & Associates PC.

Oklahoma City Oklahoma

August 13, 2024

**SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY OF THE CITY OF
SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSE
DECEMBER 31, 2022**

SUMMARY SCHEDULE OF AUDIT FINDINGS AND RESPONSE

Findings Required to be Reported in Accordance with *Government Auditing Standards*:

A. Internal Control

Finding 2022-001 – Accruals and Fixed Assets

Criteria: The Authority must adhere to accounting standards generally accepted in the United States of America (GAAP), to ensure all applicable activity is properly accrued and recorded. This includes applying consistent treatment and procedures and having clear, documented policies and procedures to ensure accurate financial reporting.

Condition: While conducting planning inquires with management and those charged with governance, along with performing audit procedures, we noted instances where the Authority was not properly accruing for outstanding obligations and fixed asset schedules were not being appropriately maintained with respect to activity during the year ending December 31, 2022. The fixed asset schedule should be properly maintained and updated regularly to reflect changes in assets, depreciation, and disposals.

Cause and Effect: The cause of this finding is due to Authority being unclear about who is accountable and responsible for particular areas. The result could be that some areas of operations do not receive adequate attention or that duplicative or contradictory actions are taken. In addition, it can affect the Authority’s ability to operate effective internal controls to regularly review and ensure reports are accurate and complete. The effect of this finding increases the risk of material errors, fraud, or non-compliance with laws and regulations which could result in the following:

- Inaccurate financial reporting which impacts decision making
- Misuse of company assets
- Inadequate safeguarding of assets

Recommendation: We recommend the Authority implement and maintain a system in sufficient detail to indicate those responsible for each process in maintaining records in compliance with GAAP and provide appropriate oversight to ensure accurate records to support financial statements.

Management Response: We acknowledge the finding and agree with the recommendation.

B. Compliance Findings

There are no findings requiring reporting under this section.

August 13, 2024

To the Board of Trustees
Shawnee Civic and Cultural Development Authority
of the City of Shawnee, County of Pottawatomie, State of Oklahoma

We have audited the financial statements of the business-type activities of the Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma (the “Authority”) for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2022.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Authority’s financial statements were:

- Management’s estimate for depreciable life of capital assets

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. No financial statement disclosures were determined to be particularly sensitive to users of the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material corrected misstatements detected as a result of audit procedures were corrected by management:

AJE-1	Debit	Credit
<hr/>		
To record close unrecorded balances from PY to Equity		
Equity	236,845	
AD - Audiovisual Equip.		(6,742)
AD - Buildings		(180,904)
AD - Computers		(1,790)
AD - Equipment		(25,681)
AD - Land Improvements		(30,437)
AD - Vehicles		(1,440)
NP - John Deere	11,824	
NP - John Deere		(1,675)
<hr/>		
AJE-2		
<hr/>		
To record note payments		
NP - John Deere	12,280	
Interest Expense	177	
Contributions		(12,457)
<hr/>		
AJE-3		
<hr/>		
To record depreciation expense		
Depreciation Expense	246,277	
AD - Audiovisual Equip.		(6,743)
AD - Buildings		(180,626)
AD - Computers		(1,790)
AD - Equipment		(25,241)
AD - Land Improvements		(30,437)
AD - Vehicles		(1,440)
<hr/>		
AJE-4		
<hr/>		
To record accounting expense		
Accounting Expense	21,000	
AP		(14,500)
Due to management Co.	6,891	
Rodeo Expense		(2,891)
Contributions		(10,500)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 13, 2024.



Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The Authority has employed Finley and Cook, PLLC. as consultants for the Authority. To our knowledge there were no consultations with Finley and Cook, PLLC or other accountants which could affect our opinions on the Authority’s financial statements.


Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. The results of our tests disclosed other matters that are required to be reported under *Government Auditing Standards*, which is described as finding 2022-001 and included in the accompanying schedule of findings and response.

Restriction on Use

This information is intended solely for the information and use of members of the Authority Council and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Arledge & Associates, P.C.



**RESOLUTION OF THE SHAWNEE CIVIC AND CULTURAL DEVELOPMENT
AUTHORITY**

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISSOLUTION OF THE SHAWNEE CIVIC
AND CULTURAL DEVELOPMENT AUTHORITY**

WHEREAS, The Shawnee Civic and Cultural Development Authority (“Authority”) wishes to dissolve the Authority; and

WHEREAS, the Authority must undertake certain actions to facilitate the lawful dissolution of the Authority; and

THEREFORE, it was duly moved and seconded that the following resolution be adopted.

THEREFORE, BE IT RESOLVED that the Authority hereby authorizes and approves the dissolution of the Authority, and pursuant to the provisions of Oklahoma Statutes Title 60 §180 *et.seq.*, authorize the engagement of professionals to assist with the dissolution; the conducting of final audits; accounting of Authority property, certifications of essential facts for dissolution, notifications to the Authority’s Beneficiary as to the status of dissolution, and authorizing any other actions necessary or convenient to accomplish the dissolution of the Authority.

PASSED AND APPROVED this 19th day of September, 2024

RANDY GILBERT
CHAIRMAN

ATTEST:

ANDREA WECKMUELLER-BEHRINGER
SECRETARY