

Annual Financial Report
McCurtain County Tourism Authority

FINANCIAL STATEMENTS
As of June 30, 2019
With Independent Auditors Report Thereon



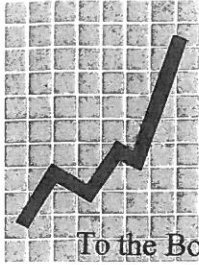
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Dwight Bomer
Certified Public Accountant

McCURTAIN COUNTY TOURISM AUTHORITY
(A component unit of McCurtain County, Oklahoma)
June 30, 2019

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Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

McCurtain County Tourism Authority
Broken Bow, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the McCurtain County Tourism Authority ("the Authority"), a component unit of McCurtain County Oklahoma as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgement, 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, based on this audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the McCurtain

County Tourism Authority, a component unit of McCurtain County Oklahoma, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison schedule 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 consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2019 on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of this audit.

This audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the McCurtain County Tourism Authority's financial statements as a whole. The supplementary information as listed in the table of contents is the responsibility of management and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.



Dwight Bomer
Certified Public Accountant
McAlester, Oklahoma

December 17, 2019

McCURTAIN COUNTY TOURISM AUTHORITY

Broken Bow, Oklahoma

(A component unit of McCurtain County, Oklahoma)

June 30, 2019

Basic Financial Statements

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
STATEMENT OF NET POSITION
June 30, 2019

ASSETS

	<u>2019</u>
Current Assets:	
Cash and Cash Equivalents	\$ 1,424,217
Accounts Receivable, Net	\$ 45,755
Accrued Interest Receivable	\$ -
Total Current Assets	<u>\$ 1,469,972</u>
Non-Current Assets:	
Capital Assets, Net of Depreciation	<u>\$ -</u>
Total Non-Current Assets	<u>\$ -</u>
Total Assets	<u>\$ 1,469,972</u>

LIABILITIES & NET POSITION

LIABILITIES:

Current Liabilities:	
Accounts Payable	\$ 18,671
Total Current Liabilities	<u>\$ 18,671</u>
Total Liabilities	<u>\$ 18,671</u>

Net Position

Investment in Capital Assets, Net of Related Debt	\$ -
Unrestricted	<u>\$ 1,451,301</u>
Total Net Position	<u>\$ 1,451,301</u>
Total Liabilities and Net Position	<u>\$ 1,469,972</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
STATEMENT OF ACTIVITIES
June 30, 2019

	<u>2019</u>
Functions /Programs	
Public Services-Promotion of Tourism in McCurtain County Oklahoma:	
Personal Services	\$ 34,920
Travel	\$ -
Maintenance and Operations	\$ 1,328,364
Depreciation Expense-Unallocated	\$ -
Total Program Expenses	<u>\$ 1,363,284</u>
 Program Revenues:	
Charges for Services	
CO-OP Advertising	\$ -
Miscellaneous	\$ -
Operating Grants	\$ -
Total Program Revenues	<u>\$ -</u>
 Net Program (Expense) Revenues	 \$ (1,363,284)
 General Revenues:	
Lodging Taxes	\$ 1,513,218
Interest Income	\$ 8,558
Total General Revenues	<u>\$ 1,521,776</u>
 Change in Net Position	 <u>\$ 158,492</u>
 Total Net Assets- Beginning	 <u>\$ 1,292,809</u>
Total Net Assets- Ending	<u><u>\$ 1,451,301</u></u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2019

ASSETS

Current Assets:

Cash and Cash Equivalents

Accounts Receivable, Net

Accrued Interest Receivable

Total Current Assets

Total Assets

2019

\$ 1,424,217

\$ 45,755

\$ -

\$ 1,469,972

\$ 1,469,972

LIABILITIES:

Current Liabilities:

Accounts Payable

Total Current Liabilities

Total Liabilities

Fund Balances

Unassigned

\$ 18,671

\$ 18,671

\$ 18,671

\$ 1,451,301

Total Liabilities and Fund Balance

\$ 1,469,972

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2019

Total Fund Balance- Total Governmental Funds

\$ 1,451,301

Amount reported for governmental activities in the Statement of Activities are different because:

Governmental funds reported capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital Expenditures (Net Cost at End of Year)

\$ -

Accumulated Depreciation (Net at End of Year)

\$ -

Net Position of Governmental Activities

\$ 1,451,301

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-GOVERNMENTAL
FUNDS
June 30, 2019

	<u>General Fund</u>
Revenues:	
Lodging Tax Revenue	\$ 1,513,218
CO-OP Advertising Revenue	\$ -
Interest and Dividend Income	\$ 8,558
Total Revenues	<u>\$ 1,521,776</u>
Expenditures:	
Current Personal Services	\$ 34,920
Maintenance and Operations	
Advertising and Promotion	\$ 1,066,417
Other Operating Expense	\$ 1,995
Dues and Subscriptions	\$ 605
Repairs and Maintenance	\$ -
Rent	\$ 18,900
Travel	\$ 469
County Fair Expenditures	\$ 75,661
County Administrative Fees	\$ 151,322
Local Grant Funding	\$ 12,995
Total Expenditures	<u>\$ 1,363,284</u>
Excess of Revenues Over (Under)	<u>\$ 158,492</u>
Other Financing Sources (Uses)	
Gain or Loss on Investments	<u>\$ -</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-GOVERNMENTAL
FUNDS
June 30, 2019

Net Change in Fund Balance	\$ 158,492
Fund Balances, Beginning	<u>\$ 1,292,809</u>
Fund Balances, Ending	<u><u>\$ 1,451,301</u></u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
(A component unit of McCurtain County, Oklahoma)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
June 30, 2019

Net Change in Fund Balance

\$ 158,492

Amount reported for governmental activities in the Statement of
Activities are different because:

Governmental funds reported capital outlays as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the life of the assets.

Accumulated Depreciation (Net at End of Year)

\$	-
\$	-

Net Change in Position of Governmental Activities

\$ 158,492

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The McCurtain County Tourism Authority, (the “Authority”), was established by the McCurtain County Board of County Commissioners pursuant to resolution and began operations on March 4, 2003. The Authority is a public trust created under authority of, and pursuant to the provisions of Title 60, Oklahoma Statutes. The purpose of the Authority is to oversee the collection and expenditure of the proceeds of the three percent (3%) excise tax on hotel, motel, cabin, and public lodging rentals that was passed by McCurtain County voters initially on August 27, 2002 with an expiration of September 30, 2012. However, in June 2012 a second vote was passed to keep the lodging tax as a permanent tax.

The Authority is governed by a Board of Directors (“Board”) comprised of seven individuals appointed by the McCurtain County Commissioners.

The Board of Directors annually elects the Chairperson of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board, be the chief officer of the Authority, perform all duties commonly incident to the position of the presiding officer of a board, commission or business organization and exercise supervision over the business of the Authority, its officers, and employees.

Operation of the Authority is primarily through a 3% excise tax on hotel, motel, cabin and lodging rentals dedicated to providing marketing support for County tourism businesses and promotion of tourism in McCurtain County. The Authority is a component unit of McCurtain County, which exercises oversight authority over it. The accompanying financial statements comply with the provisions of GASB and include all organizations, activities and functions that comprise the Authority. There were no component units to include in the reporting entity.

The Authority’s financial statements include activity from July 1, 2018 through June 30, 2019. These statements are prepared in accordance with accounting principles (GAAP) generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Authority are discussed below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Authority.

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the expenses are offset by revenues. Program revenues include:

1. Charges to tourism businesses for purchase of advertising space
2. Grants and contributions that are restricted to meeting the operational or capital requirements of the Authority
3. All other revenues that are generated from the program itself or from parties outside County taxpayers or citizenry.

Other items not properly included among program revenues (i.e., the County's dedicated excise tax) are reported instead as general revenues. Fiduciary funds and fiduciary type component units (if any) are omitted from the government wide financial statements.

Fund financial statements for governmental activities tell how these activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's significant funds. The general fund is the only operating fund of the Authority.

See the table of contents for a list of the financial statements included in this report.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

1. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: sales and use taxes, licenses, fees and permits, charges for services, penalties, and interest.
2. Expenditures are recorded when the related fund liability is incurred.
3. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as an other financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate: 1) demonstrate legal and convenient compliance, 2) demonstrate the sources and uses of liquid

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

resources, and 3) demonstrate how the Authority's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis for the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Cash and Cash Equivalents

Cash received by the Authority is pooled with that of the County. The Authority's equity interest in the pool is presented as "*Cash and Cash Equivalents*" on the statement of net assets and governmental fund balance sheet.

The Authority can invest in demand or time deposits, provided they are insured or approved securities pledged to secure funds on deposit. FDIC insurance covers deposits of \$250,000 and less.

Approved Securities are:

1. U.S. obligations
2. State of Oklahoma obligations (including sub-divisions and instrumentalities of the State of Oklahoma)
3. General obligation bonds of other states
4. Certain surety bonds (See 62 O.S. 2001, § 72.1 "Security for Public Deposits Act")

Capital Assets

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Authority maintains a capitalization threshold of \$300. 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 not capitalized. Capitalized assets are depreciated using the straight-line method over their estimated useful lives ranging from three to ten years. Depreciation for the year ending June 30, 2019 was \$1,393.

Compensated Absences

The Authority does not accrue a liability for compensated absences as its sole employee is contracted through the Broken Bow Chamber of Commerce and is subject to the Chamber's personnel policies and benefits.

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Estimates and Rounding

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Any differences in articulating amounts in the financial statements and accompanying notes are due to rounding.

Encumbrances

Encumbrance accounting is when purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances are not recognized as the equivalent of expenditures; therefore, the reserve for encumbrances is reported as part of the fund balance on the balance sheet. However, it should be noted that the Authority did not recognize any outstanding reserves as of the fiscal year end 2018.

GASB Implementation

The Authority has implemented GASB Statements No. 1 through 64.

Restricted vs. Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

Net Assets/Fund Balances

Net assets in government wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt, restricted, and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraint placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows (when they appear on the financial statements):

Non-spendable fund balance-This classification includes amounts that cannot be spent because they are either a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Inventories- portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Noncurrent receivable- portion of fund balance that is not an available resource because it represents a receivable that will not be collected in the next fiscal year and therefore is not a spendable resource.

Restricted Fund Balance- This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors, grantors, or imposed by law.

Restricted by State Statute- portion of fund balance that is restricted by State Statute.

Restricted by creditor or grant agreements.

Committed Fund Balance-portion of fund balance that can only be used for specific purpose imposed by majority vote of the Authority's Board of Directors (the government's highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the Board of Directors.

Assigned Fund Balance- portion of fund balance that has been budgeted by the Board of Directors.

Unassigned Fund Balance- portion of fund balance that has not been restricted, committed or assigned for a specific purpose.

NOTE 2: DEPOSITS

Cash and cash equivalents consist of the following:

Equity in pooled cash	30-Jun-19	
Funds held for investment		\$1,424,217
Certificates of Deposit	\$	-
	\$	-

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

Total Cash and Cash Equivalents

\$1,424,217

All deposits are fully collateralized.

Cash Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be recovered or the Authority will not be able to recover collateral securities in the possession of an outside party.

The cash accounts and investments of the Authority are required to be secured by collateral pledged by the financial institution and/or FDIC insurance.

Cash deposits are reported at carrying amounts that reasonable estimate fair value. Cash equivalents include short-term highly liquid investments that are both-

- a. Readily convertible to known amounts of cash
- b. So near their maturity date that they present insignificant risk of changes in value due to changes in interest rates. (Generally, only investments with original maturities of three months or less meets this definition.)

NOTE 3: ACCOUNTS RECEIVABLE AND ACCRUED INTEREST RECEIVABLE

Receivables consisted of the following:

	June 30, 2019
Accounts Receivable:	
Lodging Tax	\$ 45,755
Co-Op Advertising	\$ -
Total Accounts Receivable	\$ 45,755
Allowance for Bad Debts	\$ -
Net Receivables	\$ 45,755

All receivables are estimated collectible within one year.

Allowance for doubtful accounts

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded in the financial statements.

NOTE 4: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2019 were as follows:

McCURTAIN COUNTY TOURISM AUTHORITY
Broken Bow, Oklahoma
(A component unit of McCurtain County, Oklahoma)
NOTES TO THE FINANCIAL STATEMENTS

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
Equipment	\$16,569	\$ -	\$ -	\$16,569
Accumulated Depreciation	(\$16,569)	\$ -	\$ -	(\$16,569)
Net Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2019, the governmental funds had no capitalized assets that were not being depreciated or had not been depreciated. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets. Assets are recorded at cost or their estimated fair market value for those assets where recorded values were not available.

NOTE 5: CONCENTRATIONS

In 2019 approximately 99.4% (\$1,513,218) of total revenues (\$1,521,776) recognized by the Authority were derived from the 3% excise tax on hotels, motels, cabin and public lodging rentals.

NOTE 6: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Authority manages these various risks of loss through participation in the Association of County Commissioners of Oklahoma Self-Insurance Group. Potential liabilities, resulting from injuries to employees, are mitigated through participation in Comp Source Oklahoma as a member of the Association of County Commissioners of Oklahoma.

NOTE 7: BUDGETARY COMPARISON INFORMATION

The Authority has no requirement for a legally adopted budget. The Authority does prepare an annual budget for internal use and management purposes.

NOTE 8: OPERATING LEASES AND RENTAL EXPENDITURES

The Authority rents office space from the Broken Bow Chamber of Commerce. For the year ended June 30, 2019, rent expense was \$18,900.

NOTE 9: CONTINGENCIES AND SUBSEQUENT EVENTS

As of June 30, 2019, the Authority did not have any pending litigation, potential non-disclosed liabilities, or subsequent events that management believes would have a material effect on the financial statements. Subsequent events have been evaluated through December 17, 2019, which is the date the financial statements were available to be released. Events occurring after that date have not been evaluated to determine if a change in the financial statements would be required.



DWIGHT BOMER

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 Directors
McCurtain County Tourism Authority
Broken Bow, Oklahoma

I have audited the basic financial statements of the governmental activities and each major fund of McCurtain County Tourism Authority, (the "Authority") a component unit of McCurtain County, Oklahoma for the fiscal year ended June 30, 2019, and have issued my report thereon dated December 17, 2019. 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered The Authority's internal control over financial reporting as a basis for designing my auditing procedures. This was for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing my opinion on the Authority's control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of McCurtain County Tourism Authority's internal control over financial reporting.

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the McCurtain County Tourism Authority's financial statements are free of 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 determination of financial statement amounts. 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 test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of the Report

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



Dwight Bomer
Certified Public Accountant
December 17, 2019