

**McCURTAIN COUNTY TOURISM AUTHORITY**  
(A component unit of McCurtain County, Oklahoma)

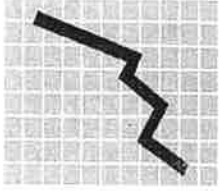
Broken Bow, Oklahoma

**FINANCIAL STATEMENTS**  
as of June 30, 2023  
**With Independent Auditors Report Thereon**

Audited by:  
Dwight Bomer, CPA  
2009 N. Main Street  
McAlester, OK 74501

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## DWIGHT BOMER

Certified Public Accountant

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
McCurtain County Tourism Authority  
Broken Bow, Oklahoma

#### **Opinion**

I have audited the accompanying financial statements of McCurtain County Tourism Authority, which comprise the balance sheet as of and for the year ended June 30, 2023, and the related statement of revenues, expenditures, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the McCurtain County Tourism Authority as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the modified cash basis of accounting.

#### **Emphasis of Matter**

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I'm required to be independent of the McCurtain County Tourism Authority, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the McCurtain County Tourism Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 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, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the McCurtain County Tourism Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the McCurtain County Tourism Authority's ability to continue as a going concern for a reasonable period of time.

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

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

In accordance with Government Auditing Standards, I have also issued my report dated April 02, 2024, on my consideration of McCurtain County Tourism Authority's internal control over financial reporting on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of my testing over 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 in considering McCurtain County Tourism Authority's internal control over financial reporting and compliance.



Dwight Bomer, CPA  
McAlester, Oklahoma  
April 02, 2024

**McCURTAIN COUNTY TOURISM AUTHORITY**  
(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

Basic Financial Statements

June 30, 2023

**McCURTAIN COUNTY TOURISM AUTHORITY**

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

**STATEMENT OF NET POSITION- MODIFIED CASH BASIS**

June 30, 2023

	2023
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 4,905,279
Accounts Receivable, Net	\$ 255
Total Current Assets	<u>\$ 4,905,534</u>
Non-Current Assets:	
Investments	\$ -
Capital Assets, Net of Depreciation	\$ -
Total Non-Current Assets	\$ -
Total Assets	<u>\$ 4,905,534</u>
<b>LIABILITIES &amp; NET POSITION</b>	
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	\$ -
Current Portion Lease Purchases	\$ -
Total Current Liabilities	<u>\$ -</u>
Noncurrent Liabilities	
Long-Term Notes Payable	\$ -
Total Noncurrent Liabilities	<u>\$ -</u>
Total Liabilities	<u>\$ -</u>
Net Position	
Investment in Capital Assets, Net of Related Debt	\$ -
Restricted for Debt Service	\$ -
Reserved for capital improvement	\$ -
Unrestricted	\$ 4,905,534
Total Net Position	<u>\$ 4,905,534</u>
Total Liabilities and Net Position	<u>\$ 4,905,534</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**McCURTAIN COUNTY TOURISM AUTHORITY**

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - MODIFIED CASH**

**BASIS**

**June 30, 2023**

	<u>2023</u>
<b>Operating Revenues:</b>	
Lodging Tax	\$ 4,284,053
Total Operating Revenues	<u>\$ 4,284,053</u>
<b>Operating Expenses:</b>	
Contract Labor	\$ 57,449
County Fair Expenditures	\$ 214,203
County Administrative Fees	\$ 428,405
Dues and Subscriptions	\$ 690
Depreciation Expenses	\$ 546
General Advertising	\$ 2,862,633
Rent	\$ 23,641
Travel and Entertainment	\$ 872
Total Operating Expenses	<u>\$ 3,588,439</u>
Net Operating Income (Loss)	\$ 695,614
<b>Non-Operating Revenues (Expenses)</b>	
Local Grant Expenses	\$ (151,000)
Interest Income	\$ 97,648
Total Non-Operating Revenue (Expense)	<u>\$ (53,352)</u>
Change in Net Position	\$ 642,262
<b>Total Net Position- Beginning</b>	\$ 4,263,272
<b>Total Net Position- Ending</b>	<u>\$ 4,905,534</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

# McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

## STATEMENT OF CASH FLOWS- MODIFIED CASH BASIS

June 30, 2023

	<u>2023</u>
<b>Cash Flows from Operating Activities</b>	
Receipts From Tax Lodgments	\$ 4,284,053
Payments to Suppliers	\$ (3,159,487)
Payments to Employees	\$ (428,405)
Net Cash Provided (Used) by Operating Activities	<u>\$ 696,160</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	\$ -
Principal Paid on Capital Debt	\$ -
Interest Paid on Capital Debt	\$ -
Transfer to Other Funds	\$ -
Grant Expenses	\$ (151,000)
Net Cash Used by Capital and Related Financing Activities	<u>\$ (151,000)</u>
<b>Cash Flows from Investing Activities</b>	
Interest Income	\$ 97,648
Net Cash Provided by Investing Activities	<u>\$ 97,648</u>
Net Increase in Cash and Cash Equivalents	\$ 642,808
Cash and Cash Equivalents, Beginning of Year	\$ 4262,471
<b>Cash and Cash Equivalents, End of Year</b>	<u><b>\$ 4,905,279</b></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 695,614
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation Expense	\$ 546
Bad Debt Expense	\$ -
Change In Assets and Liabilities:	
Receivables, Net	\$ -
Accrued Liabilities and Accounts Payable	\$ -
Total Adjustments	<u>\$ 546</u>
Net Cash Provided (used) by Operating Activities	<u><b>\$ 696,160</b></u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



# McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

Notes to Financial Statements

June 30, 2023

## **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 aboard, 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, 2022 through June 30, 2023. 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

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

## Notes to Financial Statements

June 30, 2023

### 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 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.

## McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

Notes to Financial Statements

June 30, 2023

### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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. The Authority has \$546 depreciation for the current year.

#### 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.

#### 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.

# McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

Notes to Financial Statements

June 30, 2023

## **NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **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 2023.

### **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.

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.

# McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

Notes to Financial Statements

June 30, 2023

## NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

	<u>June 30, 2023</u>
Equity in pooled cash	\$ 4,905,279
Funds held for investment	\$ -
Certificates of Deposit	\$ -
Total Cash and Cash Equivalents	<u>\$ 4,905,279</u>

All deposits are fully collateralized.

# McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

## Notes to Financial Statements

June 30, 2023

### 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, 2023
Accounts Receivable:	
Lodging Tax	\$ 255
Co-Op Advertising	\$
Total Accounts Receivable	\$ 255
Allowance for Bad Debts	
Net Receivables	\$ 255

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, 2023 were as follows:

**McCURTAIN COUNTY TOURISM AUTHORITY**

(A component unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma

Notes to Financial Statements

June 30, 2023

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Equipment	\$ 17,115	\$ -	\$ -	\$ 17,115
Accumulated Depreciation	\$ (16,569)	\$ (546)	\$ -	\$ (17,115)
Net Capital Assets	<u>\$ 546</u>	<u>\$ (546)</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2023, the governmental funds have 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 2023 100% (\$4,284,053) of total revenues (\$4,284,053) recognized by the Authority were derived from the 3% excise tax on hotels, motels, cabin and public lodging rentals.

**NOTE 6: RISKMANAGEMENT**

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**

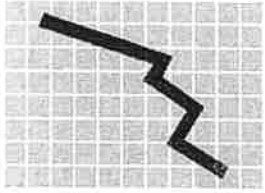
The Authority has no requirement for a legally adopted budget. The Authority does prepare an annual budget for internal use and management purposes.

**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, 2023, rent expense was \$23,641.

**NOTE 9: CONTINGENCIES AND SUBSEQUENT EVENTS**

As of June 30, 2023, 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 April 02, 2024, 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, 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, modified cash basis, of McCurtain County Tourism Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the McCurtain County Tourism Authority's basic financial statements and have issued my report thereon dated April 02, 2024.

#### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered McCurtain County Tourism Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of McCurtain County Tourism Authority's internal control. Accordingly, I do not express an opinion of the effectiveness of McCurtain County Tourism 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control



that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did not identify any material weaknesses or significant deficiencies during the performance of our work as described above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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, non-compliance 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 tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

This report is intended 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 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 compliance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dwight Bonner, CPA  
McAlester, Oklahoma  
April 02, 2024