AUDIT REPORT

McCURTAIN COUNTY TOURISM AUTHORITY

(A component unit of McCurtain County, Oklahoma)

FOR THE YEAR ENDED JUNE 30, 2024

AUDITED BY

DREW KIMBLE

CERTIFIED PUBLIC ACCOUNTANT PLLC

104 S. Muskogee Ave.

TAHLEQUAH, OKLAHOMA

Table of Contents

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

McCurtain County Tourism Authority

Opinion

We have audited the accompanying modified cash basis financial statements of McCurtain County Tourism Authority (the Authority), a component unit of McCurtain County, Oklahoma, as of and for the years ended June 30, 2024, and the related notes to the financial statements, which collectively comprised 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 June 30, 2024, and the respective changes in modified cash basis financial position and cash flows thereof for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

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 opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe 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. 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 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 preparation of the financial statements in the circumstance. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 14, 2026, 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 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.

Drew Kimble

Drew Kimble CPA PLLC

Tahlequah, Oklahoma

January 14, 2026

DREW KIMBLE

Certified Public Accountant PLLC

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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

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 accompanying financial statements of the McCurtain County Tourism Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated January 14, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered McCurtain County Tourism 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 McCurtain County Tourism Authority's internal control. Accordingly, we do not express an opinion on 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Drew Kimble

Drew Kimble CPA PLLC
Tahlequah, Oklahoma
January 14, 2026

McCURTAIN COUNTY TOURISM AUTHORITY

(A Component Unit of McCurtain County, Oklahoma)

Broken Bow, Oklahoma
Statement of Net Position - Modified Cash Basis
June 30, 2024

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 5,787,546
Total Current Assets	5,787,546
Noncurrent Assets:	
Furniture and Equipment	7,049
Less Accumulated Depreciation	(7,049)
Total Noncurrent Assets	-
Total Assets	$ 5,787,546
Liabilities	
Long-term Liabilities	
Total Long-term Liabilities	-
Total Liabilities	-
Net Position	
Unrestricted	5,787,546
Total Net Position	5,787,546
Total Liabilities and Net Position	$ 5,787,546

The accompanying notes and auditors report are an integral part of these financial statements

McCURTAIN COUNTY TOURISM AUTHORITY
(A Component Unit of McCurtain County, Oklahoma)
Broken Bow, Oklahoma
Statement of Revenue, Expenditures, and Changes in Net Position - Modified Cash Basis
For the Year Ended June 30, 2024

Revenues:	
Lodging Tax Revenue	$ 4,679,238
Total Operating Income	4,679,238
Expenditures:	
Contract Labor	63,924
Legal and Professional Fees	5,000
Travel	3,149
County Admin Fee	467,949
County Fair Board Fee	233,975
Dues and Subscriptions	850
Advertising	3,219,810
Rent	21,960
Other Expenses	-
Total Operating Expenses	4,016,618
Operating Income (Loss)	662,620
Non-Operating Income (Expense):	
Interest Income	244,283
Local Grant Funding Expense	(24,889)
Total Non-Operating Revenues (Expenses)	219,394
Net Income or Loss	882,014
Net Position, Beginning of Year	4,905,532
Net Position, End of Year	$ 5,787,546

The accompanying notes and auditors report are an integral part of these financial statements

McCURTAIN COUNTY TOURISM AUTHORITY
(A Component Unit of McCurtain County, Oklahoma)
Broken Bow, Oklahoma
Statement of Cash Flows - Modified Cash Basis
For the Year Ended June 30, 2024

Cash Flows from Operating Activities	
Cash received from Lodging Tax	$ 4,679,493
Cash paid to Suppliers	(4,016,618)
Net Cash Provided by Operations	662,875
Cash Flows from Capital and Related Financing Activities	
Cash Used by Financing Activities	(24,889)
Net Cash Used in Capital and Related Financing Activities	(24,889)
Cash Flows From Investing Activities	
Interest Income	244,283
Net Cash Used by Investing Activities	244,283
Net Increase in Cash and Cash Equivalents	882,269
Beginning Cash and Cash Equivalents	4,905,279
Ending Cash and Cash Equivalents	5,787,548
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Operating Income	662,620
Adjustment to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation	-
(Increase) Decrease in Accounts Receivable	255
Net Cash Provided (Used) by Operating Activities	$ 662,875

The accompanying notes and auditors report are an integral part of these financial statements

The following notes to the financial statements are an integral part of McCurtain County Tourism Authority's (the "Authority") financial statements.

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

The McCurtain County Tourism Authority was established by the McCurtain County Board of Commissioners pursuant to resolution and began operations on March 4, 2003. The Authority is a public trust created under the 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 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 meeting 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 employee.

Operation of the Authority is primarily through the aforementioned 3% excise tax. The Authority is a component unity 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by the user charges and the measurement of financial activity focused on net income measurements similar to the private sector. Measurement focus refers to how transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the modified cash basis. Under the modified cash basis of accounting nearly all elements of the income statement are recorded using the cash basis, and accounts receivable and accounts payable are not recorded in the balance sheet.

Property, Plant, and Equipment

Capital assets are a result of expenditure of the Authority's funds. All capital assets are capitalized at 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 capitalized. Capitalized assets are depreciated using the straight-line method over their estimated useful lives ranging from three to ten years.

Inventory
Supplies purchased are consumed in operations and expensed as incurred.

Cash and Investments
For the purpose of the statement of cash flows, the Authority considers all cash on hand, demands deposits and highly liquid investments, with an original maturity of twelve months or less when purchased, to be cash and cash equivalents.

Long Term Debt
The Authority has no long-term debt.

Budgets
The Authority is required to legally adopt a formal operating budget as required by State Statute.

Loding/Tourism Tax Revenue
The Authority's major source of revenue is a 3% lodging/tourism tax received by McCurtain County and transferred into possession of the Authority by way of a pooled cash fund.

Net Position
Net position can be divided into two components:

a. Restricted net position- Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
b. Unrestricted net position- All other assets that do not meet the definition of "restricted".
c. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets

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

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 may differ from those estimates.

Stewardship, Compliance and Accountability
The Authority is subject to various federal, state and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows:

A. Budgetary Information
Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Authority. The use of budgets and monitoring of equity status facilitate the Authority's compliance with legal requirements. The Authority prepared a budget for the 2024 fiscal year.

B. Deposit and Investments Laws and Regulations
State statutes govern the Authority's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

Note 2: Cash and Investments
The Authority's cash deposits are stored in a cash pool by McCurtain County. As of June 30, 2024, the equity in the cash pool was $5,787,546.

Custodial Credit Risk: Custodial Credit Risk is the risk that in the event of a bank failure, the Authority deposits may not be returned to it. On June 30, 2024, the Authority's deposits were fully covered by either FDIC coverage or collateral pledged.

Note 3: Property, Plant, and Equipment

The changes in property, plant, and equipment for the year ended June 30, 2024, were as follows:

	June 30, 2023	Additions	Deletions	June 30, 2024
Furniture and Equipment	$ 7,049	$ -	$ -	$ 7,049
Total Capital Assets	7,049	-	-	7,049
Less Accumulated Depreciation	(7,049)	-	-	(7,049)
Net Book Value	$ -	$ -	$ -	$ -

Note 4: Risk Management
The Authority is exposed to various risks of loss related to torts and errors and omissions. The Authority manages this risk through the Town's commercial insurance policies. Claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. There were no claims during the year ending June 30, 2024.

Note 5: Concentrations and Contingencies

The Authority is not involved in any legal proceedings, which normally occur in the course of governmental operations, at this time. While legal proceedings cannot be foreseen, the Authority feels that any settlement or judgement would not have a material effect on the financial condition of the Authority.

In the year ended June 30, 2024, 100% of total operating revenue recognized by the Authority were derived from the 3% excise tax on hotels, motels, cabin and public lodging rentals.

Note 6: Related Party Transactions

The authority transfers an administrative fee to McCurtain County for the cost of providing services to the Authority. The current year fee can be seen on page 6 of this report.

Note 7: Local Grant Funding

The Authority engages in grant funding for organizations with a goal aligned with the Authority's. Each grant application is carefully reviewed for appropriateness, then receives funding in the form of reimbursement after reviewing spending of the grantee. This activity helps showcase local attractions and facilitate engagement in various activities in the county.

Note 8: Subsequent Events

Subsequent events have been evaluated through January 14, 2026, which is the date the financial statements were available to be issued.