



**LAKE EUFAULA  
ASSOCIATION, INC.**

FINANCIAL STATEMENTS AND  
ACCOMPANYING INDEPENDENT AUDITOR'S  
REPORT

FOR THE YEAR ENDED  
JUNE 30, 2023

LAKE EUFAULA ASSOCIATION, INC.  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Lake Eufaula Association, Inc.  
Eufaula, Oklahoma

### **OPINION**

We have audited the financial statements of Lake Eufaula Association, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of June 30, 2023, and the related statements of revenues, expenses, and changes in net assets, functional expenses and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Eufaula Association, Inc. as of June 30, 2023, and the respective changes in net assets and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **BASIS FOR OPINION**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's 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.

### **BASIS OF ACCOUNTING**

We 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. Our opinion is not modified with respect to that matter.

### **RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation, and fair presentation, financial statements, in accordance with modified cash basis of accounting; 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 Lake Eufaula Association, Inc.'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 RESPONSIBILITY 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 GAAS 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.

To the Board of Directors  
Lake Eufaula Association, Inc.  
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In performing an audit in accordance with GAAS 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 Lake Eufaula Association, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake Eufaula Association, Inc.'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 MATTERS**

##### *Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Reconciliation of Cash Expenditures, Schedule of Advertisers and Contributors, Schedule of Memberships, and Schedule of Budget to Actual Comparison are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of Lake Eufaula Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lake Eufaula Association, Inc.'s internal control over financial reporting and compliance.



**OBER & LITTLEFIELD**  
**CERTIFIED PUBLIC ACCOUNTANTS, PLLC**  
**December 20, 2023**

LAKE EUFAULA ASSOCIATION, INC.  
 STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS  
 AS OF JUNE 30, 2023

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ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 136,702
Total Current Assets	<u>136,702</u>
Property, Plant, and Equipment	
Land	84,056
Buildings	284,682
Auto/Transport Equipment	50,299
Machinery and Equipment	1,900
Less: Accumulated Depreciation	<u>(52,199)</u>
Total Property, Plant, and Equipment	<u>368,738</u>
Total ASSETS	<u>\$ 505,440</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Current Portion Long-Term Debt	<u>32,963</u>
Total Current Liabilities	<u>32,963</u>
Long-Term Liabilities	
Note Payable Less Current Portion	<u>184,618</u>
Total Long-Term Liabilities	<u>184,618</u>
Total LIABILITIES	217,581
Net Assets	
Net Assets Without Donor Restrictions	<u>287,859</u>
Total NET ASSETS	<u>287,859</u>
Total LIABILITIES AND NET ASSETS	<u>\$ 505,440</u>

The accompanying notes are an integral part of these financial statements.

LAKE EUFAULA ASSOCIATION, INC.  
 STATEMENT OF SUPPORT, REVENUE, AND EXPENSES – MODIFIED CASH BASIS  
 FOR YEAR ENDED JUNE 30, 2023

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	<u>Without Donor Restriction</u>
SUPPORT AND REVENUE	
Support:	
Membership Dues	\$ 28,628
Matching Funds	74,312
Advertising Income	78,657
Co-op Advertising	9,000
Miscellaneous Income	1,622
Ice Machine Sales	3,960
Association Events	62,475
Insurance Claim	21,944
Total Support	<u>280,598</u>
Revenue:	
Gain/(loss) of Assets	38,524
Interest Income	4
Total Revenue	<u>38,528</u>
Total SUPPORT AND REVENUE	<u>319,126</u>
EXPENSES:	
Program Services	167,863
Support Services: G&A	122,310
Total EXPENSES	<u>290,173</u>
Change in Net Assets	28,953
Net Assets, Beginning of Year	<u>258,906</u>
Net Assets, End of Year	<u>\$ 287,859</u>

The accompanying notes are an integral part of these financial statements.

LAKE EUFAULA ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
FOR YEAR ENDED JUNE 30, 2023

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	<u>Program</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Accounting & Legal Fees	\$ 5,047	\$ -	\$ 5,047
Advertising	1,626	-	1,626
Auto Expense	4,330	-	4,330
Credit Card and Bank Fees	1,200	-	1,200
Distribution/Publication	17,892	-	17,892
Dues and Subscriptions	-	1,327	1,327
Ice Machine Expense	-	6,480	6,480
Insurance	1,941	1,263	3,204
Interest Expense	-	6,613	6,613
Miscellaneous	-	315	315
Office/Postage Expense	-	8,375	8,375
Printing/Copying Expense	1,187	-	1,187
Professional Fees	-	2,320	2,320
Property Taxes	-	1,021	1,021
Publication Expense	51,736	-	51,736
Repairs & Maintenance	-	10,898	10,898
Salaries & Payroll Taxes	9,801	74,494	84,295
Special Events	41,027	-	41,027
Travel Expense	22,476	-	22,476
Utilities & Telephone	-	9,204	9,204
Website Expense	4,515	-	4,515
	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	162,778	122,310	285,088
Depreciation	5,085	-	5,085
	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 167,863</u>	<u>\$ 122,310</u>	<u>\$ 290,173</u>

The accompanying notes are an integral part of these financial statements.

LAKE EUFAULA ASSOCIATION, INC.  
 STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS  
 FOR YEAR ENDED JUNE 30, 2023

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Cash Flows from Operating Activities:	
Change in net assets	\$ 28,951
Adjustments to reconcile change in net assets to net cash used for operating activities	
Depreciation	5,085
Gain on sale of assets	20,321
Net Cash Used for Operating Activities	<u>54,357</u>
Cash Flows From Investing Activities:	
Purchases of capital assets	(280,522)
Proceeds from sale of assets	25,000
Net Cash Used for Investing Activities	<u>(255,522)</u>
Cash Flows From Financing Activities:	
Loan proceeds	217,581
Payments made on notes payable	(4,801)
Net Cash Used for Financing Activities	<u>212,780</u>
Net increase in cash and cash equivalents	11,615
Cash and cash equivalents - June 30, 2022	<u>125,087</u>
Cash and cash equivalents - June 30, 2023	<u>\$ 136,702</u>

The accompanying notes are an integral part of these financial statements.



LAKE EUFAULA ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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Note 1 - Summary of Significant Accounting Policies:

Organization and Nature of Activities:

Lake Eufaula Association, Inc. (hereafter also referred to as “the Association”) was incorporated as an Oklahoma not-for-profit corporation on October 12, 1971. The Association’s mission is to promote the conservation and development of water resources of the Lake Eufaula area and to satisfy the needs of the growing population for flood control, navigation, pollution control, recreation and all the benefits of Lake Eufaula. The Association promotes the development of tourism and commerce through various forms of advertising.

Basis of Accounting:

The financial statements Lake Eufaula Association, Inc. have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles as required by the Oklahoma Department of Tourism rules. The modified cash basis of accounting recognizes cash receipts when cash is received, not when earned, and recognizes expenses when cash is expended rather than when incurred as required by accounting principles generally accepted in the United States of America.

Basis of Presentation:

The Association are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – these assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – these net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

Cash Equivalents:

Cash and cash equivalents include all monies in banks, and highly liquid investments, with maturity dates of less than twelve months. The carrying value of cash, and cash equivalents, approximates fair value because of the short maturities of those financial instruments.

Property and Equipment:

Property and equipment are recorded at historical cost or at estimated fair value at the date of the gift. Depreciation is computed using accelerated methods used for tax purposes over the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements are capitalized. If an asset is permanently impaired in value, the asset cost is written down to market value. The Association does not have a capitalization threshold or a policy in place. See Schedule of Findings and Responses.

Matching Funds:

The Association derives a significant portion of its income from advertising sales, and managed cooperative advertising, as well as contribution and the sale of memberships. These revenues come mainly from business enterprises in the area of Eufaula Lake. The remainder of the revenues derived from the State of Oklahoma and donations. The Association presents periodic reports to the State showing expenses paid, and the State reimburses the Association for one hundred percent (100%) of the allowable expenses limited to the amount allocated Lake Eufaula Association, Inc. Reimbursements from the State are recorded as income in the fiscal year in which they are received.

LAKE EUFAULA ASSOCIATION, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

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Note 1 – Summary of Significant Accounting Policies: continued

Expense Allocation:

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of support, revenue, and expenses – modified cash basis and the statement of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the program and administrative expenses, directly identifiable expenses are charged to program or administrative expense.

Restricted and Unrestricted Assets:

Contributions received are recorded as increases in unrestricted or donor restricted net assets, depending on the existence and/or nature of the any donor restrictions. When a restriction expires, that is, when the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenues, and expenses – modified cash basis as net assets released from restrictions.

Income Taxes:

The Internal Revenue Service has determined that the Association meets the requirements of the Internal Revenue Code and is exempt from federal income tax under Section 501(c)(6) of the Code. However, the Association is required to file form 990, information report, with the Internal Revenue Service.

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association is required to file an E-Postcard because their gross receipts are under \$50,000 annually.

The Association’s Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

Estimates:

The preparation of financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of a bank failure, the Association’s deposits may not be returned to it. The Association’s cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. The Association does not currently have a deposit policy for custodial credit risk.

	Category			Carrying Amount	Bank Balance
	A	B	C		
Cash on hand	\$ -	\$ -	\$ 75	\$ 75	\$ -
Demand deposits	143,924	-	-	136,627	143,924
Total	<u>\$ 143,924</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 136,702</u>	<u>\$ 143,924</u>

Category A – Investments that are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Association, or its agent, in the Association’s name.

Category B – Collateralized with securities held by the pledging financial institution’s trust department, or agent, in the Association’s name.

LAKE EUFAULA ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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Note 2 – Custodial Credit Risk: continued

Category C – Uninsured or unregistered investments for which securities are held by the pledging financial institution’s trust department, or agent, but not in the Association’s name.

Note 3 – Property and Equipment:

The following is a combined analysis of property and equipment, at cost, and related depreciation at June 30, 2023:

	Balance 06/30/22	Additions	Deletions	Balance 06/30/23
Capital Assets				
Land	\$ 84,056	\$ -	\$ -	\$ 84,056
Auto/Transport Equipment	44,460	5,839	-	50,299
Buildings	35,311	284,682	(35,311)	284,682
Machinery and Equipment	127,054	-	(125,154)	1,900
CIP	10,000	(10,000)	-	-
Total Capital Assets	300,881	280,521	(160,465)	420,937
Less: Accum Depr	(162,259)	(5,085)	115,145	(52,199)
	<u>\$ 138,622</u>	<u>\$ 275,436</u>	<u>\$ (45,320)</u>	<u>\$ 368,738</u>

Note 4 – Note Payable:

The Association has a vehicle note payable to Ford Credit. This note is due in monthly installments of \$400 with no interest maturing on June 5, 2023. The note is collateralized by a vehicle held by the Association. As of June 30, 2023, the balance of note was paid in full.

The Association has a building note payable to the Bank of Eufaula. This note is due in monthly installments of \$1,740.13 with 6% interest maturing on July 14, 2023. The note is collateralized by a building held by the Association. As of June 30, 2023, the balance of note was \$217,581.

The following is a summary of the changes in general long-term debt, for the fiscal year ended June 30, 2023:

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023
Note Payable - Ford Credit #56426521	\$ 4,402	\$ -	\$ (4,402)	\$ -
Note Payable - Bank of Eufaula #65239709	-	217,581	-	217,581
Total Notes Payable	<u>\$ 4,402</u>	<u>\$ 217,581</u>	<u>\$ (4,402)</u>	<u>\$ 217,581</u>

The annual debt service requirement to maturity for long-term debt as of June 30, 2023, is as follows:

	Principal	Interest
2024	32,963	8,553
2025	41,409	8,411
2026	43,527	6,293
2027	45,754	4,066
2028	48,095	1,725
Thereafter	5,833	52
	<u>\$ 217,581</u>	<u>\$ 29,100</u>

LAKE EUFAULA ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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Note 5 – Reimbursement from the State of Oklahoma:

As described in Note 1, the Association receives funding from the State of Oklahoma in the form of the reimbursement of 100% of allowable expenditures, limited to the amount allocated by the State for matching funds. State reimbursements are identified according to the fiscal year program from which the State makes the payments. The Association received \$74,312 in 2023 funds. Payments received during the year in matching funds totaled \$74,312. This is 26.48% of the total revenue for this Association and is not considered a concentration of revenue.

Total expenditures for the organization were \$290,173. The State reimbursed 25.61% of the total expenditures for a total of \$74,312 which was the amount paid by the State as matching funds for Lake Eufaula Association, Inc. for the fiscal year.

Note 6 – Advertising Costs:

Because Lake Eufaula Association, Inc. is in the business of promoting the development of tourism and commerce through various forms of advertising, all advertising costs are expensed in the period paid and none of the costs are capitalized.

Note 7 – Liquid Resources:

The following reflects the Association's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Total current assets	\$ 136,702
Financial assets, at year-end	136,702
Less those unavailable for general expenditures within on year, due to:	
Contractual or donor-imposed restrictions	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 136,702</u>

Note 8 – Evaluation of Subsequent Events:

Subsequent events to the balance sheet date of June 30, 2023, through the issuance date December 20, 2023, have been evaluated, and no additional disclosures are required.

**INTERNAL CONTROL AND COMPLIANCE SECTION**



**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  
Lake Eufaula Association, Inc.  
Eufaula, Oklahoma

We have audited, in accordance with the modified cash basis of accounting and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lake Eufaula Association, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2023, and the related statements of support, revenue, and expenses, functional expenses and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2023.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered Lake Eufaula Association, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lake Eufaula Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lake Eufaula Association, Inc.'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 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 may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-1 and 2023-2 we consider to be material weaknesses.

**REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether Lake Eufaula Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-1 and 2023-2.

To the Board of Directors  
Lake Eufaula Association, Inc.  
Page 2

**LAKE EUFAULA ASSOCIATION, INC.'S RESPONSE TO FINDINGS**

*Government Auditing Standards* requires the auditor to perform limited procedures on Lake Eufaula Association, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Lake Eufaula Association, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



OBER & LITTLEFIELD  
CERTIFIED PUBLIC ACCOUNTANTS, PLLC  
**December 20, 2023**

**Audit Findings – Current Year**

**2023-1: Maintenance and Safeguarding of Capital Assets**

*Criteria* – The Association is required to maintain adequate controls to safeguard and account for its capital assets.

*Condition* – Internal controls over property accountability were inadequate or nonexistent for capital assets. The Association has no written policies or procedures on recording, adjusting, or inventorying capital assets.

*Cause* – There are no written policies or procedures for the recording, maintenance, and safeguarding of capital assets.

*Effect* – Without adequate internal controls to ensure proper safeguarding, assets are at risk and vulnerable to misappropriation, misuse or lose, which would not be detected in a timely manner, if at all. Financial information is also inaccurately recorded for capitalized assets.

*Recommendation* – We recommended that the Association implement internal controls in its property accountability by developing written policies and procedures that describe the capitalization threshold, how capital assets will be recorded and managed, who and how often assets will be reviewed for impairment and perform timely inventories of capital assets on an annual basis.

*Management Response* – The Association understands and will take appropriate steps to remedy the finding.

**2023-2: Reconciliation of Cash Accounts**

*Criteria* – Internal controls should be designed to accurately reconcile bank statements monthly and should be reviewed for accuracy by management.

*Condition* – The reconciliations performed were misplaced/not available for the audit period. Reconciliations had to be reperfomed during audit procedures.

*Cause* – The reconciliations were not retained.

*Effect* – Without proof of reconciliation of these items, the risk significantly increases that errors and fraud related to the collections, or disbursements, and posting of monies, including misappropriation of assets, could occur and not be detected within a timely manner.

*Recommendation* – Management and the Board should consider a formal policy and procedure detailing the proper record retention of the reconciliation of the Association’s bank statements monthly.

*Management Response* – The Association concurs with the recommendation and has already taken steps to implement procedures subsequent to the audit period.



## **Supplementary Schedules**

LAKE EUFAULA ASSOCIATION, INC.  
 SCHEDULE OF RECONCILIATION OF CASH EXPENDITURES  
 JUNE 30, 2023

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	Allowable Expenditures Claimed	Discretionary Expenditures	Total Expenditures
Expenditures:			
Administrative Expenses	\$ -	\$ 61,695	\$ 61,695
Administrative Wages	13,879	60,615	74,494
Advertising and Promotional			
Print Production	39,004	13,919	52,923
Advertising	1,626	-	1,626
Literature Distribution	11,802	6,090	17,892
Travel Shows	8,000	14,476	22,476
Other and Miscellaneous	-	53,982	53,982
Depreciation	-	5,085	5,085
	<u>\$ 74,312</u>	<u>\$ 215,861</u>	<u>\$ 290,173</u>

LAKE EUFAULA ASSOCIATION, INC.  
SCHEDULE OF ADVERTISERS AND CONTRIBUTORS  
JUNE 30, 2023

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Allford Propane	300
American Bank of Oklahoma	1,825
Armstrong Bank	625
Arvest Bank	625
Bank of Eufaula	625
Bank of Oklahoma	625
BB Boutique	335
Belle Starr Marina	1,225
Bravado Wireless	2,525
Calico Heights	1,225
Campbell Due	1,600
Canadian Valley	1,225
Captain John's	1,825
Century 21	625
Choate Cabin	625
City of Eufaula	1,000
Corps of Engineers	2,500
Creek Nation Casino Eufaula	1,825
Cross Telephone	625
Dani Jo's BBQ	335
Dawn's Place	335
Dabber's	1,225
Duchess Creek	2,525
Dunn Country	335
EiC Smoke Shop	335
Eufaula Museum	335
Eufaula Ford	335
Eufaula Inn	335
Eufaula Marine Solutions	625
Eufaula Properties	625
Eufaula Treesort	625
Evergreen Marina	625
Fountainhead Marina	625
First National Bank	1,225
Gambino's	335
Glover Veteraary Services	335
Great Outdoors RV Park	335
Honey Springs Battlefield	335
Hopkins Fuel	335
Jellystone/Xtreme	2,525

LAKE EUFAULA ASSOCIATION, INC.  
 SCHEDULE OF ADVERTISERS AND CONTRIBUTORS  
 JUNE 30, 2023

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KellBell's	625
LaFinca	625
Lake Homes Realty	1,225
Lakeside Real Estate	2,525
Lakeview Landing	625
Marine Development	335
McAlester Tourism	1,825
McDonald's Eufaula	335
McDonald's Stigler	335
Nichols Market	1,825
Nine Marina	2,525
OFC Docks	335
On the Lamb	625
One Source	335
People's National Bank	335
Pepsi	335
Pete's Place	3,225
Sonny's Market	1,225
Stay Inn	335
Stigler Chamber	2,525
The Boat Doctor	335
Town & Country	625
Vicars Power Sports	1,225
	<hr/>
	60,695
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LAKE EUFAULA ASSOCIATION, INC.

SCHEDULE OF MEMBERSHIPS

JUNE 30, 2023

Name	Type	Amount
Cathey, Mike	Annual Family Membership	24.21
Too Sha's	Annual Business Membership	100.00
McDonald's of Eufaula	Annual Corporate Sponsorship	1,000.00
Snug Harbor Cabins	Annual Business Membership	100.00
Stigler Chamber of Commerce	Annual Business Membership	100.00
Shelter Insurance	Annual Business Membership	100.00
Lake & Bake	Annual Corporate Membership	1,000.00
Lakegirl Upholstery by Janie	Annual Business Membership	100.00
Eufaula Auto Parts/NAPA	LEA Annual Business Membership	100.00
Rodebush Septic	LEA Annual Business Membership	100.00
First National Bank & Trust	LEA Annual Business Membership	100.00
Hard Cash Pawn	LEA Annual Business Membership	100.00
Sunflower	LEA Annual Business Membership	100.00
Cookson Hills Publishers	LEA Annual Business Membership	100.00
Edgmon Investments Inc.	LEA Annual Business Membership	100.00
Flamingo Fish & Marine	LEA Annual Business Membership	100.00
Hopkins Fuel & Propane	Annual Business Membership	100.00
East Central Electric	Annual Corporate Membership	1,000.00
Canadian Valley Telephone	Annual Business Membership	100.00
First Family Federal Credit Union	Annual Business Membership	100.00
Briggs Printing	Annual Business Membership	100.00
Nichols Marine	Annual Corporate Membership	1,000.00
Legacy On Main Street	Annual Business Membership	100.00
Our Favorite Place	Annual Business Membership	100.00
Eufaula Lakeshore Realty	Annual Business Membership	100.00
Bank of Eufaula	Annual Corporate Membership	1,000.00
Lakeside Real Estate and Custom Homes	Annual Business Membership	100.00
Humphrey's Partners 2009 LLC	Annual Business Membership	100.00
Guarantee Pest Control	Annual Business Membership	100.00
EIC Smoke Shop	Annual Business Membership	100.00
Kuleana Pet Boarding	Annual Business Membership	100.00
Kellbell's Kustom Kart	Annual Business Membership	1,000.00
Campbell Due Real Estate	Annual Corporate Sponsorship	1,000.00
City of McAlester Tourism	Annual Business Membership	100.00
Cross	Annual Membership	100.00
High Street Coffee	Annual Membership	100.00
Gentle Giant Home Solutions	Annual Membership Dues	100.00
Arvest Bank	Annual Membership Dues	100.00
Green Country Marketing	Annual Membership	330.00
BVIZIBL	LEA Annual Membership	100.00
Heartland Heritage Musuem	LEA Annual Membership	100.00
Toons Eufaula	LEA Annual Membership	100.00
Simple Simons	LEA Annual Membership	100.00
Inside Out Bar	LEA Annual Membership	100.00
Eufaula Watercraft	Annual Membership	100.00
JC Construction	Annual Business Membership	100.00
Chloe & Company	Annual Business Membership	100.00
Self Outdoor Guide Service	Annual Business Membership	100.00

LAKE EUFAULA ASSOCIATION, INC.

SCHEDULE OF MEMBERSHIPS

JUNE 30, 2023

Name	Type	Amount
Great Outdoors RV	Annual Business Membership	100.00
MamaTig's	Annual Business Membership	100.00
Lakeside Pharmacy	Annual Business Membership	100.00
Motorsports Unlimited	Annual Business Membership	100.00
Tanglewood Properties	Annual Business Membership	100.00
The Lakeside Gypsy	Annual Business Membership	100.00
The Porch House	Annual Business Membership	100.00
Luxe Properties Hosting	Annual Membership	100.00
	KBW Mobile Wash	100.00
Dobber's Roadhouse	Annual Membership	100.00
Peoples National Bank	Annual Membership	100.00
Nine Marina	Annual Membership	100.00
Crappie Killer Dave	Annual Membership	100.00
OneSource Insurance	Annual Membership	1,000.00
Vicars Powersports	Annual Membership	100.00
Pete's Place of Krebs	Annual Membership	100.00
Lake Texoma Association	Annual Membership	100.00
Fountainhead Marina	Annual Membership	100.00
Evergreen Marina	Annual Membership	100.00
Eufaula Memorial Library	Annual Membership	100.00
Lake Homes Realty	Annual Membership	100.00
Vista Estrella At Lake Eufaula	Annual Membership	100.00
Pepsi Bottling Co. of McAlester	Annual Membership	100.00
GLN Nichols Dollar Saver	Annual Membership	100.00
Calico Heights	Annual Membership	100.00
Eufaula Marine Solutions LLC	Annual Corporate Sponsorship	1,000.00
On the Lamb Winery	Business Membership	100.00
Fish On The Lake LLC	Business Membership	100.00
Simply Country Ranch	Business Membership	100.00
Eufaula Properties Real Est.	membership dues	100.00
Belle Starr Marina	membership dues	100.00
Marine Development Inc. (MDI)	membership dues	100.00
Muscogee Creek Nation	Corporate membership dues	1,000.00
Century 21 Shirley Donaldson	Corporate membership dues	1,000.00
Pete's Place of Krebs	corporate membership dues	900.00
Montgomery Massage	May 2023 Membership	100.00
An Event at Duke Farms	May 2023 Business Membership	100.00
Little Turtle RV Park	membership dues	100.00
Motorsports Unlimited	membership dues	100.00
Eufaula Ford	membership dues	100.00
Dunn Country Motors	membership dues	100.00
I Smell Bacon	membership dues	100.00
Community Home Health	membership dues	100.00
Porches & Pastures Real Est.	corporate membership dues	1,000.00
Nine Marina	membership dues	100.00
Tulip and Table	membership dues	100.00
Eufaula Manor	membership dues	100.00
Rusty Hook	Rusty Hook Corporate Membership	1,200.00
Checotah Chamber of Commerce	membership dues	100.00
Watson Farms Meat Processing and Market	membership dues	100.00

LAKE EUFAULA ASSOCIATION, INC.

SCHEDULE OF MEMBERSHIPS

JUNE 30, 2023

Name	Type	Amount
Eufaula Area Chamber of Commerce	membership dues	100.00
Nicole's/Meme's	membership dues	100.00
Realty One Group Reliance	membership dues	100.00
Advanced Pool & Spas	membership dues	100.00
A&B Distributors, Inc.	membership dues	100.00
Bankcard MTOT	membership dues (clover payment)	100.00
Oklahoma Shirt Company	Corporate Membership Dues	1,000.00
Hangin 8 BBQ	membership dues	100.00
City of Eufaula	membership dues	100.00
Destination 420 Live	May 2023 Membership	100.00
OStrow ski's Freeze Dried Candy & More	May 2023 Business Membership	100.00
9 West Ranch Beef	April 2023 Business Membership	100.00
Grand Lake Assoc.	March 2023 Membership	150.00
Shortly Property Management	June 2023 Membership	100.00
Crow der Point Family Campground	April 2023 Membership	100.00
Mr. Glass	2023 Business Membership	100.00
La Finca	March 2023 Membership	100.00
Shelter Insurance	June 2023 Membership	100.00
Dani Jo's BBQ	April 2023 membership	100.00
Lake Dog & Their People	May 2023 Membership	100.00
Oklahoma Gas & Electric (OG&E)	March 2023 membership	100.00
Lake House Sushi & Hibachi Grill	June 2023 Membership	100.00
McDonald's of Eufaula	2023 Corporate Membership	1,000.00
Anchor Pest Solutions	June 2023 Membership	100.00
Captain John's	May 2023 Membership	100.00
Handy Randy's Pump Service	May Membership 2023	100.00
Belt 40	December 2022 Membership	100.00
Snug Harbor Cabins	May 2023 Membership	100.00
Lakeview Landing Motel	June 2023 Membership	100.00
Escalated Greens	March 2023 Membership	1,000.00
Bartlett Plumbing Services Inc.	July 2023 Membership	100.00
		<b><u>28,504.21</u></b>

LAKE EUFAULA ASSOCIATION, INC.  
 SCHEDULE OF BUDGET TO ACTUAL COMPARISON  
 JUNE 30, 2023

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	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Advertising	\$ 85,000	\$ 78,657	\$ (6,343)
Co-op Advertising	19,000	9,000	(10,000)
Interest	-	4	4
Matching Funds/Tourism	72,000	74,312	2,312
Memberships	28,000	28,628	628
Fundraisers	57,250	62,475	5,225
Miscellaneous	-	66,050	66,050
Productive and Creative	-	-	-
Consumer Shows	-	-	-
Website	-	-	-
Total Revenues	<u>261,250</u>	<u>319,126</u>	<u>57,876</u>
<b>Expenses</b>			
Administrative	113,650	122,310	8,660
Promotion Expenses	99,200	167,863	68,663
Other Expenses	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>
Total Expenses	<u>257,850</u>	<u>290,173</u>	<u>32,323</u>
Revenue Over/(Under) Expenses	<u>\$ 3,400</u>	<u>\$ 28,953</u>	<u>\$ 25,553</u>