FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

MUSEUM OF THE GREAT PLAINS AUTHORITY

June 30, 2013 and 2012

TABLE OF CONTENTS

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Stanfield & Brim PC
A division of the Core Group.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Museum of the Great Plains Authority
Lawton, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Museum of the Great Plains Authority (a non-profit organization), which comprise the statement of net assets as of June 30, 2013, and the related statements of revenue, expenses and changes in net assets, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum of the Great Plains Authority as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-5 and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

Stanfield & Brim, P.C.

Stanfield & Brim, P.C.
Lawton, Oklahoma
February 10, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

As management of the Museum of the Great Plains Authority (the Authority), we offer readers of the Authority's financial statements this overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2013, 2012 and 2011.

The Museum of the Great Plains Authority is a proprietary fund classified as an enterprise fund used to account for business-type activities. This type of fund accounts for operations that are financed and operated in a manner similar to private business enterprises. Revenue sources of the Authority include intergovernmental contributions, private contributions, memberships, investments earnings, user charges and sales. Because the Authority operates under a single fund, we refer you to the audited basic financial statements that follow our discussion and analysis.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of business June 30, 2013, by $2,605,486 (net assets). Of this amount, $292,100 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to citizens and creditors. The assets of the Authority exceeded its liabilities at the close of business June 30, 2012 by $1,644,369 (net assets). Of this amount, $271,042 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to citizens and creditors. And the assets of the Authority exceeded its liabilities at the close of business June 30, 2011, by $1,740,841 (net assets). Of this amount, $213,187 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to citizens and creditors.

- Not shown in these statements are a total of 4,174 volunteer hours. Of those, 578 hours are from trustees of the City of Lawton Jail system. These trustees provide services that if paid for from the annual budget of the Museum, the amount would exceed $5,780. The other 3,596 volunteer hours would amount to approximately $35,960 in man hours.

- The Authority's museum will soon undergo a complete overhaul to build exhibit "environments," in which children and families will participate in hands-on learning through simulated scenarios. These environments will allow varied interactive situations, such as participating in an archaeological dig, building a tipi, or experiencing town life on the American frontier. The renovation is being funded by a grant from the Donald W. Reynolds Foundation, a Las Vegas based organization that provides support to non profit organizations in the Midwest. The grant will reimburse up to $4,039,951 in expenses, including $683,051 for construction and $3,356,900 for exhibits. To secure the grant, the Museum was required to raise $807,990 in cash or pledges. The Authority exceeded their goal

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Financial Highlights – (Continued)

by June 2013, raising $930,972 in contributions from individuals and local institutions. The renovation will begin in 2014, with disassembly of existing galleries commencing in January 2015. The Authority expects the project to be completed in September 2015.

Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. As noted earlier, the Authority's assets exceeded liabilities by $2,605,486 at the close of the year in 2013, $1,644,369 in 2012, and $1,740,841 in 2011.

- The largest portion of the Authority's net assets (52 percent) reflects its investment in capital assets (e.g., building, machinery and equipment and artifacts). The Authority used these capital assets to provide services to the citizens; consequently these assets are not available for future spending. Capital assets were approximately 82 percent in 2012 and 79 percent in 2011.

- Capital assets decreased $9,974 or one percent from the prior year amount. In 2012 capital assets decreased by $13,943 or one percent over 2011. In 2011 capital assets increased $42,340 or three percent over 2010, primarily due to a large grant received.

- Operating expenses were less than operating and non-operating revenues by $961,117 in 2013. Operating and non-operating revenues exceeded operating expenses by $96,472 in 2012 and $74,509 in 2011.

- During 2013, the Authority ran a successful capital campaign and raised funds through pledges that resulted in an increase in temporarily restricted net assets of $950,032. This significant increase in temporarily restricted net assets accounts for the reduction in the ratio of capital assets to total net assets. The funds are temporarily restricted for use in capital projects.

Request for Information

This financial report is designed to provide a general overview of the Museum of the Great Plains Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Request for Information – (Continued)

additional financial information should be addressed to the office of the Director, Museum of the Great Plains, 601 NW Ferris Avenue, Lawton, OK 73507.

STATEMENT OF NET ASSETS

June 30,

	2013	2012
ASSETS		
Current assets		
Cash (note B)	$ 852,949	$ 201,004
Certificate of deposit	56,199	55,919
Accounts receivable	10,399	55,402
Pledges receivable due in less than 1 year	50,574	-
Inventory	32,989	30,567
Other assets	15,420	10,231
Total current assets	1,018,530	353,123
Noncurrent assets		
Pledges receivable, net of allowance	294,621	-
Capital assets, net (note C)	1,344,494	1,356,448
Total non-current assets	1,639,115	1,356,448
TOTAL ASSETS	2,657,645	1,709,571
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	26,557	39,244
Accrued wages and vacation	25,603	25,958
Total current liabilities	52,160	65,202
NET ASSETS		
Invested in capital assets	1,344,494	1,356,448
Temporarily restricted		
Grant projects	966,911	16,879
Unrestricted	294,081	271,042
Total net assets	2,605,486	1,644,369
TOTAL LIABILITIES AND NET ASSETS	2,657,646	1,709,571

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years Ended June 30,

	2013	2012
Operating revenues		
Admissions	$ 50,720	$ 44,677
Gift Shop Sales	59,194	59,560
In-kind contributions	5,420	4,059
Miscellaneous contributions	45,135	47,420
Other	27,476	35,037
Total operating revenues	187,945	190,753
Operating expenses		
Salaries	438,624	434,414
Taxes and fringe benefits	110,623	105,203
General and administrative	149,701	68,975
Maintenance, operations and contractual services	36,395	184,750
Materials and supplies	28,595	54,172
Cost of merchandise sold	27,493	31,284
Total operating expenses	791,431	878,798
Net operating expenses	(603,486)	(688,045)
Nonoperating revenues		
Contribution from the City of Lawton	603,047	610,214
Grants - McMahon Foundation	500,000	-
Grants - other	459,226	-
Reimbursement of grant	-	(20,767)
Interest income	2,330	2,126
Total nonoperating revenues	1,564,603	591,573
Decrease in net assets	961,117	(96,472)
Total net assets, beginning of year	1,644,369	1,740,841
Total net assets, end of year	$ 2,605,486	$ 1,644,369

STATEMENT OF CASH FLOWS

Years Ended June 30,

	2013	2012
Cash flows from operating activities		
Receipts from members and users	$ 187,945	$ 183,364
Payment to suppliers	(658,847)	(418,122)
Payment to employees	(438,624)	(447,861)
Net cash used by operating activities	(909,526)	(682,619)
Cash flows from noncapital financing activities		
Contribution received from the City of Lawton	603,047	608,683
Grants received from others	959,226	-
Reimbursement of grant	-	(20,767)
Net cash provided by noncapital financing activities	1,562,273	587,916
Cash flows from capital and related financing activities		
Purchase of capital assets	(2,852)	-
(Loss) gain on disposal of assets	-	-
Net cash used by capital and related financing activities	(2,852)	-
Cash flows from investing activities		
Purchase certificates of deposit	(56,199)	(55,919)
Redemption of certificates of deposit	55,919	55,419
Interest received on cash accounts and certificate of deposit	2,330	2,126
Net cash provided by investing activities	2,050	1,626
Net increase in cash	651,945	(93,077)
Cash, beginning of year	201,004	294,081
Cash, end of year	$ 852,949	$ 201,004
Reconciliation of net operating expenses to net cash used by operating activities:		
Net operating expenses	$ (603,486)	$ (688,045)
Adjustments to reconcile net operating expenses to net cash used by operating activities		
Depreciation	15,195	16,664
Contributed capital assets	(390)	(2,645)
(Increase) decrease in:		
Accounts receivable	45,003	(3,330)
Pledges receivable	(345,195)	-
Inventory	(2,422)	(361)
Other assets	(5,189)	761
Increase (decrease) in:		
Accounts payable and accrued expenses	(12,687)	7,784
Accrued wages and vacation	(355)	(13,447)
Total adjustments	(306,040)	5,426
Net cash used by operating activities	$ (909,526)	$ (682,619)

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE A – DESCRIPTION OF THE ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Operations

The Museum of the Great Plains Authority (the Authority) was established as an Oklahoma Public Trust in January 1998, and began operations in July 1998. The Authority was created for the purpose of operating the Museum of the Great Plains in Lawton, Oklahoma. The Museum of the Great Plains was founded in 1961, operating as a not-for-profit entity dedicated to the preservation and exhibition of historical and archeological information about the Great Plains area of the central United States. The Authority's Board is made up of nine members, three of which represent the City of Lawton, three represent the McMahon Foundation, and three represent the Institute of the Great Plains, Inc. The Trust Indenture was amended effective February 8, 2011. The second amendment to the Trust Indenture added six new board members with two new board members being added for the current fiscal year and for the next two fiscal years. The Authority is a component unit included in the financial statements of the City of Lawton.

Significant accounting policies in the preparation of the accompanying financial statements are as follows:

2. Financial Statement Presentation

The Authority has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.* The Authority implemented GASB Statement No. 34 for the year ended June 30, 2003.

Under the provisions of GASB No. 34, the Authority reports as an enterprise fund engaged in business type activities. Business type activity reporting requires the Authority to present only the basic financial statements and required supplementary information (RSI) for an enterprise fund that includes management's discussion and analysis (MD&A), a statement of net assets or a balance sheet, a statement of revenues, expenses, and changes in net assets, a statement of cash flows, notes to the financial statements, and other applicable RSI. The required basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

NOTE A – DESCRIPTION OF THE ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Financial Statement Presentation – (Continued)

The Authority reports revenue related to admissions, gift shop sales and in-kind and miscellaneous contributions as operating revenues. Operating expenses include salaries and related costs, general and administrative costs, materials and supplies cost, maintenance, operations and contractual services. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Basis of Accounting

The Authority is accounted for as an enterprise fund and, accordingly, has adopted the accrual basis of accounting for reporting purposes. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred.

The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict the GASB pronouncements.

4. Recognition of Donor Restrictions

Revenues that are restricted by a donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenues are received. All other donor restricted revenues are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

5. Cash and Cash Equivalents

Cash and cash equivalents consist primarily of funds held by a financial institution. For purposes of the statement of cash flows, the Authority considers cash and cash equivalents to be currency on-hand and demand deposits with a financial institution.

The Authority holds amounts in financial institutions in excess of Federal Deposit Insurance Company (FDIC) limits at various times during the year. At June 30, 2013, $342,714 was held in excess of federally insured limits.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE A – DESCRIPTION OF THE ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

6. Accounts Receivable

The Authority considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

7. *Pledges Receivable*

Pledges receivable are shown on the balance sheet net of allowances. The Authority allows for uncollectible pledges receivable based on prior years' experience and management's analysis of specific pledges made. Pledges receivable are due within three years of the beginning of the capital campaign (June 30, 2013). The allowance for doubtful pledges in 2013 was $28,254.

8. *Inventory*

Inventory represents merchandise held for resale in the Authority's gift shop and consists primarily of educational and gift items related to the Authority's Great Plains theme. Inventory is stated at lower of cost or market, on the first-in, first-out basis.

9. Other Assets

As of June 30, 2013 and 2012, other assets include $3,000 copyright, net of $1,019 and $944, respectively, of accumulated amortization. Amortization expenses of $75, is included in general and administrative expense for the years ended June 30, 2013 and 2012.

10. Capital Assets

Capital assets purchased by the Authority are stated at cost. Capital assets contributed to the Authority are stated at their fair value at date of contribution. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, as follows:

Equipment	5-10 years
Office furniture and equipment	7-10 years
Leasehold improvements	40 years

NOTE A – DESCRIPTION OF THE ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Collections and exhibits consist of artifacts and museum exhibits. Collections and exhibits obtained prior to July 1, 1998, are owned by the Institute of the Great Plains, Inc. and are leased by the Authority. Collections and exhibits contributed after June 30, 1998, are the Authority's and are recorded at their fair value at date of contribution. Collections and exhibits are not depreciated.

Maintenance and repairs are charged to operations, renewals and betterments are capitalized. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded as a non-operating revenue or expense.

The Authority operates out of a special purpose facility owned by the City of Lawton. The Authority does not pay rent, however, it fulfills the terms of the lease agreement which is to provide continued operations of the museum in promoting economic, cultural and tourism development in the community. The Authority is responsible for the maintenance and operations of the facility.

11. Subsequent Events

The Authority has evaluated subsequent events through February 10, 2013, the issue date of the financial statements.

12. Income Taxes

Income taxes are not provided for, as the Authority is an exempt municipal instrumentality. In addition, the Authority is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Authority received its advance tax determination letter from the Internal Revenue Service (IRS) in July 1999, and in October 2002, the Authority received a final determination letter from the IRS stating that the Authority is not a private foundation within the meaning of IRS Code Section (509)(a). Grantors and contributors may rely on this determination unless the IRS publishes notice to the contrary.

The Authority has adopted the provisions of FASB Accounting Standards Codification Topic ASC 740-10 (previously Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes). The implementation of this standard had no impact on the financial statements. As of June 30, 2013 and 2012, the unrecognized tax benefit accrual was zero.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE A – DESCRIPTION OF THE ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

13. Net Assets

The difference between the Authority's assets and liabilities is its net assets. Net assets are displayed in three components – invested in capital assets, restricted and unrestricted. Certain assets of the Authority are classified as restricted assets because their use is completely restricted by grant agreements or donor-imposed stipulation. Management has adopted the policy to spend restricted resources before the use of unrestricted resources when grant requirements or donor stipulations have been met.

14. 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 periods. Actual results could differ from those estimates. The significant estimates used in the preparation of these financial statements include the fair value of collections and exhibits donated to the Authority, as well as the depreciation of capital assets.

NOTE B – CASH AND CERTIFICATE OF DEPOSIT

The Authority's cash and certificate of deposit are on deposit with a local financial institution. The Authority requires that balances on deposit with financial institutions be insured by Federal Deposit Insurance or collateralized by securities held by the pledging financial institution's trust department or agent in the Authority's name.

NOTE C – CAPITAL ASSETS

A summary of changes in capital assets during the years ended June 30, 2013 and 2012 are as follows:

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE C – CAPITAL ASSETS – (Continued)

	July 1, 2012	Additions	Deletions	June 30, 2013
Furniture and equipment	$ 311,884	$ -	$ -	$ 311,884
Displays	17,725	-	-	17,725
Leasehold improvements	169,378	-	-	169,378
Collections and exhibits	1,140,675	3,242	-	1,143,917
	1,639,662	3,242	-	1,642,904
Accumulated depreciation	(283,214)	(15,196)	-	(298,410)
Total	$ 1,356,448	$ (11,954)	$ -	$ 1,344,494

	July 1, 2011	Additions	Deletions	June 30, 2012
Furniture and equipment	$ 311,884	$ -	$ -	$ 311,884
Displays	17,725	-	-	17,725
Leasehold improvements	169,378	-	-	169,378
Collections and exhibits	1,138,030	2,645	-	1,140,675
	1,637,017	2,645	-	1,639,662
Accumulated depreciation	(266,626)	(16,588)	-	(283,214)
Total	$ 1,370,391	$ (13,943)	$ -	$ 1,356,448

Depreciation expenses of $15,197 and $16,588 is included in general and administrative expense for the years ended June 30, 2013 and 2012.

NOTE D – SIMPLE INDIVIDUAL RETIREMENT ACCOUNT PLAN

The Authority offers a Simple Individual Retirement Account Plan to eligible employees who elect to participate. All employees who are reasonably expected to receive at least $5,000 in compensation for the calendar year and are not covered under a collective bargaining agreement are eligible. Employees can elect to defer part of their salary, up to a maximum of $11,500 for 2013 and 2012. The Authority matches each participant's deferred salary on a dollar-for-dollar basis, up to a maximum of 3% of employee's compensation for the year. Included in taxes and fringe benefits is $12,708 and $12,297 of the Authority's matching contributions for the years ended June 30, 2013 and 2012, respectively.

NOTE E – ENDOWMENT PROGRAM

The Authority has invested in the Lawton Community Foundation's Designated Endowment Program (LCFDEP) through the Retail Merchants Association (RMA) matching grant program. The Authority and RMA have invested $10,000 each. During the year ended June 30, 2013 and 2012 respectively, the Authority received the interest

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE E – ENDOWMENT PROGRAM – (Continued)

earned of $1,302 and $1,246 from LCFDEP. The Lawton Community Foundation (LCF) will invest the endowment for the benefit of the Authority. The Authority will receive an annual distribution from LCFDEP as calculated using the fair value of the endowment. The funds paid by or on behalf of the Authority are nonrefundable. The Authority's right to receive distributions terminates if the Authority should cease to exist. Since the Authority has no right to the principal portion, management has determined the endowment fund should not be recognized in the accompanying statements of net assets.

NOTE F – RESTRICTED NET ASSETS

Restricted net assets as of June 30, 2013 consist of the following and are available for the purpose indicated:

Temporarily Restricted Net Assets	
Available for capital construction projects	$ 966,911

The Authority held a capital campaign this year to fund improvements to the Museum. These temporarily restricted funds will be released in the period expended for the purpose indicated by the donor.

NOTE G – CONCENTRATIONS

A substantial portion of the Authority's capital campaign contributions came from the McMahon Foundation. The Foundation's pledge accounted for 51% or $500,000 of the total campaign pledges.

REPORT AND SUPPLMENTARY INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

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Stanfield & Brim PC
A division of the Core Group.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Museum of the Great Plains Authority
Lawton, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Museum of the Great Plains Authority (the Authority), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated February 10, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stanfield & Brim, P.C.

Stanfield & Brim, P.C.

Lawton, Oklahoma
February 10, 2014

Museum of the Great Plains Authority

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS

Budget and Actual
June 30, 2013

	Original/Final Budget	Actual	(Over) Under Budget
Operating revenues			
Admissions	$ 72,360	$ 50,720	$ 21,640
Gift shop sales	56,000	59,194	(3,194)
In-kind contributions	1,885	5,420	(3,535)
Miscellaneous contributions	6,195	45,135	(38,940)
Other	19,445	27,476	(8,031)
Total operating revenues	155,885	187,945	(32,060)
Operating expenses			
Salaries	441,080	438,624	2,456
Taxes and fringe benefits	114,954	110,623	4,331
General and administrative	133,065	149,701	(16,636)
Maintenance, operations and contractual services	39,150	36,395	2,755
Materials and supplies	13,570	28,595	(15,025)
Cost of merchandise sold	25,760	27,493	(1,733)
Total operating expenses	767,579	791,431	(23,852)
Net operating expenses	(611,694)	(603,486)	(8,208)
Non-operating revenues			
Contribution from the City of Lawton	613,280	603,047	10,233
Grants - McMahon Foundation	-	500,000	(500,000)
Grants - other	-	459,226	(459,226)
Reimbursement of grant	-	-	-
Interest income	3,250	2,330	920
Total non-operating revenues	616,530	1,564,603	(948,073)
Increase (decrease) in net assets	4,836	961,117	956,281
Total net assets, beginning of year	1,644,369	1,644,369	-
Total net assets, end of year	$ 1,649,205	$ 2,605,486	$ 956,281