

**INDEPENDENT AUDITOR'S REPORT**

**MUSEUM OF THE GREAT PLAINS AUTHORITY  
A Component Unit of the City of Lawton**

**JUNE 30, 2023**

BY



**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**For Year Ended June 30, 2023**

**Table of Contents**

	<u>Page</u>
<b><u>INDEPENDENT AUDITOR'S REPORT</u></b> .....	1 - 3
 <b><u>FINANCIAL STATEMENTS</u></b>	
Statement of Net Position.....	4
Statement of Revenues, Expenses, and Changes in Net Position.....	5 - 6
Statement of Cash Flows .....	7
Notes to Financial Statements.....	8 - 18
 <b><u>REQUIRED SUPPLEMENTAL INFORMATION</u></b>	
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 <i>Government Auditing Standards</i> .....	19 - 20
Statement of Revenue, Expenses, and Changes in Net Position Budget versus Actual .....	21 - 22



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Museum of the Great Plains Authority, a component unit of the City of Lawton, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the 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 respective financial position of the business-type activities of the Museum of the Great Plains, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 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 Museum of the Great Plains System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Museum of the Great Plains' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Museum of the Great Plains' 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, which raise substantial doubt about Museum of the Great Plains' 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 6, 2024, on our consideration of the Museum of the Great Plains' 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 Museum of the Great Plains' internal control over financial reporting and compliance.

*Furrh & Associates, PC*

**F**URRH & **A**SSOCIATES, PC

Lawton, Oklahoma

January 6, 2024

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Statement of Net Position**  
**June 30, 2023**

**ASSETS**

Current Assets		
Cash and Cash Equivalents	\$	555,263
Certificate of Deposit		58,751
Accounts Receivable		50,145
Inventory		40,941
Prepaid Insurance		7,840
Accrued Interest Receivable		135
Total Current Assets		\$ 713,075
Noncurrent Assets		
Fixed Assets		7,146,769
Less Accumulated Depreciation & Amortization		(1,338,377)
Total Noncurrent Assets		5,808,392
Other Assets		
Long Term Investments		1,168,655
Total Noncurrent Assets		1,168,655
<b>TOTAL ASSETS</b>		<b>\$ 7,690,122</b>

**LIABILITIES AND NET POSITION**

Current Liabilities		
Accounts Payable	\$	13,160
Accrued Payroll Liability		6,588
Accrued Compensated Absences		5,202
Payroll Related Payables		4,556
Sales Tax Payable		479
Total Current Liabilities		\$ 29,985
Total Liabilities		29,985
Net Position		
Net Investment in Capital Assets		5,808,391
Temporarily Restricted		(23,932)
Unrestricted		1,875,678
Total Net Position		7,660,137
<b>TOTAL LIABILITIES AND NET POSITION</b>		<b>\$ 7,690,122</b>

Please see accompanying notes to the financial statements.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2023**

**Operating Revenues**

City of Lawton Contributions	\$ 550,000	
Admissions	143,623	
Gift Shop Sales, net	35,362	
Miscellaneous Income	31,331	
Memberships	27,448	
Contributions	16,815	
Facility Use Fees	5,663	
In-Kind Donations	2,355	
Total Operating Revenues		\$ 812,597

**Operating Expenses**

Salaries and Payroll Taxes	465,695	
Depreciation & Amortization	159,937	
Contractual Services	66,827	
Employee Benefits	60,114	
Utilities	55,469	
Dues & Subscriptions	55,278	
Repairs & Maintenance	22,023	
Training & Travel	20,327	
Insurance Expense	18,595	
Supplies, Tools and Equipment	17,366	
Telephone	7,990	
Bank Charges	6,962	
Exhibit Materials and Library Supplies	4,792	
Education	4,123	
Workshop Expense	2,436	
Advertising & Promotion	2,088	
Printing	2,074	
Endowment	2,056	
Postage & Shipping	900	
Special Events	749	
Miscellaneous Operating Expenses	427	
Total Operating Expenses		976,228

**Operating Income (Loss)** (163,631)

Please see accompanying notes to the financial statements.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2023**

**Non - Operating Revenues/(Expenses)**

McMahon Foundation	\$	500,000	
Unrealized Gain (Loss)		62,077	
Dividend Income		30,514	
Cash Short (Long)		195	
Capital Gain (Loss)		6,554	
Interest Income		3,025	
Reimbursement		(13,897)	
Discount Earned		2	
Investment Expenses		<u>(14,606)</u>	
Total Non - Operating Revenue/(Expenses)			<u>\$ 573,864</u>
<b>Change in Net Position</b>			410,233
<b>Net Position, as of July 1, 2022</b>			<u>7,249,904</u>
<b>Net Position, as of June 30, 2023</b>			<u><u>\$ 7,660,137</u></u>

Please see accompanying notes to the financial statements.



**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

**Cash Flows from Operating Activities**

Income Received from the City	\$ 500,355
Income from Others	262,597
Payments to Suppliers	(434,156)
Payments to Employees	(479,281)
Net Cash Provided (Used) by Operating Activities	(150,485)

**Cash Flows from Investing Activities**

Investment Income	100,932
Purchase of Fixed Assets	(293,085)
Net Cash Provided (Used) by Investing Activities	(192,153)

**Cash Flows from Capital and Related Financing Activities**

Grant Revenue	500,000
Net Cash Provided (Used) by Capital and Related Financing Activities	500,000

Net Increase (Decrease) in Cash and Cash Equivalents 157,362

Cash and Cash Equivalents - June 30, 2022 397,901

Cash and Cash Equivalents - June 30, 2023 \$ 555,263

**Reconciliation of Operating Income to Net Cash Provided by Operating Activities**

Operating Income (Loss)	\$
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities	(163,631)
Depreciation & Amortization Expense	159,937
Increase in Accounts Receivable	(49,645)
Increase in Inventory and Other Assets	(4,185)
Decrease in Accrued Payroll Liability & Payroll Related Liabilities	(13,174)
Decrease in Compensated Absences Liability	(413)
Decrease in Sales Tax Payable	(40)
Decrease in Accounts Payable	(79,334)
Net Cash Provided by Operating Activities	\$ (150,485)

Please see accompanying notes to the financial statements.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

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 Authority is dedicated to the preservation and exhibition of historical and archeological information about the Great Plains area of the central United States.

**Fund Accounting**

The Authority is a component unit of the City of Lawton and is treated as an enterprise fund of the City. The Authority maintains its accounting records and prepares its financial statements in accordance with generally accepted accounting principles. Generally accepted accounting principles require that financial statements be prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when the obligation is incurred.

**Measurement Focus and Basis of Accounting**

The enterprise fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

The fund financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

**Financial Reporting**

The Authority’s basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority operates as a component enterprise fund of the City of Lawton, which means it is engaged in business-type activities.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Recent Accounting Pronouncements**

*Governmental Accounting Policies Adopted During Current Year*

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 87 improves accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority adopted GASB 87 on July 1, 2022, for the June 30, 2023, reporting year, which did not have a significant impact on the Authority's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 provides accounting and financial reporting guidance for the governmental end users of subscription-based information technology arrangements (SBITAs). GASB 96 defines an SBITA, establishes right-to-use assets and corresponding liabilities, and provides capitalization criteria and the note disclosures required for SBITAs. The Authority adopted GASB 96 on July 1, 2022, for the June 30, 2023, reporting year, which did not have a significant impact on the Authority's financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). GASB 99 is a technical omnibus statement that addresses issues or concerns from previous statements that were discovered during implementation and application of those statements. GASB 99 covers several topics including but not limited to, financial guarantees, derivatives, leases, non-monetary transactions, future revenue pledges and terminology updates. The Authority adopted the sections that were effective immediately for the June 30, 2023, reporting year. The remaining sections will be adopted by the Authority for the June 30, 2024, reporting year, as required by GASB 99. The Authority does not expect GASB 99 to have a significant impact on the financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 proscribes accounting and financial reporting for accounting changes and error corrections to the financial statements. GASB 100 defines what constitutes an accounting change versus a change in accounting principle or error correction and outlines the appropriate note disclosures in each circumstance. The Authority will adopt GASB 100 on July 1, 2023, for the June 30, 2024, reporting year. The Authority does not expect GASB 100 to have a significant impact on the financial statements.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 outlines the definition of compensated absences and sets forth the accounting and financial reporting for compensated absence liabilities. GASB 101 outlines that leave accrued should be measured using the employees pay rate at the financial statement date and that certain salary related payments, such as Social Security and Medicare, should be included in such measurement. The Authority will adopt GASB 101 on July 1, 2023, for the June 30, 2024, reporting year. The Authority has not determined the impact that GASB 101 will have on the financial statements.

**Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liability, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**Related Party Transactions**

The Authority leases the Museum building from the City of Lawton (see Note 4 – Lease of Museum Building). The Authority is a component unit of the City of Lawton and, therefore, the City of Lawton is considered a related party to the Authority. There were no material related party transactions with Authority officials or employees during the year ended June 30, 2023.

**Revenue Recognition**

The Authority recognizes admissions, facility rental, museum store, site fees, and educational program fees at the point of sale or when the program is provided. Membership contributions are recognized when received. The Authority recognizes operating and capital grants and contributions, including unconditional promises to give due in future periods, when all eligibility requirements, including time requirements, are met. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The value of in-kind donations was \$2,355 for the year ended June 30, 2023. City appropriations are recognized when allotted by the City. All other revenue is recognized as earned. Deferred revenue includes certain amounts received from facility rentals and fees for events held in subsequent fiscal years.

**Cash and Cash Equivalents**

The Authority considers all bank deposits and highly liquid investments with a maturity date of 90 days or less at the time of purchase to be cash equivalents.

Bank deposits are held at several financial institutions and are carried at cost.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Investment and Investment Policy**

The Authority has adopted a formal investment policy. Oklahoma Statutes authorize the Authority to invest in certificates of deposit, repurchase agreements, passbooks, banker's acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the Authority can invest in direct debt securities of the United States unless such investments are expressly prohibited by law.

Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**Fair Value Measurements**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- Level 1: Valuation is based on quoted prices in active markets for identical assets.
- Level 2: Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

**Accounts Receivable**

Billings for accounts receivable at June 30, 2023 were \$50,145. An allowance for doubtful accounts was not computed on this balance because management considers the entire amount to be fully collectible. Bad debt expenses, if applicable, are recorded by the specific charge-off method.

**Inventory**

The inventory of gift shops goods and consumable supplies is recorded at cost. Inventory items are recorded as gift shop revenue when sold.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Prepaid Expenses**

Certain payments to insurance providers and other vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**Capital Assets**

Capital assets purchased by the Authority are stated at cost. Capital assets donated to the Authority are stated at their fair value at date of donation. The costs of fixed assets are capitalized and depreciated over the estimated useful life of the related asset. These assets are depreciated using the straight-line method over the useful lives ranging from 5 to 40 years.

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 curated by the Authority. Collections and exhibits obtained after June 30, 1998 are owned by the Authority. 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.

Depreciation is recorded on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold Improvements	10-40 years
Copyright	40 years
Furniture and Fixtures	7-40 years
Machinery and Equipment	5-10 years

**Art Collections**

The Authority collects works of art representing the Great Plains of Oklahoma and natural history. It preserves, collects, and interprets this material through curatorial research and educational outreach. Collection items acquired either through purchase or donation are not capitalized. Contributions of collection items are not recognized in the statement of revenues, expenses, and changes in net position. Standard procedures are used in accessioning, deaccessioning, cataloging, and managing art objects. The Authority provides a clean, safe, and stable storage environment for its permanent collections. There were no significant deaccessions during the year ended June 30, 2023.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Deferred Outflows of Resources**

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of resources applicable to future periods and therefore will not be recognized as an outflow of resources (expenditure) until that time.

**Compensated Absences**

The Authority's policy is to permit employees to accumulate earned vacation. Accumulated vacation time is accrued at year-end to account for the Authority's obligation to the employees for the amount owed. It is management's belief that the majority of the obligation will be utilized within the next fiscal year.

**Deferred Inflows of Resources**

The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of resources applicable to future periods and therefore will not be recognized as an outflow of resources (revenue) until that time.

**Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- a) Net Investment in Capital Assets Component of Net Position: This component of net position consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- b) Restricted Component of Net Position: This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- c) Unrestricted Component of Net Position: This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

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.

**Advertising Costs**

Advertising costs are expensed as they occur. Advertising expense amounted to \$2,088 for the year ended June 30, 2023.

**Budgetary Policies**

The Authority adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**Statement of Cash Flows**

For the purposes of the statement of cash flows, the District considers all highly liquid investments, such as certificates of deposits and savings accounts, as cash equivalents. Certificates of deposit and other time deposits with an original maturity date of 90 days or less are considered cash equivalents.

**Comparative Financial Statements**

The comparative statement of net position and the comparative statement of revenue and expense for the years ended June 30, 2023 and 2022 are shown for supplementary and comparative purposes only.

**Date of Management's Review of Subsequent Events**

Management has evaluated subsequent events through January 6, 2024, the date on which the financial statements were available to be issued.

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. To address custodial credit risk, the Authority has a policy related to the donor-restricted and board-designated endowment funds that permissible cash and cash equivalents include any security issued by the U.S. government and commercial paper or bankers acceptances rated at least A-1 or P-1 and fully insured or collateralized deposits in U.S. banks. The Authority does not have a policy that addresses custodial credit risks for cash and cash equivalents not held for the donor-restricted or board-designated endowment funds.



**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

The following is a recap of the Authority’s bank accounts. All accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and by a Federal Reserve Bank Pledge.

City National Bank - Restricted	\$ 277,477
City National Bank - Operating	264,293
Arvest - Restricted	13,218
Cash on Hand	275
	\$ 555,263

The Authority’s cash, deposits, and investments are classified in the following categories:

- A. Insured or collateralized with securities held by the entity or by its agent in the entity’s name.
- B. Collateralized with securities held by the pledging financial institution’s trust department or agent in the entity’s name.
- C. Uncollateralized.

	A	B	C	Total
Cash	\$ 554,988	\$ 0	\$ 275	\$ 555,263

**Investments**

The Authority has invested in marketable securities since 2013. Investments are stated at fair value in accordance with ASC Topic 280, *Fair Value Measurements and Disclosures*. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	Original Cost	Quoted Market Prices in Active Markets	Prices Obtained by Other Observable Inputs	Total
Money Market Fund	\$ 13,218	\$ 13,218	\$ 0	\$ 13,218
Mutual Funds	726,771	719,204	0	719,204
Exchange Traded Products	428,666	449,451	0	449,451
	\$ 1,168,655	\$ 1,181,873	\$ 0	\$ 1,181,873

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Custodial Credit Risk -Investments**

Investments are made under the custody of the Authority's management in accordance with investment policies complying with State statutes and Authority policy.

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Authority will not be able to recover the value of its investments. Investment securities are exposed to custodial risk if they are uninsured, are not registered in the name of the Authority, or are held by a counterparty or the counterparty's trust department but not in the name of the Authority. While the investment policy does not specifically address custodial credit risk, all investments are held in the name of the Authority.

**Investment Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy to manage exposure to fair value losses arising from increasing interest rates. The Authority discloses its exposure to interest rates by disclosing the maturity dates of its various investments.

**Concentration of Investment Credit Risk**

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the Authority (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The Authority's investment policy requires diversification of investments and indicates that, with the exception of U.S. Treasury securities and authorized pools, there was no single issuer investment with more than 5% of total investments.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 3 – FIXED ASSETS**

A summary of fixed assets on June 30, 2023 is as follows:

	Balance 6/30/2022	Additions	Disposals	Balance 6/30/2023
Leasehold Improvements	\$ 5,204,549	\$ 0	\$ 0	\$ 5,204,549
Collections & Exhibits	1,099,593	2,240	0	1,101,833
Furniture & Equipment	370,296	85,144	(1,261)	454,179
Work-In-Progress	0	383,207	0	383,207
Copyright	3,000	0	0	3,000
Total Fixed Assets	<u>\$ 6,677,438</u>	<u>\$ 470,591</u>	<u>\$ (1,261)</u>	<u>\$ 7,146,768</u>
Accumulated Depreciation	<u>\$ (1,179,701)</u>	<u>\$ (159,937)</u>	<u>\$ 1,261</u>	<u>\$ (1,338,377)</u>
Net Fixed Assets	<u>\$ 5,497,737</u>			<u>\$ 5,808,391</u>

Depreciation and amortization are charged to expense. Depreciation and amortization expense for the year ended June 30, 2023 is \$159,937.

**NOTE 4 – LEASE OF MUSEUM BUILDING**

The Authority leases the Museum building from the City of Lawton. Consideration of the lease shall be installation and construction of improvements, and maintenance and operation of the facility, which shall revert, together with all additions and improvements, to the lessor upon termination of the lease.

**NOTE 5 – PAYROLL ACCRUALS AND LIABILITIES**

The amount of earned, unpaid vacation time on June 30, 2023 was approximately \$5,202 and was accrued since it is a post-employment benefit. The Authority also accrues salaries earned and not yet paid as of June 30, 2023. For the fiscal year ending June 30, 2023, the balance of their accrued payroll was \$6,588.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

During normal operations, the Authority is subject to various claims and assessments. The range of loss, if any, from these potential claims cannot be reasonably estimated. However, the management of the Authority believes the ultimate resolution of these matters will not have a material adverse impact of the Authority's operations or net position. Approximately 42% of total operating revenues received during the fiscal year were from City of Lawton contributions. This

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Notes to the Financial Statements**  
**June 30, 2023**

is a renewable funding source annually each year. The funding has been renewed for FYE June 30, 2023.

**NOTE 7– RETIREMENT**

The Authority offers a Simple Individual Retirement Account Plan to eligible employees who elect to participate. The Authority matches each participant’s deferred salary, up to a maximum of 3% of employee’s annual compensation. The schedule of contributions for the current and two preceding years are as follows:

	Employer Match	Employee Contribution	
YE June 30, 2023	\$ 10,905	\$ 15,832	
YE June 30, 2022	\$ 9,831	\$ 15,576	
YE June 30, 2021	\$ 10,222	\$ 17,304	

**NOTE 8 – 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, 2023 the Authority received the interest earned of \$1,189. 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 of the endowment, management has determined the endowment funds should not be recognized in the accompanying statement of net position.



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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***

Board of Trustees of the  
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 the Museum of the Great Plains Authority (a component unit of the City of Lawton), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Museum of the Great Plains Authority's basic financial statements, and have issued our report thereon dated January 6, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Museum of the Great Plains 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 Museum of the Great Plains Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum of the Great Plains Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and

corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Museum of the Great Plains Authority's financial statements are free of 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 Authority's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum of the Great Plains Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Furrh & Associates, PC*  
FURRH & ASSOCIATES, PC  
Lawton, Oklahoma  
January 6, 2024

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Revenue, Expenses, and Changes in Net Position- Budget and Actual**  
**Year Ended June 30, 2023**

	<u>Original / Final</u> <u>Budget</u>	<u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>
<b><u>Operating Revenues</u></b>			
City of Lawton Contributions	\$ 550,000	\$ 550,000	\$ 0
Admissions	125,037	143,623	(18,586)
Memberships	13,574	27,448	(13,874)
Gift Shop Sales, net	30,263	35,362	(5,099)
Contributions	3,304	16,815	(13,511)
Summer Program	1,935	0	1,935
Facility Use Fees	7,963	5,663	2,300
In-Kind Donations	0	2,355	(2,355)
Miscellaneous Income	0	31,331	(31,331)
Total Revenue	<u>732,076</u>	<u>812,597</u>	<u>(80,521)</u>
<b><u>Operating Expenses</u></b>			
Salaries and Payroll Taxes	460,415	465,695	(5,280)
Depreciation & Amortization	158,415	159,937	(1,522)
Contractual Services	62,544	66,827	(4,283)
Employee Benefits	61,912	60,114	1,798
Utilities	40,240	55,469	(15,229)
Dues & Subscriptions	32,400	55,278	(22,878)
Repairs & Maintenance	7,559	22,023	(14,464)
Training & Travel	2,991	20,327	(17,336)
Insurance Expense	14,699	18,595	(3,896)
Supplies, Tools & Equipment	13,362	17,366	(4,004)
Telephone	7,841	7,990	(149)
Bank Charges	6,316	6,962	(646)
Exhibit Materials	5,405	4,792	613
Education	2,687	4,123	(1,436)
Workshop Expense	1,957	2,436	(479)
Advertising & Promotion	3,264	2,088	1,176
Printing	1,534	2,074	(540)
Endowment	1,855	2,056	(201)
Postage & Shipping	1,063	900	163
Special Events	3,604	749	2,855
Miscellaneous Operating Expenses	2,208	427	1,781
Total Expenses	<u>892,271</u>	<u>976,228</u>	<u>(83,957)</u>
<b><u>Revenue Over (Under) Expenses</u></b>	<b>(160,195)</b>	<b>(163,631)</b>	<b>3,436</b>

Please see accompanying notes to the financial statements.

**Museum of the Great Plains Authority**  
**A Component Unit of the City of Lawton**  
**Revenue, Expenses, and Changes in Net Position- Budget and Actual**  
**Year Ended June 30, 2023**

	<b>Original / Final Budget</b>	<b>Actual</b>	<b>(Over) Under Budget</b>
<b><u>Non-Operating Revenue/Expenses</u></b>			
Grant Income	0	500,000	(500,000)
Cash Short (Long)	0	195	(195)
Dividend Income	0	30,514	(30,514)
Capital Gain (Loss)	0	6,554	(6,554)
Interest Income	1,855	3,025	(1,170)
Investment Expenses	0	(14,606)	14,606
Reimbursement	0	(13,897)	13,897
Discount Earned	0	2	(2)
Unrealized Gain (Loss)	0	62,077	(62,077)
Total Non-Operating Revenue/(Expenses)	1,855	573,864	(572,009)
<b>Change in Net Position</b>	(158,340)	410,233	(568,573)
<u>Net Position, July 1, 2022</u>	7,009,966	7,249,904	(239,938)
<u>Net Position, June 30, 2023</u>	\$ 6,851,626	\$ 7,660,137	\$ (808,511)

Please see accompanying notes to the financial statements.