

**GREAT PLAINS COUNTRY  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORTS**

**JUNE 30, 2018**

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Great Plains Country Association, Inc.  
Duncan, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Great Plains Country Association, Inc., (a nonprofit organization), which comprise of the statement of assets, liabilities and net assets - cash basis as of June 30, 2018, the related statements of revenues, expenses, and changes in net assets - cash basis, and cash flows - cash basis, 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the

Comptroller General of the United States, and the audit requirements of the State of Oklahoma Department of Tourism and Recreation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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 the 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Great Plains Country Association, Inc., at June 30, 2018, and its revenues, expenses, and changes in net assets and cash flows for the year then ended in accordance with the cash basis of accounting as described in Note 1.

### **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 cash basis of accounting prescribed by the State of Oklahoma Department of Tourism and Recreation, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements taken as a whole. The accompanying supplemental schedules and information presented are not necessary for a fair presentation of the financial statements for the year ended June 30, 2018, but are presented for purposes of additional analysis, as required by the State of Oklahoma Department of Tourism and Recreation, which established audit requirements for nonprofit organizations that received state matching funds. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The accompanying supplemental schedules and information (except the List of Advertisers in the Great Plains Country Promotional Periodical Publication - Cash Basis - Unaudited) was subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described above.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated December 5, 2018, on our consideration of the Association's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and compliance.

*McCulley & McCulley*

Weatherford, Oklahoma

December 5, 2018

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS**  
**CASH BASIS**  
**JUNE 30, 2018**

**ASSETS**

Current Assets:

|              |    |       |
|--------------|----|-------|
| Cash in Bank | \$ | 4,597 |
|--------------|----|-------|

|                      |  |              |
|----------------------|--|--------------|
| Total Current Assets |  | <u>4,597</u> |
|----------------------|--|--------------|

|                |  |       |
|----------------|--|-------|
| Capital Assets |  | 5,118 |
|----------------|--|-------|

|                               |  |                |
|-------------------------------|--|----------------|
| Less Accumulated Depreciation |  | <u>(4,431)</u> |
|-------------------------------|--|----------------|

|                    |  |            |
|--------------------|--|------------|
| Net Capital Assets |  | <u>687</u> |
|--------------------|--|------------|

|                     |           |                            |
|---------------------|-----------|----------------------------|
| <b>TOTAL ASSETS</b> | <b>\$</b> | <b><u><u>5,284</u></u></b> |
|---------------------|-----------|----------------------------|

**LIABILITIES AND NET ASSETS**

Current Liabilities:

|                             |    |       |
|-----------------------------|----|-------|
| Current Payroll Liabilities | \$ | 1,216 |
|-----------------------------|----|-------|

|                            |  |               |
|----------------------------|--|---------------|
| Note Payable - Arvest Bank |  | <u>10,000</u> |
|----------------------------|--|---------------|

|                          |  |               |
|--------------------------|--|---------------|
| <b>TOTAL LIABILITIES</b> |  | <b>11,216</b> |
|--------------------------|--|---------------|

|                           |  |                |
|---------------------------|--|----------------|
| Net Assets - Unrestricted |  | <u>(5,932)</u> |
|---------------------------|--|----------------|

|   |           |                            |
|---|-----------|----------------------------|
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$</b> | <b><u><u>5,284</u></u></b> |
|---|-----------|----------------------------|

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

**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

**CHANGES IN UNRESTRICTED NET ASSETS**

**REVENUES**

|                                |                |
|--------------------------------|----------------|
| Travel Guide Advertising Sales | \$ 44,390      |
| State Matching Funds           | 54,682         |
| Oklahoma State Vacation Guide  | 14,400         |
| Other Advertising Sales        | 28,515         |
| Memberships                    | 7,425          |
| Interest                       | 17             |
| Other Revenues                 | 3,035          |
| <b>TOTAL REVENUES</b>          | <u>152,464</u> |

**EXPENSES**

**Tourism Promotion Expense**

|  |               |
|--|---------------|
| Travel Guide Production                | 22,933        |
| Literature Distribution                | 8,806         |
| Oklahoma State Vacation Guide          | 14,300        |
| Cooperative Advertising                | 28,971        |
| Conferences                            | 185           |
| Website                                | 270           |
| <b>Total Tourism Promotion Expense</b> | <u>75,465</u> |

**Administration Expense**

|  |               |
|--|---------------|
| Compensation and Benefits                | 43,344        |
| Office Supplies                          | 411           |
| Auditing and Professional Expense        | 6,380         |
| Depreciation Expense                     | 114           |
| Travel and Meals                         | 3,046         |
| Bond and Other Insurance                 | 1,974         |
| Office and Storage Rent (Month to Month) | 3,900         |
| Telephone and Internet                   | 2,156         |
| Other                                    | 2,244         |
| <b>Total Administration Expense</b>      | <u>63,569</u> |

**Other Expenses**

|                                   |            |
|-----------------------------------|------------|
| Interest Expense                  | 693        |
| Non-allowable Promotional Expense |            |
| <b>Total Other Expenses</b>       | <u>693</u> |

**TOTAL EXPENSES**

139,727

**INCREASE IN NET ASSETS**

12,737

**NET ASSETS**

|                   |                   |
|-------------------|-------------------|
| Beginning of Year | <u>(18,669)</u>   |
| End of Year       | <u>\$ (5,932)</u> |

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

**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

|   |                  |
|---|------------------|
| <b>Cash Flows from Operating Activities</b>   |                  |
| Cash Received from Travel Guide Advertising Sales   | \$ 44,390        |
| Cash Received from State Assistance   | 54,682           |
| Cash Received from Oklahoma State Vacation Guide Ad Sales   | 14,400           |
| Cash Received from Other Advertising Sales  | 28,515           |
| Cash Received from Membership Fees  | 7,425            |
| Cash Received from Other Sources  | 3,035            |
| Cash Paid for Tourism Promotion Expenses  | (75,465)         |
| Cash Paid for Employees and Benefits  | (43,388)         |
| Cash Paid for Other Administration Expenses   | <u>(20,111)</u>  |
| <b>Net Cash Provided by Operating Activities</b>  | <u>13,483</u>    |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                   |                  |
| Cash Received on Notes Payable  | 5,000            |
| Cash Paid for Capital Assets  | (720)            |
| Cash Repayments on Notes Payable  | (12,650)         |
| Cash Paid for Interest Expense  | <u>(693)</u>     |
| <b>Net Cash (Used for) Capital and Related Financing Activities</b>                               | <u>(9,063)</u>   |
| <b>Cash Flows from Investing Activities</b>   |                  |
| Interest Received   | <u>17</u>        |
| <b>Net Cash Provided by Investing Activities</b>  | <u>17</u>        |
| <b>Net Increase in Cash and Cash Equivalents</b>  | 4,437            |
| <b>Cash and Cash Equivalents</b>  |                  |
| Beginning of Year   | <u>160</u>       |
| End of Year   | <u>\$ 4,597</u>  |
| <b>Reconciliation of Increase in Net Assets<br/>to Net Cash Provided for Operating Activities</b> |                  |
| Increase in Net Assets  | \$ 12,737        |
| Interest Income   | (17)             |
| Interest Expense  | 693              |
| Adjustments to Reconcile Increase in Net Assets to Net<br>Cash Provided By Operating Activities   |                  |
| Depreciation  | 114              |
| (Decrease) in Current Liabilities   | <u>(44)</u>      |
| <b>Net Cash Provided by Operating Activities</b>  | <u>\$ 13,483</u> |

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



**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**1. Summary of Significant Accounting Policies.**

The accounting policies of the Great Plains Country Association, Inc., (the Association) do not conform to accounting principles generally accepted in the United States of America as applicable to non-profit organizations. The Association uses the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. The following is a summary of the more significant policies under the cash basis of accounting.

**A. Reporting Entity.**

Great Plains Country Association, Inc., was incorporated as a nonprofit organization under code section 501(c)(6) of the Internal Revenue Code and is tax exempt. Its incorporated name is the Southwestern Oklahoma Recreation and Tourist Association, Inc. Its promotional name is Great Plains Country Association, Inc. or simply Great Plains Country. This report is written under the promotional name since that is the name used by the State of Oklahoma Department of Tourism and Recreation, the Association's letterhead, and related documents. Its primary purpose is to provide a multi-county organization to extend aid, promote, sponsor, encourage, and finance projects that will result in the economic growth of Southwestern Oklahoma by educating the public to programs of tourism, recreational, beautification, and cultural development. A multi-county organization is one whose primary purpose is collectivizing resources contributed by supporters and members in order to employ marketing methods to attract leisure and pleasure travelers/visitors/tourists to the relevant region and represents and promotes more than one county within the State of Oklahoma. Great Plains Country Association, Inc., represents fourteen counties which consist of Beckham, Caddo, Comanche, Cotton, Custer, Greer, Harmon, Jackson, Jefferson, Kiowa, Roger Mills, Stephens, Tillman, and Washita.

GREAT PLAINS COUNTRY ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING JUNE 30, 2018

1. **Summary of Significant Accounting Policies** (continued).

**B. Basis of Presentation - Accounting.**

Great Plains Country Association, Inc., reports on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are reported as earned when cash is received and expenses are reported when the related liability is paid in cash, except as noted below. Generally accepted accounting principles require non-profit organizations to report on the accrual basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when the liability is incurred.

**C. Cash in Bank, Cash Equivalents and Bank Overdrafts.**

The Association maintains its cash accounts with an FDIC insured bank (Arvest Bank in Duncan, Oklahoma). Cash in bank is the entity's checking account. All cash in bank is FDIC insured. Cash and cash equivalents for purposes of the statement of cash flows include the Association's cash in bank account. Bank overdrafts (if any), are shown as a liability and represent the negative cash balance shown on the Association's accounting records at the end of its fiscal year. No actual bank overdraft occurred.

**D. Capital Assets.**

The Association records its capital assets at historical cost, which is an acceptable modification of the cash basis of accounting.

Depreciation is computed using the straight-line method over estimated useful lives of 3 to 10 years.

**E. Payroll Liabilities.**

Current liabilities are payroll taxes withheld from employees checks and accrued payroll taxes payable but not yet paid in cash. Payroll liabilities are an acceptable modification of the cash basis of accounting.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**1. Summary of Significant Accounting Policies (continued).**

**F. Net Assets - Unrestricted.**

Net assets - unrestricted are amounts which are currently available at the discretion of the Board for use in the organization's operations. It has a deficit balance since the Association's liabilities exceed its assets.

**2. Capital Assets.**

Capital assets and its changes consist of the following:

|                                  | June 30,<br><u>2017</u> | <u>Additions</u> | <u>Deletions</u> | June 30,<br><u>2018</u> |
|----------------------------------|-------------------------|------------------|------------------|-------------------------|
| Equipment                        | \$ 4,398                | \$ 720           | \$               | \$ 5,118                |
| Less Accumulated<br>Depreciation | <u>(4,317)</u>          | <u>(114)</u>     |                  | <u>(4,431)</u>          |
| Net Capital Assets               | <u>\$ 81</u>            | <u>\$ 606</u>    | <u>\$ -0-</u>    | <u>\$ 687</u>           |

**3. State Matching Funds.**

State Matching Funds are funds appropriated by the Oklahoma Legislature, administered by the Oklahoma Department of Tourism and Recreation, for the reimbursement of expenses by qualified multi-county organizations for allowable administrative expenses and allowable tourism promotion expenses. Matching funds appropriated by the Oklahoma Legislature are allocated among the various multi-county organizations who have submitted an acceptable marketing plan and certified audit for the previous year to the Oklahoma Tourism and Recreation Department. Each multi-county organization is allocated 100% of the average amount of private sector funds raised and expended by the multi-county organization over the three most recent fiscal years for the administration and promotion of its tourism marketing. This average is expressed as a percentage of the sum of the total average amounts for all multi-county organizations. This percentage of the total matching funds appropriated by the State Legislature is the amount the Association is entitled to claim for the fiscal year ended June 30, 2018. The Association's state matching funds for fiscal year 2018 was originally approved for \$53,247.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**3. State Matching Funds (continued).**

Expenses by the Association that conform with the rules and regulations of the State Department of Tourism and Recreation are submitted for matching funds from the State.

As of June 30, 2018, the Association has claimed \$53,247 of its fiscal year 2018 State allocation, and received the remaining \$1,435 for fiscal year 2017 on November 08, 2017, for the total cash received of \$54,682.

**4. Risk Management.**

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. The Association purchases a surety bond for the employees to reduce some of their risk of loss and workers compensation insurance for its employees. The executive director receives and deposits the Association's funds. During the year ending June 30, 2018, the Association purchased liability and property insurance. Deductibles range from \$100 to \$1,000, depending upon the type of coverage.

**5. Donated Services.**

The Association uses donated services from its Board of Directors. No amounts have been reflected in these financial statements for donated services since the value of this contributed time is not susceptible to objective measurement or valuation, and the financial statements are reported using the cash basis of accounting.

**6. Related Party Transactions.**

The Association solicits members to its organization and bills them a membership fee. These members then are entitled to advertise in the Association's annual promotional publication at a reduced rate. For fiscal year 2018, the Association billed its advertisers for their respective advertising costs. Only the amounts paid by the advertiser and deposited in the cash account are shown in this audit report as advertising sales revenue.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**6. Related Party Transactions (continued).**

Certain members also have officers, directors, or employees that may also be an officer or director of the Association.

The following schedule shows the amounts received from the membership and others:

| <u>Cash Received for</u> | <u>Members</u>   | <u>Non-<br/>Members</u> | <u>Total</u>     |
|--------------------------|------------------|-------------------------|------------------|
| Travel Guide Advertising | \$ 42,020        | \$ 2,370                | \$ 44,390        |
| Oklahoma State Vacation  | 14,400           |                         | 14,400           |
| Other Advertising Sales  | 28,515           |                         | 28,515           |
| Membership Fees          | 7,425            |                         | 7,425            |
| Other Income             | 2,260            | 775                     | 3,035            |
| Total                    | <u>\$ 94,620</u> | <u>\$ 3,145</u>         | <u>\$ 97,765</u> |

**7. Other Advertising Sales and Cooperative Expense.**

Other advertising sales were amounts received and cooperative expense paid that were intended to qualify as cooperative advertising.

**8. Note Payable - Arvest Bank.**

The Association applied for and received from its bank an open end line of credit. The last modification extended the credit limit to \$20,000. Interest rate is at 5.50% and the maturity date is May 16, 2019. Interest is paid monthly by an automatic transfer from the Association's checking account to the bank. Principal is due at maturity, but prepayments may be made at any time. The outstanding principal balance is \$10,000 as of June 30, 2018.

**9. Subsequent Events.**

Subsequent events were evaluated through December 5, 2018, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**SOURCES OF REVENUES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|   |    |               |        |
|---|----|---------------|--------|
| State of Oklahoma Matching Funds                              | \$ | 54,682        |        |
| Memberships Paid Directly to Great Plains Country             |    | 7,425         |        |
| Interest from Bank on Cash and Money Market Funds             |    | 17            |        |
| Great Plains Country Luncheon Meetings Fees                   |    | 2,260         |        |
| Corporate Sponsorship   |    | 700           |        |
| Conferences   |    | 75            |        |
| Other Revenue   |    |               |        |
|   |    |               |        |
| Travel Guide Advertising Sales -                              |    |               |        |
| From Advertisers Directly to Great Plains Country Association |    |               | 44,390 |
|   |    |               |        |
| Oklahoma State Vacation Guide -                               |    |               |        |
| Chisholm Trail Heritage Center                                | \$ | 3,600         |        |
| Duncan Convention and Visitors Bureau                         |    | 3,600         |        |
| Elk City Chamber of Commerce                                  |    | 1,800         |        |
| Lawton Chamber of Commerce                                    |    | 3,600         |        |
| Stafford Air & Space Museum                                   |    | 1,800         |        |
|   |    | <u>1,800</u>  | 14,400 |
|   |    |               |        |
| Other Miscellaneous Coop Ads                                  |    |               |        |
| Altus Chamber of Commerce                                     |    | 2,053         |        |
| Duncan Convention and Visitors Bureau                         |    | 12,714        |        |
| Elk City Chamber of Commerce                                  |    | 3,850         |        |
| Stafford Air & Space Museum                                   |    | 2,040         |        |
| Total Other Miscellaneous Coop Ads                            |    | <u>20,657</u> |        |
|   |    |               |        |
| Magazines and Other Vacation Guides -                         |    |               |        |
| Oklahoma Today Guide -  |    |               |        |
| Duncan Convention and Visitors Bureau                         |    | 954           |        |
| Total Magazines and Other Vacation Guides                     |    | <u>954</u>    |        |
|   |    |               |        |
| Travel Show Productions                                       |    |               |        |
| Altus Chamber of Commerce                                     |    | 700           |        |
| City of Comanche  |    | 200           |        |
| Comanche National Muisum                                      |    | 330           |        |
| Duncan Convention and Visitors Bureau                         |    | 1,150         |        |
| Elk City Chamber of Commerce                                  |    | 700           |        |
| Frederick Chamber of Commerce                                 |    | 330           |        |
| Total Travel Show Productions                                 |    | <u>3,410</u>  |        |

(Continued on Next Page)

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**SOURCES OF REVENUES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(CONTINUED)**

|                                       |       |                   |
|---------------------------------------|-------|-------------------|
| Promotional Items                     |       |                   |
| Altus Chamber of Commerce             | 60    |                   |
| Duncan Convention and Visitors Bureau | 96    |                   |
| Elk City Chamber of Commerce          | 96    |                   |
| Main Street Altus Inc.                | 24    |                   |
| Misc Individuals (1)                  | 12    |                   |
| Prairie Rose                          | 384   |                   |
| Stephens County Historical Museum     | 72    |                   |
| Total Promotional Items               | 744   |                   |
| Brochures                             |       |                   |
| Altus Chamber of Commerce             | 180   |                   |
| Apache Casino Hotel                   | 125   |                   |
| City of Arapaho                       | 775   |                   |
| Comanche National Museum              | 30    |                   |
| Duncan Convention and Visitors Bureau | 430   |                   |
| Elk City Chamber of Commerce          | 180   |                   |
| Frederick Chamber of Commerce         | 30    |                   |
| Red River Valley Tourism Association  | 900   |                   |
| Tommy Franks Museum                   | 100   |                   |
| Total Brochures                       | 2,750 |                   |
| Total Other Advertising Sales         |       | 28,515            |
| <b>TOTAL REVENUES</b>                 |       | <b>\$ 152,464</b> |

See accompanying auditor's report.



**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
ALLOWABLE OR DISCRETIONARY EXPENSE - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

| <b>EXPENSES</b>                            | <b>ALLOW-<br/>ABLE</b> | <b>DISCRE-<br/>TIONARY</b> | <b>TOTAL</b> |
|--|------------------------|----------------------------|--------------|
| <b>Tourism Promotion Expense</b>           |                        |                            |              |
| Travel Guide Production :                  | \$                     | \$                         | \$           |
| Red Sky Total Solutions LLC                | 3,080                  |                            | 3,080        |
| McCormick Armstrong Printing               | 19,853                 |                            | 19,853       |
| Literature Distribution:                   |                        |                            |              |
| Certified Folder Display Service Agreement | 4,870                  |                            | 4,870        |
| U. S. Postal and Other Shipping Methods    |                        | 401                        | 401          |
| Oklahoma Tourism & Recreation Department   |                        | 3,535                      | 3,535        |
| Oklahoma State Vacation Guide:             |                        |                            |              |
| Oklahoma Tourism & Recreation Department   | 4,075                  | 10,225                     | 14,300       |
| Cooperative Advertising:                   |                        |                            |              |
| Oklahoma Today                             |                        |                            | 0            |
| Miscellaneous Cooperative Ads              |                        |                            |              |
| Chisholm Trail Arts Council                |                        | 100                        | 100          |
| Clinton Daily News                         |                        | 600                        | 600          |
| Facebook                                   |                        | 11                         | 11           |
| Madden Media                               |                        | 4,000                      | 4,000        |
| McCormick Armstrong Printing               | 8,189                  |                            | 8,189        |
| Metro Family Magazine                      | 500                    |                            | 500          |
| Oklahoma Lakes & Country Association       |                        | 210                        | 210          |
| Oklahoma Tourism & Recreation Department   |                        | 2,500                      | 2,500        |
| Press Seven Printing                       | 1,901                  | 151                        | 2,052        |
| Promotional Items                          |                        |                            |              |
| Bankers Advertising Company                |                        | 1,752                      | 1,752        |
| Red Dirt Apparel Company                   |                        | 540                        | 540          |
| Oklahoma Tourism & Recreation Department   | 1,050                  |                            | 1,050        |
| Conferences:                               |                        |                            |              |
| Oklahoma Municipal League                  |                        | 75                         | 75           |
| Oklahoma Restaurant Association            |                        | 110                        | 110          |

(Continued on Next Page)

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**ALLOWABLE OR DISCRETIONARY EXPENSE - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(CONTINUED)**

| <b>EXPENSES</b>   | <b>ALLOW-<br/>ABLE</b> | <b>DISCRE-<br/>TIONARY</b> | <b>TOTAL</b>      |
|---|------------------------|----------------------------|-------------------|
|   | <hr/>                  | <hr/>                      | <hr/>             |
| Travel Shows:   |                        |                            |                   |
| DFW Women's Expo  | 825                    | 554                        | 1,379             |
| McAllen Winter Texan Expo                               |                        | 1,375                      | 1,375             |
| Oklahoma Road Shows                                     |                        | 971                        | 971               |
| Oklahoma State Fair MIO Exhibit                         | 550                    |                            | 550               |
| Road Show Hilti North America, Tulsa                    | 175                    | 209                        | 384               |
| Spring Road Show 2018, Tulsa                            |                        | 537                        | 537               |
| Wichita Falls Home & Garden, Wichita Falls, Tx.         |                        | 659                        | 659               |
| Wichita Women's Fair, Wichita, Ks.                      |                        | 550                        | 550               |
| Wing Ding Tourism Motorcycle Convention, Grapevine, Tx. | 450                    | 612                        | 1,062             |
| Website:  |                        |                            |                   |
| Brickstreet South                                       |                        | 270                        | 270               |
|   | <hr/>                  | <hr/>                      | <hr/>             |
| <b>Total Tourism Promotional Expense</b>                | <b>45,518</b>          | <b>29,947</b>              | <b>75,465</b>     |
|   | <hr/>                  | <hr/>                      | <hr/>             |
| <b>Administration Expense</b>                           |                        |                            |                   |
| Compensation and Benefits                               | 7,729                  | 35,615                     | 43,344            |
| Office Supplies   |                        | 411                        | 411               |
| Auditing and Professional Expense                       |                        | 6,380                      | 6,380             |
| Depreciation Expense                                    |                        | 114                        | 114               |
| Travel and Meals  |                        | 3,046                      | 3,046             |
| Bond and Other Insurance                                |                        | 1,974                      | 1,974             |
| Office Rent   |                        | 3,900                      | 3,900             |
| Telephone and Internet                                  |                        | 2,156                      | 2,156             |
| Other   |                        | 2,244                      | 2,244             |
|   | <hr/>                  | <hr/>                      | <hr/>             |
| <b>Total Administration Expense</b>                     | <b>7,729</b>           | <b>55,840</b>              | <b>63,569</b>     |
|   | <hr/>                  | <hr/>                      | <hr/>             |
| <b>TOTAL ALLOWABLE/DISCRETIONARY EXPENSES</b>           | <b>53,247</b>          | <b>\$ 85,787</b>           | <b>\$ 139,034</b> |
|   | <hr/>                  | <hr/>                      | <hr/>             |
| Plus 2017 Promo Claim #6 Received in November 2017      | 1,435                  |                            |                   |
|   | <hr/>                  |                            |                   |
| Total State Matching Funds Received                     | \$ 54,682              |                            |                   |
|   | <hr/>                  |                            |                   |

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION  
LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY  
PROMOTIONAL PERIODICAL PUBLICATION - CASH BASIS - UNAUDITED  
AS OF JUNE 30, 2018**

| NAME/ADDRESS   | SIZE                 | AD/ED | AMOUNT<br>RECEIVED * |
|--|----------------------|-------|----------------------|
| Altus Chamber of Commerce<br>P. O. Box 518<br>Altus, OK 73521                        | 2 Pages              | AD    | \$3,560              |
| Apache Casino Hotel<br>2315 East Gore Blvd.<br>Lawton, OK 73501                      | Back Cover           | AD    | 3,200                |
| Arvest Bank<br>P. O. Box 1508<br>Duncan, OK 73534                                    | 1/16 Page            | AD    | 275                  |
| Chisholm Trail Heritage Center<br>1000 North Chisholm Trail Pkwy<br>Duncan, OK 73533 | 1/4 Page             | AD    | 715                  |
| City of Anadarko<br>501 W. Virginia Ave<br>Anadarko, OK 73005                        | 2019 Guide<br>1 Page | ED    | 2,000                |
| City of Comanche<br>115 North 2nd St<br>Comanche, OK 73529                           | 1 Page               | ED    | 1,900                |
| Clinton Chamber of Commerce<br>101 South 4th St.<br>Clinton, OK 73601                | 1/2 Page             | AD    | 1,275                |
| Comanche National Museum<br>701 NW Ferris Ave.<br>Lawton, OK 73507                   | 1 Page               | AD    | 1,860                |
| Duncan Convention & Visitors Bureau<br>P. O. Box 981<br>Duncan, OK 73534             | 2 Page               | AD    | 3,710                |
| Elk City Chamber of Commerce<br>P. O. Box 972<br>Elk City , OK 73648                 | 2 Pages              | AD    | 3,710                |

See accompanying auditor's report.

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| NAME/ADDRESS   | SIZE                  | AD/ED | AMOUNT<br>RECEIVED * |
|--|-----------------------|-------|----------------------|
| Frederick Chamber of Commerce<br>105 S. Main<br>Frederick, OK 73542            | 1 Page                | AD    | 1,860                |
| Frisco Conference Center<br>101 South 4th Steet<br>Clinton, OK 73061           | 1/2 Page              | AD    | 1,275                |
| Greer County Chamber of Commerce<br>222 West Jefferson<br>Mangum, OK 73554     | 2 Pages               | ED    | 2,095                |
| Hilton Garden Inn - Lawton Convention Ctr<br>135 NW 2nd St<br>Lawton, OK 73501 | Photo with<br>Listing | AD    | 150                  |
| Hinton Chamber of Commerce<br>P. O. Box 48<br>Hinton, OK 73047                 | 2 Pages               | ED    | 3,900                |
| Hinton Historical Museum<br>721 S. Broadway St<br>Hinton, OK 73047             | Photo with<br>Listing | AD    | 150                  |
| Lawton Ft. Sill Chamber of Commerce<br>P. O. Box 1376<br>Lawton, OK 73502      | 2 Pages               | ED    | 4,075                |
| Main Street Altus, Inc<br>P. O. Box 8384<br>Altus, OK 73522                    | 1 Page                | AD    | 2095                 |
| Main Street - Duncan<br>15 North 9th<br>Duncan, OK 73533                       | 1/8 Page              | AD    | 500                  |
| OK Route 66 Museum<br>2229 W. Gary Blvd.<br>Clinton, OK 73601                  | 1/2 Page              | AD    | 1,250                |

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AS OF JUNE 30, 2018**

| NAME/ADDRESS  | SIZE                              | AD/ED | AMOUNT<br>RECEIVED * |
|---|-----------------------------------|-------|----------------------|
| Oklahoma Tourism & Recreation Dept.<br>P. O. Box 52002<br>Oklahoma City, OK 73152 | 1 Page                            | AD    | 2,095                |
| Prairie House Foundation<br>P. O. Box 2094<br>Duncan, OK 73534                    | Photo with<br>Listing             | AD    | 125                  |
| Stafford Air & Space Museum<br>3000 E. Logan Rd.<br>Weatherford, OK 73096         | 1/2 Page<br>Photo with<br>Listing | AD    | 1,400                |
| Stephens County Historical Museum<br>P. O. Box 1294<br>Duncan, OK 73534           | Photo with<br>Listing             | AD    | 150                  |
| The 3 French Hens<br>916 West Main<br>Duncan, OK 73533                            | 1/8 Page                          | AD    | 350                  |
| General Tommy Franks Museum<br>507 South Main<br>Hobart, OK 73651                 | 1/4 Page                          | AD    | 715                  |
| Total Amount Received   |                                   |       | 44,390               |

\* Cash received by the Association from the advertisers in the fiscal year ending June 30, 2018. Unless otherwise noted, the advertising amount is for the 2018 Travel Guide.

See accompanying auditor's report.

# McCulley



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# McCulley

*Certified Public Accountants*

*Glenn L. McCulley  
Roselind C. McCulley*

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*email: mmcpas@cebridge.net*

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

To the Board of Directors  
Great Plains Country Association, Inc.  
Duncan, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of the State of Oklahoma Department of Tourism and Recreation, the financial statements of Great Plains Country Association, Inc., (a nonprofit organization), which comprise the accompanying statement of assets, liabilities, and net assets - cash basis, as of June 30, 2018, the related statement of revenues, expenses and changes in net assets - cash basis and cash flows - cash basis, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2018. These financial statements are reported on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting.

In planning and performing our audit of the financial statements, we considered the Association'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 opinion on the financial statements, but not for the purpose of expressing an opinion on

the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 the 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. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness. We consider the deficiencies described in the accompanying schedule of findings and responses as item number 1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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 instance of noncompliance or other matters that are required to be reported under the State of Oklahoma Department of Tourism and Recreation regulations or Government Auditing Standards.

Great Plains Country Association's Response to Findings

Great Plains Country Association, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Association's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

*McCulley & McCulley*

Weatherford, Oklahoma

December 5, 2018



**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**JUNE 30, 2018**

**1. Lack of Segregation of Duties.**

CONDITION AND EFFECT - The Association only has one full-time employee who is responsible for receiving the monies for deposit, depositing them into the Association's bank account and paying the bills. The Association hired an outside professional accountant to maintain its books and records and to reconcile the bank account. Although this strengthens this weakness, overall segregation of duties is still not adequate. The effect of incompatible segregation of duties could result in material errors or fraud occurring and not be detected in a timely manner.

RECOMMENDATION - Recommend the Association segregate the duties to the extent possible if additional employees are hired in the future.

RESPONSE - The Association considers the cost of adequately segregating these duties as not being economically feasible. The Board of Directors approves all decisions.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**UPDATE ON PRIOR YEAR AUDIT FINDINGS**  
**JUNE 30, 2018**

**1. Lack of Segregation of Duties.**

CONDITION AND EFFECT - The Association only has one employee who is responsible for receiving the monies for deposit, depositing them into the Association's bank account and paying the bills. The Association hired an outside professional accountant to maintain its books and records and to reconcile the bank account. Although this strengthens this weakness, overall segregation of duties is still not adequate. The effect of incompatible segregation of duties could result in material errors or fraud occurring and not be detected in a timely manner.

RECOMMENDATION - Recommend the Association segregate the duties to the extent possible if additional employees are hired in the future.

RESPONSE - The Association considers the cost of adequately segregating these duties as not being economically feasible. The Board of Directors approves all decisions.

UPDATED COMMENT - Situation the same. Comment included in this year's audit report.