

Chickasaw Country Marketing Association
Sulphur, Oklahoma

***REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

For the Year Ended June 30, 2022

SAUNDERS & ASSOCIATES, PLLC

Certified Public Accountants

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CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

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June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Chickasaw Country Marketing Association

Opinion

We have audited the accompanying financial statements of Chickasaw Country Marketing Association (a nonprofit organization), which comprise the statement of financial position-cash basis as of June 30, 2022, and the related statement of activities-cash basis collected and expenses paid, and statement of functional expenses-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of Chickasaw Country Marketing Association as of June 30, 2022 and its revenue, expenses and functional expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Chickasaw Marketing Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

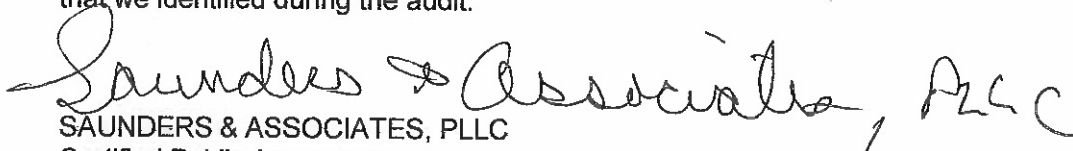
Auditor's Responsibilities for the Audit of the Financial Statements

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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, that 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, 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 Chickasaw Marketing Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chickasaw Country Marketing Association 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.



SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

December 22, 2022

FINANCIAL STATEMENTS

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

STATEMENT OF FINANCIAL POSITION - CASH BASIS

June 30, 2022

ASSETS

Current Assets:

Cash \$ 114,153

TOTAL ASSETS \$ 114,153

NET ASSETS

Net Assets Without Donor Restrictions \$ 114,153

TOTAL NET ASSETS \$ 114,153

* The accompanying notes are an integral part of the financial statements.

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2022

REVENUES

Amounts Paid for Advertising by Businesses	\$ 54,010
Miscellaneous Revenue	19,221
State Contribution - Tourism Matching Dollars	52,795
Membership Dues and Others	<u>3,607</u>

Total Revenues 129,633

EXPENSES

Program	113,416
Management and General	<u>31,900</u>

Total Expenses 145,316

Decrease in Net Asset Without Donor Restrictions (15,683)

Net Assets, Beginning of Year 129,836

Net Assets, End of Year \$ 114,153

* The accompanying notes are an integral part of the financial statements.

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS

For the Year Ended June 30, 2022

<u>EXPENSES</u>	<u>Programs</u>	<u>Management and General</u>	<u>Total</u>
Publication and Printing Costs	\$ 102,918	\$ 0	\$ 102,918
Payroll Expenses	6,500	19,581	26,081
Professional Fees	0	8,150	8,150
Office Occupancy and Support	0	3,147	3,147
Promotional Activities	775	0	775
Travel Expenses	1,750	296	2,046
Dues and Membership Expenses	1,473	0	1,473
Equipment	0	310	310
Insurance	0	416	416
TOTAL EXPENSES	\$ 113,416	\$ 31,900	\$ 145,316

* The accompanying notes are an integral part of the financial statements.

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Chickasaw Country Marketing Association (CCMA) is a not-for-profit organization whose purpose is to promote tourism in the multi county area of Love, Garvin, Murray, Carter, Marshall, Pontotoc and Johnston counties. CCMA promotes tourism in a cooperative financial manner to achieve maximum exposure for minimal investment. Support is generally provided by cooperative advertising with groups in this region and matching of some expenses from the Oklahoma Tourism and Recreation Department, membership dues and cooperative advertising revenue. Revenues primarily relate to amounts received for cooperative advertising in regional publications.

Basis of Accounting – CCMA maintains its records on the basis of cash receipts and disbursements. Under the cash basis of accounting, revenues are recognized when received, rather than when earned, and expenditures are recognized when paid, rather than when incurred. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CCMA and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CCMA. CCMA's board may designate assets without restrictions for specific operational purposes from time to time.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Management and General Expenses – Management and general personnel expenses have been calculated using a percentage of management salaries to total salaries. All other costs were directly identified.

NOTE 2: CASH

Cash consists of amounts held in bank accounts under the name of CCMA. All amounts were secured by FDIC insurance.

NOTE 3: REIMBURSEMENTS FROM DEPARTMENT OF TOURISM

As funds become available at the Oklahoma Department of Tourism, CCMA is allowed to apply for matching funds. An application is submitted with documentation of allowed expenditures and upon approval by the Department of Tourism they receive a reimbursement. The expenditures are primarily for publications advertising a geographic area of the state.

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 4: BUSINESS ACTIVITIES

CCMA produces publications specific to the market area and also purchases advertising in Oklahoma wide and other publications. They also attend recreation events and conventions in locations in which they attempt to attract visitors to the southern Oklahoma recreation area.

NOTE 5: BUSINESS RISKS AND ECONOMIC DEPENDENCY

CCMA prepares cooperative advertising for tourism within a geographical area consisting to counties in the South-Central part of Oklahoma. Operations are dependent on memberships and charges for advertising sufficient for operating costs including an amount for administration. Also, they receive reimbursements for advertising from the State of Oklahoma under programs administered by the Department of Tourism. Reductions in these revenue sources can materially affect operations.

NOTE 6: INCOME TAXES

CCMA is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying cash basis financial statements. However, the organization is subject to federal income tax on any unrelated business taxable income.

CCMA evaluates and accounts for their uncertain tax positions, if any, in accordance with current accounting guidance, including CCMA's evaluation of its uncertain tax positions, management has determined no uncertain tax positions exist as of June 30, 2022 which would require CCMA to book a liability for the uncertain tax positions in its financial statements. CCMA's annual federal income tax returns are subject to examination by the IRS, generally for three years after they are filed. In addition, CCMA's annual state income tax returns for the same years are subject to examination by state tax authorities for similar periods.

NOTE 7: MANAGEMENT AGREEMENT WITH CHICKASAW COUNTRY, LLC

Chickasaw Country, LLC (CCLLC) is an Oklahoma limited liability company representing thirteen counties in South Central Oklahoma. CCMA has entered into a management agreement with CCLLC as of June 14, 2017, in which CCLLC is to promote and market Chickasaw Country as a top travel and tourism destination, establish and maintain co-partnership with local, state and region organizations supporting the mission and goals of CCMA, and design and develop a Chickasaw Country Visitor Guide. CCLLC will perform various services for CCMA through the implementation of the Tourism Marketing Plan including traditional and e-marketing platforms, regional training seminars and strategic membership growth and development. The value of these services is estimated to be \$30,000 which is not reported in the financial statements due to the cash basis of accounting.

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 8: LIQUIDITY

Chickasaw Country Marketing Association's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$ <u>114,153</u>
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Chickasaw Country Marketing Association's financial assets have not been reduced due to no donor-imposed restrictions. The cash available is available within one year.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through *Date.2*, which is the date of the cash basis financial statements were available to be issued.

Saunders & Associates, PLLC

Certified Public Accountants

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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 Directors
Chickasaw Country Marketing Association

We have audited, 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, the financial statements of Chickasaw Country Marketing Association (a non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2022

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chickasaw Country Marketing Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chickasaw Country Marketing Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Chickasaw Country Marketing 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 Chickasaw Country Marketing Association's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-002 that we consider to be a material weakness.

Compliance and Other Matters

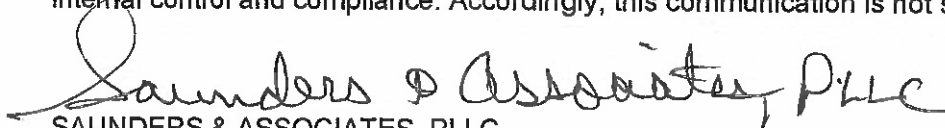
As part of obtaining reasonable assurance about whether Chickasaw Country Marketing Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

Chickasaw Country Marketing Association's Response to Findings

The organization's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Chickasaw Country Marketing 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 our testing, and not to provide an opinion on the effectiveness of Chickasaw Country Marketing 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 Chickasaw Country Marketing Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

December 22, 2022

SUPPLEMENTAL INFORMATION

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

SCHEDULE OF ALLOWABLE EXPENDITUES - CASH BASIS

For the Year Ended June 30, 2022

	<u>Allowable</u>	<u>Discretionary</u>	<u>Total</u>
<u>PROGRAM EXPENSES</u>			
Dues and Memberships	\$ 0	\$ 1,473	\$ 1,473
Payroll Expenses	0	6,500	6,500
Publication Costs	52,795	50,123	102,918
Promotional Activities	0	775	775
Travel	<u>0</u>	<u>1,750</u>	<u>1,750</u>
 Total Program Expenses	 <u>52,795</u>	 <u>60,621</u>	 <u>113,416</u>
<u>MANAGEMENT AND GENERAL EXPENSES</u>			
Administrative Expenditures	0	0	0
Professional Services	0	8,150	8,150
Equipment	0	310	310
Office Occupancy and Support	0	3,147	3,147
Payroll Expenses	0	19,581	19,581
Travel Expenses	0	296	296
Insurance	<u>0</u>	<u>416</u>	<u>416</u>
 Total Management and General Expenses	 <u>0</u>	 <u>31,900</u>	 <u>31,900</u>
 TOTAL EXPENSES	 <u>\$ 52,795</u>	 <u>\$ 92,521</u>	 <u>\$ 145,316</u>

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

ADVERTISING REVENUE

For the Year Ended June 30, 2022

ADVERTISERS FOR 2022 TRAVEL GUIDE

Antiques Etc.	10 E Main, Ardmore, OK 73401	675.00
Ardmore Emporium	105 E Main, Ardmore, OK 73401	800.00
Ardmore Tourism Authority	PO Box 1585, Ardmore, OK 73402	2,700.00
Cabin Fever Adventures	8985 Texoma Park Road, Kingston, OK 73439	725.00
Chickasaw Nation	2020 Lonnie Abbott Blvd, Ada, OK 74820	11,800.00
Chickasaw Nation - Winstar	2020 Lonnie Abbott Blvd, Ada, OK 74820	2,700.00
City of Ada	231 S Townsend, OK 74820	2,400.00
City of Pauls Valley	PO Box 778, Pauls Valley, OK 73075	4,400.00
Duncan CVB	PO Box 981, Duncan, OK 73534	1,500.00
El Tequila	410 S 1st Street, Madill, OK 73446	1,500.00
Global Gaming	1920 Craddock Road, Ada, OK 74820	50.00
Goddard Center	401 1st Ave SW, Ardmore, OK 73401	675.00
Greater Southwest Historical Museum	35 Sunset Drive SW, Ardmore, OK 73401	675.00
Johnston County Chamber of Commerce	504 W Main, Tishomingo, OK 73460	880.00
Lake Texoma Association	PO Box 610, Kingston, OK 73439	2,400.00
Maria's Garden	112 Wheeler, Ardmore, OK 73401	1,350.00
Murray State College	1 Murray Campus, Tishomingo, OK 73460	2,400.00
Shiloh Morning Inn	2179 Ponderosa RD, Ardmore, OK 73401	675.00
Sulphur Chamber of Commerce	717 W Broadway, Sulphur, OK 73086	2,210.00
Turner Falls Park	227 E Main, Davis, OK 73030	3,150.00
Vision Image Media	125 Park Ave, Suite 200, Oklahoma City, OK 73102	2,160.00
Advertisers for 2022 Travel Guide Total		45,825.00

ADVERTISERS FOR 2022 FUN TIMES

777 Zip	6250 US-77 Davis, OK 73030	600.00
Arbuckle Trail Rides	North Drive, US-177, Sulphur, OK 73086	645.00
Ardmore Tourism	410 W Main, Ardmore, OK 73401	625.00
Crossbar Ranch	4550 Dolese Rd, Davis, OK 73030	525.00
Davis Chamber	100 E Main St, Davis, OK 73030	525.00
Forgotten Wheels Museum	1775 US-77, Davis, OK 73030	525.00
Johnston County Chamber of Commerce	504 W Main, Tishomingo, OK 73460	825.00
Lake Murray Floating Cabins	115 Bed & Berth Drive, Ardmore, OK 73401	870.00
Misc		1,370.00
Murray County Development Authority	3490 State Highway 7, Sulphur, OK 73086	100.00
Rock Creek Retreat	7505 Big Canyon Rd, Dougherty, OK 73032	525.00
Sulphur Chamber of Commerce	717 W Broadway, Sulphur, OK 73086	525.00
Vision Bank	101 East Main, Ada, OK 74820	525.00
Advertisers for 2022 Fun Times Total		8,185.00

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

STATUS OF PRIOR YEAR FINDINGS

June 30, 2022

2021 - 001 - UNAUTHORIZED EXPENDITURES

Condition: During our review of expenditures, it was noted out of a population of 139 transactions, we noted two instances out of the 50 transactions tested where proper signatures were not obtained on the checks written. There were two additional checks found during the cursory review of the bank statements that showed that proper signatures were not obtained. As a result, the purpose of the expenditure, its allowability, its authorization, and/or how it furthers the mission statement of CCMA could not be determined. It was also noted that CCMA does not deface its invoices.

Status: This finding can be cleared.

2021-002 – SEGREGATION OF DUTIES

Condition: Due to the limited number of personnel involved in the operating of the fiscal office, most of those aspects of internal accounting control, which rely upon an adequate segregation of duties are, for all practical purposes, missing in the organization. However, we recognize that the organization's administration is not large enough to make the employment of additional persons, for the purpose of segregating duties, practical from a cost-benefit standpoint.

Status: See current audit findings 2021-002. Fraudulent activities could go undetected.

CHICKASAW COUNTRY MARKETING ASSOCIATION
Sulphur, Oklahoma

SCHEDULE OF FINDINGS AND REPOSES

For the Year Ended June 30, 2022

2021-002 – SEGREGATION OF DUTIES

Criteria Effective internal controls rely upon proper segregation of duties to detect and prevent possible fraudulent activities.

Condition: Due to the limited number of personnel involved in the operating of the fiscal office, most of those aspects of internal accounting control, which rely upon an adequate segregation of duties are, for all practical purposes, missing in the organization. However, we recognize that the organization's administration is not large enough to make the employment of additional persons, for the purpose of segregating duties, practical from a cost-benefit standpoint.

Cause/Effect: Fraudulent activities could go undetected.

Recommendation: SAUNDERS & ASSOCIATES, PLLC recommends increased oversight by the Board over all financial activities.

Response: The financials are sent to the Secretary/Treasurer to be reviewed before the Board meetings. The financials are then presented to the board for approval at each Board meeting.