

**CHICKASAW COUNTRY MARKETING ASSOCIATION**  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
REPORTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*

For the Year Ended June 30, 2012



**Steve Beebe, CPA/PFS, Inc.**  
A PROFESSIONAL CORPORATION

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Independent Auditor's Report

Board of Directors  
Chickasaw Country Marketing Association  
Sulphur, Oklahoma

We have audited the accompanying statement of assets, liabilities, and net assets - cash basis, of Chickasaw Country Marketing Association, an Oklahoma not-for-profit corporation, as of June 30, 2012, and the related statements of activities - cash basis, for the year ending June 30, 2012. These financial statements are the responsibility of the Association's management. 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Association prepares its financial statements on the basis of cash receipts and disbursements. This basis is a comprehensive basis of accounting other than generally accepted accounting principles in the United States.

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, 2012, and the results of its operations for the year then ended, in conformity with the basis of accounting described in Note 1.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated May 3, 2013, on our consideration of Chickasaw Country Marketing Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information on page 7 and 8 is presented for purposes of additional analysis and is not a required part of the above financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

  
Duncan, Oklahoma  
May 3, 2013

# CHICKASAW COUNTRY MARKETING ASSOCIATION

Statement of Assets, Liabilities, and Net Assets - Cash Basis  
June 30, 2012

## ASSETS

### Current Assets

Cash

\$ 40,202

TOTAL CURRENT ASSETS

40,202

### Property and Equipment

Office equipment

918

Less: accumulated depreciation

(830)

88

TOTAL ASSETS

\$ 40,290

## LIABILITIES AND NET ASSETS

### Current Liabilities

Notes Payable

\$ 75,050

TOTAL CURRENT LIABILITIES

75,050

### Net Assets

Unrestricted

(34,760)

TOTAL LIABILITIES AND NET ASSETS

\$ 40,290

See accompanying notes to financial statements.

# CHICKASAW COUNTRY MARKETING ASSOCIATION

Statement of Activities - Cash Basis  
June 30, 2012

UNRESTRICTED NET ASSETS	
Support and Revenue	
Amounts paid for advertising by businesses	\$ 92,148
State contribution - tourism matching dollars	69,246
Miscellaneous receipts	3,683
Membership dues and other	1,300
Total Support	<u>166,377</u>
Expenditures	
Publication costs - cooperative advertising	85,460
Publication costs - vacation guide	66,098
Other administrative expenditures	22,640
Other promotional events and activities	15,182
Office occupancy and support	7,780
Interest expense	1,957
Total Expenditures	<u>199,117</u>
Increase in Unrestricted Net Assets	<u>(32,740)</u>
Net Assets, beginning of year	<u>(2,020)</u>
Net Assets, end of year	<u>\$ (34,760)</u>

See accompanying notes to financial statements.

# CHICKASAW COUNTRY MARKETING ASSOCIATION

Notes to Financial Statements  
June 30, 2012

## Note 1 - Summary of Significant Accounting Policies

### Nature of Organization

Chickasaw Country Marketing Association is a not-for-profit organization whose purpose is to promote tourism in the multi county area of Garvin, Murray, Carter, Marshall, Pontotoc and Johnson counties. The Association 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 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

The Association 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.

### Income Taxes

The Association is exempt from federal and state income taxes as an organization described in Section 501(c) (6) of the Internal Revenue Code and files an annual form 990.

### Depreciation

Equipment consists of miscellaneous office equipment used in the Association activities. Generally, equipment with a purchase value of over \$500 is capitalized at cost. Equipment is depreciated over a period of five years. Depreciation expense for the period was \$100.

### Subsequent Events

Subsequent events were evaluated through May 3, 2013. Statements were available to be issued May 8, 2013. As of the issuance of this report,

the Association did not have a contract with the Department of Tourism for the subsequent fiscal year.

#### Note 2 - Cash

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

#### Note 3 - Reimbursements from Department of Tourism

As funds become available at the Oklahoma Department of Tourism, the Association 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.

#### Note 4 - Business activities

The Association produces publications specific to the market area and also purchases advertisements 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 - Notes Payable

The Association has obtained a line of credit with a local bank to finance advertising expenditures while waiting for the distribution of State funds. The line of credit is payable on demand and carries an interest rate of 6%. Total interest incurred during the year was \$1,957.

#### Note 6 - Business Risks and Economic Dependency

The Association prepares cooperative advertising for tourism within a geographical area consisting of 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. At the issuance of the report, the Association did not have a contract with the Oklahoma Department of Tourism for the following fiscal year.



## Supplemental Information

**CHICKASAW COUNTRY MARKETING ASSOCIATION**

Schedule of Allowable Expenditures - Cash Basis  
For the Year ended June 30, 2012

Expenses:	<u>Allowable</u>	<u>Discretionary</u>
Promotional -		
Publication costs - cooperative advertising	\$ 18,945	\$ 66,515
Publication costs - vacation guide	47,721	18,377
Trade shows and other promotional activities	2,580	12,602
	<u>69,246</u>	<u>97,494</u>
Total Promotional		
Administrative services		
Administrative expenditures	0	22,640
Other office, travel, supplies and utilities	0	7,780
	<u>0</u>	<u>30,420</u>
Total Administrative	\$ 0	\$ 30,420

**CHICKASAW COUNTRY MARKETING ASSOCIATION**

Promotional Publication - Vacation Guide Advertisers  
2012 Edition  
Year Ended June 30, 2012

<u>Business Name</u>	<u>Amount</u>	<u>Size of Ad (Percentage)</u>
Ardmore Tourism	\$ 2,400	Full
Norman CVB	2,400	Full
Sulphur Chamber (shared add)	2,700	Full
Chickasaw Cultural Center	2,300	Full
Pauls Valley Tourism	1,800	Full
CrossBar Ranch	2,000	Full
Toy and Action Figure Museum	1,800	Full
Winstar Golf Course	2,000	Full
Heartland Flyer	2,000	Full
Red Carpet Charters	2,000	Full
Riverwind Casino	2,300	Full
Newcastle Casino	2,300	Full
Lake Murray State Park	2,300	Full
Chickasaw Country - Nation (IBC)	2,400	Full
Turner Falls	2,400	Full
Lake Murray Bed and Berth	1,200	Half
Smokin' Joe's	1,200	Half
Cloverleaf	1,200	Half
Arbor Breeze/Arbuckle Paradise	1,200	Half
Keys Grocery	800	Third
Boggy Depot	800	Third
City of Pauls Valley	800	Third
Pennington Creek	800	Quarter
Shangri-La RV Resort	800	Quarter
Chisholm Trail Heritage	800	Quarter
Arbuckle Adventures RV Park	800	Quarter
Pauls Valley Rotary	400	Quarter
Buckhorn Road Cabin Rentals	600	Quarter
Linda's Flowers and Miss Match	800	Quarter
Maria's Garden	800	Quarter
Corner Market	800	Quarter
Antique's Etc.	800	Quarter
Unbridled	800	Quarter

**CHICKASAW COUNTRY MARKETING ASSOCIATION**

Promotional Publication - Vacation Guide Advertisers  
2012 Edition  
Year Ended June 30, 2012

<u>Business Name</u>	<u>Amount</u>	<u>Size of Ad (Percentage)</u>
Holiday Inn Ardmore Convention Center	800	Quarter
Arbuckle Family Lodges	<u>800</u>	Quarter
Total	<u>\$ 50,100</u>	

Membership discounts and multiple page buys will affect some amounts.

\* These listings reflect sold advertisements and not the amount collected in cash during the fiscal year.



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  
Chickasaw Country Marketing Association

We have audited the financial statements of the business type activities of the Chickasaw Country Marketing Association, as of and for the year ended June 30 2012, and have issued our report thereon dated May 3, 2013. We conducted our audit in accordance with standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In that report we reported on their financial statements which are prepared on the Cash Basis of accounting, a basis of accounting not in compliance with Generally Accepted Accounting Principles.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.


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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and others within the organization and Trustees and is not intended and should not be used by anyone other than these specified parties.

  
Duncan, Oklahoma  
May 3, 2013

*CPA/CFE/ITIC*

