

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, 2014



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, 2014, and the related statement of activities - cash basis, for the year ending June 30, 2014, 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 accounting principles 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation 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 - cash basis of Chickasaw Country Marketing Association as of June 30, 2014 and the related statement of activities - cash basis for the year then ended in accordance with the cash basis of accounting as described in Note 1.

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 accordance with *Governmental Auditing Standards*, we have also issued our report dated August 27, 2014, 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 Schedule of Allowable Expenditures - Cash Basis and Promotional Publication - Vacation Guide Advertisers 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
August 27, 2014

CHICKASAW COUNTRY MARKETING ASSOCIATION

Statement of Assets, Liabilities, and Net Assets - Cash Basis
June 30, 2014

ASSETS

Current Assets

Cash	\$ 5,693
TOTAL CURRENT ASSETS	<u>5,693</u>

Property and Equipment

Office equipment	918
Less: accumulated depreciation	<u>(918)</u>
	<u>0</u>

TOTAL ASSETS	<u>\$ 5,693</u>
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NET ASSETS

Net Assets

Unassigned	<u>5,693</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,693</u>

See accompanying notes to financial statements.

CHICKASAW COUNTRY MARKETING ASSOCIATION

Statement of Activities - Cash Basis June 30, 2014

UNASSIGNED NET ASSETS

Support and Revenue

Amounts paid for advertising by businesses	\$ 121,252
State contribution - tourism matching dollars	115,965
Membership dues and other	1,700
Miscellaneous receipts	547
Total Support	<u>239,464</u>

Expenditures

Publication and printing costs - vacation guide	62,152
Publication costs - cooperative advertising	34,641
Publication costs - television advertising	23,502
Office occupancy and support	20,157
Other administrative expenditures	19,142
Other promotional events and activities	3,650
Interest expense	1,961
Allowable administration expenditures	1,682
Total Expenditures	<u>166,887</u>

Increase in Unassigned Net Assets 72,577

Net Assets, beginning of year (66,884)

Net Assets, end of year \$ 5,693

See accompanying notes to financial statements.

CHICKASAW COUNTRY MARKETING ASSOCIATION

Notes to Financial Statements
June 30, 2014

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 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

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 \$0.

Subsequent Events

Subsequent events were evaluated through August 27, 2014. Statements were available to be issued September 1, 2014. The Board of Directors has voted to change their affiliation with the Murray County Industrial Authority and may associate the Association with a similar organization and dissolve the Chickasaw

Country Marketing Association. While votes to move on these options have taken place, to date there has not been any action to implement the plan. At year end, the Association was still indebted to the Murray County Industrial Authority for \$13,500 which is due and unpaid for shared administrative services in prior fiscal years.

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. The Association received two reimbursements during this fiscal year but the first one was for expenses incurred in the prior fiscal year.

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 was paid off during the year. Total interest incurred during the year was \$1,961.

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.

CHICKASAW COUNTRY MARKETING ASSOCIATION

Schedule of Allowable Expenditures - Cash Basis For the Year ended June 30, 2014

Expenses:	<u>Allowable</u>	<u>Discretionary</u>
Promotional -		
Publication costs - vacation guide	\$ 57,460	4,692
Publication costs - cooperative advertising	433	34,208
Trade shows, television and other promotional activities	-	27,152
	<u>57,893</u>	<u>66,052</u>
Administrative services		
Administrative expenditures	-	37,633
Other office, travel, supplies and utilities	-	-
	<u>-</u>	<u>-</u>
Total Administrative	\$ <u>-</u>	<u>37,633</u>

Note - A payment was received in July 2013 in which all the allowable expenses were incurred in the prior fiscal year. These expenses are not included in the above schedule.

CHICKASAW COUNTRY MARKETING ASSOCIATION

Promotional Publication - Vacation Guide Advertisers
2014 Edition

Year Ended June 30, 2014

<u>Business Name</u>	<u>Amount</u>	<u>Size of Ad (Percentage)</u>
<u>Full Page</u>		
Ardmore Tourism - IF	\$ 3,000	Full
Chickasaw Country - Nation (IBC)	2,400	Full
Chickasaw Cultural Center	2,400	Full
CrossBar Ranch	2,400	Full
Chickasaw Gaming	2,400	Full
Ardmore Main Street	2,400	Full
Oklahoma State Parks	2,400	Full
Okie Twister/Woodland Emporium	2,400	Full
Chickasaw Retail Shops	2,400	Full
Heartland Flyer	2,400	Full
Newcastle Casino	2,400	Full
Thackerville Gaming	2,400	Full
Pauls Valley Tourism	2,400	Full
Riverwind Casino	2,400	Full
Turner Falls	3,500	Full
Winstar Casino	2,400	Full
<u>3/4 Page</u>		
Chisholm Trail Heritage	1,725	Two-Thirds
<u>1/2 Page</u>		
Chickasaw Retreat & Conference Center	1,200	Half
Chickasaw Nation Welcome Center and Bedre'	1,200	Half
Pauls Valley Water Park	1,200	Half
CTS	1,200	Half
Lake Murray Bed and Berth	1,200	Half
Artesian	1,200	Half
Sulphur Chamber of Commerce	TRADE	Half
<u>1/4 Page</u>		
Pennington Creek Hunting Club	800	Quarter
Brown Ranch	800	Quarter
Lake Murray Water Sports & Hay Maze	800	Quarter
Greater SW Historical Museum	800	Quarter
Lazer Tag	800	Quarter

CHICKASAW COUNTRY MARKETING ASSOCIATION

Promotional Publication - Vacation Guide Advertisers
2014 Edition

Year Ended June 30, 2014

<u>Business Name</u>		<u>Amount</u>	<u>Size of Ad (Percentage)</u>
Toy Museum		\$ 800	Quarter
McSwain Theatre		800	Quarter
Bedre Café		800	Quarter
Bedre Retail		800	Quarter
Rusty Nail Winery		800	Quarter
Barbara's Flowers		800	Quarter
Stillwater Milling Company		800	Quarter
Premier Lake Property		Traded	Quarter
Mountain View Motel		500	Quarter
Echo Canyon Spa/Resort		800	Quarter
The Inn @ Treasure Valley		800	Quarter
<u>1/8 Page</u>			
Arbuckle Pet Resort	CO-OP 2100	500	Eighth
Air Donkey Zipline		500	Eighth
		Total	
		<u>\$61,725</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.



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
Chickasaw Country Marketing Association

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 Chickasaw Country Marketing Association (Association) (a nonprofit organization), which comprise the assets, liabilities, and net assets - cash basis of June 30, 2014, and the related statements of activities - cash basis, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 27, 2014.

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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in

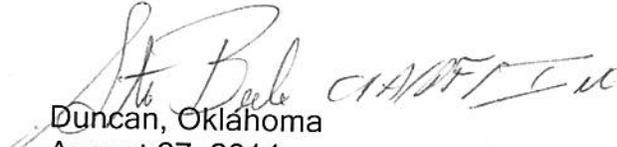
internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This 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 controls 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 controls and compliance. Accordingly, this communication is not suitable for any other purposes.


Duncan, Oklahoma
August 27, 2014

