

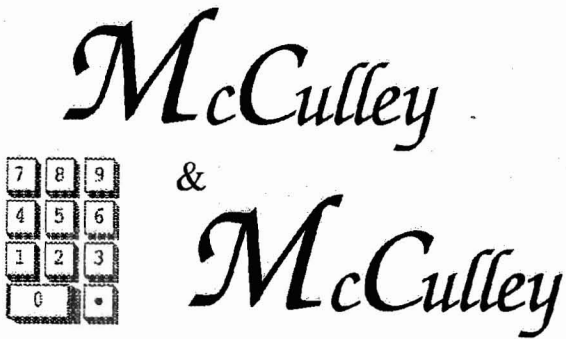
**GREAT PLAINS COUNTRY  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORTS**

**JUNE 30, 2011**

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
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**JUNE 30, 2011**

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### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of assets, liabilities and net assets - cash basis of the Great Plains Country Association, Inc., (a nonprofit organization), as of June 30, 2011, and the related statements of revenues, expenses, and changes in net assets - cash basis, and cash flows - cash basis, for the year then ended. 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, 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 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 described in Note 1, the Association prepares its financial statements on the cash basis of accounting prescribed by the State of Oklahoma Department of Tourism and Recreation, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Association uses a credit card for many of its purchases. Documentation such as invoices to support many of these transactions and the general ledger postings were not located.

In our opinion, except for the lack of supporting documentation for credit card transactions and proposed adjustments or reclassification, if any, to the expense accounts had the supporting documentation been available, 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, 2011, and the results of its revenues, expenses, and changes in net assets and cash flows for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 18, 2012, 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 and should be considered in assessing the results of our audit.

Our audit was made 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, 2011, 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. The accompanying supplemental schedules and information (except the List of Advertisers in the Great Plains Country Promotional Periodical Publication - Unaudited) was subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole on the basis of accounting described above.

*McCulley & McCulley*

Weatherford, Oklahoma

January 18, 2012

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS**  
**CASH BASIS**  
**JUNE 30, 2011**

**ASSETS**

Current Assets:

Cash in Bank \$ 3,580

3,580

Total Current Assets 3,580

Capital Assets 10,193

Less Accumulated Depreciation (7,955)

Net Fixed Assets 2,238

**TOTAL ASSETS** **\$ 5,818**

**LIABILITIES AND NET ASSETS**

Bank Overdrafts \$ 6,523

Current Payroll Liabilities 499

**TOTAL LIABILITIES** 7,022

Net Assets (Liability) - Unrestricted (1,204)

**TOTAL LIABILITIES AND NET ASSETS** **\$ 5,818**

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, 2011**

**CHANGES IN UNRESTRICTED NET ASSETS**

**REVENUES**

Travel Guide Advertising Sales	\$ 47,553
State Matching Funds	51,964
Oklahoma State Vacation Guide	35,183
Other Advertising Sales	113,358
Memberships	6,705
Interest	28
Other Revenues	5,754
<b>TOTAL REVENUES</b>	<u>260,545</u>

**EXPENSES**

**Tourism Promotion Expense**

Travel Guide Production	24,877
Literature Distribution	13,315
Oklahoma State Vacation Guide	38,410
Cooperative Advertising	134,595
Governor's Conference	25
Website	723

**Total Tourism Promotion Expense** 211,945

**Administration Expense**

Compensation and Benefits	39,697
Office Supplies	991
Auditing and Professional Expense	5,275
Depreciation Expense	971
Travel and Meals	4,282
Bond and Other Insurance	2,256
Office and Storage Rent (Month to Month)	3,600
Telephone and Internet	4,451
Advertising	247
Other	5,284

**Total Administration Expense** 67,054

**TOTAL EXPENSES** 278,999

**INCREASE IN NET ASSETS** (18,454)

**NET ASSETS**

Beginning of Year 17,250

End of Year \$ (1,204)

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, 2011**

<b>Cash Flows from Operating Activities</b>	
Cash Received from Travel Guide Advertising Sales	\$ 47,553
Cash Received from State Assistance	51,964
Cash Received from Oklahoma State Vacation Guide Ad Sales	35,183
Cash Received from Other Advertising Sales	113,358
Cash Received from Membership Fees	6,705
Cash Received from Other Sources	5,754
Interest Received	28
Cash Paid for Tourism Promotion Expenses	(211,945)
Cash Paid for Employees and Benefits	(39,402)
Cash Paid for Other Administration Expenses	<u>(26,386)</u>
<b>Net Cash (Used for) Operating Activities</b>	<u>(17,188)</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of Capital Assets	<u>(990)</u>
<b>Net Cash (Used for) Investing Activities</b>	<u>(990)</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	(18,178)
<b>Cash and Cash Equivalents</b>	
Beginning of Year	<u>15,235</u>
End of Year	<u><u>\$ (2,943)</u></u>
<b>Reconciliation of (Decrease) in Net Assets to Net Cash (Used for) Operating Activities</b>	
(Decrease) in Net Assets	\$ (18,454)
Adjustments to Reconcile (Decrease) in Net Assets to Net Cash (Used for) Operating Activities	
Depreciation	971
Increase in Current Liabilities	<u>295</u>
<b>Net Cash (Used for) Operating Activities</b>	<u><u>\$ (17,188)</u></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, 2011**

**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.

**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. 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.



**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING JUNE 30, 2011**

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

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

The Association maintains its cash accounts with an FDIC insured bank. Cash in bank is the entity's demand deposit account and money market account. All cash in bank and money market account are FDIC insured. Cash and cash equivalents for purposes of the statement of cash flows include the Association's cash in bank and money market account.

**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. Current Liabilities.**

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

**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.

**2. Capital Assets.**

Capital assets and its changes consists of the following:

	June 30, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2011</u>
Equipment	\$ 9,203	\$ 990	\$	\$ 10,193
Less Accumulated Depreciation	<u>(6,984)</u>	<u>(971)</u>	<u>          </u>	<u>(7,955)</u>
Net Capital Assets	<u>\$ 2,219</u>	<u>\$ 19</u>	<u>\$ -0-</u>	<u>\$ 2,238</u>

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2011**

**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, 2011. The Association's state matching funds for fiscal year 2011 was originally approved for \$73,697.

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, 2011, the Association has claimed \$73,697 of its fiscal year 2011 State allocation but it received \$21,733 for promotional claim #4 after June 30, 2011. Total State matching funds received for the Association's fiscal year ending June 30, 2011 was \$51,964.

**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 executive director versus the treasurer to reduce some of their risk of loss and workers compensation insurance for its one full-time employee. The executive director receives and deposits the Association's funds. During the year ending June 30, 2011, the Association purchased liability and property insurance. Deductibles range from \$100 to \$1,000, depending upon the type of coverage.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING JUNE 30, 2011**

**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 since 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 2011, the Association billed its advertisers for their respective advertising costs. Only the amount paid by the advertiser and deposited in the cash account are shown in this audit report as advertising sales revenue.

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- Members</u>	<u>Total</u>
Travel Guide Advertising	\$ 40,770	\$ 6,783	\$ 47,553
Oklahoma State Vacation	29,270	5,913	35,183
Other Advertising Sales	112,350	1,008	113,358
Membership Fees	6,705		6,705
Other Income	<u>1,125</u>	<u>4,629</u>	<u>5,754</u>
Total	<u>\$190,220</u>	<u>\$18,333</u>	<u>\$208,553</u>

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

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

**SUPPLEMENTARY INFORMATION**

**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
SOURCES OF REVENUES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2011**

State of Oklahoma Matching Funds	\$	51,964	
Memberships Paid Directly to Great Plains Country		6,705	
Interest from Bank on Cash and Money Market Funds		28	
Great Plains Country Luncheon Meetings Fees		1,485	
Voided Prior Year Outstanding Check		2,000	
Donation from Quartz Mountain Lake Association		2,269	
Travel Guide Advertising Sales -			
From Advertisers Directly to Great Plains Country Association			47,553
Oklahoma State Vacation Guide -			
Clinton Chamber of Commerce	\$	1,944	
Comanche Nation Tourism Center		3,942	
Comanche Nation Museum		1,971	
Duncan Convention and Visitors Bureau		3,442	
Lawton Chamber of Commerce		16,000	
Quartz Mountain Nature Park		1,971	
Quartz Mountain Resort & Conference Center		1,971	
Weatherford Chamber of Commerce		<u>3,942</u>	35,183
Other Advertising Sales -			
Radio/TV Advertising - Weatherford Chamber of Commerce		<u>11,239</u>	
Other Miscellaneous Coop Ads			
Altus Chamber of Commerce		593	
Chisholm Trail Heritage Center		50	
Duncan Convention and Visitors Bureau		500	
Elk City Chamber of Commerce		5,732	
Frederick Chamber of Commerce		570	
Lawton Chamber of Commerce		4,550	
Quartz Mountain Resort & Conference Center		<u>1,675</u>	
Total Other Miscellaneous Coop Ads		<u>13,670</u>	
Magazines and Other Vacation Guides -			
Metro Family Magazine -			
Clinton Chamber of Commerce		1,996	
Duncan Convention and Visitors Bureau		1,472	
Elk City Chamber of Commerce		2,344	
Lawton Chamber of Commerce		2,147	
Weatherford Chamber of Commerce		2,621	

(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, 2011**  
**(CONTINUED)**

Magazines and Other Vacation Guides - (continued)

Destination OK Publication	
Elk City Chamber of Commerce	700
Frederick Chamber of Commerce	400
Lawton Chamber of Commerce	400
Weatherford Chamber of Commerce	700
Distinctly Oklahoma	
Duncan Convention and Visitors Bureau	600
Elk City Chamber of Commerce	1,200
Weatherford Chamber of Commerce	500
Oklahoma Today	
Comanche National Museum	
Duncan Convention and Visitors Bureau	6,135
Elk City Chamber of Commerce	4,674
Hobart Main Street	
Lavender Valley Acres	
Lawton Chamber of Commerce	17,545
Quartz Mountain Music Festival	707
Quartz Mountain Resort & Conference Center	5,737
Roger Miller Museum	
Springhill Suites by Marriott	
Weatherford Chamber of Commerce	7,992
True West	
Clinton Chamber of Commerce	480
Duncan Convention and Visitors Bureau	3,890
Elk City Chamber of Commerce	6,338
Frederick Chamber of Commerce	605
Weatherford Chamber of Commerce	3,946
	<u>73,129</u>

Travel Show Productions

Duncan Convention and Visitors Bureau	1,460
Elk City Chamber of Commerce	
Lawton Chamber of Commerce	560
Quartz Mountain Resort & Conference Center	
Springhill Suites by Marriott	
Weatherford Chamber of Commerce	
	<u>2,020</u>

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**SOURCES OF REVENUES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

Group Tour Media - Lawton Chamber of Commerce	<u>13,000</u>	
Brochures - Red River Valley Tourism Association	<u>300</u>	
Total Other Advertising Sales		<u>113,358</u>
<b>TOTAL REVENUES</b>		<b>\$ <u><u>260,545</u></u></b>

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.  
ALLOWABLE OR DISCRETIONARY EXPENSE - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>EXPENSES</b>	<b>ALLOW- ABLE</b>	<b>DISCRE- TIONARY</b>	<b>TOTAL</b>
<b>Tourism Promotion Expense</b>			
Travel Guide Production :	\$	\$	\$
Welch Creative Services	3,800		3,800
McCormick Armstrong Printing	21,077		21,077
Literature Distribution:			
Certified Folder Display	3,910	225	4,135
McCormick Armstrong Printing	1,316		1,316
Oklahoma Tourism & Recreation Department	4,375	3,489	7,864
Oklahoma State Vacation Guide:			
Oklahoma Tourism & Recreation Department	3,440	34,440	37,880
Welch Creative Services		530	530
Cooperative Advertising:			
Oklahoma Today	15,373	31,984	47,357
Metro Family Magazine	2,646	6,378	9,024
Group Tour Media		14,000	14,000
True West Publishing, Inc.	3,888	15,216	19,104
Miscellaneous Cooperative Ads			
Welch Creative Services		375	375
High Plains Journal		5,140	5,140
OPUBCO Communications Group		8,257	8,257
Red River Family Magazine	1,185	1,040	2,225
Oklahoma Lakes & Countries		200	200
Promotional Items			
Bankers Advertising Company		4,690	4,690
Oklahoma Tourism & Recreation Dept.		1,000	1,000
Destination Oklahoma Publication:			
Green Company Marketing	2,750		2,750
Welch Creative Services		350	350

(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, 2011**  
**(CONTINUED)**

<b>EXPENSES</b>	<b>ALLOW- ABLE</b>	<b>DISCRE- TIONARY</b>	<b>TOTAL</b>
Travel Shows:			
Red Hat Society Expo, San Diego, Ca.		2,623	2,623
Wichita Falls Women's Expo		521	521
Oklahoma State Fair, Oklahoma City, Ok.	487	450	937
Wichita Women's Fair, Wichita, Ks.		853	853
McAllen International Travel Show, McAllen, Tx.		1,690	1,690
AARP Event & Expo, Orlando, Fl.		1,830	1,830
Dallas Travel & Adventure Show, Dallas, Tx.		1,649	1,649
Tulsa State Fair, Tulsa, Ok.		450	450
Ft. Worth Vacation, Leisure Show, Ft. Worth, Tx.		857	857
Kansas Sports, Boat & Travel Show		225	225
Kansas City Just for Her Expo		1,360	1,360
Radio/Television Media			
Peak Media		7,128	7,128
Governor's Conference:			
Oklahoma Travel Inc. Association		25	25
Website:			
CVB Media		370	370
NetPlus		353	353
<b>Total Tourism Promotional Expense</b>	<b>64,247</b>	<b>147,698</b>	<b>211,945</b>
<b>Administration Expense</b>			
Compensation and Benefits	9,450	30,247	39,697
Office Supplies		991	991
Auditing and Professional Expense		5,275	5,275
Depreciation Expense		971	971
Travel and Meals		4,282	4,282
Bond		2,256	2,256
Office Rent		3,600	3,600
Telephone and Internet		4,451	4,451
Advertising		247	247
Other		5,284	5,284
<b>Total Administration Expense</b>	<b>9,450</b>	<b>57,604</b>	<b>67,054</b>
<b>TOTAL EXPENSES</b>	<b>73,697</b>	<b>\$ 205,302</b>	<b>\$ 278,999</b>
Less Promo Claim #4 Received after the Fiscal Year End	(21,733)		
<b>Total State Matching Funds</b>	<b>\$ 51,964</b>		

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION  
LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY  
PROMOTIONAL PERIODICAL PUBLICATION - UNAUDITED  
AS OF JUNE 30, 2011**

NAME/ADDRESS	SIZE	AD/ED	AMOUNT RECEIVED *
Altus Chamber of Commerce P. O. Box 518 Altus, OK 73521	2 Pages	AD	\$3,540
Antique Mall of Duncan 920 W. Main Duncan, OK 73533	1/6 Page	AD	480
Carnegie Chamber of Commerce P. O. Box 70 Carnegie, OK 73015	1/8 Page	AD	250
Clinton Chamber of Commerce 600 Avant Clinton, OK 73601	1 Page	AD	1,895
Comanche City Hall 500 N. Rodeo Drive Comanche, OK 73529	1/2 Page	AD	1,095
Comanche National Museum 701 NW Ferris Ave. Lawton, OK 73507	1 Page	AD	2,293
Duncan Chamber of Commerce P. O. Box 699 Duncan, OK 73534	1/4 Page	AD	675
Duncan Convention & Visitors Bureau P. O. Box 981 Duncan, OK 73534	2 Page	AD	3,640
Elk City Chamber of Commerce P. O. Box 9721 Elk City, OK 73648	3 Pages	AD	5,960
Frederick Chamber of Commerce 105 S. Main Frederick, OK 73542	2 Pages	AD	3,640

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION  
LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY  
PROMOTIONAL PERIODICAL PUBLICATION - UNAUDITED  
AS OF JUNE 30, 2011**

NAME/ADDRESS	SIZE	AD/ED	AMOUNT RECEIVED *
Great Plains Museum 601 NW Ferris Lawton, OK 73507	1/4 Page	AD	675
Greer County Chamber of Commerce 222 W. Jefferson Mangum, OK 74554	2 Pages	AD	3,640
Hinton Economic Development P. O. Box 159 Hinton, OK 73047	1 Page	AD	1,795
KCCU Radio 2800 West Gore Blvd Lawton, OK 73505	1/4	AD	675
Lavender Valley Acres RR 2 Box 144A Apache, OK 73006	1/8 Page	AD	250
Lawton Chamber of Commerce P. O. Box 1376 Lawton, OK 73502	3 Pages	AD	5,960
Main Street - Duncan 15 North 9th Duncan, OK 73533	1/8 Page	AD	250
Town of Medicine Park P. O. Box 231 Medicine Park, OK 73557	1/2 Page	AD	1,095
Meers Store HC 30, Box 1889 Lawton, OK 73501	1/2 Page	AD	1,095
OK Route 66 Museum 2229 Gary Blvd Clinton, OK 73601	1/2 Page	AD	1,095

See accompanying auditor's report.

GREAT PLAINS COUNTRY ASSOCIATION  
LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY  
PROMOTIONAL PERIODICAL PUBLICATION - UNAUDITED  
AS OF JUNE 30, 2011

NAME/ADDRESS	SIZE	AD/ED	AMOUNT RECEIVED *
Prairie House Foundation P. O. Box 2094 Duncan, OK 73534	1/8 Page	AD	375
Sleep Inn & Suites 421 SE Interstate Dr. Lawton, OK 73501	1/4 Page	AD	675
Stephens County Fair & Expo Center 2002 South 13th Duncan, OK 73533	1/2	AD	1,095
General Tommy Franks Museum 507 South Main P. O. Box 222 Hobart, OK 73651	1/4 Page	AD	675
Weatherford Chamber of Commerce P. O. Box 857 Weatherford, OK 73096	2 Pages	AD	3,640
Z Axis Enterprises 205B East Lake P. O. Box 278 Medicine Park, OK 73557	1/2 Page	AD	1,095
Total Amount Received			47,553

\* Cash received by the Association from the advertisers in the fiscal year ending June 30, 2011. Unless otherwise noted, the advertising amount is for the 2011 Travel Guide.

See accompanying auditor's report.

# McCulley



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# McCulley

*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**

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

We have audited the accompanying assets, liabilities, net assets, revenues and expenses - cash basis of the Great Plains Country Association, Inc., (a nonprofit organization), for the year ended June 30, 2011, and have issued our report dated January 18, 2012. 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. Our report was qualified for the lack of supporting documentation and reporting classifications for credit card transactions. We have 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.

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 accompanying 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been 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 material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item number 1 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2 to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's accompanying financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no 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, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Association's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management and funding agencies. It is not intended to be and should not be used by anyone other than these specified parties.

*McCulley & McCulley*

Weatherford, Oklahoma

January 18, 2012

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**JUNE 30, 2011**

**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 are 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 approve all decisions.

**2. Lack of Documentation for Credit Card Expenses.**

CONDITION AND EFFECT - The Association used a credit card for many of its expenses. Invoices/receipts to support many of these expenses were not located. Credit card statements were not all coded as to which expense account the transactions should be posted. Some of the transactions paid by credit card were not posted to the proper general ledger account. Some travel show expenses appeared to be posted to the administrative travel expense account versus the promotional travel show account.

RECOMMENDATION - Recommend the Association ensure all credit card transactions have the proper documentation to support the expense and general ledger posting. These transactions should be coded on the credit card statement before they go to the accountant. Travel documentation for rental vehicles, hotels etc. should be retained. Recommend the Association maintain a detail list of all expenses for each travel show that should be reviewed and approved by the Board of Directors. All credit card transactions should be reviewed and approved by the Board of directors.

RESPONSE - The Association will implement this recommendation.



**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**JUNE 30, 2011**

**3. Request for Reimbursement by Board Members or Employee(s).**

CONDITION AND EFFECT - The Association's form for requesting reimbursement by employee(s) was not signed by the employee nor signed as approved by a Board member on all claims reviewed. Noted one payment to a Board Member for reimbursement where the claim form and copy of receipt could not be located in the Association's files. Found a copy of the receipt in the accountant's files.

RECOMMENDATION - Recommend the Association ensure all claim forms are completed and signed both by the Board member or employee(s) seeking reimbursement and approving Board member before payment. For a claim involving a Board member, the approving Board member should not be the same person as the person seeking reimbursement.

RESPONSE - The Association will implement this recommendation.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.**  
**UPDATE ON PRIOR YEAR AUDIT FINDINGS**  
**JUNE 30, 2011**

**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 bookkeeper to maintain its books and records and to reconcile the bank account. Although this strengthens this weakness, overall segregation of duties are 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.

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

**2. Lack of Documentation for Credit Card Expenses.**

CONDITION AND EFFECT - The Association used a credit card for many of its expenses. Invoices to support many of these expenses were not located. July, 2009, credit card statement had no invoices attached, December 2009, May and June, 2010, only had one invoice attached. April, 2010, had all the invoices attached. The remaining months had various amounts of invoices attached to the statement. All the transactions paid by credit card were not posted to the proper general ledger account. Some travel show expenses appeared to be posted to the administrative travel expense account versus the promotional travel show account.

RECOMMENDATION - Recommend the Association ensure all credit card transactions have the proper documentation to support the expense and general ledger posting. These should be reviewed by the Board of Directors.

RESPONSE - The Association will implement this recommendation.

UPDATED COMMENT - Still noted some problems in this area. Comment revised and included in this year's audit report.